Brand-adequate design of retail environments

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Abbreviations

3D	three-dimensional
CAD	computer aided design
CH	Switzerland
CI	corporate identity
e.g.	for example (Latin: exempli gratia)
et al.	and others (Latin: et alia)
FG	focus group
FS	flagship
i.e.	that is (Latin: id est)
KPI	key performance indicator
S-O-R	stimulus-organism-response
VBR	visual brand recognition

Abstract

With ever-increasing digitalization and fiercer competition, the role of physical retail stores is changing. Retail stores have to transform from a simple point of sale to a touchpoint driving brand experience. One essential factor affecting the brand experience in-store is retail design.

Marketing literature generally acknowledges the relevance of retail design as a means to influence consumer behavior. However, the majority of studies investigate retail design environments on a micro level, not accounting for the interplay of multiple design variables and the context-dependency. Furthermore, on the management side, little research has addressed how to optimally manage the retail design process from a brand/company perspective. Considering the strategic implications and extensive investments involved in implementing retail design concepts, the underrepresentation of research on this topic is surprising. This dissertation aims to help fill these research gaps intending to answer the following overall research question: *How can brands manage the retail design process for monobrand stores, thereby create visual brand recognition and transfer their brand values into retail design elements so that customers perceive them?*

In three distinct studies, retail environments are investigated from a brand/company perspective and consumer perspective in a holistic manner, i.e., not limited to single design variables. Each study each researches a hitherto unexplored area of retail design by means of a qualitative methodological approach. In total, the three studies are based on 89 informants who participated in in-depth expert and consumer interviews, observations, and focus groups.

The first study, investigating the management of retail design from an organizational buying perspective, sketched the retail design process, identified four types of client-retail-architect-shopfitter relationships, and classified four types of retail design managers. The second study, examining visual brand recognition [VBR] in retail environments with consumers, revealed that consumers recognized brands through the combination of several design elements from three different categories. Furthermore, different applications of color, in combination with other retail design elements, were identified as the key drivers for VBR. The third study, researching how brands can translate their brand values into retail design elements and whether consumers perceive these values, revealed seven semantic transformation and attribution processes in the retail environment. Finally, the findings of these three studies can be used by brand managers to optimize the retail design process and practices.

Zusammenfassung

Die Rolle von physischen Retail Stores verändert sich mit zunehmender Digitalisierung und verschärftem Wettbewerb. Daher müssen die Retail Stores von einem einfachen Point of Sale in einen Touchpoint verwandelt werden, der Brand Experience fördert. Ein wesentlicher Faktor hierbei stellt das Retail Design dar.

In der Marketingliteratur wird Retail Design allgemein als Instrument zur Beeinflussung von Konsumenten anerkannt. Die Mehrheit der Forschungsarbeiten untersucht jedoch Retail Umgebungen auf einer Mikroebene, ohne das Zusammenspiel mehrerer Design Variablen und deren Kontextabhängigkeit zu berücksichtigen. Darüber hinaus hat sich die Forschung nur in geringem Masse damit befasst, wie der Retail Design Prozess aus der Marken-/Unternehmensperspektive optimal gesteuert werden kann. Angesichts der strategischen Implikationen und hohen Investitionen verbunden mit Retail Design Konzepten überrascht die Unterrepräsentation ganzheitlicher Studien zu diesem Thema. Die vorliegende Dissertation zielt darauf ab, diese Forschungslücken teilweise zu schließen und die folgende allgemeine Forschungsfrage zu beantworten: *Wie können Marken den Retail Design Prozess für Monobrand-Stores steuern, visuelle Markenwiedererkennung schaffen und ihre Markenwerte so in Retail Design Elemente übersetzen, dass sie von ihren Kunden wahrgenommen werden?*

In drei verschiedenen Studien werden Retail Umgebungen aus Marken-/Unternehmensperspektive und der Konsumentenperspektive ganzheitlich untersucht. Jede Studie erforscht einen bisher unerforschten Retail Design Bereich mittels eines qualitativen Ansatzes. Insgesamt basieren die drei Studien auf 89 Informanten Aussagen aus Experten- und Konsumenteninterviews, Beobachtungen und Fokusgruppen.

In der ersten Studie, in der Retail Design Prozess aus der Organizat ional Buying Perspektive untersucht wurde, wurden vier verschiedene Beziehungstypen zwischen Kunde, Retail Architekten und Ladenbauer identifiziert und vier Arten von Retail Design Managern klassifiziert. In der zweiten Studie wurde Visual Brand Recognition [VBR] in Retail Umgebungen untersucht mit dem Ergebnis, dass Konsumenten Marken durch die Kombination mehrerer Designelemente aus drei Kategorien wiedererkennen. Darüber hinaus wurden verschiedene Anwendungen von Farbe, in Kombination mit anderen Designelementen, als der Hauptantreiber für VBR identifiziert. Die dritte Studie, in der untersucht wurde, wie Markenwerte in Retail Design Elemente übersetzt werden können und ob die Konsumenten diese Werte wahrnehmen, ergab sieben semantische Transformations- und Attributionsprozesse. Diese Ergebnisse aus allen drei Studien können von Managern zur Optimierung des Retail Designs genutzt werden.

1 Introduction

The turn of the 21st century was marked by growing consumerism, fueled by an increasing number of retail formats (Petermans & Kent, 2017; Teufel & Zimmermann, 2015). This diversification of retailing formats ranges from malls to outlets, discounters, flagship-, concept-, to pop-up-stores (Hänninen, Mitronen, & Kwan, 2019; Quartier, 2011; Teufel & Zimmermann, 2015). However, an increasing convergence of consumer goods led to more intense competition, which resulted in a re-evaluation of growth conventions in the retail sector (Petermans & Kent, 2017).

Furthermore, consumption is increasingly shifting to online and mobile (Grewal, Roggeveen, & Nordfält, 2017; Kahn, Inman, & Verhoef, 2018). The radical change in purchasing behavior in the digital age and the influence of social media on purchasing decisions pose significant challenges to retail stores (Kahn et al., 2018; Petermans & Kent, 2017). One of the consequences is the closure of thousands of retail stores (Tesvic, Cermak, Levavi, & Lasalarié, 2019). For the remaining stores, brands need to find new ways to stimulate their information-saturated customers, who are looking for innovation and aesthetics, to visit a physical point-of-sale and inspire them (Kleinlercher, Emrich, Herhausen, Verhoef, & Rudolph, 2018; Leuzinger, 2015; Teufel & Zimmermann, 2015).

Nevertheless, despite the accelerating digitalization, not all aspects of a physical experience can be substituted virtually (Verhoef, Kannan, & Inman, 2015). Humans are social creatures that still seek real-life experiences, and retail stores are haptic and real points of contact between customers and brands. Nevertheless, for retail environments, the rapid emergence of new digital channels evokes the need for change in the role of the touchpoint in complex and dynamic customer journeys (Lemon & Verhoef, 2016). A study by McKinsey & Company showed that in the future, physical stores have advantages over digital marketplaces in three areas: product sensing and testing, credible advice and customer service, and access to a community and experience (Bollard, Duncan, Rangelov, & Rohr 2017). Expanding on the experience aspect, physical retail environments provide consumers with “moments of truth” (Raffelt, 2012; Rubinson, 2008). In physical stores, consumers can experience with all their senses if expectations towards a brand, which are shaped in the digital sphere, materialize (Ballantine, Parsons, & Comeskey, 2015; Raffelt & Meyer, 2012).

Thus, from a consumer perspective, there will be an enduring quest for real, tangible experiences in physical environments in the future. Yet, to draw customers to retail stores has become increasingly difficult. Therefore, retail environments have to be an

immersive, multi-sensory customer touchpoint that drives brand experience (Poesch, 2019; Quartier, 2017).

From a marketing management perspective, brands aim to steer brand experiences better and gain more control over customer interactions (Lemon & Verhoef, 2016). This quest is reflected in increasing brand verticalization into brand-owned retail formats (Kahn et al., 2018; Teufel & Zimmermann, 2015), i.e., brands distancing themselves from wholesalers. Besides offering products in their own online shops, brands increasingly market and sell their products directly to customers through physical monobrand stores (Fall Diallo, Chandon, Cliquet, & Philippe, 2013). Moreover, native online retailers such as Amazon, Zalando, and Warby Parker have moved into offline retail. However, these native online retailers are sometimes struggling with the creation of superior physical retail experience (Carr, 2017).

Monobrand stores, points-of-sale built to display only one specific brand, are a particularly suitable means to give a "face" to abstract brand identities (Raffelt, 2012). Through the choice of colors, shapes, materials, etc., the design of monobrand stores can visualize a brand's distinctiveness and communicate brand meaning, i.e., brand values, in space (Leuzinger, 2015; Raffelt, 2012). However, it requires visionary, strategic integration to convey a brand's identity authentically and in a differentiating manner through monobrand stores (Leuzinger, 2015). One of the brands, who has been a pioneer in strategically approaching retail design as a driver of competitive advantage (Hertenstein, Platt, & Veryzer, 2013; Kupetz & Meier-Kortwig, 2015), among many other design disciplines, is Apple. Not only has Apple created landmarks in cities like New York, which could also be called brand pilgrimage sites, but Apple has also filed many trademarks for elements of their flagship stores and their mall concept in the US (Leuzinger, 2015). These flagships, however, come with considerable investments. For its new flagship location in Chicago by star architect Norman Forster, Apple spent 27 million US dollars (Marotti, 2016). For prestige projects, costs can even go up to 80 million US dollars, as in the case of the Prada store in Tokyo by Herzog de Meuron (Thomassen, Lincoln, & Aconis, 2009). However, also for ordinary retail stores, expenditures for the roll-out of a new store concept, especially for brands with an extensive retail network, are very high (Floor, 2006; Haug & Münster, 2015). The implementation of one store usually ranges from 800,000 to 2 million US dollars (Turley & Chebat, 2002). Thus, for financial and strategic reasons, the retail design process should be a well-managed.

One has to, however, consider the complexity involved in developing retail store concepts, primarily caused by the involvement of many different internal and external stakeholders (Kent, 2007; Quartier, 2017; Turley & Chebat, 2002). Every single component of a store's design should be used effectively, from the facade to the layout to the product presentation and lighting, and so a holistic view is necessary (Leuzinger, 2015).

Marketing literature generally acknowledges the relevance of environmental design, i.e., the influence of the environment on human behavior (Kotler, 1973; Kotler & Rath, 1984; Martineau, 1958). Retail design has received interest in service marketing (e.g., Bitner, 1992) and retail management literature (e.g., Baker, Grewal, & Parasuraman, 1994). Regardless of the potential positive effects of retail design on promoting specific consumer behavior (see review by van Rompay, Tanja-Dijkstra, Verhoeven, & van Es, 2012), holistic store environment research (on a molar level[1]) is scarce (Quartier, 2017) and a "lack of theoretical and empirical evidence on the management and response sides" is observable (Raffelt, 2012, p. 4). Insights into the design of stores can be gathered from two major marketing literature streams, i.e., research on brand experience (Brakus, Schmitt, & Zarantonello, 2009; Petermans, Janssens, & van Cleempoel, 2013; Pine & Gilmore, 1998), where retail design is only one element of several and is therefore treated somewhat peripherally, and from the literature on retail atmospherics (e.g., Adams & Doucé, 2017; Kotler, 1973; Spence, Puccinelli, Grewal, & Roggeveen, 2014; Turley & Milliman, 2000), where only effects of one or two variables (and their congruence) are investigated experimentally on a micro level. This experimental research is not conclusive because store environments are complex stimuli configurations of multiple retail design variables, which are context-dependent, i.e., different for each geographic location or industry (van Rompay, Tanja-Dijkstra, Verhoeven, and van Es, 2012).

From a design management perspective, there is evidence from other design disciplines that a coordinated approach to and investment in design management may positively impact firm performance (Chiva & Alegre, 2009). However, only a few conceptual publications focused on retail design as a design management discipline from a company perspective (e.g., Kent, 2007; Knox, 2017). Despite the aim to use architectural representations strategically, architectural design decisions are often based on intuition and individual (aesthetic) preference (Chebat & Dubé, 2000; Raffelt &

[1] Will be explained in chapter 2.3.5.

Meyer, 2012). Except for one empirical study on multiband retail stores[2] (Vazquez & Bruce, 2002), the literature on retail design management is largely unexplored.

From the review of the relevant literature, three gaps become especially evident. The first research gap is that we still lack an understanding of how retail design processes can be managed internally. A second research gap emerges from the fact that we have yet to come to an understanding of how different retail design variables in their interplay may create visual brand recognition among consumers, to create differentiation. The third research gap can be revealed in the area of conveying and perceiving brand meaning through retail design elements. We still lack research that investigates how brand meaning, i.e., brand values, can be translated into retail design elements so that they are subconsciously perceived by consumers. Considering these three research gaps, the following overarching research question emerges:

How can brands manage the retail design process for monobrand stores, thereby create visual brand recognition and transfer their brand values into retail design elements so that customers perceive them?

The aim of this dissertation is to fill these research gaps in three different, independent studies. Therefore, this thesis aims to empirically investigate retail design from both a brand/company perspective and a consumer perspective employing three distinct studies, addressing each research gap individually (see figure 1).

[2] i.e., food retailers

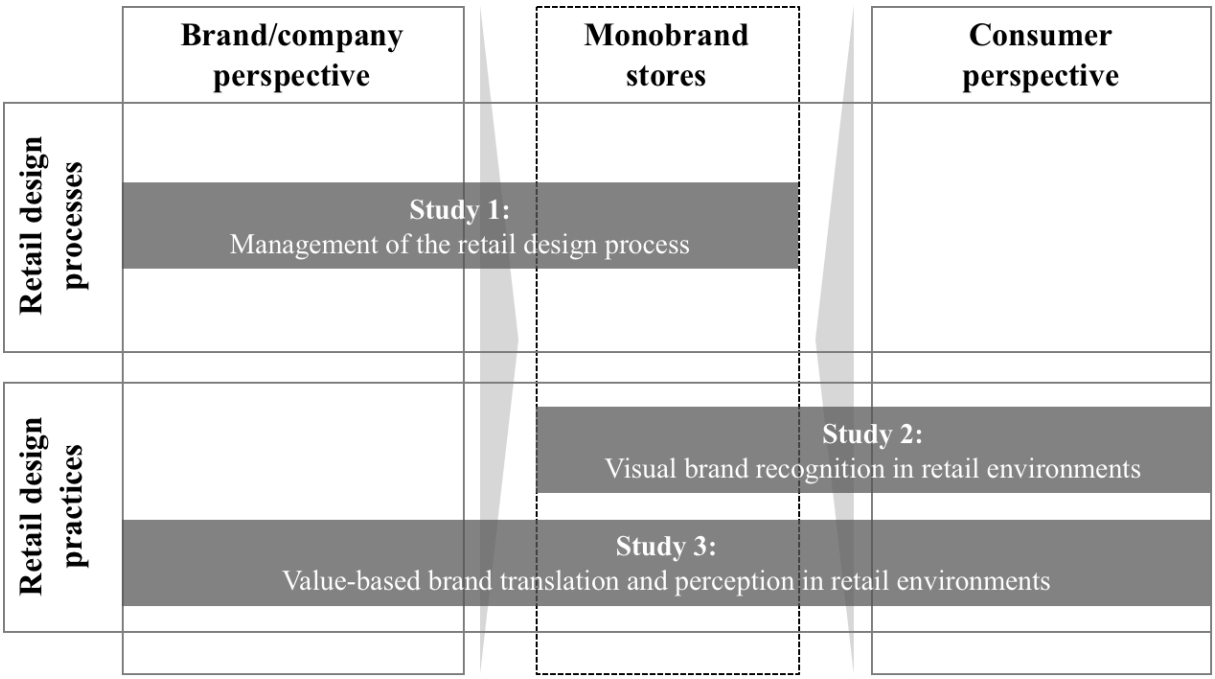


Figure 1: Overview of the three studies of this dissertation

Study 1 investigates the management of the retail design process from an organizational buying behavior perspective. Study 2 examines how brands can create visual brand recognition in retail environments. Study 3 researches the underlying processes behind the transformation of brand values into retail design elements and if consumers form brand attributes, which match the brand values.

From a practical point of view, this dissertation will deliver valuable insight for brand managers and retail designers involved in retail design projects to optimize their retail design processes and to convey their brand distinctly and authentically.

All three studies focus on monobrand stores, as the influence of brand considerations are easier to identify (Münster & Haug, 2017). As outlined above, the design of retail environments is complex and dependent on the context (van Rompay et al., 2012). Therefore, the emphasis of this thesis is on brands in the personal goods sector, investigating industries that exhibit elaborate and aesthetic retail design concepts (Haug & Münster, 2015).

This dissertation divides into four main parts, which are split into six chapters, the introduction, the theoretical background, the three empirical studies and the conclusion (see figure 2).

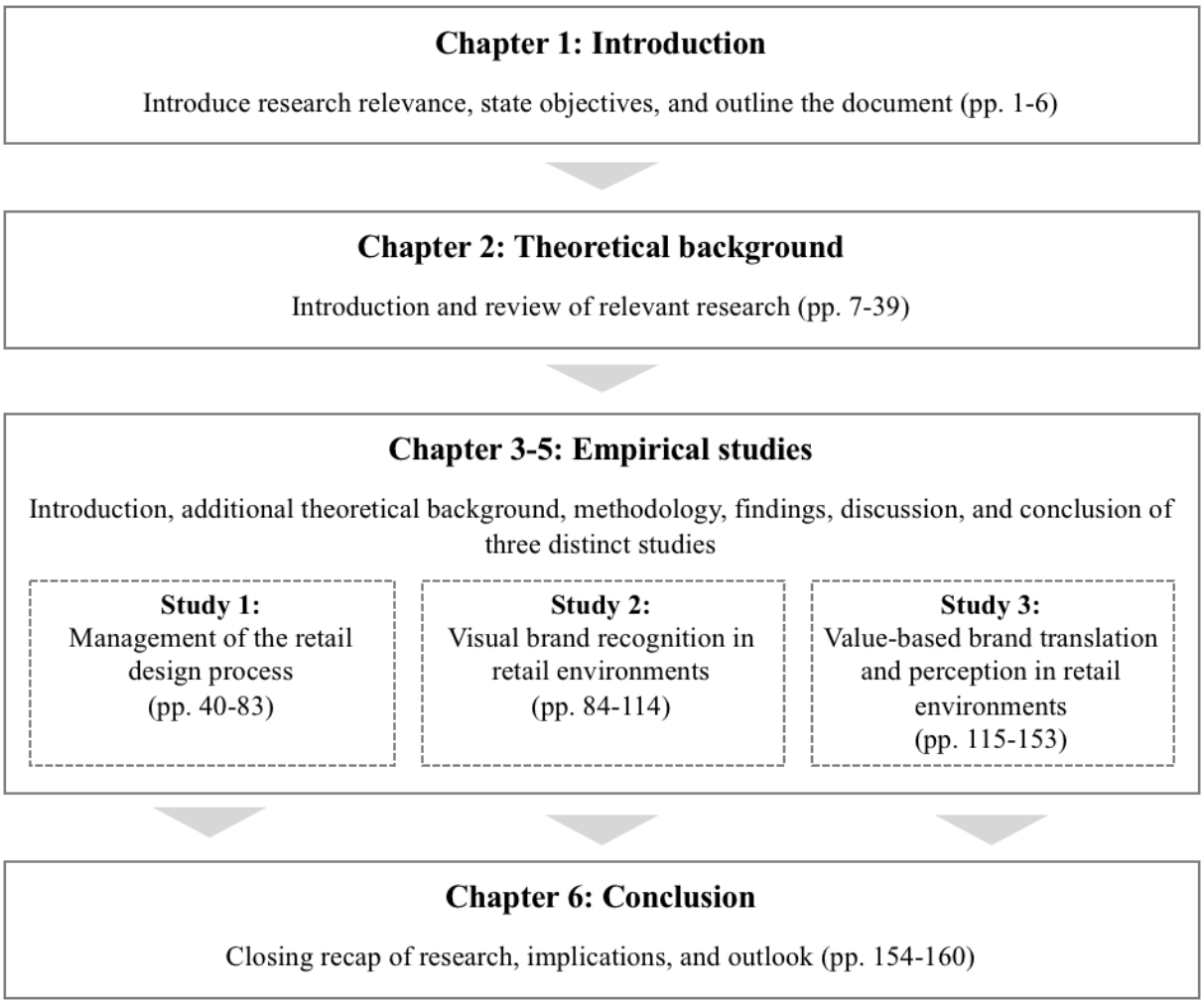


Figure 2: Outline of this dissertation

After the introduction, the theoretical background sets the stage for the three studies, giving an overview of the literature streams which are relevant for all three studies, namely brand management, architectural branding, and retail design (chapter 2). Thereafter, the three studies are treated in a distinct chapter (chapters 3-5). Each of these chapters consists of an introduction, a literature review on the particular field of interest, and a chapter on the resulting research gap. Furthermore, each study comprises a study-specific methodology, findings, discussion, and conclusion part. The last chapter (chapter 6) summarizes the results from all studies, pointing out the overall theoretical and methodological contributions, managerial implications, as well as limitations of the qualitative studies and potential avenues for future research.

2 Theoretical background

The theoretical context of this dissertation consists of three parts. As this dissertation investigates retail design from a management angle, the first chapter focuses on brand management (chapter 2.1). It introduces the concept of identity-based brand management (chapter 2.1.1). The following chapter outlines the differences in terminology between brand identity and corporate identity (chapter 2.1.2). The last chapter devotes itself to one part of the brand identity, brand values, which are often used as a starting point for conveying brand meaning in architectural design.

The second part treats one field of application of identity-based brand management, architectural branding. The literature on architectural branding gives insights on how brands can intentionally design spaces according to their identity (chapter 2.2.1). On the brand-image creation side, i.e., the consumer side, a vast amount of studies has been conducted which gives insights about the perception of architectural design elements by consumers (see chapter 2.2.2).

Finally, the third part discusses retail design (chapter 2.3), which is the focus of this thesis. Retail design is the sub-discipline of architectural branding that is most widely used. The first sub-chapter (chapter 2.3.1) compares and contrasts the retail design process with other design differences from a process perspective. Thereafter, chapter 2.3.2 identifies the different stakeholders involved in the retail design process. The following chapters (chapters 2.3.3 and 2.3.4) are of more technical nature, explaining the different interior retail design variables and visual merchandising techniques. Finally, the last chapter (chapter 2.3.5) gives an overview the current state of research within marketing and adjunct disciplines.

2.1 Brand management

The development of a strong brand identity is the basis for successful brand management and not only ensures that a brand is lived externally, through consumers, but also internally, within a company. This particularly applies to companies whose products are sold via physical retail stores. Brand management should, therefore, be seen as a starting point for any design decision (internal perspective). All design decisions should be based on the identity of a brand to form corresponding associations among consumers (external perspective). Therefore, this chapter introduces the concept of identity-based brand management.

Due to the parallel development of the concepts of brand identity and corporate identity, which are both used to describe different things in design management, the two concepts are delimited in the following sub-chapter.

The last sub-chapter devotes itself to brand values, one element of the brand identity which is of particular importance when aiming to convey brand meaning through architectural design.

2.1.1 Identity-based brand management

The term branding originates from cattle breeding. In the early days of cattle farming, animals were branded for identification purposes. Since then, branding as a discipline has evolved, and brands nowadays primarily sell associations, but they continue to fulfill labeling purposes (van Tongeren, 2013).

One way to capture what a brand stands for and how its target group perceives it is the identity-based brand management approach, which comprises of a brand identity and a brand image (de Chernatony, McDonald, & Wallace, 2011).

Identity-based brand management research is rooted in the study of the identity of humans (Esch & Langner, 2019). The identity of a brand is intended to express what a brand stands for (Esch, 2002). Brand identity defines the essential and characteristic features of a brand that are unique to this brand and distinguishes it from other brands (Esch, 2002). It includes a unique brand association bundle, which the consumer should consider as a brand promise (Aaker, 1996). A brand identity has a self-image and an external image (see figure 3). Brand identity is the self-image of a brand and reflects the vision of the internal target group of the brand, i.e., the managers or owners of a company. In the identity-based brand management model of Burmann, Riley, Halaszovich, and Schade (2017), the brand identity consists of the brand's vision and origin, as a starting point, as well as its personality, values, competencies, which finally influence the offering.

The brand image can be regarded as the public image of the brand and describes the view of the external target group, i.e., the consumer's point of view (Hofbauer & Schmidt, 2007). Keller (2013, p. 69) defines brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory". Brand associations are formed through any encounter with a brand and usually stored in the human brain in the form of neuronal networks (Bielefeld, 2012). The part of this network, which a consumer can verbally express about a brand, is called an association network (Spitzer, 2008). Keller (2013) further distinguishes between three types of brand associations:

attributes, benefits, and attitudes. In the identity-based brand management model of Burmann et al. (2017), on the other hand, the brand image is composed of brand attributes, which are perceived subjectively by consumers and can relate to all components of the brand identity. In this model, the brand attitudes a customer forms, which according to Keller (2013), are one type of brand association, functional and symbolic benefits are derived (Burmann et al., 2017). These two definitions differ in the way that benefits are in Keller's (2013) definition are on the same level as brand attributes. In contrast, in the model of Burmann et al. (2017), brand benefits are subordinate to brand attributes.

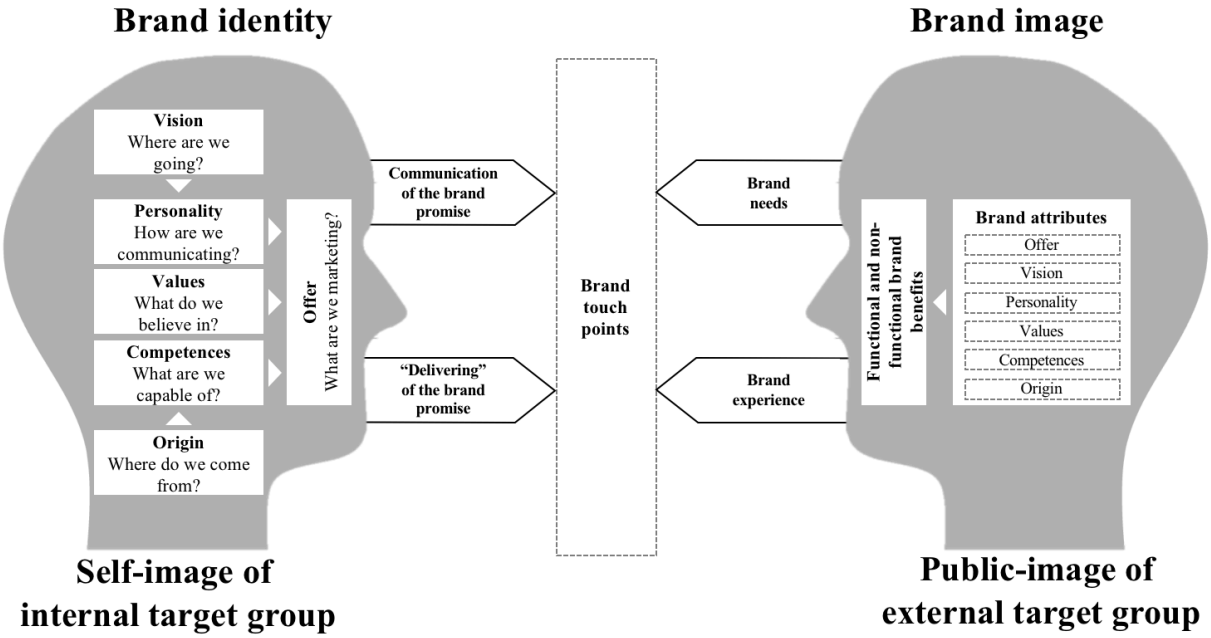


Figure 3: Identity-based brand management

Source: own illustration, based on Burmann et al., 2017

Brands should aim for the most accurate fit between its brand identity and its brand image. Ideally, a brand should communicate its identity in a way that it is correctly received, processed, stored, remembered, and reiterated by the external audience (Hofbauer & Schmidt, 2007). As the brand image can only be influenced indirectly, proper communication is crucial to transport the brand identity. In the design context, practitioners often refer to corporate identity (and image), when discussing visual components of a brand identity.

2.1.2 Brand identity versus corporate identity

Brand identity and corporate identity [CI] are seen as congruent concepts by academic literature (Bartholmé & Melewar, 2009; Simões, Dibb, & Fisk, 2005). The

concept of corporate identity emerged when one company only marketed one brand (the company equaled the brand). A corporate identity usually consisted of formal and visual guidelines for the use of a brand in different communications channels, with a strong focus on the implementation of the logo and, for example, brand colors (defined in the corporate design) (Birkigt & Stadler, 1980).

In branding literature, the corporate identity concept has although evolved from the design-focused "brand as logo" to the brand identity concept, which incorporates all facets of a brand (Burmann et al., 2017; de Chernatony & Dall'Olmo Riley, 1998).

During the last few decades, through mergers and acquisitions, companies have increasingly added brands to their portfolio. Nowadays, the company brands are referred to as a corporate brands (Balmer, 2001). Corporate brands build an umbrella for so-called product brands and thus combine different brand identities with common ideas, values and standards (Balmer & Gray, 2003). In terms of conceptual differentiation, corporate brands communicate their identity through their corporate brand identity (Esch, 2014).

Nevertheless, the terms corporate identity and foremost corporate design are still commonly used in company practice, also for individual brands (Raffelt, 2012). However, corporate identity is often (mis)used for more form-related matters (i.e., the visual brand identity) (Balmer, 2001; Balmer & Gray, 2003; Phillips, McQuarrie, & Griffin, 2014a) and brand identity is usually describing a more holistic understanding of all the different components of the identity, and therefore both form- and content-related. In this dissertation, the term brand identity is primarily used, since this concept is broader and retail design deals with product brands. However, in some cases, referring to older practices, the terms of corporate identity and corporate design may refer to formal and visual components of a brand identity. In company practice, managers and designers also often refer to values that have to be reflected in design.

2.1.3 Brand values

Brand considerations for architectural projects usually start with brand values, as these reflect what a brand stands for. In physical environments, consumers should, therefore, be able to feel what the brand embodies.

Brand values are one element of Burman et al.'s (2017) identity-based brand management model. They intend to express what a brand believes in, especially expressing the emotional, non-functional aspects of a brand (Burmann et al., 2017). They may be regarded as working principles rooted in the organization with intrinsic

value and importance to the internal target group (Collins & Porras, 1994). The brand values should also reflect the perception and appreciation of the values of the public, especially consumers (Urde, 2009).

Kapferer (1992) states that the survival of a brand is bound to a clear definition of its core brand values. They are essential for the authenticity of a brand (Schallehn, 2012) and should be lived by the internal target group (Burmann et al., 2017).

In practice, three common problems with the definition of brand values arise: Firstly, brand values are often formulated very generically. According to the reviews of different studies by Kilian (2012, 2018), approximately every third brand, for example, stands for the values of quality and tradition (Kilian, 2012, 2018), which is not supporting the brand in strengthening or differentiating itself from competitors (Burmann et al., 2017; Kilian, 2018). Secondly, brand values are often linguistically not well-defined being ambiguous, unrealistic, and/or abstract and thus meaningless (Kilian, 2018). Thirdly, in many cases, employees do not know or have access to the brand values of the company they are working for, which makes it difficult to anchor the brand values internally and therefore, even more in the minds of the external target group (Kilian, 2012; Urde, 2009).

Brand values should, therefore, be realistic, concrete and meaningful, causal (rooted in the company), relevant (important for customers), and specific (characteristic of the brand in comparison to other brands) to differentiate from competitors (Kilian, 2012). The values of a brand should form a reliable and constant foundation for brand building and management, being durable and timeless (Kent & Stone, 2007; Urde, 2009).

As a critical element of the brand's identity, brand values have an essential role to play in a company's brand management strategy. They impact all of the company's outputs from its product (e.g., attributes) to brand management tools, including the brand positioning as well as the different communication and sales channels (Kent & Stone, 2007). Thus, a continuous, consistent, and credible communication of its brand values influences brand building (Urde, 2003). In an integrated brand communication approach, brand values should be communicated across all touchpoints. However, with varying intensity and emphasis, depending on the touchpoint, and thus be recognizable for customers and competitors alike (Kilian, 2012). In the architectural context, brand values are often used as the key component to transfer the brand identity into design elements as they are consistent over time.

2.2 Architectural branding

The literature stream of architectural branding[3] emerges at the intersection of consumer behavior, marketing management, and design (Raffelt, 2012). Architectural branding may refer to "buildings, spaces and temporary architectural forms that communicate the content, competencies and values of companies and brands" (Messedat, 2010, p. 318).

Architectural branding can be a physical, three-dimensional architectural representation of a brand, which orients itself either towards end-consumers (B2C), business clients (B2B), or employees, and may be permanent or temporary. Figure 4 shows different kinds of formats of architectural branding and its primary target audience.

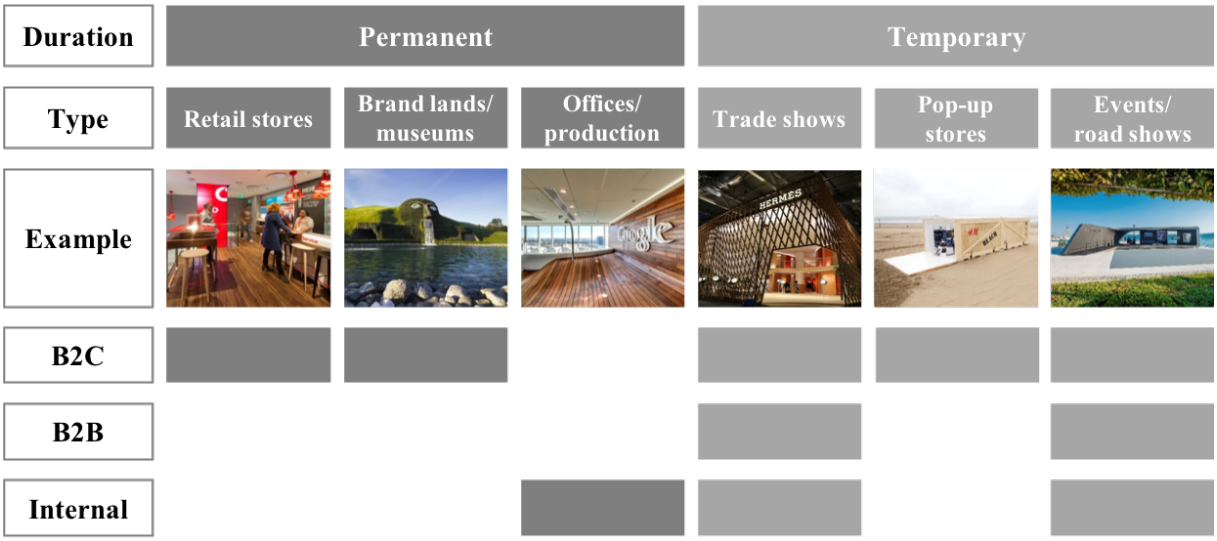


Figure 4: Primary target audience of different architectural branding formats

Source: own illustration

Architectural branding is increasingly used as a brand communication medium to convey symbolic meaning beyond the mere fulfillment of its purpose, e.g., displaying products (Raffelt, 2012). This tendency has been well-documented in a rising number of academic and practitioner-oriented publications during the last two decades (e.g.,

[3] Multiple terms exist for this or similar definitions which were introduced by different researchers in different contexts (e.g., bandspaces, brandscapes, brand architecture, branded architecture, corporate architecture, or three-dimensional branding). The term corporate architecture is most disseminated. However, like corporate design, corporate architecture might be primarily associated with a formal visual integration of all communication media or only with corporate, employee-facing buildings such as headquarters, production facilities or offices (Raffelt, 2012). For this thesis, the notion of architectural branding, as introduced by Raffelt (2012), will be used since it is in line with other brand communication instruments, e.g., employer branding, behavioral branding, or audio branding and comprises both consumer-oriented and employee-oriented architectural representations of a brand.

Brauer, 2002; Dörries, 2018; Messedat, 2005, 2018; Teufel & Zimmermann, 2015; Umdasch Shop Academy, 2015).

In practice, it is also observable that brands are not only evaluating buildings concerning their functionality and cost-effectiveness anymore but increasingly also regarding their ability to communicate brand-related content through its design (Klingmann, 2007). Thus, the aim of using architecture as a means of brand communication is to create a favorable image among its target group by giving shape to the abstract identity, i.e., the attitude and values of a brand (Kaiser, 2008).

2.2.1 Translation of brand identity into architecture

To convey identity through architecture, different approaches are possible. Raffelt and Meyer (2012) distinguish between two distinct approaches: *branded buildings*, which are form-related, and *brand buildings*, which are content-related.

Branded buildings are bearers of brand symbols on an externally directed, formal level, "brand as a logo", following the traditional corporate identity (i.e., visual brand identity) approach (Raffelt, Littich, & Meyer, 2011). These buildings are characterized by the visible application of the logo and/or the trade name without the expression of brand identity through a distinct architectural language (Raffelt & Meyer, 2012). In visual identity manuals[4], strict rules are set for the application of standardized design elements, precisely and formally defining, for example, the proportions of the logo, its color, typeface, etc. for different design domains. Here, architecture is thus one design domain, and its application is merely in line with the visual brand identity guidelines (corporate design) (Raffelt et al., 2011). This approach is often used in retail store design to ensure that the individual preferences of architects are eliminated (Wallisser, 2008). Branded retail stores usually have a clear sales focus where architecture is subordinated to the merchandise sold (Wallisser, 2008). Unfortunately, this often results in the creation of interchangeable stores that do not make a significant contribution to the identification of a brand and conveyance of brand meaning (Wallisser, 2008).

Furthermore, branded buildings usually do not take characteristics of the local surrounding into account, applying standardized concepts to any location (Wallisser, 2008). The exact definition of architectural elements is no guarantee of architectural

[4] In business practice, visual identity manuals are still often called corporate identity manuals or corporate design manuals.

quality and poses difficulties to balance pre-defined specifications and adaptation to local qualities of specific locations (Wallisser, 2008).

An example of branded retail architecture is the retail design concept of Deutsche Post, whose branches are designed according to formal and standardized brand design manuals with precise instructions on how to use the brand colors, forms, and materials defined in the visual brand identity (Kaiser, 2008).

Brand buildings, on the other hand, are holistic in their architectural language of form, materials, construction, etc., and transport the symbolic meaning of a brand, expressing different elements of the brand identity (Raffelt & Meyer, 2012).

Brand buildings go beyond the mere application of the visual brand identity to space. The form of the building can either directly refer to the content of the building (structural symbolism) or forms, materials, objects, and the context can relate to associative or psychological, i.e., interpretive factors (Kaiser, 2008). Raffelt and Meyer (2012) name six different ways to convey meaning through identity-based architecture: symbolic, metaphoric, and iconic architecture, as well as architecture using geographical or historical references and cooperating with a star architect (see figure 5).

Symbolic architecture



e.g., the symbolic MPreis architecture in Ötztal using a lot of glass to convey its brand value openness

Metaphoric architecture



e.g., the BMW Clean Energy Bubble at the IAA in 1999

Iconic architecture



e.g., the former Longaberger headquarter shaped like a basket

Geographical references



e.g., the Swarovski Kristallwelten in Wattens, where Swarovski was founded

Historical references



e.g., the Mango store in SoHo, New York in an old Singer factory building

Cooperation with a star architect



e.g., the Vitra House by Herzog de Meuron at the Vitra Campus

Figure 5: Architectural branding strategies to convey brand identity

Source: own illustration, adapted from Raffelt, 2012; source of pictures: Franken Architekten, n.d.; Gunts, 2018; Mango; Reichel, 2106; 'Vitra Campus', n.d.; 'Wunderkammer Ausstellung Swarovski Kristallwelten', n.d.

The following six sub-chapters will explain these strategies by Raffelt and Meyer (2012) in greater detail.

2.2.1.1 Symbolic architecture

A brand can express its brand values through symbolic architecture (Raffelt & Meyer, 2012), where values can be translated using symbolic associations (e.g., using wood to convey naturality – for more see chapter 2.2.2) (Kaiser, 2008). However, one should consider that certain symbols and colors may have different meanings in different cultures. The Austrian supermarket chain MPreis focuses on architectural symbolism. MPreis is expressing its brand values (including openness, individuality, and regional diversity) through unique store designs. Different young architects develop MPreis stores for specific local conditions (see figure 5, where a lot of wood was used to adapt

to the surrounding in Ötztal and a lot of glass which conveys openness). Furthermore, brands can use metaphors to convey their brand identity.

2.2.1.2 Metaphoric architecture

Metaphoric architecture uses the associative power of pictorial language to create visual metaphors (Raffelt, 2012). These visual metaphors should invoke the viewer's imagination (Raffelt & Meyer, 2012). "Key to most visual metaphors is the resemblance of one or more parts of an artifact with objects in a familiar empirical domain, the source domain of the metaphor, from which desirable meanings are imported." (Krippendorff, 2006, p. 97).

Metaphoric architecture can evoke a multitude of interpretations and associations. Le Corbusier's Chapel Notre-Dame-du-Haut in Ronchamp is an example where different visual metaphors could be perceived (Mayr-Keber, 1980). The chapel could be interpreted as praying hands, a dove, a couple holding each other, a monk's headpiece, a ship, or a reference to a dolmen grave, a pre-historic type of stone grave (Jencks, 1979), all suitable associations for a church (see figure 6).



Figure 6: Possible visual metaphors of the Chapel Notre-Dame-du-Haut

Sources of pictures: "Notre-Dame-du-Haut (Ronchamp)," n.d. and drawings of Schokken in Jencks, 1979

In two architectural representations, BMW has used the power of visual metaphors. The double cone at BMW Welt should evoke an association of power and dynamics, one of BMW's brand values, through its visual metaphor of a tornado (Feireiss & Kwinter, 2007). At the IAA 1999, BMW presented itself in a bubble, using the visual metaphor of a water drop to convey BMW's vision of the future of driving called *CleanEnergy* (Franken Architekten, n.d.; Herbst & Maisch, 2009; Lerch, 2002). Another way to translate a brand identity is to use the products as an inspiration for (parts of) buildings.

2.2.1.3 Iconic architecture

Buildings can represent a direct illustration of the function or content of the building (Burla, 1992). Jencks (1979) calls this form of pictorial architectural language *fantastic landmarks*. These buildings follow the approach of the duck in Venturi's (1972) dichotomy: iconic signs whose form not only have certain aspects in common with the content but try to represent it as clearly as possible.

They represent an analogy between (an iconic) product and the building, i.e., the literal translation of the product to architecture on a semantic level (Vonseelen, 2012). This type of architecture has existed for a long time and was quite popular in the 1930s and 40s in the US where it was referred to as "roadside attractions". Currently, this approach is sometimes still applied at fairs and by food sellers, where the stalls take the shape of the products they sell.

In a brand management context, fantastic landmarks are, for the most part, used for corporate buildings, like, for example, Rimowa's factory in Cologne, which is shaped like a metal suitcase or the former giant basket headquarter of Longaberger, who ceased the production of hand-made baskets.

One has to, however, consider that product lifecycles are generally shorter than the lifetime of a brand building, and when a company no longer produces these products, re-use by others is difficult due to its distinct visual appearance (Hilburg, 2019). Therefore, it is advisable to only use iconic products as a reference for permanent buildings (which at the same time embody brand heritage). However, brands can use current product forms for temporary installations, e.g., Adidas has built pop-up stores in the shape of a shoebox.

The degree of product representation in architecture can vary. It is also possible to only portray parts of the product or company architecturally, referring in one part of a building to the entire representation of the product or company (e.g., the colorful bridge of the color-producer Brillux). Also, brands can use the material for their manufactured products in the building (e.g., the headquarter of Holz Altenried GmbH entirely out of wood) (Vonseelen, 2012). Additional to those three types of architecture, brands can make references to the location in which a building is situated.

2.2.1.4 Architecture using geographical references

Geographical references to a brand may arise when a building is built at the place where the company was founded to indicate the heritage of a brand (Raffelt & Meyer, 2012). This is mainly used by brands for corporate office buildings (e.g., BMW Tower in Munich), production facilities (e.g., Rimowa factory in Cologne), or for brand lands (e.g., Swarovski Kristallwelten in Wattens) and brand museums (e.g., Mercedes-Benz Museum in Stuttgart). Here, primarily brand heritage is addressed through architecture, which implies the emphasis of the origin of the brand in the brand identity construct. Besides using geographical references, brands can associate their brand identity with the "former life" of the place.

2.2.1.5 Architecture using historical references

Historical references can be conveyed through buildings, which draw "on the heritage of the locale" (Kirby & Kent, 2010, p. 436). Here, new buildings are sensible about their surrounding by integrating design elements, which blend in with the environment, and brands moving into historic buildings are sensitive to the legacy of the building and its surroundings (Kirby & Kent, 2010). By creating a brand environment in an existing building, drawing on the heritage of the building, also called adaptive reuse, brands can also underline a sustainable design (Plevoets & Van Cleempoel, 2017). The fashion brand Mango is, for example, drawing on the heritage of the building in the design of its Soho store in New York store (see figure 5), which is a former Singer sewing machine factory, relating to cloth manufacturing (Raffelt & Meyer, 2012). Lastly, brands can also collaborate with famous architects to convey their identity.

2.2.1.6 Architecture built in cooperation with a star architect

The cooperation with a star architect can be used to enrich a brand identity by co-branding the own brand identity with the image of the architect (Raffelt & Meyer, 2012). The image of the architect is intended to underline the identity of the brand (Kaiser, 2008; Raffelt, 2012; Vonseelen, 2012; Wallisser, 2008) by the use of idiosyncratic design elements (Klingmann, 2007). Vitra applied this approach at their Campus in Weil am Rhein. Multiple famous architects designed different buildings for Vitra. Frank O. Gehry created the design museum, Zaha Hadid, the fire station, and Herzog & de Meuron the Vitra House. These buildings have become a collection of "good" design, which embodies what Vitra aims to stand for with the furniture they produce (Raffelt & Meyer, 2012; Teufel & Zimmermann, 2015). This strategy is also widely applied by premium and luxury brands (Müller-Rees, 2008). Examples are the numerous retail store projects of Bally by David Chipperfield (David Chipperfield Architects, n.d.), Prada by Rem Koolhaas (Messedat, 2005; OMA, n.d.) and Apple by Norman Foster (Foster + Partners, n.d.). Besides an understanding of how identity can be conveyed in architecture, brands also need to consider the consumer perspective, i.e., know about common perceptions of consumers of architectural design elements.

2.2.2 Consumer associations with architectural design elements

Besides the internal brand perspective on how to translate brand identity into retail design elements, there also is the consumer perspective of how architectural design elements can evoke brand associations among consumers. Several architectural design

elements evoke a set of widespread symbolic associations among consumers, as briefly discussed in chapter 2.2.1.1, which elaborates now how brands can make use of symbolic architecture to convey brand identity. In the following, exemplary symbolic consumer associations with colors, materials, and forms will be discussed.

2.2.2.1 Colors

Colors are powerful visual instruments that give a store a unique appearance. Several studies have shown that colors create emotions and feelings (Bellizzi, Crowley, & Hasty, 1983; Bellizzi & Hite, 1992). However, there is often the fear that the use of color may distract attention from the merchandise sold, which is the primary purpose of retail stores, and that the shop color may not be compatible with the product colors.

The effect of color is primarily discussed concerning architectural aspects. Colors have a perceptual "weight". Although the color of an architectural design element does not have an influence on its physical weight, a white, yellow, green, or light blue object is perceived as lighter than the same object in orange-red, dark blue, or dark violet (Grütter, 1987). Not only the color itself determines the perceived weight of an architectural design element, but also the brightness and saturation: the brighter and the paler, the "lighter" the object (Grütter, 1987).

Colors also have a "temperature": red and orange are perceived as warm and blue and blue-green as cool (Grütter, 1987). With regards to saturation, the paler the color, the cooler it seems (Grütter, 1987). Cool colors (e.g., blue, violet) are perceived as technical (Tantanatewin & Inkarojrit, 2016) and are associated with tranquilizing properties (Bellizzi et al., 1983). In contrast, warm colors are perceived as exclusive, expressive, bright, aggressive, adventurous, stimulating, and energetic (Bellizzi et al., 1983; Tantanatewin & Inkarojrit, 2016). It is from this context that the spatial effect of colors can be explained: warm colors are "approaching" and seem to constrict space (Grütter, 1987).

Table 1 provides an overview of common associations for each color in Western cultures (although there also may be country-specific differences and same color can have positive and negative associations).

Color	Example	Consumer associations
Black		detached, elegant, high-quality, masterfulness, mysterious, negative emotions, power, sophisticated, unhappiness
Blue		authoritarian, calm, clean, comfortable, cool, friendly, harmonious, helpful, masculine, pretty, secure, trustful
Brown		conservative, dependable, domestic, earthy, ordinary, secure, solid, stable, steady, wooden
Gold		elegant, exclusive, powerful, wealthy
Green		calm, free, fresh, healthy, hopeful, natural, relaxed, young
Grey		businesslike, exclusive, serious, tight
Orange		affordable, cheerful, energetic, informal, optimistic, playful, powerful, warm, wholesome
Pink		caring, feminine, romantic, sexy, soft
Red		active, adventurous, aggressive, anger, desirable, dynamic, energetic, exciting, love, novel, passion, powerful, stimulating, strong, vital
Silver		ceremony, cold, distant, feminine, inaccessible, simple
Violet / purple		dignified, elegant, luxurious, royal, sophisticated, wise
White		clean, cold, innocent, perfect, pure, refined, simple
Yellow		affectionate, cheerful, comfortable, fresh, inspiring, lively, vital, warm

Table 1: Consumer associations with colors

Sources: Angermann, 1989; Arabe, 2004; Bellizzi et al., 1983; Floor, 2006; Kanner, 1989; Wexner, 1954

Table 1 illustrates that different colors have a specific psychological effect on the viewer. This effect, however, depends on the gender, age, place, culture, and socio-psychological aspects (Ebster & Garaus, 2011; Grütter, 1987).

Usually, when aiming to convey (parts of) a brand identity using color, different colors (and materials) are combined. The combinations of red and yellow, blue and yellow, red and white are often used to position a brand as a low-cost brand (Floor, 2006). Examples of companies are KiK (red and white) or Lidl (blue and yellow). Besides colors, materials are also relevant when translating a brand's values into architecture to generate the desired brand associations.

2.2.2.2 Materials

Consumers often do not consciously remember the materials used for furniture or the ceiling, wall, or floor composition, but they still evoke associations (Floor, 2006).

Furthermore, building materials are not only perceived visually but also address other senses (Ebster & Garaus, 2011). e.g., the tactile, olfactory, and auditory senses.

Many building materials evoke specific associations and can thus symbolize a particular quality or make a specific statement. In essence, soft materials, for example wood and fabrics, create a warm, natural, and friendly atmosphere, whereas hard materials, for example glass, marble, and metal, are instead perceived as cold, elegant, and durable (Arabe, 2004; Floor, 2006; Grütter, 1987). Table 2 illustrates associations made by consumers for specific materials in retail stores:

Material	**Example**	**Consumer associations**
Brick		cozy, durable, natural
Ceramic		cold, durable, hygienic, long-lasting, rigid
Glass		fabricated, fragile, modern
Iron/steel		historical, industrial
Machined metals		aggressive, cold, durable, precise, professional, robust, sterile, technologically superior
Plastic/acryl		bright, cheerful, humorous, low quality, playful
Wood		craftsmanship, natural

Table 2: Consumer associations with materials

Sources: Arabe, 2004; Karana, 2010; Karana, Hekkert, & Kandachar, 2009; Wedel & Pieters, 2008

Materials used in retail environments are especially important as many customers make inferences from the materials used in-store to the products (Ebster & Garaus, 2011). Using natural and recycled materials such as untreated wood, undyed cotton, coarse paper, etc., in the retail design are, for example, essential for "green" brands such as the cosmetic brand Origins to convey values such as environmentally friendliness of their products (Floor, 2006). Therefore, brands should carefully select materials that embody their brand values but also enhance the benefits of their products. One further design element, where common perceptions of consumers can be observed, are forms.

2.2.2.3 Forms

Similar to corporate and product design, e.g., the golden arches of McDonald's or the silhouette of the Coca-Cola bottle, forms are also a medium to create distinction (Floor, 2006; Linxweiler, 1999) and express symbolic content in architecture (Grütter, 1987). When designing a store, four dimensions are to be considered: angularity,

symmetry, proportion, and size (Schmitt & Simonson, 1997). Below these four dimensions are discussed and provide retail-specific examples of application.

Angular shapes are usually perceived as "hard", evoking associations like robustness, masculinity, and dynamism, whereas round shapes evoke "soft" associations such as harmony and femininity (Ebster & Garaus, 2011; Floor, 2006; Grütter, 2015). Unique round shapes are the circle and ellipse. An elliptical form is usually perceived as more dynamic than a circle (Grütter, 1987). Furthermore, a concave form opens itself to the environment. It, therefore, appears inviting as the concave entrance facades of Baroque churches, which are a symbol of a place of worship, which is open to everyone (Grütter, 1987).

Straight lines are perceived as male, sharp, abrupt, and choppy, while curved lines appear more feminine, soft, dynamic, and uninterrupted (Ebster & Garaus, 2011; Floor, 2006; Grütter, 1987).

Applications of these associations can be seen in retail where do-it-yourself stores often use straight, angular shapes to appear more masculine. In contrast, department stores often employ round shapes and curved lines to generate more feminine associations (Floor, 2006). Table 3 summarizes some of the typical consumer associations with forms:

Forms	**Example**	**Consumer associations**
Angular shapes		dynamic, masculine, robust
Round shapes		feminine, harmonious, soft
Straight lines		abrupt, choppy, male, sharp
Curved lines		dynamic, feminine, soft, uninterrupted

Table 3: Consumer associations with forms

Sources: Ebster & Garaus, 2011; Floor, 2006; Grütter, 1987

Symmetry is generally perceived as visually pleasing and appearing more balanced (Grütter, 2015). A building whose appearance is characterized by symmetry appears rather static and, therefore, also less dynamic than a building whose elements are asymmetrical (Grütter, 1987). Asymmetry has, for example, been used by Franken Architekten for the *Dynaform* pavilion at the IAA in 2001 to convey BMW's core value dynamism (Franken, 2002). In a retail context, symmetry can become a burden in the context of wayfinding. When a store's layout is symmetrical, the navigation through the store becomes more difficult (Floor, 2006).

Proportion is another key element that influences people's associations with the design of a store. Short angular shapes can appear more restrained and modest (Floor, 2006). Round shapes, which are by nature symmetrical, seem less potent than elongated forms, but create a harmonious, calm, soft, and perfectionist perception (Floor, 2006; Grütter, 2015). In retail, long and narrow stores are, for example, perceived as uninviting due to the lack of space and difficult accessibility (Floor, 2006).

Besides these four dimensions, just as with colors, different types of shapes also have different perceived weights. Regular, simple, and vertically aligned forms seem to be heavier than complex and oblique forms (Grütter, 2015). The position of a figure within an entire composition can also determine its weight. If it is compatible with the structural framework of the overall composition, if the figure is not isolated somewhere, but tied into a bandage, the shape will appear heavier (Grütter, 2015).

The common consumer perceptions of forms, but also colors and materials, should, be considered when creating a retail environment.

2.3 Retail design

Retail design is one element of the composition of shopping environments. In retail stores, "design is a means of communicating a message to people and 'good design' […] must be a comprehensive and coordinated approach to everything the shopper sees" (Mitchell, 1986). According to Schielke (2014), retail design also is one important element to strengthen brand identity[5].

Today, most brands are aware of the importance of focusing on retail store design as part of their marketing, retail, and design strategy. There is substantial evidence that well-designed retail environments positively affect consumer decision making, brand associations, and loyalty (Haug & Münster, 2015; Roschk, Loureiro, & Breitsohl, 2017). Therefore, besides reflecting the brand identity, the design of a store should make effective use retail design variables to optimize the retail environment (Münster & Haug, 2017; Petermans & Kent, 2017). The design of a retail store should fulfill functional, tactical, atmospheric, and aesthetic needs of a brand. On a functional level, retail design should display merchandise effectively (Kent, 2003; Quartier, 2017) and make the customer experience in-store "enjoyable, easy and stress-free" (Vazquez & Bruce, 2002, p. 204). From a tactical point of view, store design is, for example, about the

[5] Embodying brand identity in the store design is also called *store as brand* (Magrath, 2005) and architectural, multisensory retail represents a brand as a *brandscape* (Riewoldt, 2002).

arrangement of products in-store so that certain products are placed at eye level to boost their sales (Vazquez & Bruce, 2002). From an aesthetic perspective, retail stores should be perceived as modern and visually pleasing (Quartier, 2017; Schmitt, 1999; Wedel & Pieters, 2008). On an atmospheric level, the retail design should appeal to all the senses of consumers (Quartier, 2017; Spence et al., 2014).

Depending on the organization of the retail design function and contextual factors of the specific industry, the retail design function can range from a primarily creative, primarily visual function to a rather organizational and spatial planning function (i.e., multi-category) (Kent, 2007). In any case, retail design management is usually an integrated function, working closely with other business functions (e.g., marketing, finance, or product development) (Vazquez & Bruce, 2002) and external service providers (e.g., design agencies, architects, shopfitters). Since it is such a multifaceted design discipline, it has also only recently has been acknowledged as a standalone discipline (Murialdo, 2014; Quartier, 2011, 2017). To better understand the complexity which comes with retail design processes, the following chapter compares retail design to other design disciplines.

2.3.1 Comparison of the retail design process to other design disciplines

In design management, for long, the primary focus has been the investigation of new product development [NPD] processes (Vazquez & Bruce, 2002). Over the years, the retail design process has become of increasing interest in research with several explorative studies on design management in the retail sphere (e.g., Haug & Münster, 2015; Münster & Haug, 2017; Vazquez & Bruce, 2002). Retail design managers have adopted many of the brand and design management approaches from the marketing of consumer goods, recognizing parallels between the design of retail environments and packaging of goods, both surrounding the product, but also the design of products in general (Turley & Chebat, 2002).

In line with other design disciplines, the retail design process usually comprises four stages. Initially, the 4-D design process used for software design, consisting of the stages (1) define, (2), design (3) develop, and (4) deploy, has been adapted to many different design processes (Dubberly, 2008). Based on this general model and the review of the process in food retail design of Vazquez and Bruce (2002), four major stages in the retail design process were derived: (1) analysis and collection of requirements, (2) concept generation, (3) specification, and (4) roll-out and results (see figure 7).

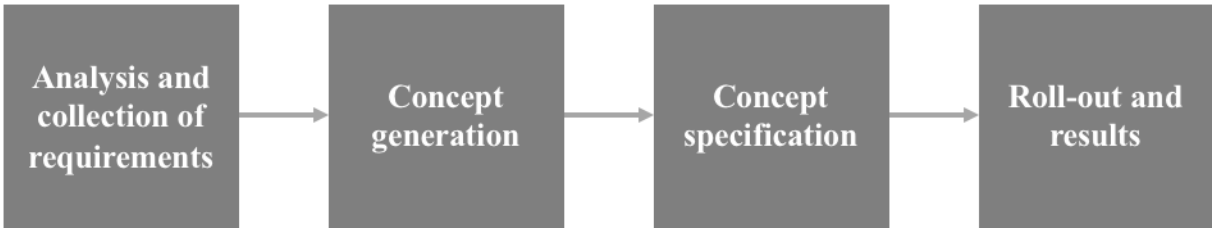


Figure 7: The generic retail design process

Source: adapted from Dubberly, 2008 and Vazquez & Bruce, 2002

However, the generation of a new retail design concept also differs in multiple ways from other design disciplines (see table 4). Compared to product design and communications design, retail environment design especially contrasts due to its scale and three-dimensionality (Arthur D. Little International, 1990; Brown, 2001; Kent & Stone, 2007).

Unlike the other design domains, especially product design, the retail design process is more reactive, and the planning and engineering process is not as sophisticated (Kent, 2007). In other design disciplines such as product design, one can usually see a clear evolution across different product generations, whereas in retail design, changes are often radical (Kent, 2007). Furthermore, in contrast to product design, but similar to communications design, the development phases for a retail design concept are rather short (Kent, 2007).

To produce the retail design concept, usually, an external shopfitter, additional to the retail architect, is contracted (Umdasch Shop Academy, 2015). The shopfitter is creating technical drawings for construction and finally implementing the concept according to the proposal from the retail architect. In contrast to product design, where partnerships with contractors of the design and engineering are often based on joint development and mutual benefit, in the retail design these partnerships for the production of the retail design concept are usually more adversarial and cost-driven (Kent & Stone, 2006 in Kent, 2007)

In retail design, continuous adaptations to the concept can be made after the launch of the initial concept. In product design a final design must be launched free of problems since modifications in manufacturing are difficult and costly (Kent, 2007). On the other hand, a prototype of a new store concept is not easily implementable since each store premise possesses individual characteristics (Brown, 2001; Kent, 2007). Also, design concepts can hardly be tested with customers behind closed doors, as done for products and advertisement, due to location-boundedness. Usually, the implementation of new

retail design concepts is tested in the face of and with the active involvement of customers, competitors, and the media (Kent, 2007).

Process characteristics	Product design	Communications design	Retail environment design
Nature of problem-solving	Anticipates problems and resolves in advance	-	Deals with problems as they occur ("snagging")
Time frame for development (scope)	Long development phase	Short development phase	Short development phase
Sourcing of production	Usually produced internally (can sometimes be produced externally)	Usually produced by an advertising agency or subcontractors of agency	Usually produced externally by a shopfitter
Supplier relationship	Supplier relationships are based on shared risk, trust, and mutual benefit	Supplier relationships are based on contractual obligation and adversarial conflict	Supplier relationships are based on contractual obligation and adversarial conflict
Life cycle	Discrete stages and finite life cycle	Pre-defined length of airing of advertising	Evolutionary phases and continuous "tweaking"
Prototyping	New products are usually tested before the launch, including controlled prototyping and evaluation behind closed doors	Different possible campaign alternatives are usually tested before the launch for their effectiveness	Due to the large size and physical immobility prototyping is often limited to the furniture, only sometimes, costly mock-ups are created; usually, the new store concept is tested in a "pilot" store in real life and evaluated in full view of customers (and competitors)
Deliverable	Varying sizes, usage not bound to one location	Varying sizes, implementation is not bound to one location	Large size and implementation is bound to one location
Internal stakeholders	Stakeholders primarily in product management	Stakeholders primarily involved in marketing and product management	Stakeholders from many different business areas

Table 4: Comparison of new concept development in different design disciplines

Sources: Arthur D. Little International, 1990; Brown, 2001; Kent & Stone, 2006 in Kent, 2007

Moreover, retail design is distinct from other design disciplines due to the three-dimensionality and scale of the project (Kent, 2007). Retail stores distinguish themselves from most other designed objects by their larger size and the boundedness to one location (Brown, 2001).

Lastly, as retail stores provide a stage for a brand's products but at the same time also function as a physically experienceable brand touchpoint, many stakeholders from different business areas and design disciplines are involved in the retail design process.

2.3.2 Stakeholders in the retail design process

The retail process involves an extensive network of internal and external stakeholders, potentially even more stakeholders than in other design disciplines (Kent, 2007; Turley & Chebat, 2002). These stakeholders are at varying distances from the retail design process and may influence different stages (Kent, 2007).

From prior literature, four classifications of stakeholders in the retail design process have been identified. Haug and Münster (2015) identified nine stakeholders involved in the retail design process from the retail architect's perspective (external to the company), Whysall (2000) distinguishes twelve different stakeholder groups in retailing in general, not specifically focusing on retail design, Knox (2017) distinguishes five stakeholder groups, two internal and three external to the organization, and Kent and Stone (2006, in Kent, 2007) identified seventeen different stakeholders involved in the retail design process, which can be grouped in three categories: stakeholders directly involved in the development, or directly affected by the development, or affected by the outcome of a new store concept. These classifications, however, are not focusing on the stakeholders involved within a company during the new retail design concept development process. Therefore, this categorization has added some internal stakeholders.

Stakeholders by involvement	Internal	External	Internal or external
Stakeholders directly involved in the retail design process	• Brand management • (Brand) owners • Buying and merchandising division • Local store management • Visual merchandising • IT • Merchandise planning • Other internal design functions, e.g., product or packaging design) • Store development/property arm	• Consultants • Design service providers, e.g., architects • Suppliers	• Designers • Architect/building services team • Store planning and layout team
Stakeholders directly affected by the retail design process	• Marketing • Staff, e.g., store managers and employees	• Below-the-line agencies, e.g., POP, sales promotion, DM, etc.) • Advertising and other above-the-line agencies	• Store owners • Landlords
Stakeholders affected by the outcome of the retail design process		• Customers • (Neighboring) community, e.g., residents and adjunct businesses • Competitors • Media	• Shareholders and financial community
Further		• Local planning authorities, legislators and government • Activists and local pressure groups	

Table 5: Stakeholders involved in the retail design concept process

Sources: Haug & Münster, 2015; Kent & Stone, 2006 in Kent, 2007; Kent & Stone, 2007; Kirby & Kent, 2010; Knox, 2017; Turley & Chebat, 2002; Whysall, 2000

In many cases, the initial design of a new retail concept is outsourced to retail design professionals (Bitner, 1992; Quartier, 2017), and the final choice of the design concept is decided by top management (Turley & Chebat, 2002). After that, detailed renderings of the store design and specifications are produced and approved by top management (Turley & Chebat, 2002). Store employees, the users of the concept, are often only briefly involved in the new retail design concept development process after the initial design concept has been chosen and only provide input for small adjustments (Turley & Chebat, 2002). Kent (2007), however, calls for broader engagement of internal stakeholders. The involvement of store employees and customers in the store design up-front may, for example, facilitate creative thinking, notably divergent thinking, and new approaches to problem-solving. Nevertheless, with the involvement of more stakeholders, the complexity also increases. Thus, the success of a retail design project may depend on fulfilling the requirements and needs of the various interest groups, while minimizing the dissonance between the different stakeholders (Kent, 2007).

Due to the many stakeholders involved in the retail design process, this study looks at the retail design process from the perspective of the design manager, in line with Vazquez and Bruce (Vazquez & Bruce, 2002). In the retail design context, the design manager is a company-internal manager who steers the process of the new store concept development. He will be referred to as the retail design manager in the remainder of the thesis. For simplification, the retail design manager is referred to in the masculine form. Besides the multitude of stakeholders involved in the retail design process, many different variables must be considered when designing retail environments.

2.3.3 Interior retail design variables

Retail environments are composed of many different design variables. In chapter 2.2.2, three design variables (color, material, and forms) and their common perceptions among consumers have already been presented. There are, however, many more variables that architects have to consider when designing a store concept. Most categorizations define two to four different categories of design variables that focus on visual cues (e.g., Berman & Evans, 1989; Messedat, 2005). Generally, there is one category of exterior (e.g., design of the façade and windows) and one to three categories of interior design variables (e.g.,furniture) (Berman & Evans, 1989; Ebster & Garaus, 2015; Haug & Münster, 2015; Turley & Hoffman, 2002).

Berman and Evans (1989), for example, proposed a categorization of four atmospheric stimuli: external variables, general interior variables, layout and design

variables, and point-of-purchase and decoration variables. Turley and Millman (2000) furthermore added the category human variables, which was again left out by Haug and Münster (2015) in order to only represent the variables, which can be controlled by the store designer.

The focus of the studies of this thesis is on visual cues primarily in the interior, as brands are often limited in applying design elements to the façade of a building, having to comply with local guidelines (Kirby & Kent, 2010). Therefore, for a better overview, the following table shows a review of interior retail design variables. These variables were identified from a comprehensive review of academic literature (e.g., in the fields of architectural branding and corporate architecture, servicescape design, and retail atmospherics) and practitioner-oriented publications on store design and shopfitting. From this literature review, seven categories of interior design elements were derived: (1) color, (2) decoration, graphics, and signage, (3) forms, (4), furniture, (5) layout and use of space, (6) lighting, and (7) materials and surfaces.

Design element	Sub-element	Alexander & Bain, 2016	Baker et al., 1994	Berman & Evans, 1989	Ebster & Garaus, 2011	Haug & Münster, 2015	Messedat, 2005	Quartier, 2017	Raffelt, 2012	Turley & Milliman, 2000	Umdasch Shop Academy, 2015
1. Color	General	x	x	x			x	x	x	x	x
2. Decoration, graphics, and signage	General			x		x				x	x
	Artwork						x			x	
	Graphics and pictures	x		x		x	x	x		x	
	Signage	x	x	x				x		x	x
	Screens and monitors					x					
	Typeface	x					x				
3. Forms	General							x	x		
4. Furniture	General					x				x	x
	Check-out				x						
	Displays		x	x		x	x			x	
	Dressing rooms		x	x							
	Fixtures		x	x			x				
	Mirrors				x						
5. Layout and use of space	General	x	x				x				x
	Space allocation		x	x		x		x		x	
	Routing and orientation			x		x	x	x		x	x
	Location of different areas			x						x	
6. Lighting	General	x		x		x	x			x	x
7. Materials and surfaces	General				x			x	x		
	Ceiling composition		x		x	x				x	x
	Floor covering		x	x	x	x				x	x
	Wall composition		x	x		x	x			x	x

Table 6: Interior store design elements and their occurrence in relevant literature

All these different design variables are necessary to create a retail environment. As the different variables interact with each other (e.g., the choice of dark colors and dark materials may require lamps with a higher lumen to highlight products), it is essential to look at these variables from a holistic perspective (Quartier, 2017). Another essential factor when designing retail environments, which is partially covered by the second category of decoration, graphics, and signage, is the presentation of merchandise.

2.3.4 Visual merchandising

Visual merchandising can be defined as the "activity which coordinates effective merchandise selection with effective merchandise display" (Walters & White, 1987, p. 238). Visual merchandising is concerned with both the product presentation techniques and product-related decoration in-store and in windows, by for example using props to display the merchandise or product-related graphics and signage (Floor, 2006; Kerfoot, Davies, & Ward, 2003). The aim of visual merchandising is to "navigate, inform, inspire and activate consumers" (Floor, 2006, p. 303). Due to the overlaps in the definition of retail design and visual merchandising, anything concerning the presentation of products will be primarily called *merchandise presentation* in the following.

Additional to the interior design elements, visual merchandising is essential when designing a retail store (Lea-Greenwood, 1998). Specific merchandising presentation techniques may even draw more the attention of customers than the design of the store (Floor, 2006; Kerfoot et al., 2003; Nordfält, Grewal, Roggeveen, & Hill, 2014) and are easier to adapt than store design elements. Furthermore, visual merchandising can also underline the positioning of a brand (Floor, 2006), i.e., a high merchandise density implying a down-market positioning and low merchandise density an up-market positioning (Kerfoot et al., 2003; Umdasch Shop Academy, 2015).

2.3.4.1 Merchandise zoning

Traditionally, retailers used to group merchandise according to their taxonomic category, i.e., a functional product grouping e.g., zoning of t-shirts, trousers, etc. (Berman & Evans, 1989; Ebster & Garaus, 2011) or their status e.g., zoning of premium versus basic merchandise (Ebster & Garaus, 2011; Floor, 2006). Today, retail brands are often bundled according to the end-usage context by thoughtfully pairing similar items e.g., business clothing (Ebster & Garaus, 2011; Floor, 2006), or the target segment e.g., younger fashion, to stimulate impulse purchases and facilitate cross-selling (Berman & Evans, 1989; Ebster & Garaus, 2011; Floor, 2006). Some discounters and

shoe stores also group their merchandise according to the size of the merchandise (Floor, 2006).

2.3.4.2 Merchandise arrangement

Within the different merchandise zones, brands can use different merchandising arrangement techniques. In clothing stores, brands can decide if the merchandise is presented hanging or flat-folded, using techniques such as stacking, where lots of folded merchandising is neatly presented (T. Morgan, 2016). Furthermore, one option to arrange products is presenting it by color, so-called color-blocking (T. Morgan, 2016), which is, for example, applied by some brands in the fast-fashion industry (e.g., United Colors of Benetton). Furthermore, within the different zones, smaller themes (e.g., within the accessory department, there might be a section for wedding jewelry only) or inspiration-oriented presentation of merchandise (e.g., presenting an entire business outfit including clothes, shoes, and accessories) could be displayed.

With this understanding of the different design variables, the following chapter gives an overview on the current state of research, showing different methodological approaches, which consider these variables at different levels.

2.3.5 Current state of retail design research in marketing

Marketing research has acknowledged the importance of retail design far back (Kotler, 1973; Kotler & Rath, 1984; Martineau, 1958). Still, research on holistic retail design is under-presented and has not led to an elaborate development of an architectural design theory (Kirby & Kent, 2010; Raffelt, 2012).

However, the influence of retail environments on its end users is generally reported in the literature streams on architecture, design, environmental psychology, and geography (Greenland & McGoldrick, 2005). In the realm of marketing research, scattered insights into retail design can be found in two major marketing literature streams: brand experience and retail atmospherics.

The field of brand experience has gained significant importance during the last two decades. This is reflected in a large number of research publications in the field (e.g., Brakus, Schmitt, & Zarantonello, 2009; Schmitt, 1999). While pure consumerism is declining, a trend towards experience-oriented consumption can be observed (Brakus et al., 2009; Pine & Gilmore, 1998; Schmitt, 1999). Consumers enjoy experiencing the atmosphere of a brand and tangibility of a brand in a physical retail store (Piotrowicz &

Cuthbertson, 2014), which in turn shapes positive brand attitudes. Products and services are more transient than experiences, which address the episodic memory of consumers (Pine & Gilmore, 1998).

In the research retail experience (e.g., Baker et al., 1992; Bitner, 1992; Brakus, Schmitt, & Zarantonello, 2009; Pine & Gilmore, 1998) retail design is only one element, with the primary focus on aesthetics, besides for example the interactions with sales representatives.

In the early 1970s, Kotler (1973) introduced the term of atmospherics and started researching the subtle aspects of brand environment design. He conceptualized four dimensions of the retail atmospherics:

- visual dimension (e.g., colors)
- aural dimension (e.g., music)
- olfactory dimension (e.g., scent)
- tactile dimensions (e.g., softness of materials)

Donovan & Rossiter (1982) were the first to employ the Mehrabian-Russell model (Mehrabian & Russell, 1974), an environmental psychology model, in a retail context. The model is a typical stimulus-organism-response [S-O-R] model, which consists of approach-avoidance aspects. Since then, many consumer-based experimental studies based on the S-O-R model have investigated the effect of specific single cues (e.g., light or color) or combinations of cues (e.g., congruence of color and music), i.e., stimuli, on responses (e.g., pleasure or arousal) and outcome variables (e.g., purchase intention or store patronage) (Roschk et al., 2017; Spence et al., 2014; Turley & Hoffman, 2002). The extensive amount of experimental studies consisted of different samples, contexts, and research designs. The studies show varying results, of which some are significant, and others are not as well as effects that show opposing results for the same relationship (Roschk et al., 2017).

Research on the holistic composition of a store environment is limited (Quartier, 2017). A holistic approach does not limit itself to the study of single design variables but takes into account the several design variables and their interplay (J. Baker et al., 1992; Quartier, Lommelen, & Vanrie, 2016). However, precisely these complex stimuli configurations of many design variables, which are dependent on the context, i.e., the location or industry, pose challenges to research retail environments holistically (van Rompay et al., 2012).

One of the reasons for the lack of research in this field is due to the different research paradigms in (spatial) design sciences (including all relevant disciplines such as

architecture, interior or industrial design) and social sciences (such as consumer behavior, marketing management, environmental psychology, and sociology) (Quartier et al., 2016). Quartier et al. (2016) name three areas in which design and marketing research contrast.

Compared to marketing, in design disciplines, less academic research is conducted (Quartier, 2011). Design research is usually created on a project-basis (Flade, 2008; van Tongeren, 2013) and not in an academic context, which is one of the reasons why a lot of design research is not published in journals, books etc. (Quartier et al., 2016).

Furthermore, research questions and methodologies differ. In marketing, especially in atmospherics research, causal mechanisms are investigated, linking consumer perceptions of environments to affective, cognitive, or behavioral responses (Quartier et al., 2016). The methodologies focus on rigor with the aim to have high internal validity (Gulati, 2007), which implies a high degree of controllability or elimination of confounding factors, usually using experimental research, in order to explain effects (Roschk et al., 2017). In design research, however, the emphasis lies on "how these causal mechanisms can yield new environments" (Quartier et al., 2016, p. 36). Research in design sciences usually takes a more holistic approach, focusing on ecological validity, meaning to approximate the real environment the closest possible (Quartier et al., 2016). However, the two disciplines can also be seen as complementary, and research in retail design should not only focus on the limitations of the respective methodologies.

Lastly, even when starting from a common epistemological framework and using similar methods, the two disciplines seem to analyze and describe the world at different levels, described as the difference between what Hull and Harvey (1989) call research on a micro and molar level. In this context, Quartier et al. (2016) describe research on a micro level as the "physical characteristics of the environment", creating a certain atmosphere through, for example, sound, color, light, or music (p. 37). Molar research, on the other hand, is defined by Quartier et al. (2016) as "emergent properties that result from the whole of these micro characteristics" (p. 37). For example, the micro characteristic of red wall paint can increase the perceived spatial trendiness on a molar level (Quartier, 2011).

The gap between design and marketing research is not absolute. During the last fifteen years, several consumer studies have implemented more molar research approaches (e.g., Bäckström & Johansson, 2006; Calienes, Carmel-Gilfilen, & Portillo, 2016; Healy, Beverland, Oppewal, & Sands, 2007; Kent & Kirby, 2009; Petermans, Kent, & Van Cleempoel, 2014).

Furthermore, some conceptual papers and qualitative studies which take a holistic approach to retail design from a company perspective, i.e., brand management, (Kent, 2007; Kent & Stone, 2007; Kerfoot et al., 2003; Kirby & Kent, 2010; Vazquez & Bruce, 2002) and from a designer's perspective (Haug & Münster, 2015; Münster & Haug, 2017) have been published.

2.4 Synthesis of theoretical background

The identity of a brand should form the basis for any design-related decision (chapter 2.1.1). Architectural branding is one context of application of brand identity (chapter 2.2) (Messedat, 2005; Raffelt, 2012). Six different strategies of how to transfer brand identity elements into architectural design (chapter 2.2.1) (Raffelt, 2012; Raffelt & Meyer, 2012), as well as common perceptions of certain architectural design elements (see tables 1-3 in chapter 2.2.2), were presented. Thus, brand-related information can be communicated through architectural representations, specifically retail stores (Kirby & Kent, 2010; Quartier, 2017). Retail design forms the largest field of application of architectural branding. Retail stores are a directly experienceable brand environment for consumers and can, therefore, significantly influence the formation of associations with a brand (Raffelt, 2012; Raffelt, Schmitt, & Meyer, 2013; T Schielke & Leudesdorff, 2015). In sum, to maximize the fit between brand identity and image in retail environments, a retail design concept should be developed based on the defined brand identity (see figure 8).

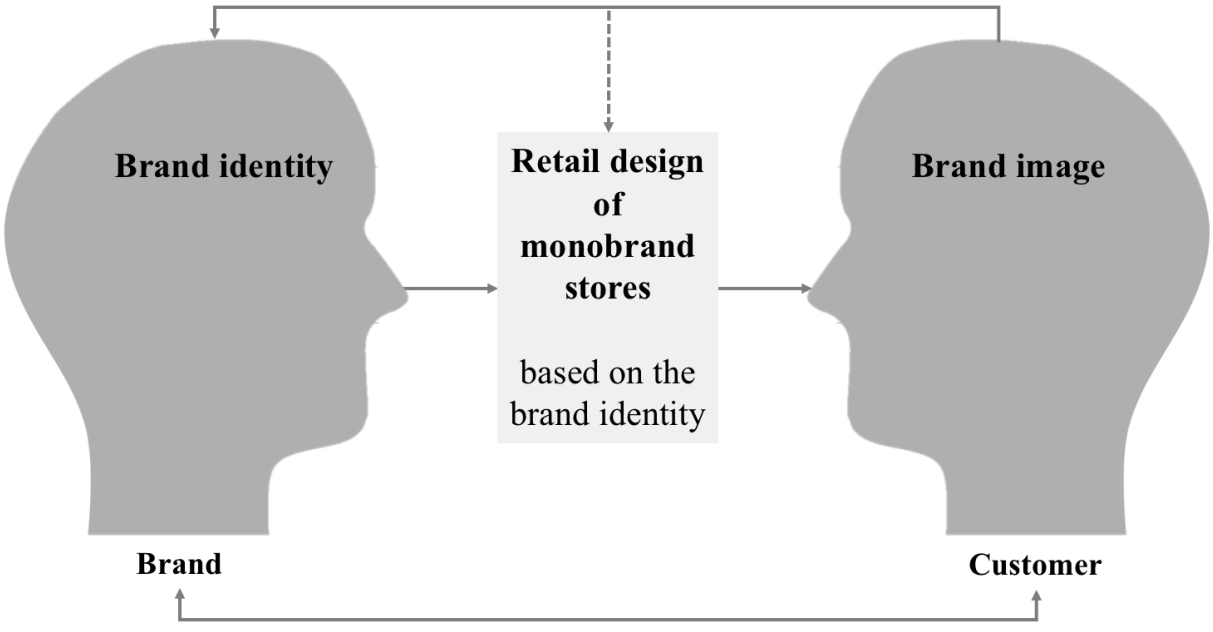


Figure 8: Identity-based brand management of monobrand stores

Source: adapted from Burmann et al., 2017

Furthermore, chapter 2.3.1 and 2.3.2 have shown that the retail design process is a complex and dynamic process, which involves many different stakeholders (Haug & Münster, 2015; Kent, 2007; Knox, 2017; Whysall, 2000). To get a better understanding of the different stakeholders involved, especially from a company perspective, a new categorization of stakeholders distinguishes internal and external stakeholders (see table 5). Moreover, retail design comprises many different design variables (Haug & Münster, 2015; Turley & Chebat, 2002). For a better overview, a comprehensive review of the variables in the interior was conducted and resulted in the determination of seven categories (see table 6 in chapter 2.3.3).

Lastly, chapter 2.3.5 on the current state of retail design research in marketing points out the differences between research on a micro level, especially experiment-based atmospherics literature stream, and on a molar level, investigating the different variables and their interplay holistically and in specific contexts (Quartier, 2011; Quartier et al., 2016; van Rompay et al., 2012).

This thesis aims to contribute to the emerging field of holistic retail design (on a molar level), employing three qualitative studies in areas, which are hitherto unexplored research areas (see introduction).

3 Study 1 – Management of the retail design process

3.1 Introduction

During the last decades, design has increasingly been acknowledged as a key strategic factor for businesses to remain competitive (Hertenstein et al., 2013; Kupetz & Meier-Kortwig, 2015; Rae, 2014). Furthermore, brands have realized and research has confirmed that a coordinated design management approach may have positive effects on business performance (Chiva & Alegre, 2009). Therefore, many brands have recognized that product design should be strategically managed (Chiva & Alegre, 2009). This recognition led to the professionalization of the product design processes and resulted in the emergence of design management (Oakley, 1990; Topalian, 1990).

The design of physical brand environments can be considered to be as strategic as product design (Brown, 2001). Specifically, the development and roll-out of a new store concept can be considered as a strategic decision (Ackoff, 1970; Brown, 2001). The launch of a new retail design concept involves significant financial investments (Floor, 2006). Furthermore, it has a long-lasting impact, which is not easily reversible (Littich & Zimmermann, 2010). Retail design management may affect organizational values (Kent & Stone, 2007) and can serve as a source for differentiation (Dagger & Danaher, 2014; S. A. Doyle & Broadbridge, 1999).

The retail design process is, as discussed in chapter 2.2.1, a complex process (van Rompay et al., 2012). The development of a new store concept is becoming increasingly interdisciplinary (Quartier et al., 2016; Teufel & Zimmermann, 2015). When creating a new retail concept, guidelines from internal stakeholders such as other design functions, retail and brand management, requirements from IT, and targets by the finance department have to be considered (Knox, 2017; Vazquez & Bruce, 2002). Furthermore, several external stakeholders are involved in the design and implementation of a store concept (Haug & Münster, 2015; Kent, 2007; Kirby & Kent, 2010; Münster & Haug, 2017). In the majority of cases, for the design, an external retail architect is contracted (Bitner, 1992; Turley & Chebat, 2002). For the implementation, brands usually work with one or more shopfitters (Umdasch Shop Academy, 2015). These two services are outsourced as most organizations do not have sufficient internal resources and retail design competencies. The complexity and interdisciplinarity of retail design call for a coordinated design management approach (Quartier, 2017; Vazquez & Bruce, 2002).

However, prior research has not yet addressed how retail design processes are managed within businesses. It is unclear how the retail design function is organized and which implications it has on the retail design process. Therefore, this study aims to examine the different possibilities of how to manage retail design within companies. This study takes the perspective of the company-internal retail design manger. Organizational buying behavior roles (Webster & Wind, 1972) are used to identify which roles the different retail design managers assume during the different phases of the retail design process. Furthermore, this study works to understand how these roles may change across different phases. Finally, the aim is to identify different retail design manager types.

3.2 Theoretical background

To better understand the management and sourcing of design in the retailing context, academic literature on design management and organizational buying behavior is reviewed in the following.

Prior research on design management (chapter 3.2.1), specifically in the field of product design, has, for example, identified different sourcing strategies as well as skills and actions necessary for a well-managed design management process. As a field of application, these prior findings are used as a basis for the analysis of the retail design process. However, differences between other design disciplines and retail design were previously outlined (see chapter 2.3.1), which justifies an analysis on its own. One difference to other design disciplines is the multitude of stakeholders involved, which leads to the last part of the theoretical background, organizational buying behavior. As a way to organize different stakeholders and derive retail design manager types from a company perspective, the organizational buying behavior roles form a basis to categorize different stakeholders in industrial buying decisions (chapter 3.2.2).

3.2.1 Design management

Design is the result of the application of creativity to create human-centered objects or systems such as products, services, or environments (Chiva & Alegre, 2009). Good design rarely emerges by coincidence; it results from a well-managed process (Margaret Bruce & Bessant, 2002; Chiva & Alegre, 2009). In addition to the process of developing an object or system, different activities, practices, and skills involving numerous organizational functions are necessary to develop the final design (Gorb & Dumas, 1987). These practices are referred to as design management in literature.

Most definitions of design management underline the importance of certain management activities or capabilities within the design process (e.g., Dickson, Schneier, Lawrence, & Hytry, 1995). The underlying definition for this study understands design management as a strategic company resource that comprises "the organizational and managerial practices and skills that allow a company to attain good, effective design" (Chiva & Alegre, 2009, p. 435). Design management is a comprehensive process of creating and decision-making in design-related projects with managerial and strategic implications (Borja de Mozota, 2003).

Prior research acknowledges the importance of the role of design within businesses (e.g., Bruce & Morris, 1994; Dumas & Mintzberg, 1989). To create good design, specific skills are necessary (Dickson et al., 1995). Dickson et al. (1995) conceptualized five design management skills, which have been tested by Chiva and Alegre (2009) in the product design context. These skills are (1) basic skills (e.g., right eye for quality), (2) specialized skills (e.g., typical design skills such as a good understanding of aesthetics, being able to visualize, as well as further skills of more technical nature), (3) involving others, (4) organizational change, and (5) innovation skills. The skill of involving others calls for holistic design management. Design management on a company level should encompass all design disciplines, such as product design, packaging design, graphic design, corporate design, or environmental design (Moll, Montaña, Guzmán, & Parellada, 2007). Furthermore, the effectiveness of design management much depends on how well it is coordinated with and integrated into other management functions (Vazquez & Bruce, 2002).

Design management is even more multilayered because design-related decisions for different brand design elements are typically made on different hierarchy levels within a company (Montaña, Guzmán, & Moll, 2007). Therefore, ideally, a so-called *design orientation* (Montaña et al., 2007) or *design mindfulness* (Peters, 1995) should be anchored in the corporate culture so that everyone within the company understands the value of design and lives a company's design strategy.

Besides the design orientation and coordination on a company-level, many businesses also have to manage external design partners, as design is increasingly outsourced (Chiva & Alegre, 2007). Cooper and Press (1995) and Topalian (1994) name the significance of choosing design specialists and criteria for selecting designers as two success factors for design processes. Generally, there are three different ways to organize the design function: (1) internal sourcing only, (2) external sourcing only, and (3) a co-created approach, combining both approaches (Margaret Bruce & Morris,

1994). Depending on the approach chosen to organize the design function, companies have different degrees of design management skills, with internal-only sourcing business possessing the highest design skills (Chiva & Alegre, 2007).

To integrate the skills, actions, and different stakeholders involved in (product) design management, Perks, Cooper, and Jones (2005) developed a taxonomy for possible roles of design within a company, identifying three different design roles. The first role describes design as a *functional specialism*. The actions reflect a rather traditional role of design, such as the generation of ideas, the design of prototypes, or the use of design software (CAD systems). Designers focus on traditional design skills, or as Dickson et al. (1995) call them basic and specialized design skills. They include aesthetical, visual, and technical skills (Chiva & Alegre, 2009). The second role characterizes the designer as being a *part of a multifunctional team*. The activities of the designer in this role are communication and the management of interfaces between different disciplines, requiring personal and communicative skills as well as the ability to coordinate teams. The third categorization sees the role of the designer as a *process leader*. Here, design is ascribed as an essential driver for innovation. The skills of this role are, for example, observing and analyzing markets and segments as well as developing business cases. The second and third roles are somewhat analogous to Dickson et al. (1995) skills of organizational change and innovation.

In other marketing sub-disciplines, e.g., advertising, organizational buying roles are widely used to explain which roles different stakeholders assume during the decision-making process of B2B goods or services. Since brands usually outsource the design and implementation (design services) of retail environments, these roles may provide further insights for the management of retail design processes.

3.2.2 Organizational buying behavior of design services

As seen in the previous chapter, the retail design process is characterized by several distinct phases and involves many different stakeholders. These stakeholders have different influences on the retail design process, especially on the two major buying decisions:

- the sourcing of the retail architect, who designs the new concept (concept generation) and
- the sourcing of the shopfitter(s), who produce(s) and implement(s) the new concept (concept specification and implementation).

In most cases, the new store concept generation, as well as the implementation, are outsourced to two different contractors. Both of these buying decisions are business to business purchases of professional services.

For the concept generation, a client usually buys the service of designing a new store concept from a design agency or architecture studio (Quartier, 2017), hereafter called the retail architect. The client-retail-architect relationship is similar to the client-agency relationship in the advertising agency (West & Paliwoda, 1996), where a client is buying the creative concept for a campaign. For the concept implementation, retail brands usually contract a shopfitter (Umdasch Shop Academy, 2015), which produces the concept and adapts it to the different store premises of a brand, somewhat analogous to media buying in advertising. Therefore, from an organizational buying perspective, two buying relationships are built up, the client-retail-architect relationship and the client-shopfitter relationship.

In the context of agency-client relationships, organizational theory frameworks, especially the industrial buying process by Webster and Wind (1972), have been applied to client-agency relationships by West and Paliwoda (1996). This study will use the organizational buying center roles as a theoretical framework to analyze the retail design process from a retail design manager's perspective.

The industrial buying center comprises the five roles of user, buyer, influencer, decider, and gatekeeper (Webster & Wind, 1972). The classification was modified, and is, in some cases, including approvers and initiators (Webster, 1991). Due to the significant overlaps of approvers and decision-makers as well as initiators and gatekeepers, the focus of this study is on the application of the core classification:

- Buyers: Usually, top managers, who are authorized to negotiate and sign-off contractual matters with the retail architect and shopfitter (Turley & Chebat, 2002; West & Paliwoda, 1996).
- Deciders: Usually, top managers, who take and approve the final decision of which retail architect and shopfitter to contract (Montaña et al., 2007; Turley & Chebat, 2002; Vazquez & Bruce, 2002).
- Gatekeepers: Managers, who guide the information flow of the selection process for a retail architect and shopfitter, usually the retail design manager (Vazquez & Bruce, 2002). Gatekeepers may also be (partially) external to the company to supervise competitive design sourcing processes.
- Influencer: Various (internal) interest groups that place requirements for the new store concept or that influence the choice of the retail architect and the

shopfitter (Haug & Münster, 2015; Kent, 2007; Kent & Stone, 2007; Kirby & Kent, 2010; Knox, 2017; Turley & Chebat, 2002; Vazquez & Bruce, 2002; Whysall, 2000).

- Users: Sales representatives, who are working in the retail stores of a brand (Haug & Münster, 2015; Kent, 2007; Knox, 2017; Turley & Chebat, 2002; Whysall, 2000).

Internal stakeholders may take on several roles simultaneously and may directly or indirectly influence the client-retail-architect relationship and client-shopfitter relationship. Furthermore, the roles may change during the process.

3.3 Research gap

Prior research has identified design manager roles and the associated skills and actions in design disciplines such as product design (Perks et al., 2005). However, empirical studies on design management practices of the complex retail design process are scant (Vazquez & Bruce, 2002). In the retail design process, one to two major buying decisions of professional, design-related services are made. However, research has not addressed this design process from an organizational buying behavior perspective as the sourcing of the designer and respective selection criteria are crucial for the success of design processes (Cooper & Press, 1995; Topalian, 1994). To address this research gap, this study aims to understand the management of retail design processes from a brand/company perspective. It aims to map the retail design process. Another aim is to identify who the design manager of retail design processes is and which design skills and competencies he possesses, i.e., which different types of retail design managers exist. A further objective of this study is to understand which organizational buying behavior roles, according to Webster and Wind (1972), the different types of retail design managers assume and how they may differ in different stages of creating a new store concept. Thus, the research questions are:

1. *How can the retail design process be managed from a brand/company perspective?*
2. *Which different types of retail design managers exist?*
3. *Which roles does the retail design manager assume and how do these roles change throughout the different phases of the retail design process?*

3.4 Methodology

An explorative, qualitative research design has been applied to conduct an in-depth analysis of the organizational buying behavior processes during the new concept generation in retail design.

A comparative case study methodology, according to Eisenhardt (1989) and Yin (2003), was applied to analyze the complex and dynamic retail design process in-depth, using multiple data sources (interviews and documentary).

Due to the complexity and context-dependency (Münster & Haug, 2017; van Rompay et al., 2012), this study focuses on fashion and accessories retail stores. Fashion and accessories brands were selected because they have a strong focus on aesthetics with sophisticated retail concepts and, compared to other retail sectors, their rather homogenous customer base (Ballantine et al., 2015; Haug & Münster, 2015).

3.4.1 Case selection

To identify potential cases, i.e., fashion and accessories brands (including sports brands) operating monobrand stores, the development of a new store concept needed to have been reasonably recently in order to be appropriately recalled (Münster & Haug, 2017). As store concept cycles are relatively long, averaging nine years (Horbert, 2020), store concepts that were developed during the last five years were considered.

A similar approach to that of Raffelt, Schmitt, and Meyer (2013) was chosen to search for potential cases. Firstly, recent publications of retail design books were examined (e.g., Dörries, 2018; Messedat, 2018; Teufel & Zimmermann, 2015; Umdasch Shop Academy, 2015). Secondly, articles in marketing, retail, and fashion magazines (e.g., Architonic, Horizont, Retailtrends, Retailnews, Stores + Shops, TextilWirtschaft, Horizont, etc.) and retail design blogs (e.g., retaildesignblog.net) were screened. Thirdly, retail architects have been consulted on retail design projects that are currently under development. Articles about a new store concept are usually only published when the first store has been opened, and the store won some sort of award. The desk research and informal exchanges with the design experts have resulted in a long list of 33 potential cases.

3.4.2 Sample

To identify the retail design manager in companies, online research, and phone calls at the respective companies have been conducted. After that, whenever possible, the

retail design manager has been contacted directly, or an email was sent to the press department resulting in 23 initial interview requests using purposeful sampling (Miles, Huberman, & Saldaña, 2014; Patton, 1990; Strauss & Corbin, 1990). Representatives of twelve companies agreed to be interviewed (see case descriptions in figure 9). The interviews were conducted either directly with the retail design managers, or with superiors or subordinates of the retail design managers. In total, fifteen company representatives were interviewed during thirteen interview sessions between May 2018 and June 2019.

In a second step, the aim was to capture the perspective of the collaborators involved in the retail design process, i.e., retail architects and shopfitters. To identify appropriate interview partners external from the companies, referral sampling was used. In three cases, the retail design manager of the brand agreed to forward the contact details of the external collaborators. Thus, six more interviews have been conducted with three retail architects, two shopfitters, and one external collaborator who did both the design and shopfitting for the brand.

Overall the sample consisted of 21 informants from six different countries. Eight informants are from a (brand) management background, and thirteen informants are from a design or architecture background (see appendix A).

1. Brand A

Brand A is s a German casual fashion brand for men and women. A large German fashion corporate currently owns the license and sells it through its subsidiary.

2. Brand B

Brand B is a German travel accessory brand. In 2016, brand B was acquired by a large foreign luxury goods holding company.

3. Brand C

Brand C is an Austrian entry-luxury textile brand for women, focusing on tights, bodywear, shapewear, and lingerie. The brand is owned by a foreign investor group.

4. Brand D

Brand D is an Italian fashion brand for men and women. Brand D is one brand of a family business, which owns fashion brands.

5. Brand E

Brand E is a German premium casual fashion brand, primarily targeting men, focusing on functional wear. Brand E is a family business.

6. Brand F

Brand F is a German fashion brand for men and women. Brand F is owned by a German fashion holding company.

7. Brand G

Brand G is a German day- and nightwear and lingerie and home wear brand, primarily targeting women. Brand G is a family business.

8. Brand H

Brand H is a Swiss luxury accessory brand for men and women, especially known for its shoes. The brand is owned by a foreign luxury goods investor group.

9.Brand I

Brand I is an Italian outdoor sports brand for men and women, focusing on alpine sports. Brand I is one brand of a family business, which owns several outdoor sports brands.

10 Brand J

Brand J is French a premium sports fashion brand for men and women. The former family business was sold to a foreign investor in 2012.

11. Brand K

Brand K is a German luxury accessory brand, especially selling products for men. The brand is owned by a large foreign luxury goods holding company.

12. Brand L

Brand L is an Austrian premium jewelry and accessory brand. Brand L is a family business.

Figure 9: Short case descriptions study 1

3.4.3 Data collection

The interviews were carried out between May 2018 and June 2019. The data collection consisted of a two-step process, firstly interviewing the internal and secondly the external stakeholders.

Firstly, semi-structured interviews have been conducted with fifteen (former) company representatives of twelve brands in charge of the retail design process of each brand, usually with the retail design manager (a version of the interview guideline can be found in appendix B). This way, the informants could review the retail design process and take out supporting material prior to the interview. The interviews consisted of questions about the course of the retail design process as well as the actors involved in

the process and their respective roles. In total, fifteen different new retail design concept development processes were discussed during the interviews, as three brands had developed two different concepts during the last five years.

Secondly, six external partners involved in the retail design process were interviewed using referral sampling. Here, informants from the companies, which agreed on providing the contact details of their retail design agencies or architecture studios and shopfitters, passed on the contact details of their external partners. The interview questions were about the stages within the design process on their side, more detailed questions about the service they delivered for the brand, and their perspective as an outsider on the different actors on the company side and their roles within the retail design process.

The interviews were either in-person or over the phone and lasted, on average, 59 minutes, with a minimum of 24 minutes and a maximum of 104 minutes. All interviews were recorded (McCracken, 1988). Data collection was stopped once saturation has been attained (Seidman, 2013).

During (and after the interviews), some informants provided further documents about their retail design processes, retail design strategy, and brand strategy (e.g., brand guides, brand briefings, and pitch documents). These documents provided by the informants, field notes, and publicly available interviews of brand representatives about the new retail design concept and retail design strategy were analyzed. The complementary secondary data sources were used for triangulation to validate the primary data. Furthermore, the final concepts have been validated with five retail design experts.

3.4.4 Data analysis

All interviews were transcribed verbatim, which resulted in 207 pages of transcripts, and 27 pages of field notes and memos[6]. The interviews, field notes, memos, as well as additional 58 pages of documents provided by some of the brands have been coded. To begin with, relevant parts and the level of abstraction level for the coding of the interview material were defined (Mayring, 2014).

The data was coded using qualitative content analysis (Mayring, 2014). Firstly, the data was coded for the different stages in the retail design processes using prior (retail)

[6] Recordings and transcripts can be provided electronically on request. Since the majority of the interviews were conducted in German, parts relevant for direct quotations were translated into English.

design process mappings (Dubberly, 2008; Vazquez & Bruce, 2002) food retail design management process. This led to an adaptation of retail design process for the fashion industry and further abstraction, dividing the retail design process into four major phases with, in total, eleven sub-phases. Secondly, the different phases of the retail design process were coded for organizational buying center roles (Webster & Wind, 1972). A particular focus was placed on roles the retail design manager assumed during the different phases of the retail design process and the respective design skills (Chiva & Alegre, 2009; Dickson et al., 1995; Perks et al., 2005). The buying center roles (assumed by all involved stakeholders) were identified for each step of the fifteen investigated retail design processes. The roles of the retail design manager were further analyzed, identifying four patterns across the fifteen cases, which then led to the final categorization of four different types of retail design managers.

3.5 Findings

The findings follow the logic of the two-step approach applied for the data analysis. The first part elaborates on the different stages within the retail design process in the fashion industry. The second part of the findings focuses on the explanation of the taxonomy of retail design managers with its according buying center roles during different phases of the retail design process.

3.5.1 The retail design process in the fashion industry

To begin with, the retail design process in the fashion industry, as observed from the interviews, is mapped and described. Similar to prior literature (Dubberly, 2008; Vazquez & Bruce, 2002), the retail design process can be split into four phases: (1) analysis and collection of requirements, (2) concept generation phase, (3) concept specification, and (4) roll-out and results (see figure 10). These phases are again are composed of two to three sub-phases each.

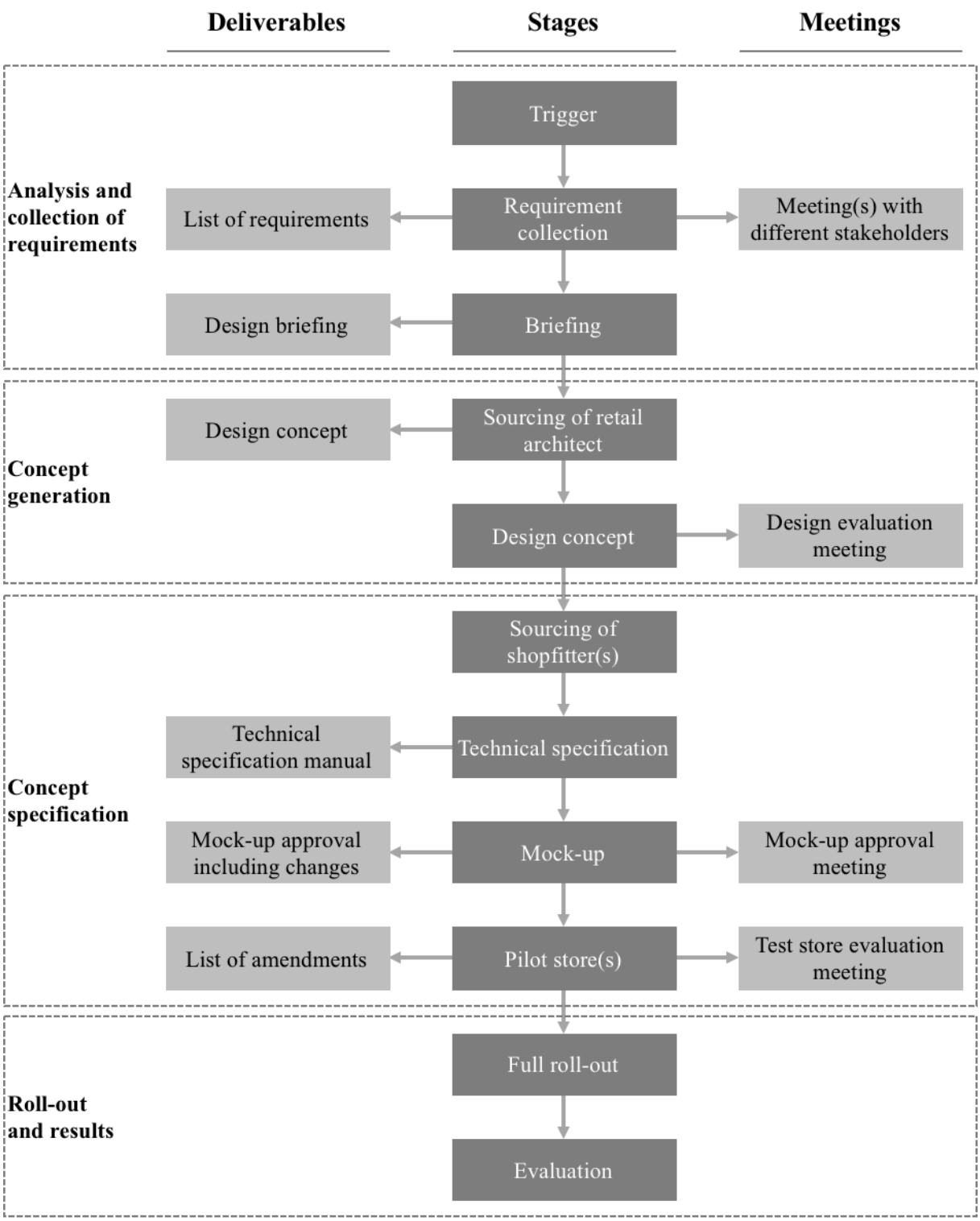


Figure 10: The retail design process in the fashion and accessories industry

Source: adapted from Vazquez & Bruce, 2002, based on own findings

In the following part, each phase is explained in more detail. Furthermore, the different approaches to retail design management of the fashion brands are synthesized and discussed.

3.5.1.1 Analysis and collection of requirements

Any retail design process starts with an impulse, a trigger, which causes the kick-off for the development of a new store concept. Triggers may change on an organizational, product, or store network level. After the need to create a new retail concept has been identified, the requirements for the new store concept are collected. Finally, they are compiled in a briefing, which forms the basis for the creation of a new retail concept.

Trigger

From the data, three types of triggers for a new store concept were identified, *organization-driven*, *store concept-driven*, and *product-driven triggers*. These will be discussed in the following. In most cases, multiple consecutive incidents led to the start of the development of a new store concept.

Firstly, triggers for developing a new retail concept can be organization-driven. Triggers could be a change in the ownership of the brand (i.e., another company or investor has acquired the brand), a new top manager entering the company (i.e., a succession of a younger family member in family business succession or a new CEO or CMO entered the company), or the repositioning of a brand. In most cases, the trigger for a new store concept was organization-driven. One informant subsumes that at brand F, for the past few concepts, the trigger for a new store concept was usually bound to a new top manager:

> *In principle, the trigger for a new shop design concept was a new personality. We've had this several times in the last few years. […] Based on the new brand strategy, he [the former CEO] initiated a new store design. [...] After about one and a half years or two years, I would say, we had built a pilot store in city A[7]. It was finished, and everyone was happy with the concept. A relatively short time later, the CEO[8] was no longer with the company. [...] A new person[9] came as the managing director for the products. She didn't like this concept and the shopfitting and then initiated that we build a new store design. We then started to touch that, and that is what [...] we did in city B[10]. – Expert 1.7, Head of Architecture at brand F*

As in the case of the first retail concept for brand F, where the former CEO repositioned the brand first, in many cases, a chain of several organizational changes leads to the creation of a new store concept. A similar development could be observed

[7] Anonymized.

[8] Anonymized.

[9] Anonymized.

[10] Anonymized.

at brand B. When a large foreign luxury goods holding company acquired brand B, many new top managers who previously worked for the holding were taking over key roles at brand B (e.g., the Chief Executive Officer and the Chief Brand Officer). One of the first measures the new top managers took was the repositioning of the brand as an entry-luxury brand. This also led to the creation of a new visual identity and, thus, a new store concept. In three cases, the companies explicitly hired a new retail design manager to launch a new store concept.

Secondly, triggers for the creation of a new retail concept could be *store concept-driven.* Brands can, for example, follow fixed update cycles (i.e., every five years). These cycles can also correlate with the amortization cycles of retail store assets. Furniture, as a fixed asset, is, for example, usually amortized in the balance sheet after five years. Furthermore, an impulse could also be that the old concept is worn-out or visually outdated. In some cases, brands also redefined the role or functionality of physical stores in the future (i.e., is launching new formats, or aims changes in the functionality of the store).

Thirdly, triggers can be *product-driven*. *Product-driven* triggers are caused by a substantial change in the product assortment. This change also has implications for the needs regarding the store concept. Changes in the assortment could be the launch of new products or a new product category, a stronger emphasis on an existing product line (i.e., a shift in the focus on the female clothes and accessories). Furthermore, the discontinuation of an entire product line or category leads to empty spaces within a shop concept. This can result in the development of a new store concept, to find ways to fill the available space with the remaining categories alternatively.

As the decision to create a new store concept can be considered as a strategic decision, the decider, a top manager, usually identifies the need a new store concept.

Requirement collection

After the decision to develop a new store concept, requirements for the new store concept are collected. The requirements are collected by consulting all sorts of influencers of the retail design concept. The retail design manager either meets with the different stakeholders individually or organizes a joint meeting with all the relevant stakeholders (influencers) such as managers in the Sales or Retail Operations, Merchandise, Brand Marketing, Visual Merchandising department. They may provide

user-related information, give feedback on the old store concept, and voice requirements for the new concept, as described by one informant:

> *Yes, let's say the most critical part within every project is to be able to define a complete design briefing in the beginning. If you know what you want to do, it's much easier. [chuckles] Every time, in every project, the most complicated part is to have all the people involved around the table and to clarify what is the objective we want to achieve, not only for the aesthetical part, also for the operation part, but also for the most practical elements. In every project, you have a different situation, so this is the most complicated part of the process. – Expert 1.5, Head of Retail Design at brand D*

In one case, a focus group with store employees (users) has been conducted:

> *We try to involve everyone, including the end consumer; we conduct focus groups with current store managers. Then we proceed to include experts in sales and then, of course, the classic stakeholders in businesses, who have to be involved and approve of such important projects, such as the CEO of the group or the owners. – Expert 1.10, Managing Director at brand I*

Surprisingly, many informants reported that elements, which should remain as in the old store concept were usually related to the functionality or the materials used, implying a rather radical than incremental change. For example, one informant explains the capacity requirement as follows in her own words:

> *What we wanted to keep was the capacity of the concept, because it was really easy to use and very performant, so we wanted to keep it easy to use in terms of capacity. – Expert 1.11, In-Store Planning Manager at brand J*

Similarly, another informant points out the kind of material that remained the same:

> *Yes, the concept is completely different from the old one*[11]*. The only thing we can say we tried to keep is the use of natural materials and honest materials. – Expert 1.5, Head of Retail Design at brand D*

Moreover, none of the informants reported that they aimed to create visual consistency and visual brand recognition across the different concepts. In the case of brand C, a radically different approach was chosen for the new concept. As the CMO at the time wanted to generate a radically different retail design concept, the requirements the new store should fulfill were not collected beforehand. The CMO of Brand C wanted to give the designers freedom for creativity:

> *Usually, it all begins with someone saying we need a new store concept. Then you start asking in the different departments, what do you need? Or what does retail need, what does wholesale need? And here you went a completely new way and said we just want people [the retail architects] who don't think in pigeonholes, but we want something completely new and we want them to be creative and so on and so forth. And so we do a lot of things that you normally do upfront only slowly little by little, so we have completely turned it around. – Expert 1.3, Store Architect at brand C*

After creating the first concept draft, the retail architects at brand C although started

[11] Anonymized.

discussing the requirements for the new concept with the different departments, as described by one informant:

> *Yes, for example, we have the department that does all the planning, what clothes will come into the stores, how the stores will be stocked, they are of course involved in finding the capacities, how much of each product actually comes into the store. Then we determined how much hanging goods space we needed, how much lying presentation etc. [...] Then, of course, VM was also involved. [...] IT would still be involved because we were still thinking about a new cash register system, although it is not so easy to change that. – Expert 1.4, Store Architect at brand C*

The collection of requirements is usually focused on stakeholders (influencers) within the company. In two cases, however, the external shopfitter was also assisting in the definition of formal requirements of the store concept.

Briefing

All the requirements of the different departments are compiled in a design briefing. The design briefing may comprise elements such as:

- background information on the brand, i.e., the heritage of a brand, the brand strategy, or a brand identity model
- background information about the target customers
- background information about the products
- background information on the retail network, i.e., the number of retail outlets, type of retail outlets (store vs. shop-in-shop), and the ownership structure of retail outlets (own, franchise and partner stores)
- aims for the new concept
- financial considerations
- a timeline

One informant mentioned the following components in their briefing:

> *Exactly, we create a briefing that includes creative considerations as well as business timing and financial considerations. – Expert 1.2, Chief Brand Officer at brand B*

Another informant describes the briefing she created for the new retail design concept as follows:

> *Of course, the briefing document was then still 89 pages long, because then you also provide information like 'Where do we come from, what is the history, how many locations do we have' and so on and so forth. But the brand core was also a part of it, which is what brand A[12] stands for. […] A general design*

[12] Anonymized.

strategy or saying, 'You have to do this or you should do that' was deliberately not done. – Expert 1.1, Head of Retail at brand A

In a competitive call for tender, the retail design manager thereafter sends the briefing to different retail architects. Brand E has done it in the following way:

[...] we had five architectural firms pitching, we had a pool of ten. Out of the ten, we picked five and then said they would receive the briefing documents. – Expert 1.6, Head of Merchandise at brand E

3.5.1.2 Concept generation

The concept generation phase usually comprises of two different sub-phases. Firstly, brands contract a retail architect who proposes an initial concept idea. Alternatively, the first proposal for a new concept is designed internally. Secondly, the internal or external retail architect further develops his initial concept idea in more detail in the design concept phase.

Sourcing of retail architect

In line with the sourcing in new product development (Margaret Bruce & Morris, 1994), three different approaches to the sourcing of the retail architect for the design concept generation exist: external sourcing, internal sourcing, and a mixture of the two approaches, co-created sourcing. Often, companies do not have sufficient design resources and skills internally. Therefore, in many cases, the management of the brand contracts an external retail architect, i.e., an architecture studio or a design agency, who develops the retail design concept for the brand.

External sourcing

As suggested by Kent (2007), external partners for the design were usually chosen for creativity reasons and due to a lack of resources and competencies internally. Retail design agencies and architecture studios usually work for many different clients. Due to the involvement in different industries, external retail architects are up-to-date with regards to current trends and open-minded to develop something new.

When developing a concept externally, the retail architect can either be contracted directly, as in most cases, or after winning a call for tender. A call for tender is a design competition, where pre-selected retail architects are given the briefing and have a couple of weeks to design an initial concept. Usually, three to five external retail architects participate in the design competition. In one case, brand F's first attempt to develop a

new store concept, the internal architecture team also developed a concept and participated in the pitch competition. The management team of a brand finally chooses one of the concepts from (several rounds or) pitch presentations. One informant describes the process as follows:

> *Normally you give them maybe around three weeks to one month, and then they come and present to you. They come, they present the concept, and then we make a decision. That's the only external part that we involve. Then once the job is assigned, once we say, 'Okay, we go for this concept', the architect will develop the final concept. – Expert 1.2, Chief Brand Officer at Brand B*

At brand E, the final retail architect was selected after having undergone a two-step process:

> *The architectural firms we selected after the presentation phase made three out of the five architectural firms and then we presented them to our internal stakeholders, I would say to a committee. Then we turned three into one. Of course, we kept one in reserve in case someone dropped out or did something stupid. Then we said 'it's you', and with him we developed it, developed it further. – Expert 1.6, Head of Merchandise at brand E*

During the pitch presentations, usually a committee of top management evaluates the presentations, as the case of brand K illustrates nicely:

> *[…] it was a large decision-making body. There were fourteen people sitting in it, but not all fourteen people had the right to vote. I was a kind of technical jury for my part because I had insights into everything and was involved in the preparation and development. The board of directors had the right to vote, and people from the board of directors of our holding company also came to this voting. For example, the marketing director and the real estate directors of our holding company were there. – Expert 1.12, Corporate Architect at brand K*

In most cases, the evaluation of the presented retail concepts is not based on pre-determined criteria:

> *We tried to eliminate the gut as much as possible by filling out a questionnaire after each pitch, or after each presentation, which was set to last exactly two hours, based on the briefing paper we had drawn up. Everyone on the expert team who was in the presentation had to fill out this questionnaire. We evaluated this like in the school grading system. There were many aspects in it. It was a lot of work to develop this at all, but because this briefing paper was very pointed, yet left a lot of freedom, it was easy for us to evaluate this analysis questionnaire after each presentation. That is, have all aspects been presented? Does it reflect our briefing paper? For example, has 'gender segregation' been implemented in the presentation? How was the choice of material? […] We were very specific, we wanted to know the costs, we wanted to know the turnover of digitalization on the surface or digital signage and moving images. – Expert 1.6, Head of Merchandise at brand E*

In four cases, the retail architect contracted based on the reputation of the architect or based on the positive previous experience of the retail design manager while working for another brand. Brand C, for example, directly contracted the retail architect because there was no time for a call for tender and because the CMO already had an agency from her home town in mind:

[The choice of the retail architect] was also made by our boss [the CMO]. She knew the agency because she also is from Amsterdam. They apparently have done great things for gastronomy, but not so much for retail, and that was her decision to take the agency. – Expert 1.4, Store Architect at brand C

Surprisingly, this agency is, however, usually designing gastronomic concepts and had no prior experience in fashion retail design. The agency was completely free in designing a new store concept. One informant from brand C describes the concept idea generation as follows:

Actually, I would say that almost nothing [was taken over visually from the old concept]. The briefing for the agency was very lean, I would say. They came by once and their focus was more on how to get the communication right, that the client sees how the brand is created, how the tights are created. So, a lot of ideas came from the production. They went through the production and took pictures. We now have lamps, for example, that show elements from the production in a certain way, hanging rails that somewhat convey something, but I don't think the customer will actually see that. – Expert 1.4, Store Architect at brand C

The other Store Architect at brand C adds that the agency and the CMO have collected further inspiration traveling to different cities. They were looking at competitors, stores in other business sectors, and their old stores:

[...] as they come from a completely different area of business, they are still doing a lot of research. Well, they have done quite a bit of research and there have been a few trips with our CMO[13], where they have been to different cities together, but they are still on a research trip I would say. – Expert 1.3, Store Architect at brand C

Internal sourcing

In two cases, management decided to develop a store concept internally. Brand D always develops its store concepts internally, whereas brand H outsourced the design of its flagship store concept to a star architect and created its retail concept for Switzerland in-house. Both companies who decided to develop the new store concept internally have better in-house retail design resources and skills. They both have large internal architecture teams (i.e., brand D's team comprises of fifteen architects and brand H's of nine architects). Brand L's internal retail design team also employs many architects. Yet, they only adapt existing concepts to the store premises for the roll-out. They may also design concept evolutions internally, but when aiming to change the store concept more radically, Brand L contracts an external retail architect to obtain new creative impulses.

[13] Anonymized.

Co-created sourcing

In one case, the new store concept was developed in co-creation with the design department of the shopfitter. Following an unsuccessful two-step pitch process, during the second attempt of brand F to create a new store concept, the new Managing Director Product decided to create the new store concept in collaboration with the architects during multiple workshops:

> *The other process with the new Managing Director Product, we also started in such a way that we again had a two-stage competition […]. However, after the second stage, the result was not satisfactory; she was not satisfied with that. Now I have to talk a little about the personalities of the decision-makers. The CEO[14] [the sponsor of the first attempt to create a new store concept] was a very rational, strategic type of person, where, I would say, the process of competition, where alternatives are presented and then decisions are made, more or less worked. That did not work with the new Managing Director Product[15]. She is a person who comes from the product side, from textiles, who goes into great detail and who wants to be involved in such issues to get a feel for them. Then I suggested that we change the process, that we no longer approach it by means of a competition, but that we develop it together by directly contracting an agency for a workshop process. And that's when we asked two agencies to do something. We simply looked at all the competition proposals again, thought about who could be the right one, asked two of them, and then decided to go with Konhäuser again, because they simply always delivered the best entries. They are also a company, I have to say, which has grown with brand F[16]. Of course, they know us and our customers very well, and then, through a workshop process, where there were many coordination meetings and a lot of input from our side, we developed this Home Story concept. – Expert 1.7, Head of Architecture at brand F*

The co-created process was not planned from the beginning. It somewhat emerged out of necessity due to unsatisfactory results from the pitch presentations. However, it proves to be a fruitful process.

Design concept

In the case of external sourcing using a design competition, retail architects primarily present their concept idea during the pitch(es) using schematic illustrations. As retail architects are often not paid for pitch presentations, they cannot develop a detailed concept. Instead, the retail architects often use mood boards and some exemplary illustrations to present their concept idea. Once the sourcing of the retail architect is determined, the retail architect, therefore, still has to refine the design concept. The concept is developed using an exemplary store, usually the layout of the

[14] Anonymized.

[15] Anonymized.

[16] Anonymized.

pilot store(s). In most cases, there were some interim presentations until the client signs off the final design concept. These interim presentations may also be used to onboard further stakeholders (influencers) within the organization to ensure that the implementation is feasible. One of the store architects (expert 1.4) at brand C explains the internal feedback process of influencers as follows:

> *She [the CMO] then passed it [the interim presentations] on to the individual country managers. And my job is to really bring all the departments together, which will then be influenced by the new concept. We now have the new packaging, so we have a strong exchange with the graphics department, but then we also have to ask the markets how it works with the roll-out of the new packaging, what the new measurements are, how much capacity you lose as a result, things like that. – Expert 1.4, Store Architect at brand C*

3.5.1.3 Concept specification

In the concept specification phase, the concept is transformed to be ready for construction. Firstly, a shopfitter must be contracted. Secondly, in cooperation with the shopfitter, and in most cases, the retail architect, the construction drawings of the concept are specified from a technical point of view. Lastly, a mock-up is built.

Sourcing of shopfitter(s)

The concept specification starts with the sourcing of the shopfitter. The development of the concept also includes a list of all the different elements in the concept. Before sending this list to several shopfitters, usually three to five, for a call for tender, potential shopfitters are pre-selected. Pre-selection criteria include the ability to deliver certain volumes and in some geographical regions.

Within a fixed period (typically four weeks), most of the approached shopfitters then send a written offer. When all offers are available the decision is usually based on the price. Nevertheless, long-term relationships with a shopfitter also influence the decision. In many cases, the shopfitter remained the same as before. The advantages of staying with the old shopfitter are outlined from a client perspective by one informant:

> *We then gave the concept to three shopfitters, which then calculated the whole thing. The winner was then the company Vizona, which was also our shopfitter before, I must say that in all fairness. And of course, I am not revealing any secrets when I say that they had certain advantages because they know our structures, because we know each other. But at the end of the day, they didn't win because they were hypocritical, but because they delivered the best prices. – Expert 1.1, Head of Retail at brand A*

Similarly, the shopfitter of brand E believes that one of the reasons to remain with them was their long-term cooperation. Besides, they are able to deliver the necessary volumes and can deliver the concept across different geographies:

> *Of course, we have certain advantages, we have known each other for years, we have built up an absolutely cooperative relationship, but we also take advantage of the proximity to each other, we are about 20 km apart. It's just easier to drive 20 km for a personal meeting than, I would say, somewhere down south or to Holland. So, on the one hand, the personal, the partnership, which was built up over the years and on the other hand the proximity is our advantage, yes, but also the capabilities we have, with various production branches that we have in Germany, Europe or even in the Far East with our partners. – Expert 1.19, Project Manager at shopfitter E*

In some cases, brands only work with one shopfitter, primarily when the distribution of a concept is focused on one geographic region (e.g., brand E, who primarily distributes in Europe). In other cases, brands work with at least two shopfitters, constructing the same shop system to reduce risk (e.g., brand D). Alternatively, different shopfitters may produce the same concept in different geographical regions (e.g., brand A).

Technical specifications

After one shopfitter has won the call for tender, the technical specifications of the concept are defined, including detailed construction plans. This phase is usually very tedious and time-consuming, as described by one informant:

> [*In the prototype phase, our team of experts knew in advance] that we needed the following handle heights in the table area, the following shelf depths in the back-wall area, etc. [...]. We are an unpleasant customer because I am now developing my fourth shop system here and we know what we really need. But when this design phase is completed, we need a construction phase with the shopfitter, who has to tell us how everything is built. This how, that is terrible, it goes down to the smallest screw. I say terrible only because if you have a good shopfitter, you will come across so many questions that you would not have or are not (laughs). It is extremely time-consuming. This is the phase that is most time-consuming. – Expert 1.6, Head of Merchandise at brand E*

In many cases, this phase poses a few more challenges. Oftentimes, the costs per square meter have to be cut, which is usually achieved by using lower quality material, as explained by one informant:

> *Then it's about making the concept affordable, which is always a bit difficult because materials are always the issue. You can save most on materials. Often you start with veneered things and then at some point you go to the plastic-coated boards and then it just doesn't look the way you want it to anymore. – Expert 1.4, Store Architect at brand C*

Furthermore, in some cases, certain elements from the original creative idea of a concept are simply not scalable. The key account manager at Vizona, who is looking after the customer brand A, expresses it this way giving a concrete example:

> *So mostly, in 90 to 95 percent the call for tenders forms the basis, the foundation, but what is built and rolled out afterwards always deviates very, very strongly from the initial concept. Not the visual appearance, but the details or the materials. […] Now, for example, brand A's[17] Welcome Island, this table, has […] a wooden cover on top. This wooden cover was supposed to look very, very natural. The architect thought, 'Man, this should look like I'm walking along the beach and find a piece of driftwood', which is lying on top of it. […] We as shopfitters can't go to the beach and look for a piece of driftwood, which is also the right size. That means we have to look what kinds of materials the market offers us and how it fits to what the architect and the customer wants to have, in order to reproduce it as authentically as possible, but also to be attractive in terms of pricing […]. So really, there we are asked to convert the whole thing into a serial process and to keep the m2 price attractive. – Expert 1.17, Key Account Manager of brand A at shopfitter A*

Mock-up

Before the entire concept is implemented for the first time, a partial or complete mock-up is created. In three cases, an entire mock-up of the store has been created. In most cases, prototypes of the furniture, which are specifically designed for a brand, are built beforehand due to cost and space restrictions. Brand A, for example, created a complete mock-up and used it as a showroom for its B2B clients during the *Bread and Butter* tradeshow in Berlin, where clients pre-ordered merchandise. Here, besides the feedback from the B2B clients, all decision-makers as well as important influencers were also able to comment on the concept.

Pilot store(s)

In most cases, the first mock-up is a real store, a pilot store. This is usually the case due to cost- and time constraints. According to the informants, prototypes are more expensive than serial production in retail design and secondly, the schedule is usually quite tight.

There are different approaches to choosing the location of a pilot store. The location of the pilot store(s) can be selected according to the importance of the location. This means that one can purposefully choose an important flagship location to generate

[17] Anonymized.

multiplication effects in the press (e.g., brand D's, brand G's, and brand H's flagship concept). One informant justifies the pilot store location as follows:

> *We decided to take that location [in London] which was an important location, very close to a new underground station that is under construction. The property landlord of the building was entirely rebuilding the building, the building where we are in now. We sat down. We started to work with the architecture, thinking where the vertical connection of the store will be placed, to elevate the main important structural elements. They built the building having in mind our project. Once they complete the building we took over the space and we made the project internally. – Expert 1.5, Head of Retail Design at brand D*

Alternatively, brands can choose a less important location not to be in the spotlight, as the first store will not be perfect (e.g., brand L). The choice of the pilot store can also be pragmatic, i.e., a partner store, which requested a make-over (e.g., brand A).

Once the pilot store is constructed, the deciders and some influencers usually visit the store to give their feedback. They visit the pilot store either before the official opening (e.g., brand G) or during the first couple of weeks (e.g., brand F). Afterward, the amendments which are brought forward during this period are modified for the serial production concept. One informant summarizes on the feedback process at brand F as follows:

> *We did a test phase after the opening of the pilot store. It was also important to the management that we again send all the people who have an opinion there. That lasted about two months. Then we collected the feedback, evaluated, and processed everything, and gave a presentation to the management on which modifications should be made. This was then changed accordingly in the drawings – Expert 1.7, Head of Architecture at brand F*

In some cases, the concept is also further rationalized down for serial production to cut costs, as one of the store architects from brand C puts it:

> *This will be the first store in Amsterdam, which is actually a mock-up store, and then we want to start looking to make the concept affordable. Well, we have a budget at the moment, but with mock-up stores it's always a bit over budget. You still have all the artwork that comes in at the beginning. – Expert 1.4, Store Architect at brand C*

In two cases, after the construction of the pilot store, no further stores in the new concept were rolled-out. In both cases, these decisions were although not based on objective criteria. These decisions were rather organization-driven, meaning that they were bound to the key decider.

At brand L, even though the concept was extensively tested and achieved better results than the old concept. The furniture for the soft roll-out had already been pre-ordered from the shopfitter (resulting in substantial sunk costs). However, an influential family member of the family-run business stopped the concept due to after a visit to China with an email along the following lines:

[…] he was in the store, he was in China and wrote that 'he was not sure whether the concept', so to speak was the wording, 'also works in China'. That's why it was stopped completely with this email because of one person. – Expert 1.20, former Head of Retail Architecture at brand L

3.5.1.4 Roll-out and results

Once the first trial of the concept is through, the concept is usually fully rolled-out or firstly rolled-out in a soft roll-out and then in a complete roll-out. After that, a concept should be evaluated internally using KPIs and sometimes also externally with consumers. In many cases, the department who oversees the roll-out and results is not the same as the department, which was involved in the concept development and concept specification.

Full roll-out

After the amendments from the pilot stores have been refit, the store concept is usually rolled-out. In the case of brand L, a soft roll-out of 20 stores was planned but stopped after the email of the family member. In all other cases, where the concept was rolled out, it was directly fully rolled-out. From the cases, four different options of who plans the fit-out of new stores and store remodeling can be identified: an internal architect (e.g., brand D, brand E, brand H, and brand L), the planning department of the shopfitter (e.g., Mey and brand F), an external, sub-contractor of the shopfitter (e.g., brand A), or a local architect (e.g., brand B, brand J).

Evaluation

In most cases, there is little evaluation of the new store concept. Pre- and post-tests for like-for-like remodelings are rarely ever done. In most cases, the only evaluation criteria used are sales KPIs, as described by one informant:

So, the decisive factor is turnover. That's the before/after test. It's relatively simple. Since we work very closely with our partners, they tell us very quickly what works and what doesn't work. – Expert 1.6, Head of Merchandise at brand E

Brand L has really professionalized the evaluation of its stores, considering all kinds of KPIs:

Yes, they've tested every possible KPI. Then they tested comparable shops in England, for example. So the first test stores were in England, in London and in Manchester. Then they said that they wouldn't just test the individual store before and after, but that they would take five comparable stores, i.e., those that were the same in terms of typology within England. And they also tested the impact of the advertisements that were placed at the time. That has a huge impact on the change in turnover.

Therefore, five comparable stores were selected, which are similar to the store in London and the one in Manchester, and this was compared with them, and all the KPIs, i.e., traffic, conversion rate, turnover, average transaction value, so everything was examined and made as objective as possible. – Expert 1.20, former Head of Retail Architecture at brand L

Only rarely, consumer associations with the new concept are tested. This was also extensively done by brand L as expert 1.20 goes on:

But then interviews were also conducted. [...] I know that people in London were driven from a store with the old concept to this new store, and a lot of people. But also the other way round, the people who were in the new store were also driven into the old store, I think, just to make a comparison of how the old and the new concept is evaluated, not just from memory, but really 'Ok, go to a new store, go to an old store and look at it, give a rating and compare it'. They were asked about terms [...] that [was] really impressive how this evaluation took place, both the terms that are associated with it, as well as the acceptance and how the brand fits in. […] – Expert 1.20, former Head of Retail Architecture at brand L

Brand L, however, does not only evaluate its store concept after the launch of a new concept. They permanently work with a retail analytics agency, which monitors and analyzes many KPIs in-store, as one informant concludes:

This was professionally evaluated in all areas with an agency, the KPIs of course, we had screens with SAP, and so on. There was this customer interviewing and everything that goes with it, passers-by, etc. Brand L[18] was the only company with eye beacons that measured who was standing on which side of the shop window for how long and how many people standing in front of the shop window were going in and also with heat maps, so where exactly do customers actually go and what of what they are looking at do they actually buy. Brand L was the only company that evaluated everything so comprehensively. But that wasn't just the case with the new concept; it was permanently done. – Expert 1.20, former Head of Retail Architecture at brand L

Most companies somewhat neglect the subject of evaluation. Most of the time, retail design concepts are not systematically evaluated. If an evaluation is undertaken at all, the evaluation of the store concept is often part of a broader, one-off survey.

3.5.1.5 Summary of retail design process phases by key managerial tasks

To summarize the findings of this chapter, the following table gives an overview of the key managerial tasks during the retail design process. In each phase two to four tasks have to be considered by the retail design manager to manage the retail design process well.

[18] Anonymized.

Phase	Key managerial tasks
Analysis and collection of requirements	1. Identify an objective need for a new store concept (and also consider the positive aspects of the old store concept). 2. Collect requirements with all stakeholders who are affected by the retail design process (see categorization in chapter 2.2.2) 3. Clearly articulate all the requirements and objectives in a briefing.
Concept generation	4. Decide on a sourcing option for the design (internal, co-created, or external direct or competitive sourcing). 5. Define and use objective evaluation criteria based on the briefing for the assessment of different design proposals. 6. Involve stakeholders in decision-making for the sourcing of the design concept who are involved or affected by the concept.
Concept specification	7. Involve the retail architect in the concept specification with the shopfitter. 8. Create a mock-up of certain elements to receive feedback from the stakeholders involved in the collection of requirements and deciders. 9. Chose location of pilot store wisely. 10. Use pilot store to test the perception of the new concept with deciders, influencers, but especially users of the concept (employees and store personnel).
Roll-out and results	11. Prioritize roll-out of new store concept. 12. Implement institutionalized evaluation of the retail stores based on objective quantitative KPIs and qualitative evaluations by consumers.

Table 7: Summary of retail design process phases by key managerial tasks

Besides these managerial tasks of the retail design manager, overall, four different types of client-retail-architect-shopfitter relationships could be identified from the fifteen cases.

3.5.2 Client-retail-architect-shopfitter relationships

Client-retail-architect-shopfitter relationships describe the relationships which are built between the client, the retail architect, and the shopfitter.

In two cases, the client only had one external contractor (see the first and second relationship in figure 11). In one case, the concept was created internally, and only the shopfitting was sourced externally (e.g., brand D and the retail concept of brand H). In the other case, the client establishes a direct relationship with an external contractor, who is both the retail architect and the shopfitter, a full-service provider. This can be the case when co-creating (e.g., the second brand F concept developed with Konhäuser) or externally sourcing (e.g., in the case of May working with Knoblauch) the concept generation, specification and implementation from a full-service provider.

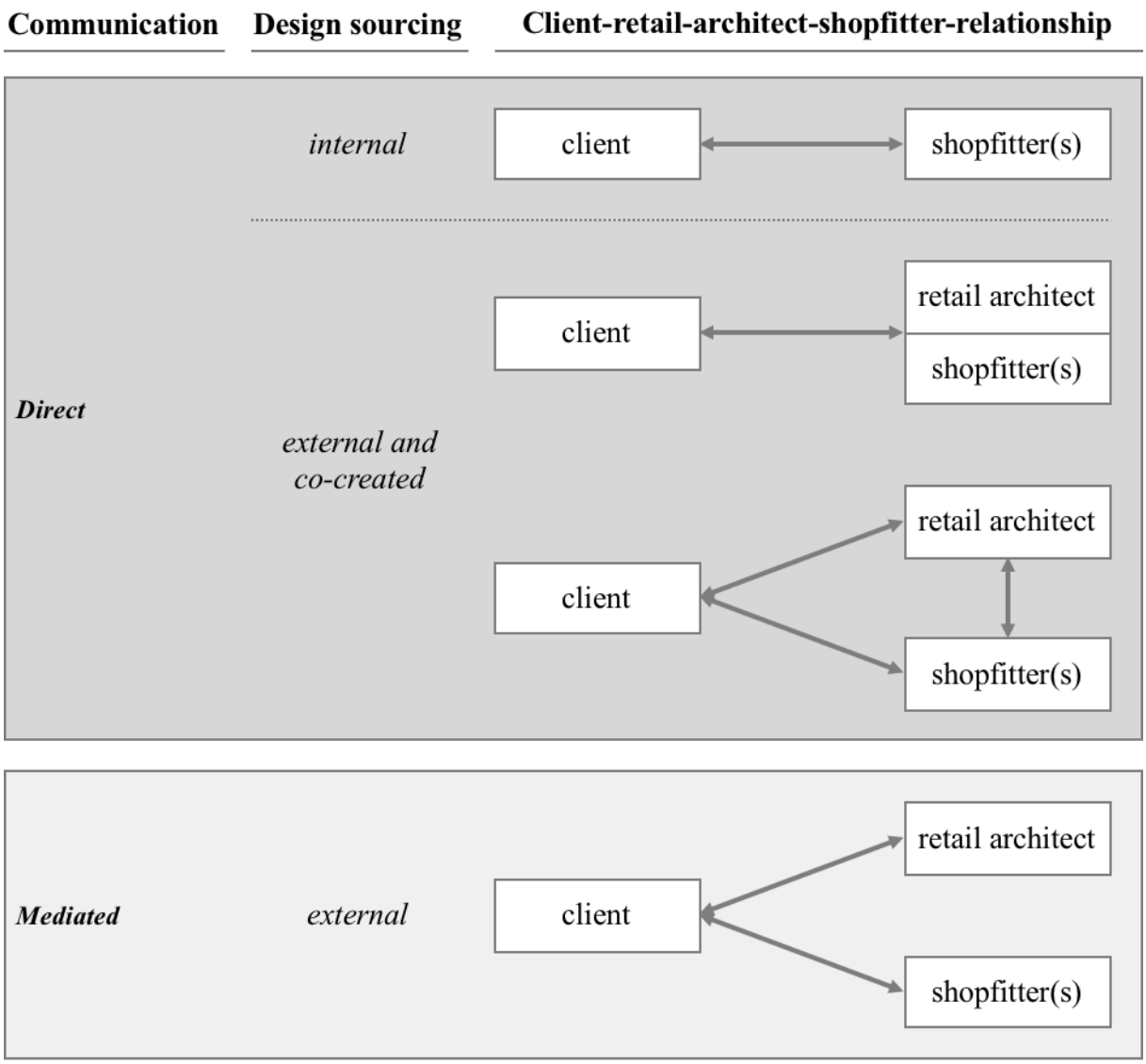


Figure 11: Client-retail-architect-shopfitter relationships

In most external design sourcing cases, the client, the retail architect, and the shopfitter establish a triangular relationship (see the third relationship in figure 11). In this triangular relationship, the technical specifications are defined together during joint meetings and telephone conferences by all three parties (e.g., in the case of brand A). However, it is also possible for the two external contractors to communicate bilaterally for specific issues. The Head of Retail of brand A describes the client-retail-architect-shopfitter relationship as follows:

> *The elaboration phase [...] was a joint effort between brand A, retail architect A, and shopfitter A[19]. You really look at the whole concept, and look at the furniture, and define it, define the materials, define the materials, define the colors and shapes. Everyone then brings their input. We bring input about the brand, Vizona the shopfitting aspect, and Philipp Mainzer is the creative thinker of the whole thing. And*

[19] Anonymized.

when that's done, you basically go into the production phase, which always lasts six weeks. Of course, not only one part is produced, but everything, and you see if you are able to obtain certain prices that you have negotiated beforehand, and specific quantities are determined. – Expert 1.1, Head of Retail at brand A

Lastly, in some cases, the concept generation and concept specification and implementation are separate from one another (as in the fourth, the mediated relationship in figure 11). In this case, the concept is fully developed and then handed over to the client, who will forward it to the shopfitter to construct the concept. Here, the shopfitter and the retail architect only exchange through the client (e.g., in the case of brand E).

Overall in the case of an external design sourcing, the involvement of the retail architect and the degree of cooperation between all three parties, client, retail architect, and shopfitter varied across cases. Besides these four relationships a client can have with its retail architect and/or shopfitter, different types of retail design managers can also be identified.

3.5.3 Taxonomy of retail design managers

The person who manages the retail design process, the retail design manager, differs for every company. In some cases, retail design is part of the marketing department (e.g., at brand J and brand A). In the retail design team is in the sales department (e.g., at brand E and brand A). Lastly, the retail design team can also be a department on its own, directly reporting to the CEO (e.g., in the case of brand I, brand G, and brand H).

From the interviews, two factors, which distinguish different types of retail design managers, emerged. One is at which hierarchy level the retail design manager is within the organization. The other one is how professionally the retail design process is managed within a company. The professionalization of the retail design process is related to both the retail design specific education and experience of the retail design manager and the general design orientation of the company. Therefore, from the data, a taxonomy of four types of retail design managers derived: the authoritarian, the omnipotent, the puppet, and the expert (see figure 12).

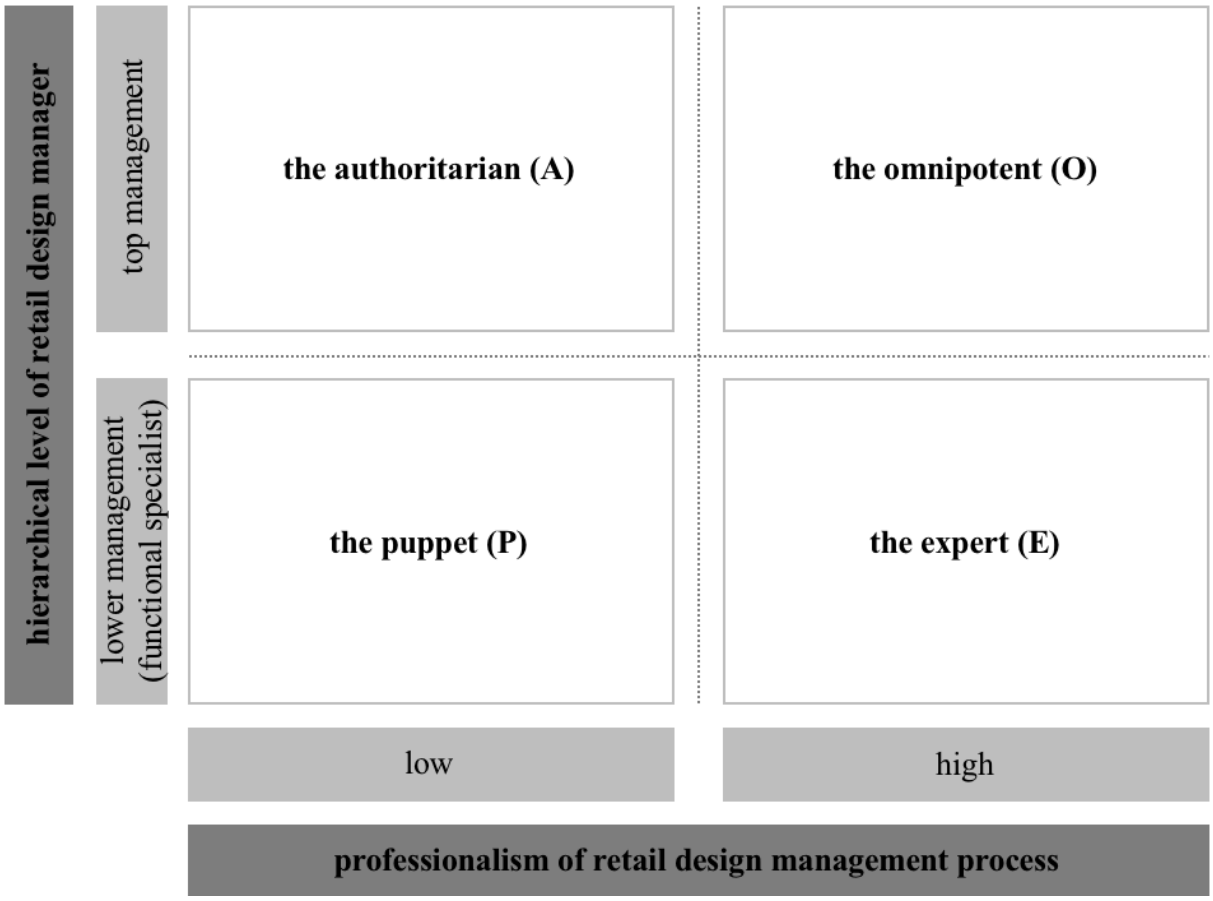


Figure 12: Taxonomy of retail design management types

All authoritarian and omnipotent retail design manager assumed C-level positions. The retail design managers in the categories the puppet and the expert were all assuming team-leader positions. However, they were rather considered as functional specialists. Table 8 gives an overview of several parameters about the retail design processes of the fifteen cases.

#	Retail design manager type	Case	Position of retail design manager	Allocation of internal retail design team	Size of internal retail design team	Primary trigger	Design sourcing	Shopfitter(s) = retail architect
1	**The authoritarian**	Brand H FS	Chief Executive Officer	Own department*	5-10	store-related	external, direct sourcing	no
2		Brand B	Chief Brand Officer	Marketing	<5	organization-related	external, competitive sourcing	no
3		Brand C	Chief Marketing Officer	Marketing	<5	organization-related	external, direct sourcing	no
4		Brand F I	Chief Executive Officer	Retail/Sales	<5	organization-related	external, competitive sourcing	yes
5		Brand F II	Managing Director Product	Retail/Sales	<5	organization-related	co-created development	yes
6	**The puppet**	Brand H CH	Global Store Planning and VM Director	Own department*	5-10	store-related	internal development	no
7		Brand J	Global VP Store Experience	Marketing	>10	organization-related	external, competitive sourcing	no
8		Mey	Specialist Shopmanagement	Own department*	<5	store- and organization-related	external, competitive sourcing	yes
9		Brand K I	Corporate Architect	Retail/Sales	<5	organization- and product-related	external, competitive sourcing	no
10		Brand K II	Corporate Architect	Retail/Sales	<5	organization- and product-related	external, competitive sourcing	no
11	**The omnipotent**	Brand A	Head of Retail	Retail/Sales	<5	store-related	external, competitive sourcing	no
12		Brand I	Managing Director	Retail/Sales	<5	store-related	external, competitive sourcing	no
13	**The expert**	Brand E	Head of Merchandise	Retail/Sales	<5	store-related	external, competitive sourcing	no
14		Brand L	Head of Retail Architecture - Design	Retail/Sales	>10	product-, store-, and organization-related	external, direct sourcing	no
15		Brand D	Global Head of Retail Design	Retail/Sales	>10	organization-related	internal development	no

Table 8: Summary of cases by retail design manager type

*reporting to the board members (German: Stabstelle der Geschäftsführung)

Figure 13 shows the organizational buying roles which the different retail design managers assume during the different phases of the retail design process. While the roles the omnipotent retail design manager assumes are relatively stable across the different phases, the other three types show more variation. Most changes in roles assumed are observable for the expert.

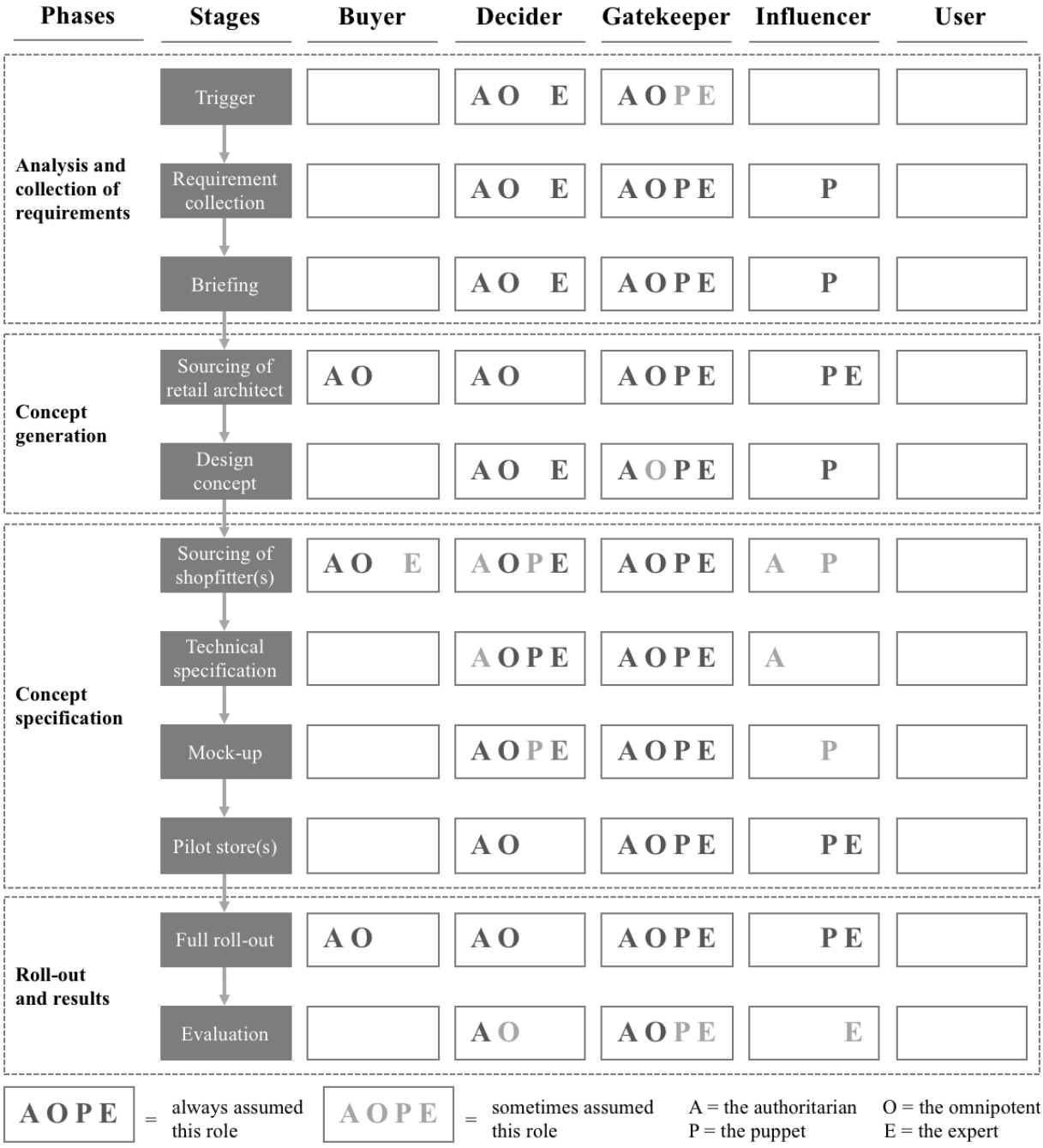


Figure 13: Organizational buying roles of the different retail design management types along the retail design process

The remainder of the chapter is dedicated to a description of the four types, pointing out more differences and giving one concrete example of each type.

3.5.3.1 The authoritarian retail design manager

The authoritarian retail design manager usually assumes a C-level position within the company and usually does not have a design background. In most cases, the creation of a new store concept is triggered by organizational-driven factors.

Throughout the retail design process, he assumes more or less the same roles. This design manager makes all decisions himself, but usually has an advisor or a team of advisors supporting him with the more technical questions. He is taking all buying decisions, formally contracting external design service providers, and is also signing-off every single store during the roll-out. Furthermore, the authoritarian is also taking all other decisions on a macro level, especially all decisions related to the appearance. In the concept specification phase, he is not necessarily making the micro-decisions. For very detailed questions, e.g., technical specifications of some furniture pieces, he may delegate the decisions to a specialist and only act as an influencer.

Vignette of the authoritarian: Brand C

At brand C, the new Chief Marketing Officer came to brand C to reposition the brand after a new investor has acquired brand C. As the repositioning of the brand comprised of a rejuvenation of the brand in general, she also wanted to update the look and feel of the retail design to make it more appealing for a younger target group, namely Millennials. Therefore, she also assumed the role of the retail design manager. The selection was not based on objective evaluation criteria, but rather on personal preference. The CMO directly contracted an architecture studio from her hometown Amsterdam with no prior experience in retail architecture. They were only given very little information beforehand and were instead compiling all the necessary information during the process of creating a new retail design concept. Even though there is a retail architecture team at brand C, consisting of four people, they were barely really involved in the new concept. The in-house architects saw the concept for the first time when the external architects presented the initial concept idea to all board members. After that, they actively participated in the refinement of the concept. They managed the process of the collection of requirements for the new store concept (which is usually done before the briefing). However, they did not visually influence the concept. In this phase, the in-house architects functioned as gatekeepers coordinating the different stakeholders internally for the requirement collection. A contractor of the retail architects did the shopfitting for the first three stores. After the opening of the pilot stores, the in-house architects approached different shopfitters for a large-scale roll-out. Here, the in-house architects were involved more, but the final decision is still always made by top management. Finally, brand C's company-internal architects take the retail concept in-house. They are then responsible for adapting the new concept to the spaces that are newly opened or renovated. Again, the final sign-off of each store layout lies with the CMO.

Figure 14: Case vignette of the authoritarian retail design manager

3.5.3.2 The omnipotent retail design manager

The omnipotent retail design manager is also a top manager who has gained extensive experience in retail design. Compared to the authoritarian, the omnipotent has gained extensive experience in the field of retail (design) and works in an organization, where the retail design process is clearly defined.

Usually, the trigger to create a new retail design is store concept-driven. Both brands in this category follow regular update lifecycles of five to six years for each shop concept.

Throughout the retail design process, the omnipotent design manager assumes almost the same roles in every phase of the retail design process. The omnipotent retail design manager is taking all decisions, from large buying (which are although usually made by a committee of deciders of which he is part) to very specific construction detail decisions (which he makes by himself). Furthermore, he formally has the power to sign-off contracts. The omnipotent design manager is assuming the role of the buyer at all times. He is responsible for the sourcing of the retail architect and the shopfitter. He also oversees the local sourcing of single stores in the roll-out phase. Lastly, the omnipotent design manager always controls the flow of information and, therefore, always assumes the role of the gatekeeper.

Vignette of the omnipotent: Brand A

The Head of Retail assumed the role of the retail design manager at brand A. She has been working for the brand for more than twelve years. She has a management background but is already rolling-out the third retail design concept for brand A. Therefore, due to the extensive experience over the years, the Head of Retail has developed extensive knowledge in the development and roll-out of a new shop concept. She has, therefore, professionalized the retail design processes within the organization to a maximum. Brand A follows fixed renewal cycles and creates a new store concept every five to six years.

In collaboration with the Creative Director of brand A, the Head of Retail developed the briefing and sent it to three retail architects, and all three retail architecture studios pitched their concept idea. The Head of Retail and the Creative Director were part of the decision-making committee, which in total consisted of more than eight people, including the CEO, the license owner, and representatives from the Design and Brand Management department. Only four people in the decision-making committee had the right to vote, the Head of Retail, the Creative Director, the CEO, and the license owner. Following, the retail architect refined the concept and presented it twice to the management of brand A until it was finally signed off. With the final concept, the Head of Retail issued a call for tender for the shop concept. She ended up rolling-out the retail concept with the long-term partner Vizona again. The three parties, brand A, the retail architect, and the shopfitter worked together very closely to finalize the technical specifications and creating a mock-up in many in-person meetings and at the

very and two weeks of daily conference calls which were protocolled by the Head of Retail. The mock-up was created for the Bread and Butter as a showroom for B2B clients and internal stakeholders, who could give feedback on the concept. The feedback was collected informally. Thereafter, final amendments for the roll-out were made. Once the concept is ready for roll-out, the internal project management team of the retail department, also part of the retail department, took over, and oversaw store planning. As the team consists of two people only, they work with a freelancer who is adapting the concept for every store in collaboration with their shopfitter.

Figure 15: Case vignette of the omnipotent retail design manager

3.5.3.3 The puppet retail design manager

The puppet is a retail design manager usually has a background in architecture, specifically retail design. The puppet is usually not the person who identifies the need for a new concept, but is rather approached by a top manager or another department as he is the specialist for any architecture-related projects in the retail sphere. The trigger for the development of a new retail concept can be of any kind, organizational-, product-driven, or store concept-driven.

The puppet manages the flow of information (gatekeeper), especially with stakeholders at his level and below and constantly reports to the top manager, who sponsors the project. He, for example, creates the briefing based on the objectives of the top manager they report to and the requirements which emerged from discussions he led with other internal stakeholders.

The puppet, does, however, not make important decisions, i.e., regarding the sourcing or the retail architect. The puppet is an influencer due to his expertise in the field of retail design in such decisions. In some of the cases, he can be the decider for less important, decisions, where more specific knowledge is required. He may be one of the deciders when choosing a shopfitter, which is a rational decision, primarily based on the prices offered by the shopfitters. Due to his architectural expertise, he may be the decider regarding the technical specifications of the agreed-upon design concept.

When the first store is opened, the puppet steers the feedback collection process and may again act as an influence, he, however, has no say in the decision whether to roll-out the concept.

In some ways, the puppet is the counterpart to the authoritarian. The difference to the direct report of the authoritarian is that the puppet is controlling the flow of information, which makes him the gatekeeper. This makes him the process leader and, therefore, also the retail design manager.

Vignette of the puppet: Brand K

In the case of brand K, the corporate architect[20], was managing the retail design process. Just after his hiring, he was approached by the new CEO of brand K to create a new store concept. Before collecting all the requirements for a new store concept, a test with the old store concept, the "booster plan" was conducted resulting in the elimination of one product category. Therefore, the three remaining categories were re-allocated within the existing store concept. Using the results of the booster plan and compiling further information, he created the briefing. The briefing was formally signed-off by the CEO. Three rounds of pitches, with initially seven external retail architects, took place. A committee of fourteen managers evaluated the pitches. The committee consisted of the board of directors of brand K, some board of directors of the parent company, and the corporate architect. However, not all fourteen people had the right to vote, for example, the corporate architect rather functioned as a "technical jury" than a decision-maker.

Regarding the shopfitting, the corporate architect oversaw the choice of a new shopfitter. In doing so, the corporate architect exchanged with colleagues from the parent company who are assuming a similar position. He also traveled around the world to select two suitable shopfitters, one for the retail and one for the wholesale concept (to ensure that there is a differentiation in quality and achievement of different price points).

Unique to the case of brand K was the involvement of an external service provider, who oversaw the sourcing process for an external design competition. Internally, the corporate architect managed the information flow, functioning as the internal gatekeeper. Externally, the service provider assumed the role of a gatekeeper in the face of the external retail architects to ensure that all pitching retail architects received the same information.

Figure 16: Case vignette of the puppet retail design manager

3.5.3.4 The expert retail design manager

The expert retail design manager is a very experienced retail design professional. Usually, the trigger for the creation of a new store concept is store concept-driven.

Throughout the retail design process, the roles he assumes, are changing, depending on the scope and importance of the decision. The expert is making all design-related and construction-related decisions, but he is not making the decision which retail architect to source and does not approve the final pilot store(s) and implementation, he can, however, influence these decisions. All lower-level decisions are made by him. Due to his experience, he can also decide upon the sourcing of the shopfitter himself. He does not act as a final approver of buying decisions, as he is not high enough in the hierarchy. The major decisions are made by C-level professionals and also formally contracted (as

[20] Expert 1.12, hereafter called the corporate architect.

a buyer). At all times, he manages the flow of information between all the different parties involved in the retail design process. He updates the deciders and communicates with the internal influencers internally (e.g., who give input on the requirements for a new store or check the feasibility of some elements in the specification phase) and external service providers (e.g., the retail architect and the shopfitter).

Vignette of the expert: Brand E

The Head of Merchandise[21] has been the retail design manager for new shop concepts for seventeen years at brand E. He was developing his fourth shop concept for brand E. Although the Head of Merchandise does not have a design background, he has extensive knowledge of retail design. The Head of Merchandise has been with brand E for so many years in this field that, over time, he has optimized retail design processes. At brand E, a new retail design concept is created every five years to update it visually and because the assets of the old shop concept are amortized.

The Head of Merchandise created an expert team, which he was leading. The expert team consisted of brand E's internal architect, representatives from the Merchandising and the Visual Merchandising department, as well as an external consultant. Based on these requirements, the Head of Merchandise created the briefing. He also created a long list of potential retail architects, of which five were approached with the briefing. After four weeks, these five retail architects pitched in front of the expert team. Three retail architects were selected to proceed to the presentation in front of the expert team and the board of directors. The Head of Merchandise prepared an evaluation sheet for all pitches to objectively evaluate all presentations, but in the end, the CEO had the final say and decided for a retail architect.

Thereafter, the retail architect finalized concept. The expert team was in close contact with the retail architect during the finalization of the concept. Furthermore, there were two more presentations in front of the expert team and the board of directors. The final delivery of the retail architect was a "master plan" with "must, should and could modules" for four different shop-in-shop sizes, ranging from eight m^2 to 130 m^2.

The specification phase was led by the Head of Merchandise, at times consulting others in the expert team. With his long-term shopfitter, one pilot store was constructed. Feedback from different internal stakeholders was collected before serial production. For the serial production, the Head of Merchandise issued a call for tender for the shopfitting. Based on the offers he received from different shopfitters, the Head of Merchandise decided to remain with the old shopfitter due to their performance and regional proximity. Since then, the concept is rolled-out based on the master plans, where the internal architect creates the layouts for each store based on the master plans and sends them to the shopfitter for construction.

Figure 17: Case vignette of the expert retail design manager

[21] Hereafter also referred to as the Head of Merchandise.

3.6 Discussion

The findings of the examination of the retail design process from an organizational buying perspective focusing on the retail design manager may be further discussed from two perspectives: from a design management perspective and an organizational buying behavior angle.

3.6.1 Design management

In line with Chiva and Alegre (2007), the approach to organizing the design function, whether internal design, co-created, or external design also affects the resources internally. For those companies where the design was outsourced to an external retail architect, the company either had minimal to no resources inhouse to design a new concept themselves. In most external sourcing cases, the retail design team only consisted of one or two people. In the cases of the co-created and in-house sourcing of the design, there were more internal resources to propose a new store concept. Also, the more resources that were allocated, the more design skills existed within the company.

However, the size of the team, i.e., the resources and skills internally, did not necessarily imply how professional the process was managed. Brand E and brand A, for example, have a very lean design function, consisting of one person internally working on retail design issues only. However, they managed the retail design process very professionally. In both cases, the retail design manager was a non-design professional. Therefore, they have gained basic and specialized design skills (Dickson et al., 1995) through their extensive experience in the field of retail design management. They had been working in their positions for twelve and sixteen years already and were developing their third and fourth retail design concept. They still could not use design programs themselves or create technical drawings, but this shows that basic and specialized design skills (Dickson et al., 1995) can partially be acquired over time.

Basic and specialized skills are a prerequisite to competent retail design management. However, professional management of the retail design management process depended on Dickson et al.'s (1995) skills of involving others. As described by Perks et al. (2005), where design is part of a multifunctional team, those brands which managed the retail design process very well were also those who managed different stakeholders very well.

From the data, Perks et al.'s (2005) role of the retail design as a process leader, driving innovation and organizational change (Dickson et al., 1995), was hardly observable. Contrary to predictions in retailing to integrate online- and offline channels

better (Carr, 2017; Grewal et al., 2017), the data only surfaced one case (brand I) in which a better integration of online and offline channels (co-)triggered a new store concept. For one brand (for both concepts of brand H), in-store fulfillment of online orders had an impact on the layout of the store (meaning that more space needed to be reserved for back-office services). This innovation was, however, a project developed in another department and was, therefore, was not part of the briefing for the new store concept, driving the innovation. Nevertheless, it was considered when fitting out the different stores in the implementation phase. In two cases, some digital signage was implemented. However, this was instead a feature that was added on top during the collection of requirements or during the specification phase (in the case of brand F and brand C).

Reflecting the design skills of Dickson et al. (1995) and the actual decision-makers, it becomes clear that in many cases, those who make the decisions often have no or limited basic (i.e., a good eye for quality) and specialized (i.e., a good understanding of aesthetics) design skills, which as previously mentioned are a prerequisite. Similarly to prior findings in other design domains, retail design decisions are made at the highest hierarchical levels (Moll, Montaña, Guzmán, & Parellada, 2007; Turley & Chebat, 2002), due to the strategic implications (Brown, 2001) and high investments (Floor, 2006). One informant justifies it as follows:

> *We try to involve everyone, including the end consumer, we have focus groups with current store managers, then we continue with experts in sales and then, of course, the classic stakeholders in companies, who have to be involved and agree with such important projects, such as the CEO of the group or the owner. The entrepreneurial family is also involved in such important topics, because it's about conveying values. – Expert 1.10, Managing Director at brand I*

Undeniably, the support and involvement of top management is critical, confirming prior literature (Montaña et al., 2007; Vazquez & Bruce, 2002). However, it is questionable whether top managers are the best to manage retail design projects and evaluate retail design proposals. Those top managers, who decide, often do not have any training in design. Trained design professionals possess a higher design acumen (Orth & Malkewitz, 2012) than top managers from a non-design background. Therefore, it is not surprising that the findings of this study confirm prior literature that architecture-related decisions are still often based on intuition and individual perception (Chebat & Dubé, 2000; Raffelt & Meyer, 2012). This also implies that little objective evaluation criteria are used to judge different design proposals. As a result, it is not surprising that the creation of visual consistency across different store concept generations is often not a key priority. Dissimilar design cues lead to an inconsistent visual brand identity and can, therefore, create consumer confusion (Floor, 2006). This clearly shows a gap

between the strategic importance of the decisions and the management approaches. The results of this study confirm prior observations (Raffelt & Meyer, 2012) that type of management of retail design is, however, contrary to the aim of companies to use retail environments as a strategic marketing tool that can be systematically used to influence brand perception and shopping decisions.

The unsystematic management of retail design, in many cases, is also visible when analyzing the triggers for a new store concept. In many cases, the trigger for a new store concept was related to the entering of a new top manager or owner. However, when the development of a new store concept was triggered by one individual and this person leaves the company again, it is also not surprising that in many cases, the roll-out of this project may be stopped. Considering relatively long concept cycles of five to ten years, it is, therefore, dangerous if a retail design concept is too much bound to one person. In any case, the lifecycle of a retail design concept of nine years (Horbert, 2020) usually outlives any retail design manager, especially since the fluctuation in these positions in the fashion industry tends to be a lot higher, of course with exceptions. However, many of the interviewed retail design professionals do not assume their positions at the companies as retail design managers less than two years after the data has been collected. Therefore, it is difficult to build up internal retail design skills and professionalize the process when retail design-decisions are so person-related, and there is considerable fluctuation in the position of the retail design manager.

To sum up, the organizational retail design acumen and degree of professionalization of process management are impacted by the organization and size of the retail design function, but also by the experience of the retail design manager. Furthermore, in many cases, retail design projects are triggered and signed-off by top managers, who do not possess basic and specialized design skills. Furthermore, in many cases, retail design projects are triggered and signed-off by top managers, who do not possess basic and specialized design skills. This also leads to decision-making primarily based on intuition and personal preference with little objective evaluation criteria.

3.6.2 Organizational buying behavior

The roles which are assumed by the retail design manager during the different phases of the retail design process may change depending on the phase.

For all four types, the retail design manager, however, always assumed the role of the gatekeeper, which, however, also was the main defining criteria when identifying who the retail design manager is from the data.

The role of the user, as stated in prior literature (Turley & Chebat, 2002), was not assumed by any retail design manager, as retail design managers usually do not work in one of the retail stores.

In particular, the role of the decider changed according to the decision's scope, importance, or skills needed to evaluate alternatives for the decision. When considering the strategic importance of the two major decisions, the sourcing of the retail architect and sourcing of the shopfitter, the decision for the shopfitter is less of a strategic decision than deciding on a retail architect (Ackoff, 1970).

As previously stated and in line with the roles of buying advertising services (West & Paliwoda, 1996), the final approval for the sourcing of the retail architect was always given by a top manager. Therefore, only the authoritarian and the omnipotent design manager were involved in the decision-making for the sourcing of the (external) retail architect. The puppet and the expert retail design manager assumed the role of an influencer for this decision due to their expertise in the field.

The sourcing of the shoplifter a less strategic decision, as the choice of a shopfitter is more comparable and, therefore, the price is especially decisive (Ackoff, 1970). Shopfitters are more interchangeable as they offer the same "end product". Furthermore, specific knowledge to judge the capability of a shopfitter and technical knowledge about furniture construction may be needed. Therefore, when it comes to this more rational (e.g., sourcing of shopfitter) and technical (i.e., concept specification) decision, the sourcing of the shopfitter was often taken by a design professional, or experienced retail design manager. This implies that the omnipotent and the expert retail design managers, and, in some cases, even the puppet retail design managers, were assuming the role of the decider in this phase. In the case of the authoritarian retail design manager, due to a lack of time and expertise, the decisions during this phase, in some cases, were delegated to someone with more expertise.

Only the omnipotent retail design manager simultaneously assumed the roles of the gatekeeper, the buyer, and the decider when it comes to the important buying decisions. This has to do with his hierarchy within a company. On the one hand, he is very skilled in the field of retail design. On the other hand, he has enough decision power to decide strategic decisions. Therefore, he decides both strategic decisions such as how and whom to contract for the design concept, but he also, for example, decides if the screws of the mock-up furniture are visible or not.

In line with prior findings, the role of the buyer and decider, in most cases, overlapped (Webster & Wind, 1972). The omnipotent and the authoritarian retail design

manager were the buyers of the two major decisions and also during the roll-out the buyers of every single store. The puppet and the expert never assumed the role of the buyer; the buyer in their processes was usually the top manager to whom they were reporting.

3.7 Conclusion

The objective of this study was to identify different design management types in the retail design process. Using the organizational buying perspective as the theoretical framework, the aim was to understand which roles (Webster & Wind, 1972) are assumed by the different types of retail design managers and how they may vary in the different phases of the retail design process.

Therefore, in the literature review, a new categorization of retail design stakeholders was created to better understand who may assume which organizational buying behavior role. Furthermore, the process in the fashion industry mapped, and its variations were explained in detail. Here, three types of triggers for the launch of a new retail design concept were identified, namely product-driven, store-concept driven, and organizational-driven triggers. Moreover, four types of client-retail-architect-shopfitter relationships identified, three forms, where the shopfitter could always communicate directly with the client and retail-architect, and one variant, where the communication as always mediated by the client.

Finally, the study concluded with a taxonomy of retail design manager types. Four different types of design managers with according organizational buying center roles during the retail design process were identified. These four types are the authoritarian, the omnipotent, the puppet, and the expert retail design manager.

3.7.1 Managerial implications

Today, managerial decision-making in the retail design process is still somewhat subjective, and the skills of many companies could be expanded. The taxonomy of retail design managers is intended to initiate a critical rethinking of current retail design practices. It can be seen as a starting point of how the retail design function can be organized internally. Clearly, the aim of any company should be to further professionalize the approaches to retail design management, as they have considerable financial and strategic implications.

The results have shown that the retail design manager at brand E, an expert in retail design, and at brand A, an omnipotent retail design manager, only had little design resources internally. However, both had a small retail design staff internally and have, therefore, professionalized the sourcing and collaboration with external retail architects and shopfitters. If one of them were to leave the company, it would result in a significant loss of expertise for the company. The other option is to develop more design skills internally, with a comparatively large internal architecture and design team, and to institutionalize the processes more. In this case, the expertise is spread across several people, and the loss of one person (e.g., the retail design manager) does not result in a significant loss of internal expertise. As previously mentioned, the turnover of executives in the fashion industry is relatively high. Therefore, it generally is a riskier strategy in terms of knowledge preservation when having a high level of dependence on a singular person.

Furthermore, it is also crucial to better involve two stakeholder groups to further professionalize the retail design management: (1) stakeholders who have considerable experience and expertise and (2) stakeholders which are affected by the concept. The study has shown that there are different forms of cooperation with external retail architects and shopfitters. It is advisable to involve the shopfitter in the process of retail design at an early stage. Maintaining a relationship with a shopfitter over multiple iterations has some advantages, including an awareness of the obstacles to implementation at different locations. Furthermore, his input during the concept generation phase (as in the case of brand A) can help the retail architect to create a realistic design concept. In this way, the concept may be implemented with less back-end rationalization, as the shopfitter can suggest alternative options, e.g., in terms of materials (Floor, 2006, p. 302) to cut costs. Here the co-created approach should again be positively emphasized. Even if it was born due to unsuccessful pitch competitions, this was the approach where the client (from a brand perspective), the retail architect, and shopfitter sat at the same table and created a concept that met brand-specific (client), aesthetic (retail architect) and constructional (shopfitting) requirements from the very beginning.

Furthermore, the study has shown similar results to prior literature regarding the involvement of the users of the shop (Turley & Chebat, 2002), the sales representatives. Store personnel should be more involved, for example, through focus groups during the collection of requirements (as in the case of brand I) during the design and specification phase, but also during the evaluation after implementation. One possibility would be to create a team of different store employees who continuously provide feedback

throughout the retail design process. Customers could also be more involved. Ideally, feedback from store employees and customers should be more institutionalized.

Lastly, it is crucial to create objective evaluation criteria. Design concepts should be evaluated on the basis of the objectives and specifications defined in the briefing (e.g., as in the case of brand E), and the decision should not be tied solely to the aesthetic preference of one person or intuition (Turley & Chebat, 2002). Furthermore, the qualitative and quantitative monitoring of store concept performance should be more systematically implemented (as in the case of brand L).

3.7.2 Limitations and further research

The analysis of the twelve brands and fifteen cases is only a starting point for the investigation of the retail design process from an organizational buying perspective identifying the different types of retail design managers and their respective roles in the process. The following points out the limits of this study and suggests further research.

Firstly, the findings are limited to the fifteen cases investigated. Further cases from other industries should be considered. This could lead to an adaptation or refinement of the taxonomy. Furthermore, the taxonomy of retail design manager types could be validated quantitatively, also regarding the effectiveness of the outcomes.

Secondly, the design processes for other customer-oriented or employee-oriented three-dimensional brand environments (e.g., trade shows, brand lands, or office buildings) could be investigated, extending the taxonomy for other architectural design projects.

Thirdly, considering the many stakeholders involved in retail design projects, it might also be interesting to address retail design project team dynamics, investigating what an ideal team composition would be.

Fourthly, future research could address how these results affect other functions involved in the retail design process besides the retail design manager. Particularly studies on interactions of brand and product management and design-oriented development projects in retail could provide valuable insights as a complement to this research.

Lastly, the study has shown that objective criteria for the evaluation of retail design proposals were used only in a few cases. Here, further research could identify objective and meaningful criteria to evaluate project success and to support more objective decision making in the future.

4 Study 2 – Visual brand recognition in retail environments

4.1 Introduction

Branding has evolved as one of the most important business considerations, regardless of the sector or offering (Davies & Ward, 2005; Vinay, 2017). Branding is an essential and strategic tool for companies with almost everything being branded in some way (Davies & Ward, 2005). Brands aim to convey a visually distinct brand identity and thereby create visual brand recognition [VBR] among consumers (Karjalainen, 2007). VBR is especially vital in saturated markets with high competition and overstimulation of customers by brand signs and messages (Karjalainen & Snelders, 2010).

Monobrand stores have significantly shaped the perception of consumers and have had multiple influences on consumer consumption (Fall Diallo et al., 2013). Monobrand stores can and do establish a strong visual identity when, purposefully created by implementing a precise retail design. Many brands invest considerable resources in the development of a unique, distinct store concept to optimally and effectively present their brands and products and create favorable associations among consumers (Alexander & Cano, 2019; Turley & Chebat, 2002; Ward, Bitner, & Barnes, 1992). The creation and management of VBR through architectural design is one primary objective of monobrand stores (Kerfoot et al., 2003) besides communicating brand meaning (i.e., brand values) (Quartier, 2017; Raffelt & Meyer, 2012) and influencing shopping behavior (Roschk et al., 2017; Turley & Milliman, 2000). Some brands have even filed a request to protect the overall composition of their store design as a trade dress (see figure 18), to prevent imitation of their retail design concept (Weiner & Richman, 2014).

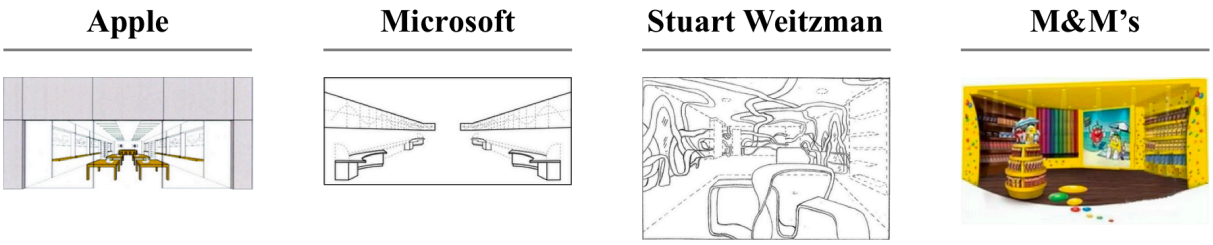


Figure 18: Examples of retail design trade dresses in the USA with filed request for protection

Sources: Stuart Weitzman IP LLC, 2010; Microsoft Corporation, 2011; Apple Inc., 2013; Mars Incorporated, 2013)

Furthermore, as shown by the examples of trade dress applications illustrated above, some store concepts, e.g., Apple and M&M's, are more distinct and unique than others,

e.g., Microsoft and the US shoe brand Stuart Weitzman. Ultimately a more distinct appearance of monobrand stores leads to a higher VBR.

It is however unclear how brands can create a distinct store concept and thereby create high VBR among customers through their retail design and merchandise presentation. Some premium brands use signature elements (see figure 19), which lead to instant recognition such as the winded or straight glass staircases of Apple (Leuzinger, 2015), the vast number of vintage Singer sewing machines at the UK fashion brand All Saints (Kearney, 2016), or the characteristic birch trunks at the German burger chain Hans im Glück (Müller-Jentsch, 2016).

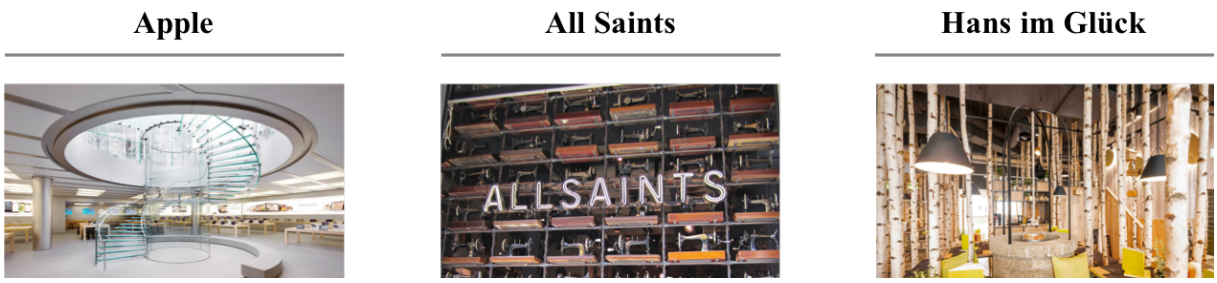


Figure 19: Examples of signature retail design elements

Sources: Porada, 2013; All Saints - Chicago, 2014; Die Mainmetropole im kulinarischen Glück, 2018

Mass-market brands, which are more cost-sensitive when it comes to the roll-out of a store concept, can however not always invest in such signature design elements, as they are very expensive to implement at large (e.g., 800 vintage sewing machines as decoration in one single store). Indeed, the brand name and brand signs (Kapferer, 2008; Walsh, Page Winterich, & Mittal, 2010) are essential for recognition in the retail context (Karjalainen, 2007), but literature has so far not addressed which (combination of) retail-specific elements can create a differentiating store concept.

Communicating the identity of a brand using architectural design of a store appears to be especially crucial for mass-market fashion brands, where the attention of customers is drawn by visual cues (Haug & Münster, 2015; Kumar, Purani, & Sahadev, 2017; Lea-Greenwood, 1998). As prior research has not investigated how brands can create VBR through the design of retail spaces and merchandise presentation, this study examines how brands can create VBR in monobrand retail stores in the context of mass-market fashion retailing.

4.2 Theoretical background

To identify factors which influence brand recognition in retail environments, one has to consider the previously treated areas of brand management (see chapter 2.1) and retail design management (see chapter 2.3). Furthermore, for this study it prior research in the field of VBR, visual brand identity research is reviewed (chapter 4.2.1).

4.2.1 Visual brand identity

When looking for, buying, and consuming brands, customers are confronted with several brand-specific elements, such as logos, color schemes, shapes, fonts, symbols, and other elements that make up the visual identity of a brand (e.g., Dowling, 1994; Jin, Yoon, & Lee, 2019; Phillips, McQuarrie, & Griffin, 2014b).

For a long time, the visual (brand) identity made up the most prominent feature of corporate identity in academic literature (M. J. Baker & Balmer, 1997) and the terms are still often used synonymously in practice. As the concepts of corporate identity and brand identity have developed over time, corporate (brand) identity refers to the identity of a corporate brand, e.g., Procter and Gamble, whereas brand identity is used for product brands, e.g., Gillette (M. J. Baker & Balmer, 1997; Redler, Esch, Langner, Tomczak, & Kernstock, 2019). A brand identity consists of characteristics that are distinctive to a brand and differentiates it from competitors.

In the past, research on visual elements of brand identity has usually manipulated single variables in experimental settings (Burmann, Hegner, & Riley, 2009; He & Balmer, 2007). These studies investigated how to create positive evaluations of one design element, e.g., how to positively influence the perception of a logo (Henderson & Cote, 1998; Luffarelli, Stamatogiannakis, & Yang, 2019), color (Gorn, Chattopadhyay, Yi, & Dahl, 1997; Meyers-Levy & Peracchio, 1995), typeface (McCarthy & Mothersbaugh, 2002), or form (Veryzer, Jr. & Hutchinson, 1998). Other studies have focused on how to convey brand meaning through single design elements, e.g., connotating functionality using functional colors (Bottomley & Doyle, 2006; Labrecque & Milne, 2012) or brand strength, using a strong typeface (Childers & Jass, 2002; DeRosia, 2008; J. R. Doyle & Bottomley, 2006; Henderson, Giese, & Cote, 2004). Philips et al. (2014a), however, argued that visual brand identity [VBI] should be regarded more holistically, as the sum of the brand elements is more valuable than the individual elements, not dependent on one element individually. Phillips et al. (2014a, p. 233) therefore adapted the definition of a trade dress from legal scholarship to define VBI as “the tertium quid that arises from the combination of all of the visual brand

elements used to represent the brand, without being dependent on any one of them. Thus, VBI can be thought of as the holistic visual style that identifies the brand – a recognizable something that cannot be decomposed into a list of its visible parts." Also, the different visual elements of brand identity should be able to vary across different brand communications while remaining consistent enough to create a link over time and uphold long-existing brand associations (Phillips et al., 2014b).

In retail environments, elements of the visual brand identity are applied to the three-dimensional space. The concepts of visual brand identity and retail atmospherics (see chapter 2.3.5) overlap on the visual dimension (see figure 20).

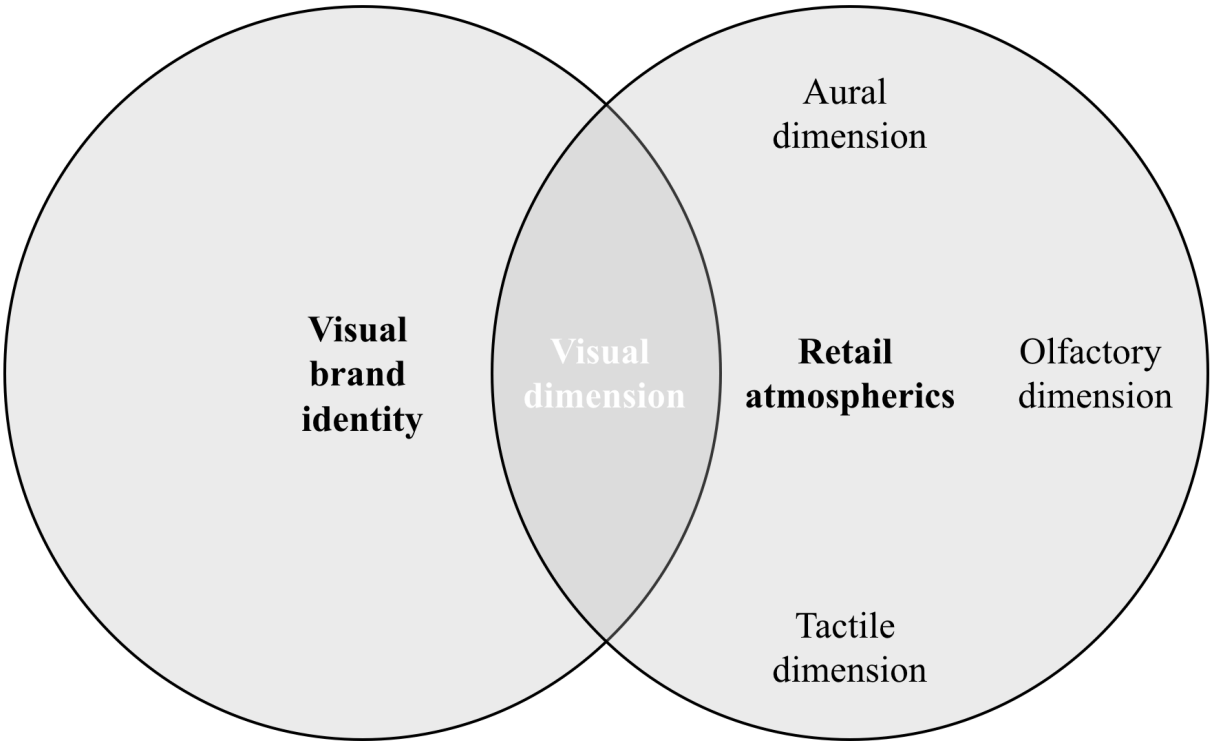


Figure 20: Visual dimension as intersection of visual brand identity and retail atmospherics

Source: own illustration, partially based on Kotler, 1973

Visual identity of a brand was traditionally applied as *branded architecture* (Raffelt & Meyer, 2012) through the application of brand logos and symbols (Kent & Stone, 2007). Currently, retailers use more design elements to design their store environments according to a brand's identity, also called *brand architecture* (Raffelt & Meyer, 2012). Scholarly research on retail atmospherics (see chapter 2.3.5) has, similar to the research on visual brand identity, investigated effects of a single atmospheric element at a time, or the congruence (e.g., color) of two atmospheric elements (e.g., color and scent), on outcome variables such as purchase intention or store patronage (Roschk et al., 2017).

However, research on the holistic composition of a store environment is scarce (Quartier, 2017).

4.2.2 Visual brand recognition

Design is a means to express brand values and to distinguish from competitors by defining distinct attributes (Kotler & Rath, 1984). In the design context, recognition is a mode of attention and can be defined as "identifying something by its kind (name) and in view of the use to which it could be put." (Krippendorff, 2006, p. 91) This definition by Krippendorff (2006), which contains both declarative and procedural elements, differs from definitions in advertising or marketing research. They tend to define recognition either as declarative or as implicit knowledge. For this study, the underlying definition of Krippendorff (2006) is used, taking a broader perspective, describing recognition as the process of identification (related to the studies of Biederman et al. on visual recognition of faces; e.g., which results from semantic and procedural memory. Furthermore, this recognition process can be conscious or unconscious, and therefore consumers can recognize a brand and its design elements while not being aware of it (Karjalainen & Snelders, 2010). Thus, in the context of retail environments, following Karjalainen and Snelders' (2010, p. 7) definition of recognition in the context of product design, visual brand recognition [VBR] is defined as "both conscious (declarative) and unconscious (implicit) knowledge."

According to Behrens (1994), brand recognition can be achieved through two elements of design features: discrimination and conciseness (see figure 21). In other design domains, discrimination can not only be achieved by the brand name, but also by forms, e.g., the Coca-Cola bottle (Mayr-Keber, 1980), colors, e.g., Starbucks using dark-green, white and brown color (Ebster & Garaus, 2011), and other highlighted features (Behrens, 1994). The conciseness of a brand is mainly influenced by simplicity, characterized by regularity, unity, and symmetry, uniformity, characterized by color and graphically unstructured areas, and contrast, characterized by a strong figure-ground contrast versus background (Behrens, 1994).

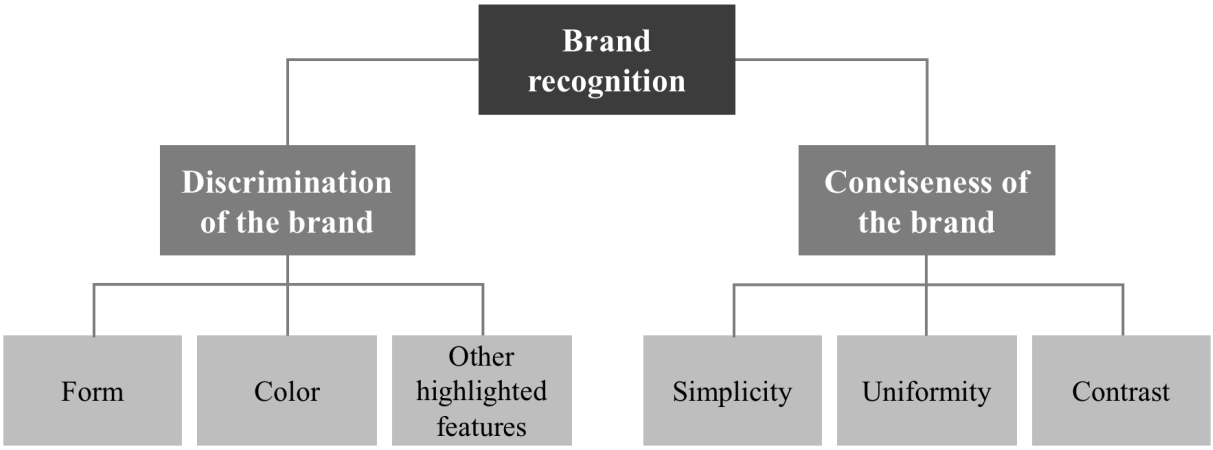


Figure 21: Elements of rand recognition through design

Sources: own illustration based on Behrens, 1994, in Esch & Langner, 2005, p. 582 translated from German

Furthermore, in other design domains, it has been found out that VBR can be created using explicit and implicit design features (Karjalainen & Snelders, 2010). Explicit design cues are design features that should be intentionally and immediately perceived and recognized and are constantly repeated (e.g., the Volvo's strong "shoulder" line or the V-shaped bonnet) (Karjalainen, 2007). The repetition of explicit design cues creating a high VBR, although this is not always a feasible strategy as too much replication can have the negative consequence of becoming odd. Therefore, brands have to balance between familiarity and novelty (Hekkert, Snelders, & Van Wieringen, 2003). Furthermore, in design practice, to create good design, designers usually do not use an assortment of predefined elements (Karjalainen, 2007). Implicit design cues, on the other hand, are perceived and recognized inherently, conveying the overall design strategy (e.g., Volvo employing implicit design cues in their product design through shapes which refer to characteristics, such as safety, dynamism, and Scandinavian design heritage) (Karjalainen, 2007). Designers usually chose a blended approach and there are many strategic variations between those two extremes. Generic guidelines are difficult to formulate and the industry, company, and context have to be carefully considered (Karjalainen, 2007).

Insights on how design principles for the creation of a concise visual brand identity apply in the context of retail design and how brands can create visual brand recognition through the design and merchandise presentation of their monobrand stores are very scarce. Creating a distinct brand identity and nurturing consistent consumer associations, brands have to develop visual consistency across their monobrand stores. For the recognition of different monobrand stores of a brand, an independent, emotional brand design, which is rich in associations and firm in its design, creating a sense of

unity with retail design elements (Linxweiler, 2004) and merchandise presentation techniques across different stores, should be developed. Turley and Chebat (2002) proposed two different strategic alternatives: uniformity versus decentralization. Retailers can opt for centrally developed "prototype designs" primarily relying on explicit design cues, rigidly following guidelines, e.g., Zara. However, retailers can also use a decentralized approach, predominantly using implicit design cues to create VBR, e.g., Camper of which every store is designed differently, though with a recognizable feel.

The only empirical study of Kerfoot et al. (2003) investigated shop-in-shop concepts in a department store concerning VBR. While the interviewees showed affective and behavioral responses to the design of the given brands, they struggled to identify the brands by merely looking at the pictures, which did not show any brand signage. Only one brand out of eight was recognized by the majority of the respondents suggesting a consistent and distinct retail design concept. Nevertheless, the interviewees were able to recognize that two out of the eight brands were premium brands by for example the use of color and the density of product presentation. High merchandise density is usually associated with discount brands whereas low merchandise density is associated with premium brands (Kerfoot et al., 2003; Umdasch Shop Academy, 2015). Finally, Kerfoot et al. (2003) call for a more detailed exploration of VBR in retail environments on VBR. The stimuli, as well as the results, have been used in a follow-up study by Davies and Ward (2005), applying facet theory to map the connection between brand recognition in retail and visual merchandising. Since the article was although focusing on the application of a methodology, namely facet theory, the results of the study with regards to VBR in retail have not been reported (Davies & Ward, 2005).

4.2.3 Research gap

Using a brand's resources on the optimization of the retail design and merchandise presentation seems to be promising when the interior retail design variables (see chapter 2.3.3) and product prestation techniques (see chapter 2.3.4) are effective, when treated holistically, adapted to target group expectations, and in-line with and brand's positioning (Quartier, 2017; Thomas Schielke, 2014). However, to date we are lacking an understanding of how brands can create visual brand recognition in retail stores and which factors especially drive VBR.

This study explores through which elements visual brand recognition for fast fashion retail brands can be created and which of these elements drive VBR. Thus, this study aims to answer the following research questions:

1. *How can brands create visual brand recognition in the interior of retail environments in monobrand stores?*
2. *What are drivers of visual brand recognition in the interior of retail environments in monobrand stores?*

4.3 Methodology

For the present investigation, an exploratory, qualitative research approach has been chosen, focusing on the retail design of fashion and accessories retail stores due to its context-dependency (van Rompay et al., 2012). Fashion and accessories brands have been chosen because of their strong focus on aesthetic and elaborate retail concepts and their rather homogenous target audience compared to other retail sectors (Haug & Münster, 2015). Only fast-fashion brands were considered, as they are similar in price and customer segments.

A long list of 36 brands was created from which eight mass-market fashion brands have finally been chosen: Bershka, Forever 21, H&M, Mango, Primark, Uniqlo, United Colors of Benetton [Benetton], and Zara. These brands were selected since they all operate monobrand stores and have good distribution coverage in Europe with stores in the German-speaking area, where the study was conducted. Furthermore, they all target both women and men, have a good brand awareness but a low level of brand prominence (logos) on their products.

For the interviews, a total of 24 photographs of stores have been chosen. Every picture represented a store of each of the eight brands in three different cities (Berlin, Barcelona, and London). These three cities were chosen as all brands had concessions in these European cities. However, interviews were not conducted in any of these locations to rule out the possibility that participants were overly familiar with the stores. As in the study of Raffelt et al. (2013), the photographs were collected online, although one researcher has previously been to all stores and could thus judge if the representation of the store was appropriate. The pictures chosen focused on aspects of the store design and merchandise presentation with none or very few humans in the pictures. Identifiable brand signages, logos, and names have been taken out as they are key identifiers (Kapferer, 2008; Walsh et al., 2010), which drive visual brand recognition (Karjalainen, 2007).

Not all the pictures showed the same type of store. In this the photographs echoed the real world: e.g., the pictures of the stores could have been taken from stores on high streets or in malls; not all showed the same department (pictures showed women's, men's, teen's, or children's department), and not all had the same store concept generation (as not all stores had been refitted with the latest concept).

4.3.1 Pre-test

The long list of 36 fast fashion brands was presented to the respondents approximately one week before the interviews (see appendix C) to ensure that all participants knew the eight brands in the study and have previously been to stores of these brands as knowledge of a concept is a prerequisite for recognition (Krippendorff, 2006). Each participant needed to have been to stores of at least seven out of the eight brands. Otherwise, he or she did not qualify as a respondent for further study.

4.3.2 Sample

In-depth interviews with (potential) consumers of the eight brands have been conducted. Sampling followed the approach of Kerfoot et al. (2003) and was convenience-based. However, interviewees all fulfilled the following characteristics, which reflects the target group of the eight mass-market fashion brands: aged between 18-30 years, predominantly female (since many men who filled out the pre-test had not been to at least seven out of the eight stores), and regularly shopping in physical fashion retail stores. The interviews were conducted between June 2018 and April 2019. In the end, the sample consisted of nineteen respondents from Germany and Switzerland, four males (aged 22 to 30) and fifteen females (aged 18 to 29) with different backgrounds (see appendix D). As the responses of the interviewees have reached redundancy, interviews were stopped at this point.

4.3.3 Data collection

All interviews have been conducted in-person and were administered by one interviewer. The interviews lasted 25 to 70 minutes with an average length of 43 minutes.

The beginning of the interviews consisted of open questions without visual aids. Participants were asked to recall their last store visit and the store design of the respective brand, the store design of the favorite fashion brand, as well as the retail

design of a pre-defined brand (Zara), especially to familiarize participants with the description of retail environments. After that, participants were given visual stimulus material (see figure 22) to enable understanding of how participants visually recognized the brands on the pictures, closely following the approach of Kerfoot et al. (2003).

Participants were given one picture of each of the eight brands (set 1) and were asked to name the brands and explain, how they recognized the brand or if not, why they did not recognize a brand in the pictures. In a second step, participants were given the logos of the eight respective brands and were asked to match the brand logos and photographs and explain their choice. Lastly, participants were given sixteen more pictures (set 2), two more photographs of each brand, and were asked to assign them to the logos and pictures from the first set. The interview guide can be found in appendix E.

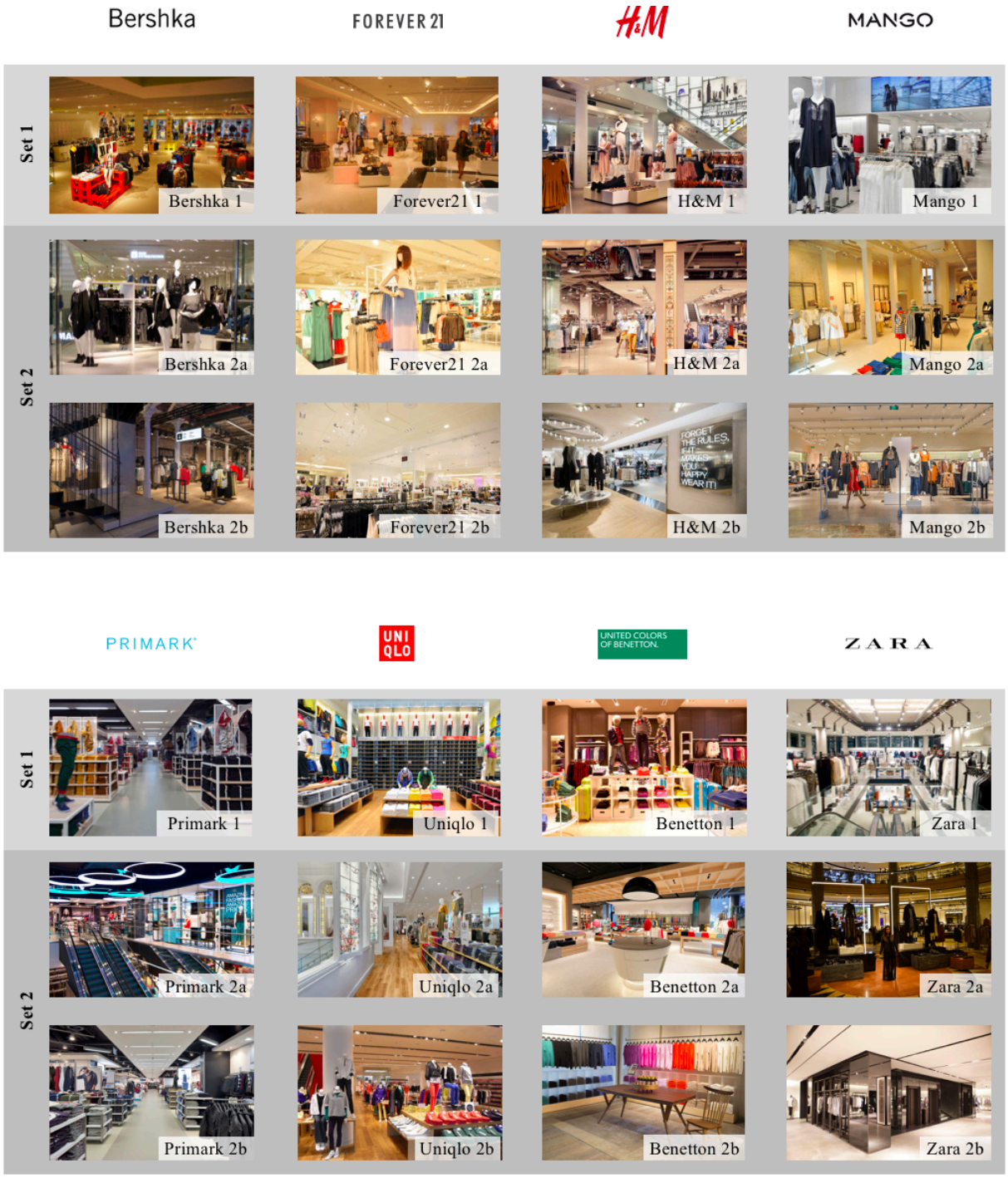


Figure 22: Visual stimuli material for interviews

4.3.4 Data analysis

The interviews were transcribed verbatim. Furthermore, pictures taken during the interview which resulted in 492 pages of material has been produced[22], which was coded for themes, using a structured coding approach (Spiggle, 1994).

For the coding, a hybrid method of deductive coding and inductive coding was used (Taylor & Bogdan, 1984). The interviews were analyzed using the categorization of retail design elements and merchandise presentation techniques derived from the literature and through the identification of key themes from the raw data itself (Miles & Huberman, 1994). In particular, first order codes were derived from the raw data, as the design elements identified in the existing literature are rather generic. Furthermore, a new category, retail space conditions, emerged from the data, subsuming all third-, second-, and first-order codes.

To identify elements that support VBR in retail environments, only variables related to the interior were considered, as brands often have limited possibilities to design the exterior. Furthermore, only the parts of the interviews where participants first discussed a store picture or first assigned it to a brand correctly were analyzed to minimize recognition by chance or due to elimination of other brands.

For validation of the findings, the results were presented to eight retail designers working at a design agency and were reviewed by two additional retail designers.

4.4 Findings

The findings are split into two parts. Firstly, each brand is discussed separately (inter-brand comparison). In the second part themes that emerged across the different brands are discussed in more detail (intra-brand comparison).

4.4.1 Inter-brand comparison

For a general overview, the recognition of the eight brands in the different stages as well as the overall recognition has been calculated (see table 9). Answers were only counted when participants recognized the brand instantly, second or third tries were not counted. As the sample only consists of nineteen participants, this should only give an indication.

[22] Recordings and transcripts can be provided electronically on request. Since all of the interviews were conducted in German, parts relevant for direct quotations were translated into English.

Set	Aid	Bershka	Forever21	H&M	Mango	Primark	Uniqlo	Benetton	Zara
Set 1	No logos	0/19 *(0%)*	2/19 *(11%)*	12/19 *(63%)*	5/19 *(26%)*	2/19 *(11%)*	9/19 *(47%)*	8/19 *(42%)*	10/19 *(53%)*
Set 1	Logos	8/19 (42%)	9/19 *(47%)*	12/19 *(63%)*	9/19 *(47%)*	13/19 *(68%)*	13/19 *(68%)*	11/19 *(58%)*	15/19 *(79%)*
Set 2	Pictures of set 1 and logos	17/35* *(49%)*	18/36* *(50%)*	15/34* *(44%)*	16/36* *(44%)*	31/37* *(84%)*	24/37* *(65%)*	25/37* *(68%)*	25/36* *(69%)*
Set 1+2	Pictures of set 1+2 and logos	**25/54*** ***(46%)***	**27/55*** ***(49%)***	**27/53*** ***(51%)***	**27/55*** ***(45%)***	**44/56*** ***(79%)***	**37/56*** ***(66%)***	**36/56*** ***(64%)***	**40/55*** ***(73%)***

Table 9: Brand recognition results per brand

*One participant stopped the interview while looking at set 2, as he found the task too difficult

The following will discuss due to which factors participants recognized certain brands one by one in the order of the interviews (set 1 without any logo, set 1 with the logos, set 2 with the logos and the pictures of set 1).

4.4.1.1 Breshka

Bershka 1 **Bershka 2a** **Bershka 2b**



Figure 23: Visual stimuli of Bershka

Bershka was generally not well-recognized. No one identified the first store in figure 23 as a Bershka store without any logo and when given a logo only about one-third of the participants recognized Bershka. When recognizing Bershka, the participants could often not articulate a reason or identified Bershka only due to elimination as it was one of the less distinct store concepts and not yet attributed to a brand. Two informants nevertheless identified the bright color scheme used by Bershka as typical for the brand, primarily targeting young customers:

> *Well, Bershka, I have to say that I don't find it to be very nice, but it also suits the company, because it's a bit crazy and colorful [...] – Consumer 2.8*

The stores in the second set (figure 23, pictures Bershka 2a and Bershka 2b) were also not primarily recognized as Bershka stores. Two informants noticed the same font in both pictures for the signage of the fitting rooms. Otherwise, Bershka was only identified through the merchandise displayed:

This may still be Bershka because it's more of a party department. – Consumer 2.18

4.4.1.2 Forever21

Forever21 1	Forever21 2a	Forever21 2b
		

Figure 24: Visual stimuli of Forever21

Forever21 was only recognized unaided by two interviewees from the first set (figure 24, picture Forever21 1). The store concept was generally described as "cheap", targeting younger female customers. When given the logos almost half of the informants recognized Forever21, especially due to the colors used, either the color scheme in-store or specific color elements such as the price tags in the Forever21 brand color yellow:

Yes, because Forever21 to me is a brand that appeals primarily to teenagers, teen women, hence the pink-red design elements. – Consumer 2.9

I've seen the yellow price tags before, it's probably Forever21. I recognize it I think from the yellow price tags, I have seen them recently in Chicago. Maybe it's another store, but the fashion is very young. – Consumer 2.5

When given the additional photographs from the second set (figure 24, pictures Forever21 2a and Forever21 2b), participants often recognized the black and white, often checkered, flooring especially when comparing the three pictures. Furthermore, the shabby chic furniture such as the chandeliers was also identified as typical for Forever21:

There we have chandeliers and a black and white floor like that. That's why I think this here is Forever21, with chandeliers on the wall and a black and white floor. – Consumer 2.4

Participants often connected, for example, the Forever21 store pictures to the brand making statements by how they holistically perceived the store concept. In this case, Forever21 is perceived as female, youth-oriented, and cheap:

Mhm, because again you see a bit of the youthful design, with the clothes that are so feminine, but so young and fresh and also with the chandeliers that almost represent a bit a teen room. – Consumer 2.9

Although no, that's Forever21, because it's a bit chic as well, but rather cheaply chic and also the hangers look cheap with the black and somehow it also fits a bit the image. – Consumer 2.2

Yes, I think this concept of a slightly glamorous style is just a bit (laughs), glamorous and a bit kitschy. – Consumer 2.8

4.4.1.3 H&M

H&M 1 | **H&M 2a** | **H&M 2b**

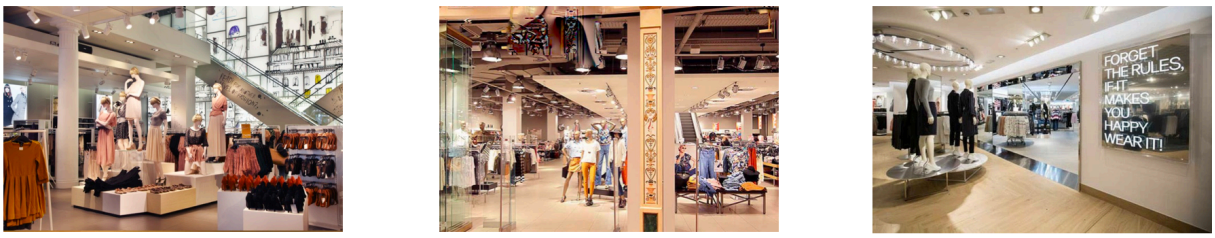


Figure 25: Visual stimuli of H&M

The H&M store in the first set (figure 25, picture H&M 1) was instantly recognized by almost two-thirds of the participants when given the first eight pictures without any logos. Elements which led participants to recognize the H&M store were especially the vertical merchandise presentation of shoes, the use of mannequins on podiums displaying the latest fashion and the decorative, and the playful font on the escalators, which is one of the two brand typefaces used by H&M in retail stores:

From the mannequins, centered in the middle. Then, in any case, the shoes, how they hang, that is also so typical for H&M for me that they hang the shoes, the ballerinas like that. Mhm. The clothes stands and the clothes on them. I think from the style, from the clothes style you can see that and these white clothes racks from H&M, that is also typical, yeah. – Consumer 2.10.

I believe from the writing on the stairs. I don't know, but I have the feeling that it doesn't always look the same. But I don't know, they often set up mannequins, if they can, and I believe also because of the typeface there. – Consumer 2.3

When given the logos, most participants then instantly matched the logo of H&M with the picture of the H&M 1 store in figure 25. The addition of the logos although did not lead to increased recognition of H&M.

With the addition of more pictures from the second set (figure 25, pictures H&M 2a and H&M 2b), the overall recognition of H&M stores decreased. When nevertheless recognizing H&M stores, participants mostly referred to typical graphics and signage (e.g., the typeface used to display the opening hours), the colors used (white and silver/metallic), decoration elements (e.g., the use of pictures showing models wearing H&M clothing), and the use of mannequins.

For this, I would say it's H&M again, because of the font style and also the advertising, that's typical for H&M. – Consumer 2.13

4.4.1.4 Mango

Mango 1	Mango 2a	Mango 2b
		

Figure 26: Visual stimuli of Mango

Mango is in total the brand with the lowest brand recognition. Some participants stated that the store concept of Mango is generally similar to that of Zara, just a little bit "lighter" color-wise, but the recognition of the brand on the store pictures, especially compared to Zara, was very low.

Some participants recognized a typical merchandising presentation of Mango, which Consumer 2.1 nicely summarized describing the Mango store on Mango 2a in figure 26:

[...] And I also believe it [is Mango] because of the presentation of the fashion. Mango often works more with mannequins than the others. So, of course, they put on the clothes, but here you usually have a bag with it and the matching shoes, so you can buy the outfit which lays directly behind it. [...] This is often the case with Mango. Yes, so that you can buy it directly, even with the scarf and so on. – Consumer 2.1

Furthermore, the use of "lighter" colors and similar lighting, white lamps on lighting rails, were also noticed across all three stores:

That's probably Mango, comparatively brighter, but the lamps are about the same. – Consumer 2.12

Because of the lamps and, mhm, frankly so also because of the style, this striped shirt is so typical of Mango. – Consumer 2.10

Some participants also stated that the perceived spatial density at Mango is often lower than in other stores in the fast fashion sector:

There are fewer clothes than at H&M or Primark, so it looks better to me. And color-wise, I'm sure about it feeling-wise. – Consumer 2.13

Maybe it's also Mango, just because it's a bit airier, not quite as stuffed and also pretty feminine. – Consumer 2.9

4.4.1.5 Primark



Figure 27: Visual stimuli of Primark

Primark did not exhibit a high recognition rate without the logos of the brands with only two out of nineteen participants instantly recognizing Primark in picture 1 of figure 27. However, once the participants knew which eight brands were there to choose from, Primark was often correctly identified.

The fact that the stores are generally very large led many participants to state, that they perceive Primark's store in figure 27 on picture 1, in line with Primark's positioning, as very cheap:

Primark is also rather basic, rather cheap, very, very cheap, very big. [...] – Consumer 2.4

Some participants also identified Primark in the first picture due to the price tags and the use of the brand color:

I don't have them [the price tags] right in front of me, but I know that the price tags are always the same and how they hang everywhere. That's the way it is. I think that's what they do, because at Primark, this is also where the cheap price comes in, and they also want to present it accordingly, that it's just a good deal. – Consumer 2.8

Both the stores in the second set (2a and 2b) were also often recognized due to the use of the brand color turquoise. Turquoise was is a quite prominent lighting element in the store in figure 27 on picture 2a and can be again found on the price tags in the store on picture 2b:

I believe that Primark always has these big, these very big stores. These colors here, it's similar to the color in the logo and it also says "Amazing Fashion for Amazing Prices". I think it also looks that way. – Consumer 2.19

Furthermore, in line with the discount positioning, the high merchandise density (Kerfoot et al., 2003; Umdasch Shop Academy, 2015) was often mentioned as well as the rational merchandise presentation including color-blocking and stacking of clothing:

[Like in the first picture] You have a hallway to get through there quickly, probably, then you present the things at the side and here it looks similar to Uniqlo where you have the trousers in different sizes and colors next to each other, well-sorted so that you find your way around well. – Consumer 2.1

The Primark store from the first set (picture Primark 1, figure 27) was especially recognizable due to its merchandise presentation, which was generally described as rational and with a high merchandise density:

Mhm, now maybe I'd say that's Primark. I know that a lot is always stacked at Primark and they always sell a lot of basics there. [...] – Consumer 2.11

Many products that are simply arranged in this way. – Consumer 2.17

And so much. It's all arranged here, but they have so many products, so they offer so much. – Consumer 2.3

After the addition of two more pictures of each brand, Primark was often identified as the store in figure 27 on picture 2b appeared to many participants as very similar to the store on the first picture in figure 27. Elements which were noticed in both were the central hallway in grey with the horizontal lighting as well as the same white shelves:

This is probably Primark here. You can also see the grey hallway so that you can irrationally buy as much as possible. – Consumer 2.4

Yes, because I mean it is the same concept, at the top the emphasis of the hallway through the upper [lamp] elements, the same shelves, that's what they do, this sorting, because they have everything again at low prices and many different options. – Consumer 2.8

4.4.1.6 Uniqlo

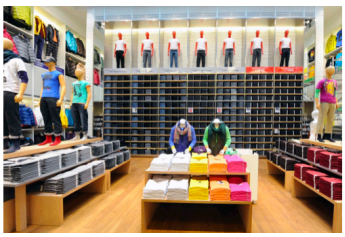
Uniqlo 1	Uniqlo 2a	Uniqlo 2b
		

Figure 28: Visual stimuli of Uniqlo

Both the initial picture of the Uniqlo store in figure 28 on picture Uniqlo 1 as well as the stores on the pictures 2a and 2b evoked similar recognition rates. Furthermore, the argumentation for why the participants recognized the brands centered along the same lines.

With regards to the interior store design, especially the use of wood flooring and wood furniture was frequently mentioned when identifying Uniqlo:

> *There's the bright wooden floor again [...]. – Consumer 2.4*

> *Yeah, well, it's actually just cubic wooden furniture. [...] Well it's really just wood and it looks like IKEA furniture, like a TV table from IKEA. And they are the same color-wise. – Consumer 2.5*

Furthermore, the high shelves in the first picture seem to be a typical element Uniqlo implements in many stores, although it was also associated by a couple of participants with the brand Levi's without the logos as the merchandise in the shelves are pants and Levi's seems to have similar presentation shelves:

> *Mhm, so I'd say for Uniqlo you can actually recognize every store, when you go in because everything is arranged that way and there are these high racks [...]. – Consumer 2.6*

What seems to be even more distinct is the merchandise presentation of Uniqlo, zoning the store by product groups and using color-blocking and product stacking to arrange the merchandise on flat presentation tables or in high shelves:

> *[...] On the one hand we have this wooden furniture again, the bright walls and what you see here, on the other hand, is the sorting according to colors, that they have sorted the t-shirts according to colors and here at the back these walls are typical for trousers or whatever the garments are, that you can clearly see that. [...] – Consumer 2.4*

> *At Uniqlo they do this sorting according to different colors, very exact, which is exactly what COS does, there are very straight-line cuts and this is also reflected in the architecture, because they also transport exactly this order, so they want to transport this clear line in the stores. – Consumer 2.8*

I recognized it [Uniqlo] by the strict color and concept separation. They have always presented one shirt in a variety of options, so you can take it directly. So, you can clearly see which colors exist and which ones don't, and everything available is always displayed there. [...] – Consumer 2.1

Yeah, they always sorted everything so strictly by color, that's what triggered it. And then it's also mega, I don't know either, I think they always have it that way, sorted everything by product in ten different colors, that's what it's all about. – Consumer 2.3

4.4.1.7 United Colors of Benetton

Benetton 1	Benetton 2a	Benetton 2b
		

Figure 29: Visual stimuli of United Colors of Benetton

At first, when the participants were given the eight store pictures without knowing which eight brands were in the first set, for half of the participants it was clear, that the picture of the children's department in figure 29 on picture Benetton 1 is a store of Benetton, but for the others, who did not have it in their active consideration set, many stated that this could be the children's department of H&M or Zara. With the logos, the recognition of Benetton was slightly higher, although there still was some confoundment with Uniqlo. Benetton was especially identified due to the colorful merchandise and the color-blocking used to present the merchandise:

It might be Benetton because it's arranged by color, but it still has some inspiration in it. – Consumer 2.16

As in the different pictures the store concept of Benetton has evolved with the London store (figure 29, picture Benetton 2a) being the newest concept, the furniture used for example differs, which might be one of the reasons why participants rather recognized Benetton by its merchandise presentation than interior store design elements. This comment by consumer 2.10, who knows the new concept well, shows the confusion about a picture of the old store concept:

At United Colors, I only see the colors, these classic colors, but it's all different from the store design [in the different pictures], so completely different furniture, mhm. Normally, they always have round tables like that, but here they also have cubic ones, that's a bit strange. – Consumer 2.10

However, what differentiates the concept of Benetton from the one of Primark and Uniqlo, who use similar merchandise presentation techniques, are the materials used which are perceived as "warmer" and "homier" and participants noticed the lower spatial density, implying an up-market positioning within the fast-fashion sector (Kerfoot et al., 2003; Umdasch Shop Academy, 2015):

> *Well, they sorted a lot by color, too. Somehow everything is a bit warmer with the wood. There's wood on the ceiling and there's the table and I don't know if the floor is also wood. Especially in comparison to Primark, which is all quite cold in white, grey and blue, here, everything is a bit warmer. – Consumer 2.3*

> *[...] Here, as Uniqlo and Benetton used wood, it looks better than I would say at Primark. [...] – Consumer 2.1*

> *That could almost be Uniqlo, but it probably isn't, because the furniture isn't the same and the furniture usually is very similar [in every store]. It could, I think, be a United Colors of Benetton, because they always sort by color as well and create a homely atmosphere. – Consumer 2.4*

> *That would be United Colors of Benetton because it's also pretty empty and a brand that doesn't look so cheap. – Consumer 2.18*

> *And that's Benetton because I have the feeling Benetton looks very high-quality. It's not completely packed and I have the feeling that Benetton is a bit more expensive than the others, as far as I know, a bit maybe. – Consumer 2.3*

4.4.1.8 Zara

Zara 1	Zara 2a	Zara 2b
		

Figure 30: Visual stimuli of Zara

Zara was the only brand all participants had to describe before trying to recognize brands on the given pictures. The interviewees all firstly described a Zara store verbally and then searched a typical picture of a Zara store. Compared to other brands they described before the descriptions of the interior design elements and merchandise were quite detailed:

> *High ceilings. Mhm, light floor. Such simple stand with dress dolls, mhm, and super often shoes below and blouses which hang. – Consumer 2.6*

[...] On the sides, on the walls [are always] clothes racks, but in between, there are also clothes racks with sweaters or tops. Scarves always hang in the center consoles, where there's perfume and sunglasses and stuff like that, so some accessories. Otherwise, there are also typically two tables which are always high and low, so one is a little higher and then one a little set off. – Consumer 2.10

Furthermore, many participants said they would recognize Zara due to its merchandise presentation. Zoning wise, Zara splits the store in different lines or collection and in each zone the merchandise is mostly presented "like in a wardrobe" or on mannequins as an outfit:

Yes, the merchandise is arranged as in the wardrobe. The shoes are at the bottom, then the hanging goods are above and bags and hats are at the top. – Consumer 2.7

Participants were asked to look for a picture on the internet, which represents best what they had been describing without visual aids before. The description of the pictures they chose did not differ a lot from their previous descriptions. However, the emphasis on the description of interior store design elements and retail space conditions was stronger than the description of merchandise presentation.

For me [it is typical Zara with] the different floors and that it is a room in which you have to walk around, and also that with the black clothes hangers, as they say, not clothes hangers, clothes rails. And with the mirrors somehow. – Consumer 2.12

[...] It's relatively bright, but not too bright, all black and white, the clothes are neat there, here you always see these tables. Yes, that's the typical store for me. [...] – Consumer 2.2

As I said before, on the sides are always the clothes and then there are still tables. – Consumer 2.14

When given the first set of pictures, over half of the participants recognized Zara instantly without the logos on picture Zara 1 in figure 30. With the logos all participants, except for four participants who thought the store would be a Mango store, recognized Zara. Arguments for recognizing the store were in line with the descriptions of a Zara store from before, centering around the size of the store with multiple floors and escalators, the interior design with typical "boutique" layout and the "minimalistic" style with the use of black and white elements. Although mentioned by a few, here the typical merchandise presentation was emphasized less.

I don't know, it could be Zara, but I'm not sure I recognize that. So, the escalator in the middle and around it, ah it's pretty bright, and around it the clothes, more cloth on hangers, not so stacked, more on hangers. – Consumer 2.11

It could be [a Zara], because again the shoes are at the bottom, beneath the clothes, then there are the black things and from the clothes, what I see, there are many blouses and it is sorted by colors and different things. [...] – Consumer 2.6

The pictures of Zara in the second set of pictures were foremost recognizable due to the use of color. The store on picture Zara 2b in figure 30, which was instantly recognized by fifteen participants, was additionally identified due to the use or mirror elements, which is also something typical for Zara stores and adds to its elegant "boutique" look. Picture Zara 2a in figure 30, which is in a historic building, evoked less recognition as the flooring differs from a modern store, although was also identified as typical by some participants to move into historic buildings. Nevertheless, participants identified this store due to the use of free-standing, cubistic structures and the use of muted, dark colors.

4.4.2 Intra-brand comparison

Themes that emerged from the in-depth interviews centered around recognition through the choice of the retail location (retail space conditions), interior store design elements and merchandise presentation. Here the analogy of a theatre could be taken to explain the three categories. Retail space conditions would be the *auditorium* of the theatre, retail design elements the *stage set* and merchandise presentation the *actors*.

Furthermore, some participants recognized the brands of these stores due to the merchandise presented (e.g., style or color of merchandise) which is not the focus of the analysis and will be disregarded in the following.

4.4.2.1 Retail space conditions

Participants have recognized brands merely due to the size of the store, e.g., Primark and Zara as large stores, or the number of floors, e.g., Zara mostly occupying several floors versus Mango often only presenting themselves on one floor, or the means of connecting different floors, e.g., Zara prominently using escalators in the middle of the store. Some participants also noticed typical store proportions such as large, rectangular store spaces as well as high ceilings. Lastly, some participants also recalled or recognized Zara stores in a historic building, as it seems to be typical for Zara to choose retail spaces at the best locations in town and in heritage buildings:

> *In every city they [Zara] are always inside the most beautiful buildings, at least from the outside. Some of them are quite special from the inside and have special stairs or something. – Consumer 2.16*

Roughly two-thirds of the comments recognizing a brand on the pictures due to the retail space conditions were about Zara. Retail space conditions do not seem to be a differentiating factor per se, as no comments were made about the retail space conditions

of the other brands with high recognition in general (Uniqlo and Benetton). In combination with other elements and in case of special retail space conditions, retail space conditions can although lead to a higher visual brand recognition.

4.4.2.2 Interior store design elements

In the interviews, all seven pre-defined sub-categories from the literature review on interior store design elements (see chapter 2.3.3) were discussed by the participants of the study without having the interviewer point the participants to them.

Colors

In line with Behrens (1994) participants mentioned the use of colors, although applied differently, by far the most as a distinguishing element for recognition (105 of in total 541 codes). The majority of the comments were rather general, referring to the use of a specific color, e.g., the use of black for Zara, a particular color scheme (e.g., female colors for Forever21, bright colors for Bershka or black and white/muted colors for Zara), or a color spectrum, e.g., light(er) colors for Mango. Some participants also referred more specifically to the color of the flooring, e.g., Zara using a light-colored floor and Forever21 with its black and white floor, or the color of the furnishing, e.g., Zara using black racks.

Furthermore, the application of a specific brand color, especially Primark's turquoise, which is used in Primark's logos and other communication material as well as Forever21's yellow, which is used for communication material and packaging, but not featured in the logo anymore, has often been identified as a driver of VBR, for example on price tags using the brand color.

Decoration, graphics, and signage

The use of decoration, graphics, and typeface was also a differentiating feature for some brands. This was especially so for H&M, for whom participants identified both the typical fonts used (the more formal and the more decorative font), typeface seems to be a differentiator. Primark was also often identified due to its typeface on price displays. However, the price displays also used the brand color turquoise and Bershka was twice identified due to similar signage used in different pictures. Furthermore, decoration elements such as the use of pictures, e.g., H&M, or the use of tag lines or quotations, e.g., Primark and H&M, were identified as typical for some brands.

Forms

Some participants have also referred to forms, also in line with Behrens (1994), usually explicitly referring to pieces of furniture which are typical for some brands. Round forms were, for example, pointed out to be typical for Benetton's new store concept, and rectangular shapes for Zara and Uniqlo. Furthermore, some participants discussed the typical "straightness" applied as a design principle by some brands.

Furniture

Usually, when identifying a brand due to the furniture, participants recognized one specific furniture element, e.g., high shelves for Uniqlo, specific rectangular tables and mirrors or mirror walls used by Zara, round tables by Benetton, white shelves used by Primark, and podiums for mannequins in stores of H&M.

Layout and use of space

Although the layout of the stores was not discussed as a differentiating factor for most brands, many participants discussed the typical grid pattern, or the so-called herringbone layout of Primark with a central corridor and aisles going to both sides (Floor, 2006). This layout was perceived to lead to a high spatial density, typically associated with a down-market image (Floor, 2006). Furthermore, the inspiration-oriented layout of Zara (and Mango) with its merchandise displays for hanging garments on the outer walls, the so-called racetrack, and tables and free-standing cloth racks in the middle was often attributed a "boutique-style" and very distinct to the brand (Floor, 2006; Umdasch Shop Academy, 2015). This layout and the lower spatial density were perceived as a more up-market presentation (Kerfoot et al., 2003).

Lighting

Two different forms of lighting were observed, spotlighting to highlight specific products or used with a more decorative function and ceiling lighting, which rather spreads light evenly across the entire store. Forever21 was sometimes identified due to its decorative chandeliers, whereas Benetton was recognized by spotlighting certain elements or merchandise. Mango and Zara were identified by the use of ceiling spots on lighting rails, in-line with the findings of Quartier et al. (2014) which showed that a

store's identity could be formed by lighting. For Primark, participants often remarked on the rather industrial fluorescent lighting tubes and circular lamps in its brand color.

Materials and surfaces

In line with prior findings, wood, either as a floor covering, used for the ceiling composition or as a material for furniture, was often mentioned to convey exclusivity and quality (Ebster & Garaus, 2011; Floor, 2006), which led to the recognition of either Benetton and Uniqlo (the only brands using natural wood in their store concepts).

4.4.2.3 Merchandise presentation

Merchandise presentation comprises the presentation techniques used to present the products in-store. From the interviews, three major sub-themes have emerged with regards to merchandise presentation: merchandise zoning, merchandise arrangement, and merchandise density.

Merchandise zoning

Although the zoning of the stores was hardly visible, participants commented on the typical merchandise zoning of different brands. For Uniqlo, the functional, product-oriented merchandise zoning was quite visible for participants, as each picture usually showed one category, which, for example, only consisted of pants. Zara, on the other hand, was, although not visible on pictures, was more associated with a bundled zoning, meaning a thematic arrangement of merchandise according to use, occasion, theme or target group.

Merchandise arrangement

Different merchandise presentations have been the basis for recognizing certain store concepts, especially the concepts of Uniqlo and Benetton, but also of Primark, Zara and in parts of H&M.

Uniqlo, Benetton, and Primark were often recognized due to the color-blocking of its merchandise. Primark and Uniqlo were also often associated with a dense, folded merchandise presentation, the so-called product-blocking or staking.

While Zara was associated with a wardrobe or closet-like presentation of its goods starting with hats and accessories on top, hanging garments in the middle and shoes on the bottom, H&M was often recognized by its distinct way to present shoes in a hanging manner.

Furthermore, the typical use of mannequins of certain brands was often discussed. Zara and Mango for example often use mannequins in the entry of the store as well as in the middle of the store with tables behind them, where customers can directly find the items of the outfit the mannequin is wearing. One participant noticed that Uniqlo sometimes places mannequins on top of the tables, where the clothing is laying down in many different sizes and colors. Lastly, participants noticed that H&M often puts mannequins on podiums in the middle of the store.

Merchandise density

The density of merchandise presented was a topic that was much discussed. A high merchandise density, in line with prior literature (Kerfoot et al., 2003; Umdasch Shop Academy, 2015), evoked the impression that the brand was perceived as "cheaper" by the participants. This, for example, was the case for Primark and Forever21. On the other hand, a low merchandise density was associated with "higher quality" brands such as Benetton (and Zara). Due to the stacking of goods, Uniqlo's merchandise density is relatively high. The brand was, however, not perceived as "cheap", but instead as a brand of high functionality and quality.

Merchandise presentation strategies

Two decisions with regards to the merchandise presentation seem to be critical. Brands have to decide whether to zone the merchandise groups according to taxonomic categories: e.g., t-shirts, underwear, trousers, etc.; or by bundles, e.g., business line, party collection, basics, etc. Moreover, brands can choose a more functional merchandise arrangement by, for example, stacking the same kind of product by colors, or a more inspirational presentation by suggesting outfits, using mannequins. Furthermore, the way products are placed in shelves and the shelves' location, e.g., shoes on the bottom and hats on the top, can create a high recognition.

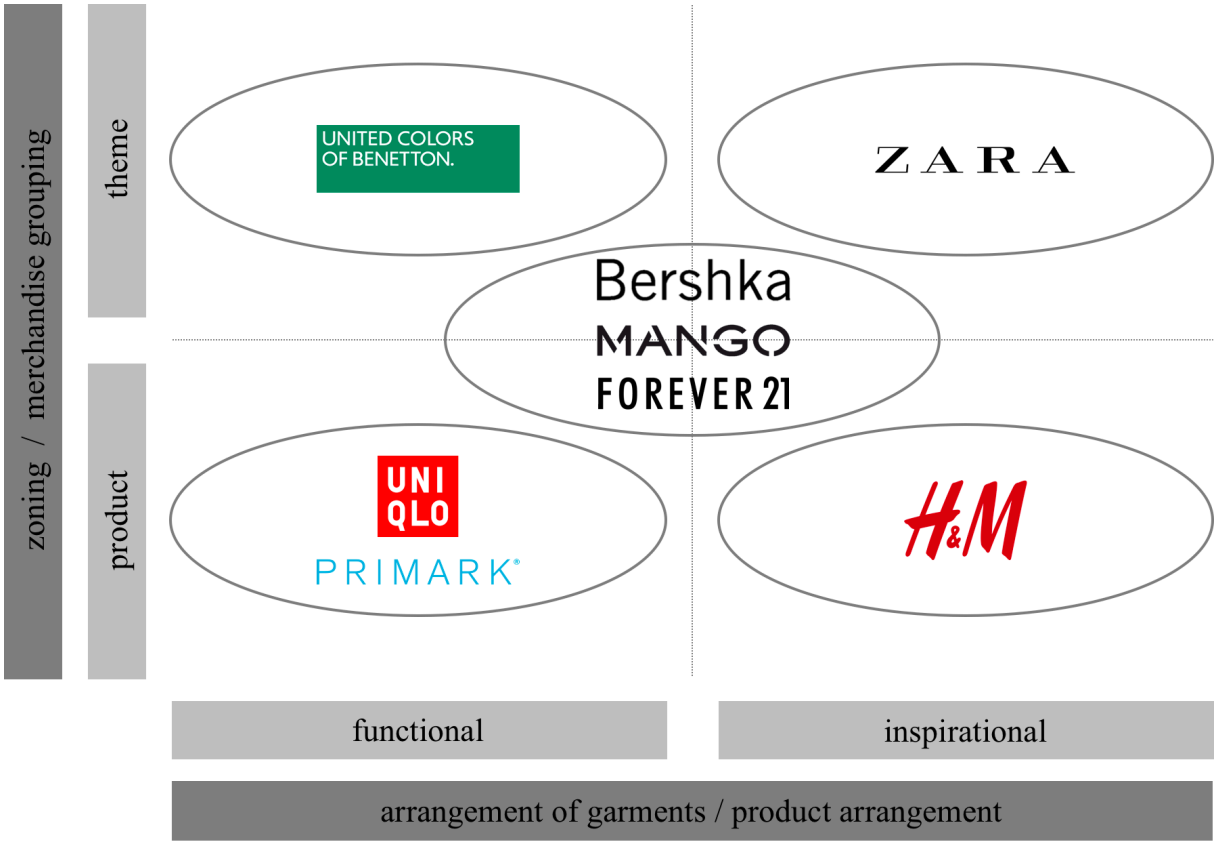


Figure 31: Merchandise presentation strategies

With regards to the merchandise presentation, figure 31 helps to better understand how to create brand recognition through merchandise presentation. Brands with the highest recognition have tend to use the functional arrangement of garments, especially using color-blocking and stacking as presentation techniques. Zara, which in general also exhibits a high recognition rate, has although chosen the more inspirational and theme-oriented approach, which was also mentioned a couple of times but in comparison to the interior design elements seemed to be less prominent as a driver for recognition. Brands like Mango, Bershka, and Forever21, neither seem to have clear zoning nor product arrangement strategy and are, therefore "stuck in the middle" which does not lead to a high VBR through merchandise presentation.

4.5 Discussion

This study is the first to solely focus on visual brand recognition in retail, identifying key elements that drive visual brand recognition. The results show that visual brand recognition in retail is not driven by one design aspect only, but rather the interplay of multiple aspects, as customers perceive environments holistically (Quartier, 2017). It has shown that color (Behrens, 1994) seems to be, in combination with various other aspects, one central driver of VBR, although possibly applied in different ways.

Visual consistency can be created by repeating similar design principles such as consistent use of color (e.g., Zara and Primark), material (e.g., Uniqlo and Benetton), furnishing (e.g., Zara, Uniqlo, and Primark) and merchandise presentation techniques such as stacking (Primark and Uniqlo), color-blocking (e.g., Uniqlo, Benetton, and Primark) and outfit presentation (e.g., Zara). Overall, the majority of codes for drivers for VBR were on interior store design elements. However, it is not possible to say if interior store design variables drive visual brand recognition more than merchandise presentation techniques. Benetton, whose stores in London, Barcelona and Berlin were each a different concept generation, for example, still generated a quite high visual brand recognition primarily through color-blocking, but also the use of space and quality of the material.

Participants usually recognized a store concept due to the *combination* of two to four elements in all three categories, supporting prior findings that retail environments are perceived holistically (Quartier, 2017). This also implies that that VBR is heightened depending on the number of standardized elements used across the three categories of retail space conditions, interior store design elements, and merchandise presentation (Karjalainen, 2007).

Both explicit and implicit design cues have led to the recognition of retail design concepts (Karjalainen, 2007; Karjalainen & Snelders, 2010). While explicit design cues were unsurprisingly occasionally voiced by informants, as regular customers with a low design acumen (Orth & Malkewitz, 2012) have difficulties to voice their impression of retail design, implicit cues were rather perceived subconsciously (Karjalainen, 2007; Karjalainen & Snelders, 2010) and may be discussed less.

Individual differences, however, seem to impact the judgment of consumers (Orth & Malkewitz, 2012). Brand knowledge (Raffelt, 2012), familiarity with the store concept and store patronage seem to have influenced the VBR of retail stores. Informants, who knew a brand very well and were very familiar with the store concept of a brand, because they regularly visit stores of the brand or have visited many stores of the brand in the past were better in identifying stores of the different brands. For those brands, where informants did not frequently visit the stores, proxies regarding the positioning, origin, or perceived brand values were used to identify the respective stores. The recency of a store visit does not seem to have influenced the results. Furthermore, although it is not representative, design acumen, the expertise an informant possesses to judge upon the visual artifacts (Orth & Malkewitz, 2012), and general category involvement, in this

case how well consumers are informed about and self-associate with the fast-fashion category, might moderate VBR.

4.6 Conclusion

This study aimed to explore how brands can create visual brand recognition in the interior of monobrand stores. Through this qualitative study, three main categories were identified, leading to VBR: retail space conditions, interior store design elements, and merchandise presentation.

Overall, with the majority of codes on interior store design elements as drivers for VBR, interior store design elements seem to be the most important elements when designing for VBR in retail environments. Nevertheless, for those brands which exhibited a high VBR, informants also recognized the brands due to their distinct way of presenting merchandise (Primark, United Colors of Benetton, Uniqlo, and Zara), and in the case of Zara its typical retail space conditions.

As for other design domains (Behrens, 1994), for both interior store design elements as well as merchandise presentation, the use of color, although in different applications, seems to be the key differentiating factor with around one-third of the codes being about the use of color in store design elements and on color-blocking as a merchandise presentation technique. Furthermore, the use of specific materials, e.g., wood, helped to identify the positioning of a brand as somewhat up- or down-market within the fast-fashion category. The use of one type of material alone although would probably not lead to the recognition of a store concept in the fast fashion industry. Spatial density (density of displays and merchandise) and the type of layout chosen were also indicators of the positioning of a brand as a rather up- or down-market brand (Floor, 2006; Kerfoot et al., 2003; Umdasch Shop Academy, 2015) and therefore aided to recognize the store concept of a brand, as they were used as a proxy. However, these proxies only led to the recognition of the store concept of a particular brand in combination with other design elements.

4.6.1 Managerial implications

When reconsidering the design of a store, visual consistency through the repetition of some elements in the retail environment is key. Managers should, however, not only consider creating visual consistency through interior design elements, which are costly to implement, but should also consider using distinct merchandise presentation

techniques, which are cheaper and more flexible to implement. As VBR is usually achieved through a combination of several interior design elements and merchandise presentation techniques, brand managers should identify which set of visual store environment elements are typically associated with the brand. Ideally these reflect the core of the brand identity so that customers still recognize the feel of a store when a new store or refurbished one is opened.

4.6.2 Limitations and further research

Customers were not able to experience the 24 stores in-person and therefore could only judge from what they saw on the pictures. When conducting a similar study, it might be advisable that the researchers take the pictures themselves to ensure that perspective, lighting, and quality of the pictures are the same or at least very similar.

Future research could quantitatively test how different compositions of retail stores can drive visual brand recognition. It has to be, although, considered that brand recognition in retail may be influenced by multiple individual factors such as brand knowledge, store patronage, category involvement, or design acumen.

Moreover, it might be interesting to investigate which design attributes are rather universal to the category and thus distinguishing any brand positioned in a certain way from brands with another positioning (e.g., high retail density for low-cost brands) and those that are unique to a brand and therefore a real differentiator driving VBR.

5 Study 3 – Value-based brand translation and perception in retail environments

5.1 Introduction

Using architecture to convey meaning is nothing new. Besides its actual function, architecture has been used to express symbolic meaning and the identity of its clients for centuries. In essence, the Pyramids of Giza, the temples of the Greeks, the buildings from ancient Rome, or churches from the Middle Ages are all symbols of power, representation, wealth, etc. (Panneck & Siegel, n.d.; Zintzmeyer & Binder, 2002). During the last decades, brands have also been increasingly taking advantage of the communicative potential of architecture (Bracklow, 2004; Vonseelen, 2012). Architecture has increasingly been used to transport brand identity (Raffelt, 2012), conveying brand values such as dynamism, innovation or competence based on its architectural design language (Quartier, 2017; Raffelt & Meyer, 2012).

Compared to other means of communication, which typically convey information through pictorial and text elements, e.g., traditional advertising or product packaging, architecture is a more figurative, sensual form of communication. Typically, architecture does not convey precise messages and leaves room for individual interpretation and personal identification (Kaiser, 2008). For brand management, this is, however, challenging as brands aim to convey their brand meaning to create consumer associations, which result in brand preference. This leads to the question of how brands can translate brand values into retail design elements so that consumers perceive these rather concrete intended meanings unambiguously. Therefore, this study investigates the means through which brands can translate their brand values into retail design elements and create matching brand associations among customers. As a basis for analysis, the concept of semantic transformation and semantic attribution is used (Karjalainen, 2007). Semantics is a sub-discipline of semiotics, the study of symbols and signs, and is concerned with the study of meaning. In semantics, the relation between signifiers and their denotation, what the objects stand for, is investigated (Morris, 1938).

Four cases of brands in two different industries are explored regarding their strategic retail design efforts: cosmetics and personal care brands Aesop and Rituals and travel and lifestyle accessories brands Freitag and Victorinox. Expert interviews with company representatives and designers involved in the retail design process were undertaken to capture the company perspective on the portrayal of brand values in retail design

elements. To also shed light on the customer perspective and to find out which retail design elements are associated with the intended core brand values, consumers carried out photo-guided observations. They discussed their observations in subsequent focus groups.

5.2 Theoretical background

Besides relevant theoretical insights from the chapters on identity-based brand management (chapter 2.1.1), brand values (chapter 2.1.3), translation of brand identity into architecture (chapter 2.2.1) and consumer associations with architectural design elements (chapter 2.2.2), for this study, the theoretical background is expanded by a design semantics concept (see chapter 5.2.1). The concept is analogous to the logic of brand identity and brand image in identity-based brand management literature (see chapter 2.1.1). It is called semantic transformation (internal perspective) and semantic attribution (external perspective). This concept gives insights on how brands can translate parts of the brand identity (i.e., brand values) into design elements in other design domains and how they are perceived by consumers (Karjalainen, 2007; Karjalainen & Snelders, 2010). This concept is used as a framework for the investigation of the retail design context.

5.2.1 Semantic transformation and semantic attribution

In design semantics, the processes of translating (encoding) and associating (decoding) meaning through design elements such as color, materials, and forms, as previously discussed, is called *semantic transformation* and *semantic attribution* (Karjalainen, 2007). Intentionally using design elements to convey brand meanings when designing objects, spaces, etc. is described by the process of semantic transformation. Karjalainen (2004) first introduced the process of semantic transformation, describing possible ways of translating qualitative brand descriptions (design intent) into value-based design features. The notion of semantic transformation comes from design semantics, which is concerned with the conveyance of meaning through design (Karjalainen & Snelders, 2010). Semantic attribution describes brand associations, which are formed based on the perception of design elements (which ideally overlap with the design intent, meaning the defined brand values).

To align the semantic transformation and attribution, the designer needs to have the skills to encode (semantic transformation) the intended meaning accurately, but he also

has to be aware of the target group's ability to decode it (semantic attribution) (Karjalainen, 2007). Otherwise, distortions (see figure 32) are created.

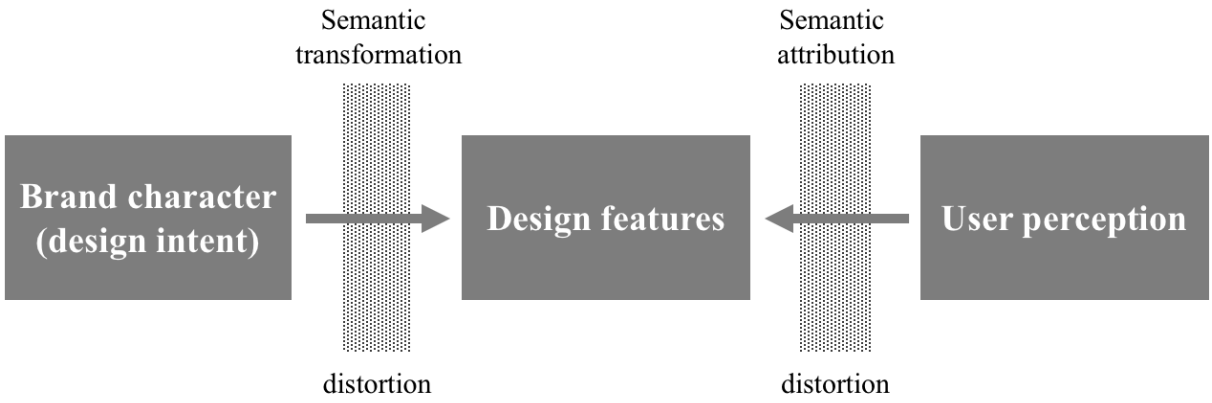


Figure 32: Semantic transformation and attribution of value-based design features

Source: Karjalainen, 2007

5.2.1.1 Semantic transformation

The critical nature of the alignment of a company's strategy and its design, which should be manifested in an explicit design philosophy, including distinctive design features, has been acknowledged (Moll et al., 2007; Montaña et al., 2007; Ravasi & Lojacono, 2005). However, with a few exceptions, only a few studies (Karjalainen & Snelders, 2010; Warell, 2001) have focused on the investigation of the practices of how designers translate their design intention to conveying meaning to consumers (Karjalainen & Snelders, 2010).

Studies on *semantic transformation* are the only studies focusing on the process of the deliberate effort of brands to communicate specific brand values to specific customer target groups through design. Karjalainen and Snelders (2010) investigated how two brands create brand recognition by communicating brand values through product design. In a comparative case study of Nokia and Volvo, both brands who strategically employ design to create visual brand recognition in product design, the process of *semantic transformation* is modeled. Both brands carefully planned their product design efforts to decode the brand values into a profound design strategy, with numerous design principles and design features for the design of products (Karjalainen & Snelders, 2010). Control over the *semantic transformation* process enabled managers of both brands to make strategic decisions over the type (genuine, stringed), strength (explicit, implicit), and generality (complete, partial) of the relation between design features and brand values (Karjalainen & Snelders, 2010). Therefore, a systematic *semantic transformation*

process may lead to more brand-adequate design decisions positively influencing the image of a brand as perceived by external audiences.

5.2.1.2 Semantic attribution

Design is capable of evoking symbolic associations among consumers to convey brand values (Linxweiler, 1999). Design elements which evoke universal associations are considered complete characteristics (Janlert & Stolterman, 1997). Such characteristics are immanent to either human nature or distinct for certain cultures e.g., the color white and metal usually evoking the association of "coldness" (see chapter 1.2.4). Partial characteristics, on the other hand, have a smaller attribution scope (Karjalainen & Snelders, 2010). When using these design elements outside of a specific customer group, the interpretation of the brand reference might be ambiguous (Karjalainen & Snelders, 2010). Thus, partial characteristics evoke "correct" references (brand-related) for a limited number of customers and are arbitrary for outsiders (Karjalainen & Snelders, 2010).

Karjalainen (2007) investigated to what extent brand values are perceived by prospective consumers and design professionals in different product designs of the specific brands. Results show that good knowledge of the brand values is essential for consumers to be able to attribute certain design features to the values a brand intends to communicate (Karjalainen, 2007).

5.2.1.3 Semantic transformation and attribution of value-based retail design elements

According to Bracklow (2004), it is challenging to convey exact brand messages through architecture due to its figurative nature, which leaves much room for subjective interpretation. A connection between architecture and brand values can nevertheless take place in a simplified way, which is understandable to the majority of the public (Bracklow, 2004). There are different ways to derive strategic intent to value-based retail design elements.

In the following, the concept is applied to retail design, reviewing prior studies with regards to the creation of meaning through retail design in a three-way relation (see figure 33). The model comprises of brand values, retail design elements, and consumer perceptions, analog to brand identity and brand image logic in the identity-based brand model of Burmann et al. (2017) with a focus on one element of the brand identity, namely the core brand values.

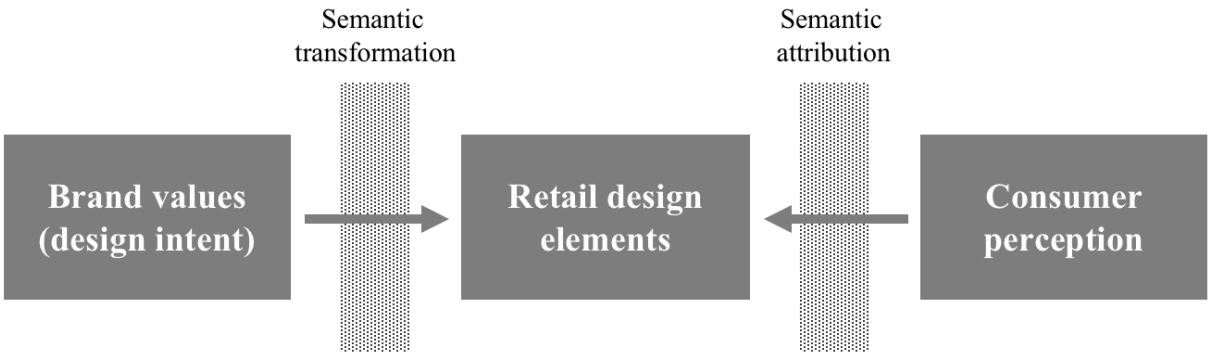


Figure 33: Semantic transformation and attribution of value-based design elements in retail design

Source: adapted from Karjalainen, 2007

In chapter 2.2.1 and 2.2.2, some examples were already provided to show how brand values have been explicitly translated into retail design elements. Only a few studies have, however, empirically investigated the translation of brand values into retail design elements as well as the perception of these values with the brand's respective target group. In three studies, a total of four buildings and two temporary architectural installations at trade shows were investigated from both the company perspective (design intent) and the consumer perspective (design attribution). In four of the six cases, the design intent was to convey brand values.

For the trade show E-world in 2010, E.ON created a new trade show concept. The aim was to reflect better its more emotional "implicit" brand values of approachability (openness), warmth (friendliness), and reliability (safeguard), but also its rational "explicit" brand values strength and discipline (Ermer, 2014). Besides the formally defined visual brand identity elements, E.ON aimed to convey strength, discipline, and approachability through the design of the roof with its curved lines, which connects the stand to the different company areas. The materials used, carpet and light wood, were intended to create an atmosphere that is perceived as friendly and familiar and conveys warmth. Warmth (friendliness) was also transposed through the choice of colors (balanced ratio of red and white (brand colors) and additional colors black, dark brown, warm white). Compared to the stand from 2009, the new stand design better embodied the brand value of approachability (openness). Fifty percent of surveyed the visitors named "openness" as the first association that came to their mind concerning the design of the trade show stand (Kirchgeorg & Ermer, 2012). Furthermore, the warm and bright colors have been attributed to the brand values of approachability (openness), warmth (friendliness), and strength (Ermer, 2014).

The study of Raffelt, Littich, and Meyer (2011) investigated four buildings of three German automotive brands (including one administrative building, one brand land, one

brand museum, and one retail concession). Brand managers and architects were interviewed to identify the brand-specific values (design intent) and their translation into architecture, i.e., semantic transformation. Furthermore, a survey with employees was conducted to investigate, among other things, the perception of the brand values conveyed through these four buildings, i.e., semantic attribution. In all cases, the brand values were perceived (being significantly higher than generic values which were tested). Branding strategies making use of a symbolic brand architecture expressing brand values directly in its design have been rated more positively by viewers than an architecture that is purely functional or limited to a sign character (Raffelt & Meyer, 2012)

One of the studied objects was the BMW Welt, which embodies BMW's brand values dynamism, challenging, and cultured: "[W]hat really intrigued me about BMW Welt was to create an architectural language that adequately expresses this dynamism and elegance" (Prix in Feireiss & Kwinter, 2007, p. 20). As mentioned in chapter 2.2.1.2, the brand value *dynamic*, was, for example, transformed metaphorically by the construction of a tornado. The brand value challenging was foremost represented through the deconstructivist style of the building and cultured through "the idea of a cultural space" (Raffelt, 2012, p. 120).

Furthermore, the intention of BMW's Dynaform pavilion was to convey dynamism: "All five projects completed for the BMW Group embody dynamics of the Group's core market values and are manifested in free-flowing forms, without orthogonal references" (Franken, 2002, p. 63). 17% of the visitors fully recognized dynamism conveyed in the form of speed and acceleration, 38% of the visitors recognized it to a large degree, and further 13% named "dynamism", "speed" and "movement" as the message to be conveyed by the pavilion (BMW-AG, 2001 in Kaiser, 2008). Thus, architectural branding seems to be able to convey brand values – albeit not systematically, as the intention was not clearly recognized but rather indicative.

5.2.2 Research gap

Prior literature (see chapter 2.2.1 and 5.2.1.3) has given numerous examples that the design of spaces can be based on the identity of a brand (e.g., Kaiser, 2008; Raffelt, 2012; Raffelt & Meyer, 2012; Wallisser, 2008). Furthermore, earlier research has also shown that brand values, which are intentionally encoded into brand spaces, can be (partially) perceived and attributed by users (BMW-AG, 2001 in Kaiser, 2008; Ermer, 2014; Raffelt, 2012; Raffelt et al., 2011). Nevertheless, the practice of the intentional

encoding of brand values into retail design elements, as well as their decoding by consumers, has, so far, not been investigated. To address this gap in academic research, the following conceptual model for analysis is proposed (figure 34):

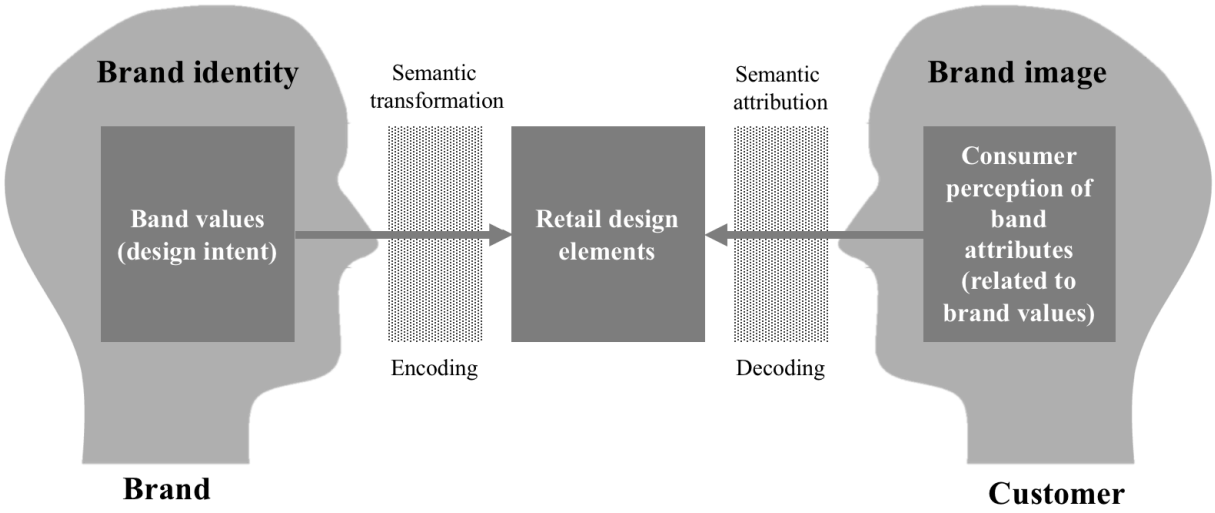


Figure 34: Conceptual model

Source: adapted from Burmann et al., 2017 and Karjalainen, 2007

This study explores how retail architects can encode brand values through semantic transformation and how consumers decode them through semantic attribution (Karjalainen, 2007; Karjalainen & Snelders, 2010) in the context of retail design. Therefore, the research questions are as follows:

1. *How do brands semantically translate their brand values into retail design elements (semantic transformation)?*
2. *How do consumers form semantic brand associations through retail design elements (semantic attribution)?*
3. *To what extent does the design intent (semantic transformation) to portray the brand values in retail design elements match with consumer associations (semantic attribution)?*

5.3 Methodology

In-line with previous ethnographic studies on consumer perceptions of retail stores, a comparative case study is employed to capture different retail experiences and associated meanings with retail stores (Pecoraro & Uusitalo, 2014). The different cases allow the examination of different contexts, which cannot be observed in a single case (Miles & Huberman, 1994).

Firstly, based on secondary data and interviews with brand representatives (internal or external to the company), the aim is to understand the design intention (brand values) and how they are reflected in the retail design of the brands. In a second step, store environments of the chosen brands are explored through the eyes of consumers. While the comparative case studies serve to analyze the company's perspective, photo-guided observations and subsequent focus groups capture the consumer perspective.

5.3.1 Pre-study

Due to the exploratory nature of the research question, a qualitative pre-study was undertaken to precede the comparative case studies. Twenty-one semi-structured in-depth interviews were conducted with different stakeholders (e.g., brand managers, creative directors, shopfitters) involved in retail design (see appendix F). The interviews focused on identifying which elements of a brand identity can be translated into retail design and which cases would be interesting objects of investigation. All interviews were recorded (ranging from 18 to 62 minutes with an average length of 39 minutes) and transcribed verbatim. Furthermore, published literature (such as Ehmann & Borges, 2013; Leuzinger, 2015; Teufel & Zimmermann, 2015; Turley & Chebat, 2002), as well as publicly accessible sources on the internet touching on the same subject, were analyzed. Besides the primary data, these documents, especially the documentation of retail architects and previously published interviews with company representatives, were also coded for themes and were partially used as quotes in the findings section.

From these interviews, it emerged that when translating brand identity into design, it is most important to reflect the core brand values. However, some experts recommend to only focus on a few brand values, which differentiate the brand from competitors.

Furthermore, many experts have mentioned retail design concepts of brands employing a variety of designs given as positive examples for constant innovation and inspiration, while still translating the brand identity into retail design and creating very distinct and differentiating stores. For instance, Aesop and Camper were suggested as interesting cases for investigation, as they are brands working together with local architects to incorporate the design of the local culture whilst implementing the visual brand identity unobtrusively.

5.3.2 Case selection

For the case selection, polar types of retail design strategies have been chosen to observe contrasting data patterns (Eisenhardt & Graebner, 2007). Brands with a

decentralized approach to store design resulting in a plurality of store designs, in the following called *architectural diversity*, are compared with brands with uniform store design, the so-called *prototype designs* (Turley & Chebat, 2002). This means that one set of the brands in the study has a consistent retail design approach, whereby the same design elements are used repeatedly in its different stores. In contrast, the other set of brands does not use identical design elements repetitively across different stores.

Due to context-dependency, it was, however, important to compare brands from the same category and with a similar positioning (van Rompay et al., 2012). As the approach of architectural diversity is not yet widespread, the selection of categories was based on those industries where brands currently employ this strategy.

The results of the pre-study, extensive research of published literature, as well as review of openly accessible online sources, have led to a list of four brands. All four brands employ a multitude of store designs in their network of monobrand stores. These are the Australian cosmetic and personal care brand Aesop, the Spanish shoe brand Camper, the Swiss travel and accessories brand Freitag, and the Swiss spectacle brand VIU (see figure 35).

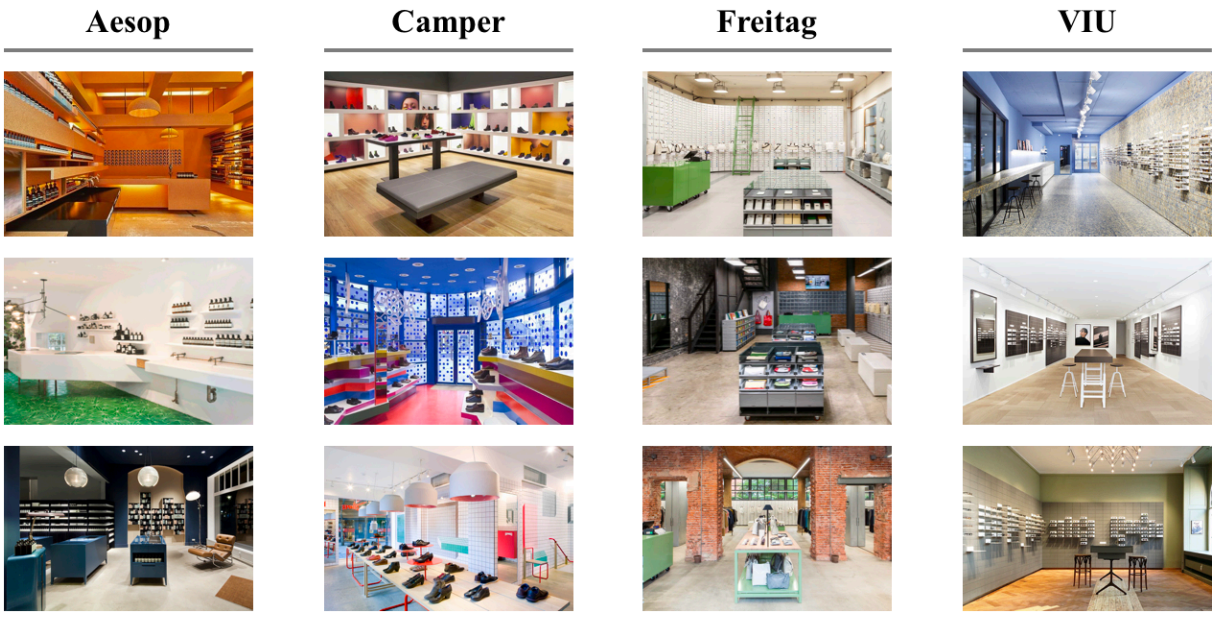


Figure 35: Examples of architecturally diverse monobrand stores

Sources of pictures: ‘Aesop Store Locator’, n.d.; ‘Camper Store Locator’, n.d.; ‘Freitag Store Locator’, n.d.; ‘VIU Store Locator’, n.d.

Firstly, the brands applying the approach of architectural diversity had to operate a network of multiple monobrand stores in the geographical area in which the research took place. For consumers to see how a brand has translated its brand values into retail

design elements, participants had to visit two stores of each brand. This way, the participants could understand how brands with the architecturally diverse stores have implemented their values into retail design across different stores. To minimize travel efforts for the informants, each brand, therefore, had to operate at least two monobrand stores in Switzerland so that informants could have visited two stores of each brand in their country of residence. This led to the elimination of Camper, which only operates one store in Switzerland (see appendix G).

Therefore, suitable contrasting brand cases, applying a uniform retail design strategy, rigidly following centrally developed guidelines (Turley & Chebat, 2002), within the travel and lifestyle accessories, spectacle, and cosmetic sectors were searched (see appendices H-J).

VIU, as a case for a decentralized store design, had to be eliminated. No suitable counterpart operating more than one monobrand store in Switzerland could be found since most spectacles are still traditionally sold in multi-brand chains (e.g., Fielmann). Thus, company representatives involved in brand management and retail design, as well as design agencies heading projects for the two remaining brands Aesop and Freitag, were invited to participate in expert interviews.

For Freitag, only one counterpart, Victorinox, was assessed as suitable, operating eight monobrand stores in Switzerland. All other travel and lifestyle accessories brands did not operate any monobrand stores in Switzerland. An image analysis of Victorinox stores, accessed online, showed that Victorinox is implementing a standardized store concept across its network of monobrand stores (see appendix K), making it an ideal contrasting case to the one of Freitag. Furthermore, Victorinox also seemed to be suitable as it also is a Swiss brand. Thus, the preference for one brand due to national preference, which could distort the results, was eliminated.

When searching for a suitable counterpart for Aesop, brands from the same parent company were eliminated (e.g., The Body Shop). Furthermore, as not to distort the results, brands with other dominant atmospheric cues (e.g., scent or music) were also excluded. Thus, LUSH was eliminated, as it is known for its strong odor, whereas the focus of this study is on visual elements of retail environments. This process of elimination left two possible brands: Rituals and Yves Rocher. Image analysis with publicly accessible image material was carried out to choose the most contrasting cases (see appendices L-N). This analysis showed that Rituals and Yves Rocher both use consistent retail design approaches relying on a strong repetition of their respective

design elements. Rituals appeared being most suitable counterpart for Aesop, as both brands are

1. relatively new to the European market,
2. both positioned as premium brands strategically employing retail design for brand building, and
3. are still greatly expanding their monobrand store network.

Finally, the brand sets for investigation were Aesop and Rituals in the cosmetics and personal care sector and Freitag and Victorinox in the travel and lifestyle accessories sector (see case descriptions in figure 36).

1. Aesop

Aesop is an Australian cosmetics and personal care brand. It was founded in 1987 by Dennis Paphitis in Melbourne. Aesop creates plant-based, high-quality cosmetics and personal care products. From the very beginning, they have emphasized the creation of unique stores and the hiring of store personnel, who are passionate about the brand (brand ambassadors). Aesop currently operates more than 200 stores and shop-in-shops.

Aesop's brand values are *creativity, excellence, integrity, passion, respect,* and *rigorous thinking.*

2. Freitag

Freitag is a Swiss travel and lifestyle accessory brand. The brand was founded by the brothers Markus and Daniel Freitag in 1993 in Zurich. Freitag is known for its messenger bags, which are made of recycled truck tarpaulins, inner tubes of bike tires, and car seat belts. Freitag's monobrand store network consists of 26 stores.

Freitag has not formally defined any brand values. However, *sustainability* and *uniqueness* describe best what they stand for.

3. Rituals

Rituals is a Dutch cosmetics and personal care brand. Rituals was founded in 2000 by Raymond Cloosterman in Amsterdam with the aim of changing daily bathroom routines into meaningful moments. The products are inspired by the Asian culture. Rituals monobrand store network comprises more than 740 stores today and many more shop-in-shops.

Rituals' brand values are *authentic Eastern traditions*, *naturality*, *relaxation*, and *sensuality.*

4. Victorinox

Victorinox is a Swiss travel and lifestyle accessory brand. Karl Elsner founded Victorinox in 1897 in Ibach (Switzerland). It is known for the original Swiss Army Knife. Today, Victorinox, however, sells products in several categories: Knives and cutlery, watches, travel gear, and fragrances. Victorinox operates fifteen monobrand stores in Europe and the US, and many more shop-and-shops. The brand values of Victorinox are *functionality, iconic design, innovation,* and *quality.*

Figure 36: Case descriptions study 3

Sources: ('About FREITAG', n.d.; 'About the Company RITUALS', n.d.; 'Aesop - Our story', n.d.; 'All about Victorinox', n.d.; 'Victorinox Store Locator', n.d.)

As figure 37 illustrates, Aesop and Freitag apply an architectural diversity strategy, and Rituals and Victorinox follow a uniformity strategy in their monobrand retail outlets.

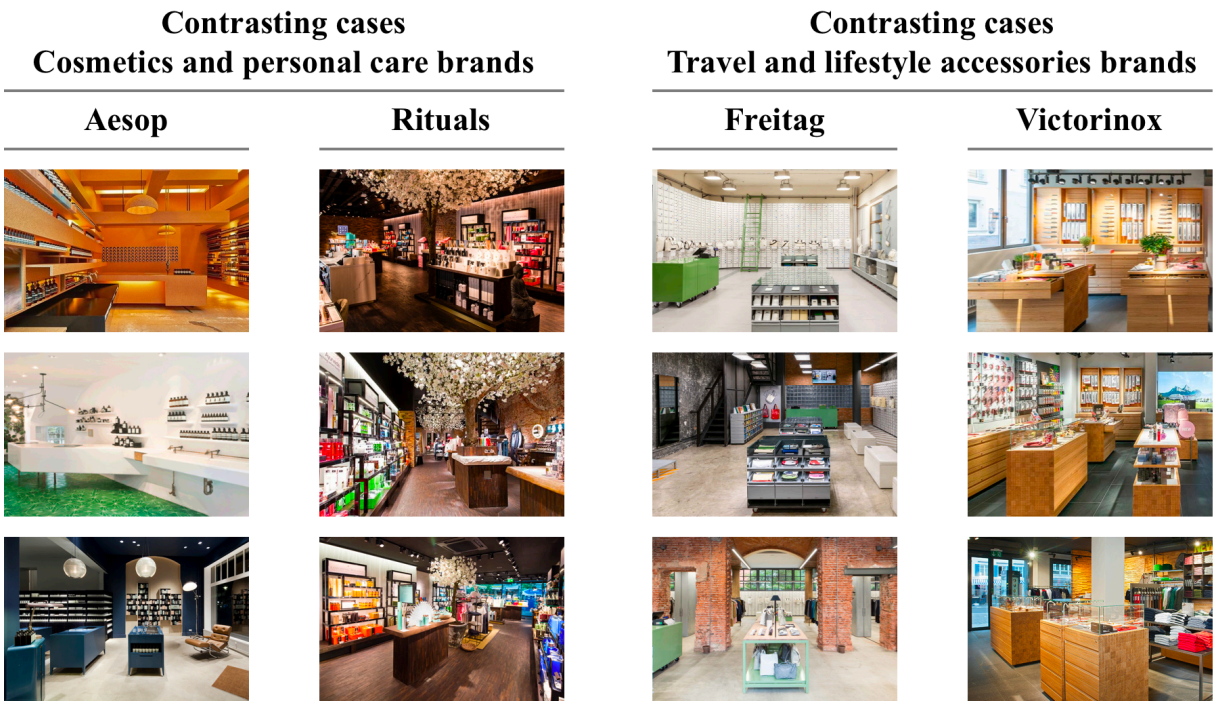


Figure 37: Examples of monobrand stores for the contrasting case sets using either architectural diversity or prototype stores as a retail design strategy

Sources of pictures: "Aesop Store Locator," n.d.; "Freitag Store Locator," n.d.; "Rituals - Boulevard Berlin Einkaufszentren," n.d.; "Rituals Cosmetics eröffnet Store im Emmen Center," 2018; "Victorinox Store Locator," n.d.; Zurfluh, 2016)

5.3.3 Samples

To capture both the perspective of company representatives and consumers, a two-step approach was employed with a company representative sample and a consumer sample.

5.3.3.1 Experts

To obtain insights on the design intent (as it relates to core brand values) and the semantic transformation process of the four selected brands, company representatives from Aesop, Rituals, Freitag, and Victorinox involved in the retail design process were contacted. The aim here was to obtain a holistic overview of different stakeholders involved in the retail design process. Therefore, besides interviews with the key informants heading the retail design process, managers from other departments who were also involved in the project (e.g., retail operations and brand managers) were also interviewed when possible. Chain-referral sampling was used as the initial contact suggested further potential interviewees.

For Rituals, Freitag, and Victorinox, company representatives directly agreed to participate in the study; for Aesop, the recruitment of interviewees has proven to be more complicated. As Aesop claims only to hire passionate and knowledgeable store personnel (Aesop, 2018), the researchers decided to add to this data by briefly interviewing sales representatives from three stores about the design strategy of their store. Furthermore, one architect, who has designed an Aesop Store in Frankfurt, also agreed to provide information.

In total, the sample comprised of twelve interviews with thirteen informants (see appendix O). The data collection for each brand was discontinued when either saturation was attained (Seidman, 2013) or when no additional person involved in the retail design process, who could give further insights on the process, was suggested by the key informant or available to talk to us.

5.3.3.2 Consumers

Applying the sampling approach used in the study of Kerfoot, Davies, and Ward (2003), the sampling for the consumer group was convenience-based, although trying to reflect the demographics of the primary target group of the selected brands. The sample for the cosmetics and personal care brands comprised eight female informants aged between 24-26 years. The sample of the travel and lifestyle accessories brands included eight participants between the ages of 23 and 32 years, three of whom were male and five females (see appendix P). To participate in the study, it was a prerequisite to possess a smartphone with a camera and the capability of transmitting photographs.

Firstly, expert interviews were conducted with brand representatives to understand the brand values and how these were translated into retail. Secondly, consumers were invited to conduct store observations and then participated in a focus group where they shared their impressions of the stores and the brand values attributed through the retail design of these.

5.3.4 Data collection

Firstly, expert interviews were conducted with brand representatives to understand the brand values and how these were translated into retail design. Secondly, consumers were invited to conduct store observations and then participated in a focus group where they shared their impressions of the stores and the brand values attributed through the retail design of these. Most of the data was collected in the course of two final theses by HSG students who were supervised by me. Most of the data was jointly collected by one

of the students and myself. However, the focus of Florence Scherer's master's thesis and Julia Forster's bachelor's thesis differed from that of this study.

5.3.4.1 Company representative interviews

The expert interviews were conducted between November 2018 and July 2019. On average, they lasted 44 minutes, with a minimum of eight minutes (with a sales representative) and a maximum of 89 minutes (with a head of retail design). The in-person and telephone interviews conducted for Victorinox, Freitag as well as for the external architect designing a store for Aesop were audio-recoded (McCracken, 1988) and transcribed verbatim, resulting in 93 pages of transcripts[23]. Additionally, for Rituals and Aesop, those company representatives who agreed to participate only did so if they could answer questions in a written form, resulting in seven pages of written documentation.

The interview questions consisted of questions related to the retail design process in general as well as specific questions about the brand values and how they have been translated into retail design elements (see interview guideline in appendix Q).

During (and after the interviews), the informants shared further documents on their brand strategies as well as retail design processes and guidelines. These documents provided by the company, as well as field notes and publicly accessible documents and published interviews of brand representatives on the retail design strategies and brand values, resulted in 219 additional pages for analysis.

5.3.4.2 Customer store observations and focus group

The data collection for the customer group participants can again be split into two sub-phases: the store observation phase and the focus group.

As discussed in chapter 2.3.5, a vast amount of research on retail experiences has tested the effects of atmospheric cues in laboratories such as approach-avoidance-behavior concerning different colors (Bellizzi et al., 1983). Furthermore, through simulations elements, such as the perception of overcrowding on outcome variables such as satisfaction were investigated (Eroglu & Machleit, 1990). Despite the better control of independent and dependent variables in experimental or quasi-experimental studies, these are conducted in environments that are not natural, and the results obtained thus

[23] Recordings and transcripts can be provided electronically on request. Since the majority of the interviews were conducted in German, parts relevant for direct quotations were translated into English.

tend to have limitations in their application to retail design practice. In general, retail designers find that experimental studies lack credibility and relevance and, therefore, do not use the findings in the process of designing retail stores (Petermans & Van Cleempoel, 2010).

Conversely, the data collection methodology applied in this study enabled participants to visit real retail environments and thus collect data that provides clear design implications (Calienes et al., 2016). In line with previous research capturing customer perceptions of store environments, participants were here invited to conduct store observations that were documented through photographs (Burt, Johansson, & Thelander, 2007; Calienes et al., 2016; Petermans et al., 2014). This participant-led methodology integrates pictures with annotations to uncover retail store impressions (Burt et al., 2007; Calienes et al., 2016; Kent & Kirby, 2009; Petermans et al., 2014). Due to the exploratory nature of the study, participants were given limited instructions to guide their observations (see instructions in appendix R). Participants had to visit four stores, two monobrand stores of two brands (either Aesop and Rituals or Freitag and Victorinox). Participants were free in choosing the stores which were most convenient for them to visit. Participants were asked to document their store visits by taking eight to twelve pictures in each store of elements or settings which caught their attention and were typical for the brand. In line with the approach of Calienes et al. (2016), participants took the photographs using their own smartphones' cameras. Alternatively, the participants could have used other technical devices to document their visit. However, they would have had to familiarize themselves with devices beforehand. Furthermore, these devices can be intrusive and are not used by consumers in their everyday life (e.g., virtual reality glasses).

Moreover, participants were asked to write a short summary (two to five sentences) of their impressions of each store after the visit (see instructions in appendix R). Once all four store visits had been completed, the participants were also asked to compare both stores of each brand in a few sentences. The pictures and summaries and comparisons of the store visits were sent to the researchers before the focus groups.

Store visits of the cosmetic and personal care brands were completed over four weeks in March and April of 2019. Although participants could have visited multiple stores of the brands in Switzerland, some store visits were conducted during holidays abroad. Therefore, store visits took place in Switzerland, France, and Germany. Store observations of the travel and lifestyle brand monobrand stores took place during the second and third week of May 2019 in Zurich, Switzerland.

In a second step, two focus groups were held, one with six participants of the cosmetic and personal care brands (April 2019) and one with eight participants of the travel and lifestyle accessories brands (May 2019). Each participant was given four sheets, one per store visit, including all the pictures he/she had captured. During the focus groups, semi-structured questions were asked to leave room for discussion and to obtain a deeper understanding of the perceptions of the different retail stores and their attributed brand values (see focus group guideline in appendix S). The participants were not told the brand values of the brands as it was the aim to understand their store perceptions and brand attributions openly. One of the researchers moderated the focus group (Fern, 1982), while the other observed the participants and documented it. The focus groups lasted 97 and 90 minutes.

During the consumer store observations, the participants took 663 photos in total. Furthermore, the written store descriptions and comparisons comprised between 46 and 192 words, with an average of 99 words, resulting in nine pages of descriptions[24].

The focus groups were recorded and filmed (D. L. Morgan & Spanish, 1984) and then transcribed verbatim by the researchers (Poland, 1995), resulting in 44 pages of transcripts[25].

5.3.5 Data analysis

The data analysis followed a three-step structured coding approach.

First, the company representative interview material was coded using qualitative content analysis (Mayring, 2014). First-order codes reflected design elements reflecting brand values, second-order codes reflected the intentions for the meanings which were to be conveyed in the design, and third-order codes the mode of translation used.

Second, the data analysis for the customer data, including the focus group information, the photos, and complimentary store descriptions, was reviewed using content analysis and annotated to identify key themes, which were then used to enrich the semi-structured focus group guide.

Third, once all the data had been collected, the researchers used qualitative content analysis to code the data. To begin with, the relevant parts for coding of the material as

[24] The short summaries and pictures can be provided electronically on request. Since the store descriptions are in German, parts relevant for direct quotations were translated into English.

[25] Recordings and transcripts can be provided electronically on request. Since the focus groups were held in German, parts relevant for direct quotations were translated into English.

well as the abstraction level were decided upon (Mayring, 2014). Based on the objective of the qualitative approach, all data covering brand values, typical design elements, and translation strategies from brand values into retail design elements have been included from the expert interviews as relevant parts for analysis. From the consumer data, all relevant parts on consumer associations about design elements and what kind of meaning they could convey were included.

For the coding of the company data, firstly, the data was coded for brand values. These brand values were used as third level codes. Second-level codes comprised of the retail design elements related to brand values in and first level-codes summarized the different semantic transformation processes, which have been identified. The customer data was coded similarly, although the associations with the retail design elements had to be matched with the actual brand values. Here, new values were coded from the data when customers mentioned brand values for the brand, which are not representing what the brand aims to stand for. Inductive and deductive category formation was used to derive summarizing categories for the semantic transformation and attribution processes coming from both the data and theory (Mayring, 2014).

The final semantic transformation and attribution processes were validated by eight retail designers from the same design agency and were additionally reviewed by two more retail designers.

5.4 Findings

The results show how the four investigated brands intend to translate their brand values[26] into retail design elements and how consumers perceive these brand values.

From the four case studies, seven different semantic transformations of how to translate brand values into retail design were observed. Some of these transformation processes have already been observed in prior literature (see chapter 2.2.1, 2.2.2, and 5.2.3.1). Some semantic transformation processes emerged from the data. Four of these transformations use direct translations of the brand values into retail design elements. In the other three cases, a preceding process occurs, mediating the semantic transformation into retail design elements. The results show that the direct translations are used by brands following the approach of prototype designs and architectural diversity alike. In

[26] Aesop stands for *creativity, excellence, integrity, passion, respect,* and *rigorous thinking*. Rituals' brand values are *authentic Eastern traditions, naturality, relaxation*, and *sensuality*. The brand values of Freitag are *sustainability* and *uniqueness*. Victorinox stands for *functionality, iconic design, innovation*, and *quality*.

contrast, the mediated semantic transformations are only used by Aesop and Freitag, who employ an architecturally diverse retail strategy (Turley & Chebat, 2002). Therefore, in total more examples to illustrate the different semantic transformations are from the brands following architectural diversity.

The process of semantic attribution should, in theory, mimic the semantic transformation processes. Nevertheless, in the collected data, not all seven processes surfaced as associations consumers made with the perceived retail design elements. In total, five semantic attribution processes were identified, which reflected the design intent in some way (see figure 38).

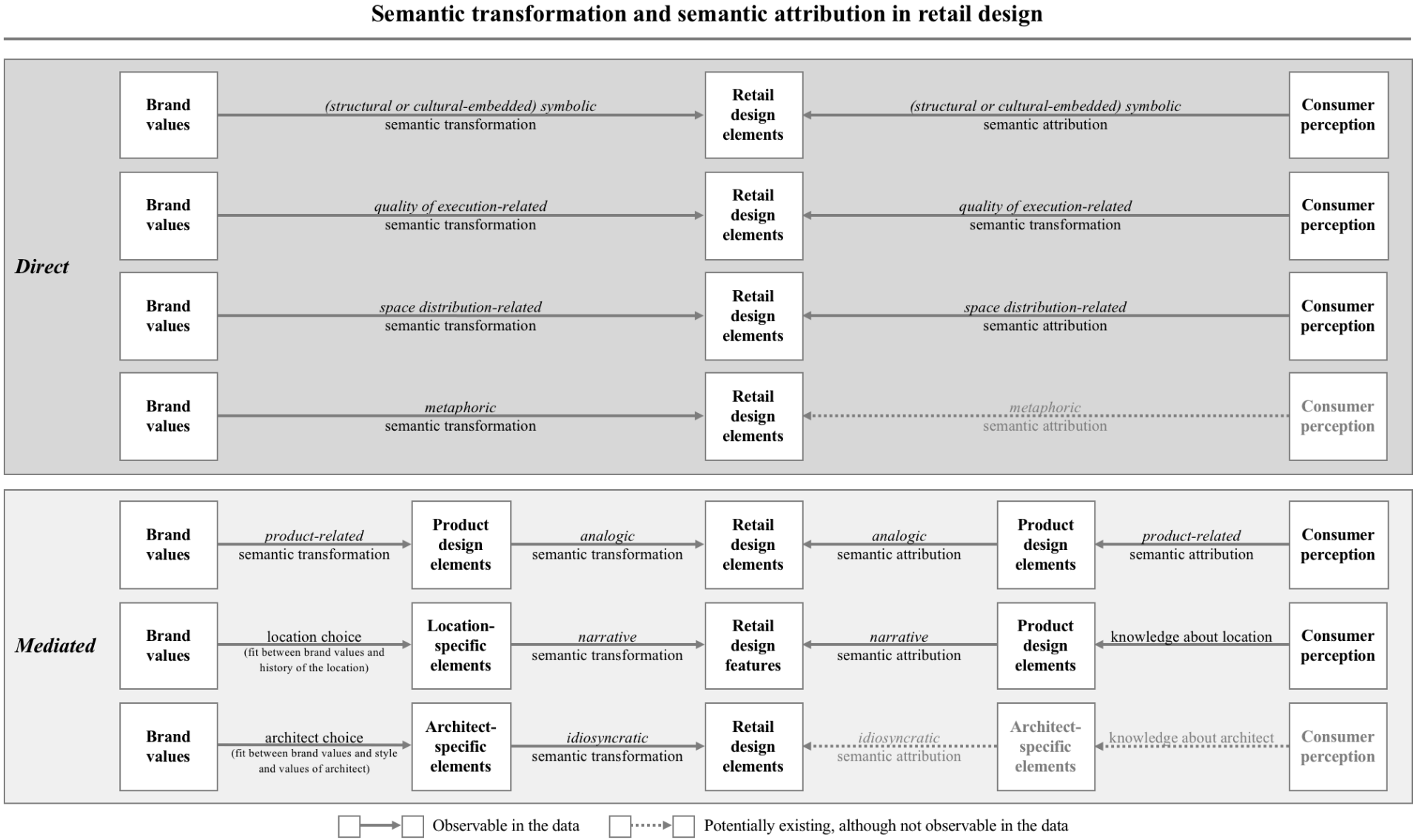


Figure 38: Semantic transformation and attribution in retail design

5.4.1 Symbolic semantic transformation and attribution

First, the study results showed that brand values can be translated into retail design elements through symbolic semantic transformation, referring to commonly agreed on associations with specific interior design elements (see chapter 2.2.2 for consumer associations with certain architectural design elements). Here, structural symbolic semantic transformation and attribution and cultural-embedded symbolic semantic transformation and attribution should be differentiated.

Structural symbolic semantic transformation translates brand values through commonly agreed on associations with colors, materials, lighting, forms, etc. (Kaiser, 2008; Raffelt & Meyer, 2012). This has been applied in all four cases. Freitag is using refurbished, up-cycled, and robust materials in their architectural design to communicate its value of sustainability. Victorinox is working with high-quality wood to convey quality. Rituals uses natural colors and materials as well as real plants to transport naturality. Aesop conveys excellence using materials of high quality such as marble or wood.

Most of the brand values of the four brands encoded through this type of transformation were also attributed to the design elements perceived by the users.

Structural symbolic semantic transformation and semantic attribution



Brand	Brand value	Retail design elements	Examples
Rituals	Naturality	Natural colors (warm, earthy tones); natural materials (e.g. wood, cement, bricks); real plants	
Victorinox	Quality	High-quality wood	

Figure 39: Examples of structural symbolic semantic transformation and semantic attribution

Source of pictures: pictures were taken by participants who were asked to take photographs of their impressions

Brand values can also be encoded into retail design elements through cultural-embedded symbolic semantic transformation, referring to a symbol widely used in a particular culture, which is closely linked to the brand values of a brand. Rituals, for example, uses cherry blossoms, one of the most important symbols of Japanese culture, and a buddha, a symbol for Buddhism, one of the most wide-spread religions in Asia, in all its stores to convey its brand value of authentic Eastern traditions. Both the buddha and cherry blossoms were also attributed (cultural-embedded symbolic semantic attribution) by consumers to Asian culture.

Cultural-embedded symbolic semantic transformation and semantic attribution



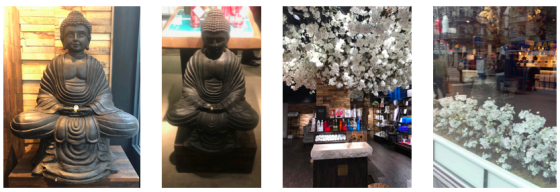
Brand	Brand value	Retail design elements	Examples
Rituals	Authentic Eastern traditions	Buddha; cherry blossom tree	

Figure 40: Examples of cultural-embedded symbolic semantic transformation and semantic attribution

Source of pictures: pictures were taken by participants who were asked to take photographs of their impressions

5.4.2 Quality of execution-related semantic transformation and attribution

Care should also be taken to ensure that the implementation also corresponds to the brand values through the quality of execution-related semantic transformation. In other terms, it is not only essential to select appropriate symbolic colors and materials, but also to carefully consider their in-store implementation and quality of execution.

Aesop, who, for example, stands for the brand value excellence, therefore not only uses high-quality materials but also ensures that these materials are implemented in a high-quality manner when it comes to the shopfitting to create an overall high-quality atmosphere authentically.

> *So, it is a lot of course for us in the materiality, that a large part of these brand values is already covered and the general quality of the implementation, of the feeling of space [...]. – Expert 3.13, external Architect and Product Designer for Aesop*

The value quality of Victorinox was also translated using quality of execution-related semantic transformation:

Quality... Yes, quite pragmatically: Swiss Made. Our shopfitting concept is Swiss Made, manufactured in Zug. [It is] very strongly engineered, so really with Swiss engineering and Swiss production, not necessarily the cheapest. And that's the same for the retail concept, that's Made in Germany, it's just local architects Blocher Blocher Architekten who did it, and they are very robust and strong concepts, but they have their price tag on them. But that's what we decided as a brand. We can compete with it. – Expert 3.2, Head of Retail Services at Victorinox

The overall impression of a store is strongly influenced by the semantic attribution of consumers regarding the quality of execution. Informants, for example, attributed a high-quality execution (referring to Aesop's value of excellence) to Aesop, not only using high-quality materials but also perfectly and seamlessly integrating different design elements:

The sales counter in Bern was very eye-catching. In Zurich, I also had the feeling that it absorbed the sales counter or that it was simply perfectly integrated. – Consumer 3.5

Aesop also succeeds in evoking consumer associations that attribute the meticulous product presentation to express the value of excellence. However, one identified issue is that customers fear to touch the product due to this perfection. In some cases, consumers almost fear to enter the store. Furthermore, in one case, one participant spotted a product presentation, which was not conveying excellence and Aesop's premium positioning:

The tubes were simply placed in a sink in London. This contradicts a bit the whole luxury distribution because it looks more like mass production. – Consumer 3.4

For Victorinox, informants perceived the overall composition of the store as high-quality. However, the informants spotted some inconsistencies such as the *Mix, match and go* product presentation, and cartons standing in the middle of the store. This did not fit with the general image of the store.

Quality of execution-related semantic transformation and semantic attribution



Brand	Brand value	Retail design elements	Examples
Aesop	Excellence	Materials implemented in a high-quality manner when it comes to the shopfitting to authentically create an overall high-quality atmosphere	 
Victorinox	Quality	Materials implemented in a high-quality manner when it comes to the shopfitting to authentically create an overall high-quality atmosphere	  

Figure 41: Examples of quality of execution-related semantic transformation and semantic attribution

Source of pictures: pictures were taken by participants who were asked to take photographs of their impressions

5.4.3 Space distribution-related semantic transformation and attribution

Some core values of a brand can also be transferred to retail environments through the allocation of space (both horizontally e.g., floor space and vertically e.g., ceiling heights) as well as merchandise density. Low spatial and merchandise density, meaning lots of space and little merchandise, tend to indicate exclusiveness. Rituals, for example, tries to convey its value of *relaxation* through lower ceilings.

> *We want to have a cozy impression, so we try not to have stores that are too wide but elongate. […] We always try to have lower ceilings; this feels homier and more comfortable. – Expert 3.6, Store Designer at Rituals*

Space distribution-related semantic transformation and semantic attribution



Brand	Brand value	Retail design element	Example
Rituals	Relaxation	Lower ceilings	

Figure 42: Example of space distribution-related semantic transformation and semantic attribution

Source of picture: picture was taken by a participant who was asked to take photographs of her impressions

The retail density (consisting of space and merchandise density) in the stores of the other three brands is medium to low. This is typical for value or premium brands. However, none of the company representatives explicitly mentioned it (as this is probably done implicitly) to convey a specific brand value, it can nevertheless be seen as a design element of Aesop conveying excellence and Victorinox conveying quality.

In the case of Rituals, users have noticed that in many stores, there was less space. This was, however, not perceived positively. Consumers instead perceived it as crammed. At Aesop, on the other hand, many participants noticed the spaciousness of the stores. This was perceived as calming. However, it is not a brand value that is encoded explicitly in the design of the stores.

5.4.4 Metaphoric semantic transformation and attribution

Architectural metaphors, similarly to trade show and corporate architectural representations (Raffelt, 2012; Raffelt & Meyer, 2012), can also be used in retail design to convey brand values. Metaphoric semantic transformation takes place when visual, architectural metaphors are used to convey brand values in the retail environment (Krippendorff, 2006; Mayr-Keber, 1980; Raffelt, 2012; Raffelt & Meyer, 2012). In addition to prior findings, where visual metaphors were always used for exterior architecture, the results of this study show that visual architectural metaphors can also be used at a smaller scale for design elements in the interior.

Rituals uses the visual metaphor of tiered rice paddy fields of Indonesia in the design of its cascading shelves as for its value authentic Eastern traditions:

The inspiration for all our furniture is derived from the Asian culture and from Asian landscapes. For example, the stackable shelvings which our Rituals are displayed on are designed after the tiered rice paddy fields of Indonesia. – Expert 3.6, Store Designer at Rituals

Metaphoric semantic transformation and semantic attribution



Brand	Brand value	Retail design element	Examples
Rituals	Authentic Eastern traditions	Stackable shelving designed after the tiered rice paddy fields of Indonesia	

observable in the data theoretically existing, although not observable in the data

Figure 43: Example of metaphoric semantic transformation and semantic attribution

Source of pictures: pictures were taken by participants who were asked to take photographs of their impressions

Metaphoric semantic attribution should also, in theory, exist. According to Krippendorff (2006, p. 95), visual metaphors should enable the consumers when confronted with the specific metaphoric design element to unconsciously recognize the feature "in terms of the dimensions and features of other and more familiar artifacts.". Rituals' metaphoric transformation of the value authentic Eastern traditions, was nevertheless not observed in the consumer data as a semantic attribution. Participants noticed and mentioned the cascading shelves as being distinct for Rituals, but did not link them to Asian traditions. This is, however, also the nature of visual metaphors, as they are typically ambiguous for what they represent (see the interpretations of the Le Corbusier Chapel in chapter 2.2.1.2).

5.4.5 Analogic semantic transformation and attribution

The analogic semantic transformation occurs when brand values are first translated into product design features (product-related semantic transformation) and then adapted to the retail environment. Here, the architecture of the retail environments mimics the product design either partially or entirely (Burla, 1992; Jencks, 1979; Messedat, 2005; Raffelt, 2012; Raffelt & Meyer, 2012; Vonseelen, 2012). In the retail context, analogies are usually only partially referring to product design. As in most cases, retail brands operate their stores in existing buildings, they therefore unable to construct the outer shell of the building to resemble the design of their products, as often visible in corporate

architecture, for instance. A complete mimic of the product design is, however, possible for free-standing retail formats, i.e., pop-up stores, although this could not be observed in the data collected for this specific research project.

One example of the analogic semantic transformation identified in the data is that of Freitag, who translates the value sustainability in their product design using recycled truck tarps and seat belts. Through analogic semantic transformation, the recycled truck theme is then further translated into retail architecture in the Zurich flagship store using seventeen discarded freight containers. Furthermore, Freitag has also used the material of its bags in furniture elements, such as benches made of recycled truck tarp, and used the truck theme to create product displays (see figure 44).

Analogic semantic attribution occurs when consumers first think about the design elements of the products, attribute them brand values, and then search for how this is translated into retail design elements. In the case of Freitag, the consumer associations about the retail design were strongly mediated by what consumers associated with the brand's products. Thus, the brand values were derived from product associations.

In many cases, depending on how well the informants knew the products, they were inferring values from the retail design to the products (e.g., Aesop, where customers were less familiar with the brand. Alternatively, they were inferring values from the product to the store design, explicitly looking for characteristics that the products are known for in the retail design (e.g., Freitag where consumers knew the products well).

Analogic semantic transformation and semantic attribution



Brand	Brand value	Retail design element	Examples
Freitag	Sustainability	Use of recycled truck tarp and seat belts in product design and use of discarded freight containers, furniture elements (e.g. benches), and truck-themed product displays	  

Figure 44: Examples of analogic semantic transformation and semantic attribution

Source of pictures: pictures were taken by participants who were asked to take photographs of their impressions

5.4.6 Narrative semantic transformation and attribution

Before the translation of brand values into retail design, a brand may choose a location that can have an impact on the semantic transformation of the brand values. Brands who do not use standardized concepts, using the approach of architectural diversity (Turley & Chebat, 2002), often spend a lot of time and research on searching the ideal location which fits their brand values. Then, taking the history of the location into account, the brand values are connected to the location through storytelling and thus transferred into design by narrative semantic transformation, drawing on the fit between the locale and the brand. This transformation is in line with one of Kirby and Kent's (2010) store types "store architecture draws on the heritage of the 'locale'" (p. 436) and Raffelt and Meyer's historical and geographic architectural references.

Both Freitag and Aesop have used narrative semantic transformation by purposefully choosing locations for their stores. Both usually choose central, but off-site locations which are draw on the locale and design each store individually with very site-specific features.

Freitag has chosen to construct a new building for its flagship store in the industrial area of Zurich West. This location choice conveys the brand value uniqueness as it refers to the origin of the brand since the first product idea and the production of the first Freitag bag took place in the apartment of the Freitag brothers in this Zurich industrial quarter. Furthermore, it conveys craftsmanship, another element of uniqueness, as it is situated in an industrial area. Lastly, the choice of the location itself is unique, because it is an unusual location for a retail store as to the time of construction, the area was not highly frequented at all. At the same time, Freitag demonstrates an awareness of its surroundings through the use of seventeen industrial containers in the construction of Freitag tower.

Aesop, typically situates itself in historic buildings and translates its value *respect* by being sensitive to the legacy of the building it uses as well as its surroundings. In an interview, Dennis Paphitis, the founder of Aesop, described Aesop's approach as follows:

> *"For street-front stores, we work hard to retain and celebrate the original facades and the spirit of the street." (Paphitis in Ehmann & Borges, 2013, p. 58)*

Narrative semantic transformation and semantic attribution



Brand	Brand value	Retail design element	Examples
Aesop	Integrity	Create lasting relationships with the local community through adaptation of the store to the 'locale', preserving elements from the store's former 'life'	 
Freitag	Uniqueness	Choosing central, but a little off-site location e.g. industrial zone, partially drawing on the locale with site-specific features	

Figure 45: Examples of narrative semantic transformation and semantic attribution

Sources of pictures: data collected by a participant of the study and "Aesop Upper West Side," n.d. and "FREITAG Flagship Store Zuerich," n.d.)

Aesop even searches for inspiration in regional literature, art, architecture, and philosophy. For example, the brand describes its store designed by the local architect Philipp Mainzer, as follows on their website:

> *"This arrangement alludes to the Frankfurter Küche – the 1920s prototype for kitchens prevalent in the West, first used in the public housing project Das Neue Frankfurt. Sculptural lighting and furniture by German architect Ferdinand Kramer bring Modernist accents and historical context; a neon floor light effects contrast and comfort" ('Aesop Kaiserplatz', n.d.)*

This type of semantic transformation is not immediately evident to the average consumer. However, when explained (and used by the sales representatives in the selling process), it becomes very credible and authentic. Narrative semantic attribution usually only occurs when the viewer is knowledgeable about the brand and/or the specific store location. One informant, born and raised in Zurich, for example, noticed that one of the materials used was from a local company:

> *What I also find very cool are the walls in Oberdorfstrasse in Zurich. The walls were made of old hoarding boards, which were from the company Doka, which to my knowledge, is a Zurich company. And that's not a recognition value now, but it connects the store with the place. You could say that the shop is in Zurich, and the shop also needs things from Zurich for its design. – Consumer 3.3*

5.4.7 Idiosyncratic semantic transformation

The collaboration with a renowned architect can, on the one hand, be used to create a multiplier effect in the media due to the reputation of the architect (Kaiser, 2008; Messedat, 2005; Müller-Rees, 2008; Raffelt, 2012; Raffelt & Meyer, 2012; Teufel & Zimmermann, 2015; Vonseelen, 2012; Wallisser, 2008). On the other hand, collaborating with a star architect can also be used because this specific architect's style is aligned with the aesthetics and values of the brand. Due to high investment costs and low flexibility, a thorough understanding of the brand values, and high-quality implementation in retail architecture is necessary (Schönbeck, 2009). A prerequisite is, therefore, the appropriate fit between what the architect is known for (architectural image) or stands for (personal values) and what the brand wants to stand for (brand values). The architect then applies his "handwriting" (signature, style, taste, etc.) to the retail design of the brand to convey the brand values. This architect-related translation of brand values is called idiosyncratic semantic transformation.

In the case of the Aesop store in Frankfurt, the value *respect* was not only translated into design through the theme of *Frankfurter Küche*, but also by the choice of the architect: Philipp Mainzer, an architect and product designer, from Frankfurt. One of the reasons Philipp Mainzer was selected, among others, was the fact that he also designs modernist furniture. His furniture brand e15 bought the rights and re-edited a collection of the German modernist designer and architect Ferdinand Kramer, who substantially shaped the city planning program *New Frankfurt* in the 1920s.

> *Yes, so the local reference is always important. In this case, it was Goethe and New Frankfurt. New Frankfurt is, so to speak, the Frankfurt Bauhaus with similar approaches to the Bauhaus. By chance, Ferdinand Kramer, whom we re-launched with our furniture collection, who died in 1985, is also part of the new Bauhaus and did a lot under Ernst May during its development or contributed to it. Exactly, that was actually our main approach to say we refer to this topic and derive colors, materials, and yes, the overall impression. [...] So there was also a version where we were very much oriented towards this, the first, the Frankfurter Küche. This is also a theme from the New Bauhaus, the first built-in kitchen that ever existed. There were varnished surfaces, and then there was the wish to present more wood and finally more e15 as a local brand. [...] So this large counter and the cash counter are ultimately references between kitchen counter, Frankfurter Küche, and e15. – Expert 3.13, external Architect and Product Designer for Aesop*

Thus, Philipp Mainzer was carefully chosen as an architect and product designer who himself strongly identifies with a particular architecture style and has added his own "handwriting" and taste to the brand's store design. Another example of Aesop's transformation approach for the value respect is the collaboration with Jo Nagasaka, a

Japanese architect, who strongly identifies himself with the value of sustainability (Teufel & Zimmermann, 2015). In the Aoyama Aesop store in Tokyo, he decided to create a store using recycled materials. On his website, he writes:

> *"We decide to use reclaimed materials from a demolition site; and our contractor incidentally heard the news that a demolition was going on at a site in front of his own house. In no time, we rushed to the demolition site and brought back all sorts of materials including floor, stairs, columns, furniture and more. We built shelves that serve as partition wall between shop and office using reclaimed materials as vertical components, while new materials are used for horizontal members that require more structural strength." (Nagasaka, n.d.)*

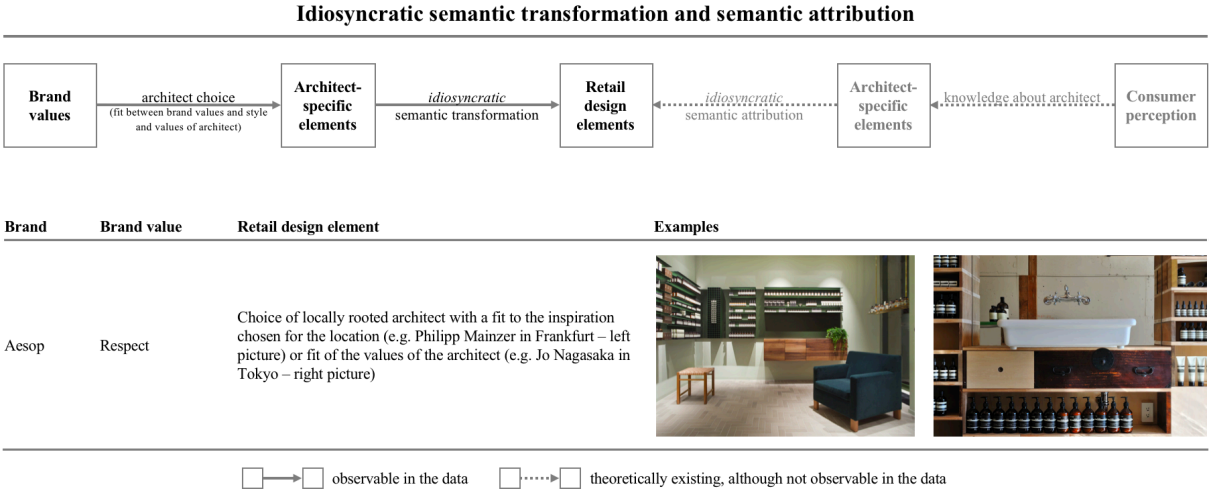


Figure 46: Examples of idiosyncratic semantic transformation and semantic attribution

Sources: Mainzer, Ebrahimi, Spena, & Bühler, 2015; Nagasaka, n.d.)

Idiosyncratic semantic attribution can only be perceived when a brand actively communicates who the architect of the store is. Otherwise, an ordinary consumer would not perceive that a particular architect has designed a specific store. Architecture-savvy customers might, for example, recognize when Frank O. Gehry, with his very distinct style (Klingmann, 2007) has designed a retail store. However, otherwise, it can be assumed that this information must be actively communicated through storytelling around the store so that consumers can associate them with the brand's values.

5.5 Discussion

The observations on value-based semantic transformation and attribution processes in retail design identified through the four investigated cases can be reflected from a brand management perspective, design management, and consumer perspective.

5.5.1 Brand management

From a brand management perspective, as previously mentioned (see chapter 1.2.1 and 1.2.2), a well-defined brand identity, including distinct values and a solid brand strategy, forms the basis for semantic transformation. The four brands varied in number, distinctiveness, and abstractness of brand values. This study has again shown the importance of a careful definition of brand values (Kilian, 2018), as differences in the definition of brand values seem to influence the implementation in retail design.

Generic brand values, which additionally do not precisely describe what a brand stands for, cannot be authentically translated into retail design elements. Victorinox has quite generic brand values (functionality, iconic design, innovation, and quality), including two of the most common brand values (Kilian, 2012). Victorinox also translates its values in the its values in the "simplest" way, i.e., only symbolically and quality of execution-related (both direct transformation processes). The value of innovation is not (properly) translated into retail design at all. This, however, is rather the case since the owners of the company understand innovation differently than the public. For Victorinox, innovation means improving something that already exists while keeping the price constant:

> *Our innovation is actually to [...] make existing things better, even better in terms of quality. – Expert 3.2, Head of Retail Services at Victorinox*

Internally the current retail design concept has also been described as not being innovative, as he goes on:

> *I agree that the retail design concept is not very innovative: Our store design concept does not necessarily reflect innovation. I now admit that this is not very innovative. It's very solid core values that actually reflect the brand, rather a bit traditional. – Expert 3.2, Head of Retail Services at Victorinox*

Brand values such as durability or tradition appear to be more suitable to describe the character of Victorinox and are also reflected in the store concept:

> *Yes, I think it was innovative that we managed to translate the brand character into design language, so durability through metal and concrete, that both stand for durability. – Expert 3.4, Global Retail Operations Director at Victorinox*

Therefore, a distortion of encoding the value does not lay in a mis-encoding, but rather in the misfit of innovation as brand value for Victorinox. Furthermore, brand values should be defined in a way that they apply for all its products and not only one brand category. Victorinox defined iconic design as one of its brand values, which is primarily attributed to the distinct form of the Swiss army knife. Victorinox currently,

however, manufactures lots of other products, of which the design is not so iconic. It is therefore not surprising that the value of iconic design has not been adequately encoded into the retail design of Victorinox, nor have Victorinox stores been perceived as iconic by consumers.

The second brand management-related conclusion that can be drawn is that distinct brand values are translated into retail design elements through more semantic transformation processes. Of Rituals' brand values, two values are somewhat generic for a cosmetics and personal care brand (naturality and relaxation), and two are differentiating values (authentic Eastern traditions and sensuality). Rituals has translated its values using all four direct semantic transformation processes (symbolic, quality of execution-related, space distribution-related, and metaphoric semantic transformation). Freitag's and Aesop's brand values, on the other hand, are more distinct compared to those of direct competitors. Freitag's values of sustainability and uniqueness are rather differentiating in the travel and lifestyle accessories category and Aesop's values of creativity, excellence, integrity, passion, respect and rigorous thinking in the cosmetics and personal care category. Both brands use a mix of direct and mediated semantic transformation processes to translate their brand values into design and use more semantic transformation processes to translate their brand values into retail design elements than Victorinox and Rituals.

Even though brands may be very professional in translating most of their brand values into retail design, some brand values do not resonate for translation into retail design. The data of this study, for example, did not surface that Aesop reflects the value of passion in their retail design. Passion could, in theory, for example, be translated into retail design through structural symbolic semantic transformation by applying red (see chapter 2.2.2.1, table 1). This, however, would not correspond to Aesop's strategy of individually designing each store. While the analysis of several job descriptions for vacant (sales) positions unveiled Aesop's strong emphasis on hiring people who are very passionate about the brand and are authentic brand ambassadors (Aesop, 2018), this value was not translated into retail design. This shows that not all brand values, even if they are distinctive and suitable for the brand, can be easily translated into design.

Lastly, not every possible brand value can be translated using every semantic transformation. Quality of execution-related semantic transformation is, for example, rather suitable to convey more rational values such as quality, excellence, or values, which are related to the positioning of the brand (as a rather up-market or down-market brand). Likewise, it is equally improbable to find an architect who stands for the same

set of values as a brand. When using idiosyncratic semantic transformation, however, the values of the brand should to correspond to the values of the architect to a great extent. Analogic semantic transformation is also not easily applicable to all brands. Cosmetic brands, such as Aesop and Rituals, could make analogies to the packaging of their products in their retail design, but for Freitag, this is easier, as the core product is not a liquid, but a firm, haptic product.

These findings suggest that if a brand's values are not precise and distinct, their translation into retail design elements also remains rather generic using simpler, meaning direct, semantic transformation processes. On the other hand, brands with differentiating brand values also try to convey these accurately through different methods in their retail design elements. They are thus able to differentiate themselves from their competitors better. Therefore, carefully defined brand values are an essential prerequisite to translate brand values into design elements. Furthermore, not all brand values may prove viable to be translated through every semantic transformation process into retail design elements. Therefore, in some cases, it might even be advisable to only reflect some of the values in the retail design and convey the remaining brand values through other factors in the retail environment, e.g., through the sales representatives. To summarize, solid brand management forms a basis for good design management.

5.5.2 Design management

From a design management perspective, different approaches to design are observable in the data seem to impact the semantic transformation of brand values.

Not only the design strategy of Aesop and Freitag applying architectural diversity versus Rituals and Victorinox using prototype designs in the roll-out of their retail stores (Turley & Chebat, 2002) visibly diverge Also, the different underlying internal design management processes differ greatly. Aesop and Freitag generally be exhibit a higher design orientation (Moll et al., 2007), which is also reflected in the larger amount of transformation processes used (see appendix T) to convey their brand values than Victorinox and Rituals. There are three reasons which might explain this: Firstly, from the interviews with company representatives and further secondary data, it becomes clear that on an organizational level, design acumen (Orth & Malkewitz, 2012), meaning the ability to evaluate design by the internal design managers, seems to be higher at both Aesop and Freitag than at Rituals and Victorinox. Secondly, Aesop and Freitag spend a lot more time and effort into finding a suitable location and designing every single store than Victorinox and Rituals. Instead of aiming for brand recognition through

standardization, each store is composed of individual retail design elements. Especially Aesop aims to inspire its customers by always creating something slightly different, thereby conveying the value of creativity. Thirdly, both Aesop and Freitag also do not work with standardized brand design manuals. When contracting a new retail architect, besides the underlying, locally inspired idea for the store in the case of Aesop, both Aesop and Freitag provide a collection of existing stores to get an understanding of the look and feel alongside a few core functionalities and elements. Freitag and, foremost, Aesop are adapting their retail design to every location, which is why narrative semantic transformation is important. For brands like Victorinox and Rituals, the choice of location is also important. However, for them, it is important to locate their stores in prime locations in city centers, malls, and airports, implementing their standardized store concept, not aiming to draw on the locale.

Summarizing, from the internal approach to design employed by the different brands, it is not surprising that Aesop and Freitag use more transformation processes to convey their brand values. This might even be necessary as they are not using the same design everywhere to convey their values. This strategy proves to be successful as, in both cases, informants of the study have favored the architecturally diverse concepts over the prototype design concepts.

5.5.3 Consumer perception

Although many different means of translating brand values into retail design elements might result in a store design, which truly embodies a brand, but does not necessarily imply that consumers perceive all different store design elements as expressions of the brand identity.

Values translated through symbolic and analogic semantic transformation were generally evoked more universal associations, i.e., complete characteristics, among the participants (Janlert & Stolterman, 1997) than the values transformed through the other processes.

The results also show that translation of brand values through more complex transformations, i.e., mediated semantic transformation processes, does not necessarily result in better semantic attribution. Analogic semantic transformation represents an exception as brand values are translated into retail design in a two-step approach, first into product design elements, and are then adapted for the retail context. Freitag's value sustainability was well-perceived by consumers in its product and retail design.

To perceive the values which are translated through mediated semantic transformation processes, in most cases, consumers need to have prior brand knowledge. Consumers may, for example, perceive that Aesop, who used narrative semantic transformation, adapts its stores to its surroundings. Without knowing the brand, consumers would, however, not attribute it to certain values the brand stands for, e.g., respect for the locale, as consumers might think that the store is, in fact, of a local brand. One participant had read about Aesop's design strategy before the study and was, therefore, aware of Aesop's locally inspired design strategy. She could, therefore, also better attribute Aesop's store design to the value of respect, locally adapting the concept to the given context. Furthermore, Aesop's values of creativity and integrity, which were translated through narrative semantic transformation, were, for example, not consciously perceived by the participants in this study. Besides not knowing what the actual brand values of Aesop are, there are three further explanations for this: Firstly, retail design rather has a subconscious effect on its viewers and for consumers with a low design acumen, i.e., little ability to evaluate design (Orth & Malkewitz, 2012), it is difficult to express themselves about their perception of retail design verbally. Secondly, contextual information about the history of the place, in the case of narrative semantic transformation, also leads to a higher attribution. Only the informant from Zurich knew the local brand Doka and, therefore, also attributed the use of the Doka hoarding boards to the localization of the retail design of the brand. Idiosyncratic semantic transformation, on the other hand, is barely perceptible by regular customers as the design cues are by nature rather implicit (Karjalainen, 2007; Karjalainen & Snelders, 2010). Except for very few architects, the architectural style is not so distinct that even design-savvy consumers will not recognize the architects behind the design. Idiosyncratic semantic transformation, therefore, requires active communication to be perceived by ordinary consumers. Furthermore, with its approach to work with local architects of distinction, Aesop also usually works with young, talented architects who are not necessarily internationally well-known. With this approach, Aesop also aims to communicate its very abstract value of *rigorous thinking*. Thus, some of the brand values of Aesop are that abstract, that they are either only perceived by an "educated" customer or not perceived at all. Aesop, however, aims to also attract consumers, which are intellectual and interested in the story behind the store. Therefore, on their store locator as well as on their website called *Taxonomy of Design*, Aesop gives much information about their design approach in general as well as about the story behind each store. Thirdly, patronage of different stores of one brand may lead to better attribution, i.e.,

the more stores of a brand a consumer visits, the better he or she can see the similarities between the stores.

5.6 Conclusion

This study aimed to investigate how brands can translate their brand values into retail design elements and create matching brand associations among customers. Through the investigation of the retail design of four brands, seven value-based semantic transformation and attribution processes in retail design have been identified. However, only five semantic attribution processes surfaced from the collected data. Four direct (symbolic semantic transformation and attribution, quality of execution-related semantic transformation and attribution, space distribution-related semantic transformation and attribution, and metaphoric semantic transformation) and three mediated (analogic semantic transformation and attribution, narrative semantic transformation and attribution, and idiosyncratic semantic transformation) processes have been identified.

5.6.1 Managerial implications

The results have shown that only rolling out one pre-defined store concept, creating high brand recognition through standardization, does not necessarily lead to a better embodying of the brand values. The seven identified processes can be used as a structured approach to create value-based retail design concepts and use a varied mix of translation processes to make brand values tangible in the retail context.

Firstly, as a prerequisite for semantic transformation, brand values must be well-defined (Kapferer, 1992; Kilian, 2018; Linxweiler, 1999). They have to be consistent over time as retail design is, compared to other marketing disciplines, a rather long-term form of communication, which is difficult and costly to adapt to changing brand values (Littich & Zimmermann, 2010; Schönbeck, 2009).

Secondly, when creating a new store (concept), it should be designed according to reflect the brand values (design intent). Here, brand values should ideally be translated into design using as many semantic transformation processes as possible. If it is not possible to embody all brand values in the retail store concept, one expert in the pre-study suggested that it might be advisable to only focus on one or two values when translating them into design. The other values can, for example, be conveyed through atmospheric cues (e.g., scent) or the selling process (e.g., passion in the case of Aesop,

primarily conveyed through sales advisors, who are very knowledgeable and passionate about their products and brand).

Thirdly, the concept should be tested (pre-launch) with customers to see the fit between the design intent and the user perception for the retail design elements. As this is generally cost- and time-intensive and nowadays renderings of store concepts are mostly created in 3D in CAD programs, it would also be possible to test the concept with customers using augmented or virtual reality glasses. If only the perception of the values should be tested, the procedure of Raffelt (2012) could be used, testing the brand values interspersed with further values on a seven-point rating scale.

Lastly, a solid brand strategy and high design orientation also seem to pay off financially. The lifecycles of the stores of both Aesop and Freitag are a lot longer than the average of nine years (Horbert, 2020). Freitag's flagship store essentially remained the same since its opening in 2006 (14 years). Aesop's stores in Zurich Oberdorfstrasse since 2008 (12 years), as well as several stores in Australia, which were opened in 2007 and 2008, have also not gone through any significant renovations.

5.6.2 Limitations and further research

The analysis of the four cases is only a starting point in the investigation of value-based semantic transformation and attribution in retail design. This study comes with two limitations and two areas for further research.

Firstly, some distortions in the decoding of value-based retail design elements result from relying on the tacit knowledge of the informants regarding the brand values of the investigated brands. Participants of the study were not specifically given the brand values of the brands they observed and discussed beforehand and during the focus group to obtain their open attributions with the retail design elements. When replicating a similar study, informants could be briefed before their observations attribute design elements to certain brand values better.

Secondly, the results of this study are limited to the four cases investigated. Further cases should be considered in terms of their value-based semantic transformation and attribution in retail design. Here, it would also be interesting to investigate brands, which share common brand values to compare the different ways of semantically transforming the same value into design. Furthermore, the developed semantic transformation framework in this study should be applied to other cases by investigating brands with different brand values from the investigated ones, which could lead to an adaptation or refinement.

Thirdly, concerning semantic attribution, the extent of the perception of brand values in retail design settings could be investigated using the quantitative approach of Raffelt (2012). The actual brand values could be tested versus generic values using a seven-point rating scale with a larger sample using the investigated cases or extending it to other further cases (Raffelt, 2012). Here, however, it would be of utmost importance to interview participants on-site during a store visit or after a store visit, as some of the brand values could only be perceived when having been to the store (e.g., values translated through quality of execution-related semantic transformation or narrative semantic transformation).

Fourthly, value-based semantic transformation and attribution processes could also be explored in further retail sectors and other consumer-oriented brand environments such as trade shows or the context of corporate architecture, e.g., brand lands, brand museums, or employee-oriented office environments as a means of employer branding.

6 Conclusion

In order to create compelling retail environments, two very different disciplines, architecture and marketing/sales, have to be combined. In this thesis, the retail store has been investigated as a whole on a molar level, not focusing on single variables of the congruence of two variables on a micro level. The subject of my research, in part, suggested and, in part, required deeper, more immediate, and complete immersion than what a quantitative methodology could have provided.

The aim was to capture both the brand/company and consumer perspectives by exploring three key areas in retail design. The first study focused on the internal design processes of twelve fashion and accessories brands from a company perspective, analyzing the management of the retail design process from an organizational buying behavior perspective. The second study treated eight fast-fashion brands from a consumer perspective, investigating by which means brands can create brand recognition when formally applying the visual identity to the retail space. The third study combined brand and consumer perspectives, examining four brands from the travel and lifestyle accessories and cosmetics and personal care industry. The aim of the third study was to understand how brands can translate brand meaning, i.e., their brand values, into retail design, and generate corresponding consumer brand associations, thus creating authenticity and credibility through retail design.

The following summary briefly reiterates the findings of the three studies. The objective of the first study was to identify different internal design manager types. The organizational buying roles (Webster & Wind, 1972) have been used to analyze the stakeholders involved in the retail design process, focusing on the roles the retail design manager assumed. As a result, the retail design process in the fashion industry was sketched, including its variations. Furthermore, three different kinds of triggers to launch a new store concept, four types of client-retail-architect-shopfitter relationships, and four types of retail design managers were classified.

The second study aimed to explore how brands can create visual brand recognition in retail stores. As a result, three categories of design elements were identified, leading to VBR. Furthermore, the findings show that the seven elements in the category of interior store design elements seem to be the most critical drivers for VBR. However, brands with a high VBR were generally also identified from their differentiating merchandise presentation. The use of color, in different applications of both interior store design elements and merchandise presentation, seems to be the key differentiating

factor. However, in all cases, only the combination of several design elements led to the recognition of the store concept of a particular brand.

The aim of the third study was to examine how brands can transform their brand values (design intention) into retail design elements and whether the brand associations consumers form correspond to the brand values. Using the retail design of two sets of polar cases from the travel and lifestyle accessories and cosmetics and personal care sector, seven value-based semantic transformation processes were identified, four direct and three mediated ones. However, only five semantic attribution processes resulted from the collected data, three direct, and two mediated processes.

6.1 Theoretical and methodological contributions

The rising academic interest in retail design on a molar level (Calienes et al., 2016; Hines, 2007; Petermans et al., 2014; Quartier, 2017; Quartier et al., 2016) allows the research projects to tackle pressing theoretical and practical questions. The discussions have elaborated on the contributions each study makes to different literature streams. To integrate the theoretical contributions, all studies add to the literature in the field of holistic retail design. The research questions aimed to examine areas within retail design, which have previously been investigated in other design areas. The studies add to the emerging literature stream of holistic retail design in three ways: (1) distinguishing different client-retail-architect-shopfitter relationships and retail design manager types, (2) giving insights on drivers for visual brand recognition in retail design and (3) identifying process of semantic transformation and semantic attribution in retail environments. Furthermore, this thesis expands existing literature in the field of brand management (specifically architectural branding), design management, design semantics, and organizational buying behavior of design services (see discussions of study 1-3).

Moreover, this thesis makes two methodological contributions. Firstly, the photo-guided interview technique to discuss retail environments used by Kerfoot et al. (2003) has been further developed in study 2 by showing more retail design settings of one brand to participants with and without the logos of the respective brands. Secondly, the photo-guided store observations, observation summaries, and subsequent focus groups were a novel combination of participant-led data collection methods (Burt et al., 2007; Calienes et al., 2016; Kent & Kirby, 2009; Petermans et al., 2014) to investigate retail environments from a consumer perspective. This data collection technique has proven to be especially useful in overcoming the common difficulty that consumers have in

expressing themselves regarding design issues (Münster, 2018) due to their low design acumen (Orth & Malkewitz, 2012).

6.2 Managerial implications

Brands increasingly aim to use retail environments as a strategic marketing tool to systematically influence the brand perception of customers, employees, and other external stakeholders (Raffelt & Meyer, 2012). However, the findings of this dissertation confirm that, in many cases, architectural decisions are still often based on intuition and individual (aesthetic) perception (Chebat & Dubé, 2000; Raffelt & Meyer, 2012). Thus, the results of the thesis support the statement of Chebat and Dubé (2000, p. 89) that "[...] complex decisions on the design and management of retail atmospheres are frequently made on the basis of a dearth of information that in other domains would be unimaginable [...]".

However, this thesis provides brand managers with guidelines to better use their resources for cost-intensive, complex, and dynamic retail design projects to convey a brand's identity. Firstly, for brand managers and retail designers, the studies provide concrete implications on (1) the retail design process from a brand management perspective, (2) the creation of high visual brand recognition, and (3) the translation of brand values into retail design elements.

Secondly, considering all three studies, a review of best-practice retail design process management, as well as the findings from the consumer studies, can be used to improve the management retail design processes and give guidelines on how to manage visual brand identity in retail in a sustainable manner. The following table draws on the findings of all three studies and gives concrete recommendations for each of the four phases:

Phase	Key recommendations	Finding of study 1	2	3
Analysis and collection of requirements	1. Make an audit of the current retail design concept (e.g., conduct focus groups with store managers or interview consumers or the shopfitter) to understand the positive and negative aspects of the concept. Only create a new store concept when there is an objectively justifiable need for a new concept.	x		
	2. Clearly define brand values (focus on those which distinguish from competitors) and communicate them (at least to the design partners) in the briefing.	x		x
	3. Understand which features visually distinguish the brand from competitors and should be kept constant in order to create visual brand recognition.		x	
Concept generation	4. Actively involve design experts (and possibly also users of the store concept), who possess a high design acumen, in the decision-making for the sourcing of a retail architect.	x		
	5. Use objective criteria (based on the aims formulated in the briefing) to evaluate and compare design proposals from external retail architects.	x		
	6. Translate brand values into retail design elements through several different semantic transformation processes (or make the external retail architect translate them in this way), to authentically convey what the brand stands for in retail environments.			x
	7. Use a distinct and differentiating color concept to foster high visual brand recognition (over time).		x	
	8. Involve the shopfitter early on to create concepts that are marketable and not only aesthetically appealing.	x		
Concept specification	9. Closely collaborate with both retail architect and shopfitter to find optimal solutions for a marketable concept.	x		
	10. Test the design concept before launching it (e.g., using virtual or augmented reality).	x		
Roll-out and results	11. Evaluate the new retail concept with consumers.	x	x	x
	12. Continuously track store-design related KPIs.	x		

Table 10: Summary of key managerial recommendations

6.3 Limitations and further research

This chapter elaborates on four limitations and three areas for future research, which emerge when considering all three studies additionally to the specific limitations and suggestions for future research in each study.

The overarching limitations of this thesis are primarily attributable to the explorative research approach, as well as to the emphasis on specific industries. All three studies have adopted a qualitative methodological approach. The typical limitations associated with this methodology are also apparent in the studies of this dissertation.

Firstly, the data analysis of qualitative material bases exclusively on the researcher's point of view and interpretation when coding and subsequently analyzing the qualitative material. Consequently, the analysis of the same material by another researcher might lead to different results. Therefore, when validating the results, similar studies may come to similar conclusions; they may, however, also yield different results. Nevertheless, a qualitative approach was necessary for all three studies to gain more holistic insights on a molar level in an area dominated by quantitative empirical studies that deliver results on a micro level. Furthermore, the results of all studies were validated by retail design experts so that the findings do not only reflect the researcher's perspective.

Secondly, a further limitation derives from the fact that the interviews with experts were self-reported and conducted with retrospective focus. As the experts in study 1 and 3 reported on the design decisions months or years after completion, they may have added their perspectives to what happened during the design process or may have forgotten about certain aspects of the design process. Since the purpose of the expert interviews was to obtain a holistic perspective, the disadvantages of this methodology may, however, be acceptable.

Thirdly, due to the context-dependency, the findings of each study are limited to the cases and industries investigated. In the first, second, and partially third study, the focus was on fashion and (travel and lifestyle) accessories and in the third study also on cosmetics and personal care brands. The third study shows that the findings did not significantly differ for the two different industries investigated. Therefore, the findings from the first and second study on fashion and accessories may also apply to other industries, especially for brands which also use similar merchandise presentation techniques such as cosmetics and personal care. However, for example, for larger products such as cars, further research would be necessary, as the product presentation in-store considerably differs.

Fourthly, the data collection was limited to Europe. The expert interviews did not exhibit country-specific differences. Therefore, it can be assumed that retail design processes are similar in other countries outside of Europe, as most store concepts investigated were rolled-out globally. However, the consumer interviews, which were only conducted in Switzerland and Germany, may yield different results when

conducted in other cultures. The perception of colors, materials, etc. differs from culture to culture. In other Western countries, it can be assumed that the results are similar. However, in, for example, Asia, brand associations with colors and shapes may be different.

The outlined limitations of the three studies also lead to several fields of further research. Firstly, further cases within the same industry (fashion and accessories), as well as cases in other industries within the retail sector (e.g., cosmetics and personal care), could be investigated. Furthermore, similar studies compared to those in this thesis could also be conducted within the context of other three-dimensional brand environments (e.g., brand lands or corporate buildings).

Secondly, further research could examine the differences among consumers of different cultural backgrounds in the holistic perception of store concepts. Here, for example, future studies could investigate whether drivers of visual brand recognition in the retail design context and the perception of brand values, based on retail design elements, differ when comparing Asian, Latin-American, and European consumers. This way, brands would get a better understanding of what should be adapted locally and what can be standardized, as it is perceived universally.

Thirdly, future studies could also test the proposed concepts quantitatively to better understand segment sizes in the case of the retail design manager taxonomy. Also, the drivers for visual brand recognition and the interplay of the different variables, as well as the perception of brand values embodied through retail design elements, could be tested quantitatively. In all cases, however, it would be of utmost importance that the unit of investigation remains the holistic retail environment on a molar level and does not shift to an approach on a micro level.

6.4 Outlook

The importance of physical retail as a mere point of sale will decrease. Yet, physical retail stores will not completely disappear. The role they assume in an omnichannel context will, however, change in the future. Consumers will, as stated in the introduction, still enter physical retail stores to engage with products, to obtain qualified advice, to experience a brand, and be seen as part of a community. Therefore, retail stores, especially monobrand stores, should be considered as a strategic tool for brand building and to create relationships with consumers. Retail design is one key element that can be used to cater to the changing needs of retail stores.

When entering a retail store, consumers want to sense what a brand stands for. Therefore, brands have to create concepts, which authentically convey the brand values through its design language. Furthermore, given the decreasing attention span of consumers, it will be essential to capture consumers' attention. Therefore, it will not only be necessary for brands to create differentiating products, but also to design a retail concept, which is firstly unique to the brand and secondly grasps the attention of consumers. Some brands have understood the potential of unique store concepts in the context of social media. Consumers may capture snapshots of retail environments and share them on their social media channels, practicing so-called "visual momentizing". Therefore, brands may consider how to make retail environments "instagrammable", by creating highly aesthetical, unique concepts and continuously inspire customers. Here, visual merchandising will be assigned an increasingly important role in stimulating consumers, as concept cycles extend over several years, which from a marketing perspective, is considerably long. In any case, to take advantage of the full potential of physical retail environments, brands have to make a coordinated, holistic effort to create extraordinary experiences, which make a visit to a store worth-while.

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Appendix A: Expert interview sample study 1

#	Informant	Brand	Position	Stake-holder type	Background	Year of implemen-tation	Duration	Approach
1	Expert 1.1	Brand A	Head of Retail	Client	Management	2017	73 minutes	Phone
2	Expert 1.2	Brand B	Chief Brand Officer	Client	Design	2018	54 minutes	Phone
3 4	Expert 1.3 Expert 1.4	Brand C	Store Architects	Client	Architecture	2019	104 minutes	Phone
5	Expert 1.5	Brand D	Global Head of Retail Design	Client	Architecture	2018	48 minutes	Phone
6	Expert 1.6	Brand E	Head of Merchandis-ing Planning	Client	Management	2017	69 minutes	Phone
7	Expert 1.7	Brand F	Head of Architecture	Client	Architecture	2015 (1st) 2017 (2nd)	97 minutes	Phone
8	Expert 1.8	Brand G	Specialist Shopmana-gement	Client	Architecture	2016	82 minutes	Phone
9	Expert 1.9	Brand H	Area Manager Switzerland	Client	Management	2014 (flagship) 2016 (retail & travel)	47 minutes	Phone
10	Expert 1.10	Brand I	General Manager	Client	Management	2019	25 minutes	Phone
11	Expert 1.11	Brand J	In-store Planning Manager	Client	Management	2019	43 minutes	Phone
12	Expert 1.12	Brand K	Corporate Architect	Client	Architecture	2015 (retail)/ 2016 (whole-sale)	97 minutes	Phone
13 14	Expert 1.13 & Expert 1.14	Brand H	CEO & Global Store Planning and VM Director	Client	Management & Architecture	2014 (flagship); 2016 (retail & travel)	93 minutes	Face-to-Face
15	Expert 1.15	Brand A	Architect	External shopfitter	Architecture	2017	53 minutes	Phone
16	Expert 1.16 *	Brand A	Architect and Product Designer	External retail architect	Architecture	2017	51 minutes	Phone
17	Expert 1.17	Brand A	Head of Account Center	External shopfitter	Management	2017	24 minutes	Phone
18	Expert 1.18	Brand G	Key Account Manager	External retail architect & shopfitter	Management	2016	53 minutes	Phone
19	Expert 1.19	Brand E	Project Manager	External shopfitter	Construction	2017	31 minutes	Phone

20	Expert 1.20	Brand L	(Former) Head of Retail Architecture	Client	Architecture	2017	49 minutes	Phone
21	Expert 1.21	Brand E	Associate Director (Design)	External retail architect	Architecture	2015	37 minutes	Phone

*Expert 1.16 is the same person as Expert 3.16 in study 3.

Appendix B: Expert interview guideline study 1

Note: The interviews will be recorded and transcribed. For the publication, direct citations of interview passages will be either anonymized or approval will be requested.

Part 1: Initial situation

1. When was the last time you launched a new store concept?
    - How many monobrand stores have been remodeled during the last five years?
    - When did you start planning the new concept?
    - In which rhythm do you fundamentally change your store concept?
2. For the last rebranding, what was the trigger for the decision to update the store concept?
3. How was the process when you launched the new store concept?
    - Which stages in the store rebranding process exist(ed)?
4. Which stakeholders are involved in the decision process?
    - Was there a decision-making body and who was part of it?
    - Which (group of) stakeholder(s) took the decision?
        - Who was a key person to drive this decision to make a rebranding at all?
        - At which level was the decision taken?
    - Who else influenced the decision?
        - How did the influencing stakeholders shape the decision?
    - Who took which role in the decision-making process?
    - Which stakeholders rather promoted/hindered the rebranding in the decision-making process?

Part 2: Concept generation

1. What was the general objective for the development of a new store design concept?
2. How was the process to generate the new store design concept (creative concept) for the last rebranding?
3. Which stages can the process to generate a new concept be divided into and how long are these stages?
    - How long is the concept generation phase overall?
4. Which internal (organizational functions and departments) and external stakeholders were involved in the concept generation in the different stages and how were resources distributed?
5. How was the store design concept for the last rebranding defined (visually)?
    - How do current trends in retail design influence the new concept?
    - How does the visual identity of competitors influence the new concept?
    - Which design elements of the "old" visual identity are kept constant and which design elements are "updated" in the new concept?
6. During the last store rebranding, did you have different concepts to choose from?
    - What were the different options?
    - How did the different options differ?
    - Why did you choose the final concept?
    - Who took the final decision about which concept to go with?
7. What went well during the concept generation phase, where did you encounter challenges, and where do you see potential for improvement?
8. How should an ideal concept generation phase look like from your point of view?

Part 3: Implementation and results

1. What was the timeline for the implementation of the latest store design concept?
    - In how many stores (percentage) has the new concept been implemented already?
2. How was the last store concept implemented?
    - How strict do the guidelines of the new concept have to be followed?
    - Can the concept be locally adapted?
    - Do you work together with different service providers/companies to implement the concept or is it always the same?
    - In how many stores has the new concept been implemented already?
        - Why has it not been implemented everywhere (yet)?
        - How long did it take to implement the new concept?
3. Which department was responsible for the implementation of the new concept? Which external stakeholders or partners were also involved in implementing the new store concept?
4. What were the challenges when implementing the new concept?
    - What were negative effects, that were not foreseen?
        - Unexpected technical difficulties?

- Unexpected market difficulties?
- Unexpected costs?
- What were positive unexpected effects, that were not foreseen?

5. What are the key learnings in the implementation of the last store concept and how could the implementation phase be improved?
6. Does the new concept work better than the old one?
   - Have you conducted any pre-/post-tests?

Part 4: Design strategy

1. Do you have a general design strategy and if so, how can it be des
   - How important is design in your company?
   - What is the role of design within the business in general?
   - In your company, does design play a rather minor role, is it part of a multifunctional team or does it even lead the whole new product development process?
   - What influence does store design have on brand perception?
2. How does (the new) store design fit into the general design strategy?
   - How should store design ideally be integrated into the overall design strategy of a company?
   - Is the store rebranding part of a long-term strategy or rather a reaction to a situation?
   - How does store design contribute to the overall design strategy?
     - Deliberate
     - Emergent
       i. Did the competitor launch a new concept?
       ii. Was the old concept out of date?
3. How many monobrand stores do you operate?
   - How many monobrand stores do you operate yourself?
   - How many partner stores do you have?
4. Can you estimate how much you invested in store design during the last five years?
   - Can you estimate how much one single store remodeling costs?

Part 5: Closing

1. Has the introduction of the new store concept achieved the desired objectives?
2. Have you systematically monitored or controlled in the re-branding process? If so, what is the feedback from the different stakeholders?
3. How has store re-branding influenced consumers' brand perception?
4. Reflecting the entire process from when the decision is taken to update the store concept to the implementation, where do you see the greatest potential for improvement (how should the process look like)?
5. In your opinion, what should be examined even further from a scientific point of view?
6. Are there any further insights, you would like to share with me?
7. Do you have any questions for me?

Thank you very much! In case you are interested, you will be able to receive a summary of the results of the study after completion. In case of any further questions please do not hesitate to contact me at sophie.schueller@unisg.ch or +41 71 224 7165.

Appendix C: Pre-test study 2

Instructions: Please answer the following two questions with regards to these fast-fashion brands. Please only tick the box when you **don't** know the brand or have **never** been to a store of the brand.

#	Brand	I don't know this brand	I have never been to a store of this brand
1	Bershka	☐	☐
2	Bestseller	☐	☐
3	Boohoo.com	☐	☐
4	C&A	☐	☐
5	Charlotte Russe	☐	☐
6	Comme ça du monde	☐	☐
7	Cotton On	☐	☐
8	Esprit	☐	☐
9	Forever21	☐	☐
10	Gap	☐	☐
11	Giordano	☐	☐
12	H&M	☐	☐
13	Mango	☐	☐
14	Massimo Dutti	☐	☐
15	Metersbonwe	☐	☐
16	Miss Selfridge	☐	☐
17	New Look	☐	☐
18	New Yorker	☐	☐
19	Next	☐	☐
20	Oysho	☐	☐
21	Peacocks	☐	☐
22	Pretty Little Thing	☐	☐
23	Primark	☐	☐
24	Pull & Bear	☐	☐
25	Rainbow Shops	☐	☐
26	Renner	☐	☐
27	Riachuelo	☐	☐
28	Rivers Island	☐	☐
29	s. Oliver	☐	☐
30	Shasa	☐	☐
31	Stradivarius	☐	☐
32	Topshop	☐	☐
33	Uniqlo	☐	☐
34	United Colors of Benetton	☐	☐
35	Urban Outfitters	☐	☐
36	Zara	☐	☐

Appendix D: Consumer sample study 2

#	Informant	Gender	Age	Occupation	Duration
1	Consumer 2.1	Female	29	Researcher	42 minutes
2	Consumer 2.2	Female	28	Key Account Manager	38 minutes
3	Consumer 2.3	Female	22	Business Administration Student	41 minutes
4	Consumer 2.4	Male	26	Finance Student	42 minutes
5	Consumer 2.5	Female	26	Finance Student	42 minutes
6	Consumer 2.6	Female	22	Business Administration Student	40 minutes
7	Consumer 2.7	Female	26	Fashion Management Student	25 minutes
8	Consumer 2.8	Female	28	Architect	45 minutes
9	Consumer 2.9	Female	26	Marketing Management Student	43 minutes
10	Consumer 2.10	Female	28	Sales Consultant	49 minutes
11	Consumer 2.11	Female	19	Business Administration Student	46 minutes
12	Consumer 2.12	Female	24	Business Administration Student	46 minutes
13	Consumer 2.13	Female	20	Business Administration Student	40 minutes
14	Consumer 2.14	Female	18	High School Student	61 minutes
15	Consumer 2.15	Male	30	Marketing Consultant	37 minutes
16	Consumer 2.16	Female	27	Junior Account Manager	70 minutes
17	Consumer 2.17	Male	22	Apprentice	43 minutes
18	Consumer 2.18	Female	23	International Affairs Student	33 minutes
19	Consumer 2.19	Male	29	Quality Engineer	37 minutes

Appendix E: Consumer interview guideline study 2

Teil 1: Einführung

1. Wie würdest du einen Store allgemein beschreiben?
2. Welche ikonischen Stores fallen dir ein und wie sehen diese aus?

Teil 2a: Letzter Mode Store Besuch

1. Wann warst du das letzte Mal in einem physischen Geschäft um Kleidung zu shoppen?
2. In welchem Geschäft/in welchen Geschäften warst du?
3. Wie sah der Store der Marke aus?

Teil 2b: Lieblings Mode Marke

1. Was ist deine Lieblings Mode Marke?
2. Wie sehen die Stores deiner Lieblings Mode Marke aus?
3. In welchen Stores der Marke warst du schon alles?
    - Was haben die Stores gemeinsam?
    - Was unterscheidet sich von Store zu Store?
4. Woran erkennst du die Stores der Marke vor allem?
5. Kannst du eventuell ein Bild raussuchen um mir zu zeigen, wie für dich ein typischer Store der Marke aussieht?
    - Nun hast du ein paar Bilder vor dir, stimmt das mit dem überein, wie du das Store Design der Marke in Erinnerung hattest?

Teil 2c: Vorgegebene Marke: Zara

1. Welche Mass Fashion Marken kennst du?
2. Beschreibe mal das Store Design der Marke, die du zuerst genannt hast.
3. In welchen Stores der Marke warst du schon alles?
    - Was haben die Stores gemeinsam?
    - Was unterscheidet sich von Store zu Store?
4. Woran erkennst du die Stores der Marke vor allem?
5. Kannst du eventuell ein Bild raussuchen um mir zu zeigen, wie für dich ein typischer Store der Marke aussieht?
    - Nun hast du ein paar Bilder vor dir, stimmt das mit dem überein, wie du das Store Design der Marke in Erinnerung hattest?

Teil 3: Visual Stimuli von Fast Fashion Marken

1. Auf welchen dieser Stores erkennst du klar eine Marke wieder?
2. Woran erkennst du die Marke?
3. Warst du schon einmal in dem Store?
4. Ordne die Stores den Logos zu und erkläre deine Zuordnung
5. Ordne die weiteren Bilder den Marken zu und erkläre deine Zuordnung.
6. Was ist an den drei Stores jeweils gleich/unterschiedlich?

Teil 4: Positionierung

1. Wenn du an die Positionierung einer Marke denkst, wie sollte sich die Positionierung im Design wiederspiegeln?
2. Was ist typisch für Discount Design, Mass-Market Design, Premium Design und Luxus Design?

Appendix F: Pre-study interview sample study 3

#	Informant	Company/Institution	Position	Background	Duration	Approach
1	Expert P3.1	Schmidhuber & Partner	Managing Partner Architecture	Architecture	40 minutes	Phone
2	Expert P3.2	KMS TEAM	Managing Partner	Design	31 minutes	Phone
3	Expert P3.3	Düsseldorf University of Applied Sciences	Program director of the Bachelor in Retail Design	Marketing	38 minutes	Phone
4	Expert P3.4	Relevance Consulting	Managing Director	Marketing	46 minutes	Phone
5	Expert P3.5	Düsseldorf University of Applied Sciences	Director of the edi – Exhibition Design Institute	Cultural Science	62 minutes	Phone
6	Expert P3.6	Knoblauch Design	Head of Design	Architecture	52 minutes	Face-to-Face
7	Expert P3.7	Brick Spaces	Managing Director	Retail	30 minutes	Phone
8	Expert P3.8	University of Applied Sciences Wuerzburg-Schweinfurt	Professor for International Marketing	Marketing	53 minutes	Phone
9	Expert P3.9	becc agency	Partner & Managing Director Creation	Architecture	52 minutes	Phone
10	Expert P3.10	BMW Group	Head of Corporate Identity (3D)	Architecture	49 minutes	Phone
11	Expert P3.11	Anonymus	Director Retail Concepts.	Architecture	21 minutes	Phone
12	Expert P3.12	Columbia Business School	Professor for Marketing	Marketing	36 minutes	Phone
13	Expert P3.13	Y&R Group Switzerland	Chief Creative Officer CCO	Marketing	40 minutes	Face-to-Face
14	Expert P3.14	Jung von Matt/brand identity	Managing Director	Marketing	40 minutes	Phone
15	Expert P3.15	Vitra	Head of Workplace Consulting & Space Planning	Architecture	53 minutes	Face-to-Face
16	Expert P3.16	ATP Planungs- und Beteiligungs AG	Managing Director	Architecture	18 minutes	Phone
17	Expert P3.17	HAWK Hildesheim	Lecturer & Freelancer	Architecture	36 minutes	Phone
18	Expert P3.18	dm-drogerie markt	CEO	Management	18 minutes	Phone
19	Expert P3.19	Hugo Boss	Senior Visual Merchandiser & Window Designer	Architecture	25 minutes	Phone
20	Expert P3.20	ERCO Lighting	Architect	Architecture	44 minutes	Phone
21	Expert P3.21	Slowretail	Consultant	Retail	37 minutes	Phone

Appendix G: Number of monobrand stores per pre-selected brand in Switzerland

Brand	**Parent company**	**Number of stores in Switzerland (Oct. 2018)**
Aesop	Natura Cosmetics S.A.	7 stores ('Aesop Store Locator', n.d.)
Camper	Camper S.L.	1 store ('Camper Store Locator', n.d.)
Freitag	FREITAG lab. Ag	6 stores ('Freitag Store Locator', n.d.)
VIU	VIU Ventures AG	13 stores ('VIU Store Locator', n.d.)

Appendix H: Monobrand spectacle stores in Switzerland

Brand	**Number of stores in CH** *(as of Oct. 2018)*	**Source**	**Evaluation**
Ace & Tate	0	https://www.aceandtate.com/de/stores	No stores in CH, not suitable
Etnia Barcelona	0	https://www.etniabarcelona.com/en/shopfinder/fashion-shops/	No stores in CH, not suitable
Found	0	https://foundeyewear.com/finde-found/	No stores in CH, not suitable
Mykita	1	https://mykita.com/de/shops#	Not enough stores in CH, not suitable
Oliver Peoples	0	https://www.oliverpeoples.com/germany/international/AjaxStoreLocatorDisplayView	No stores in CH, not suitable
VIU	13	https://shopVIU.com/de_de/VIU-stores	Pre-defined case
Warby Parker	0	https://www.warbyparker.com/retail	No stores in CH, not suitable

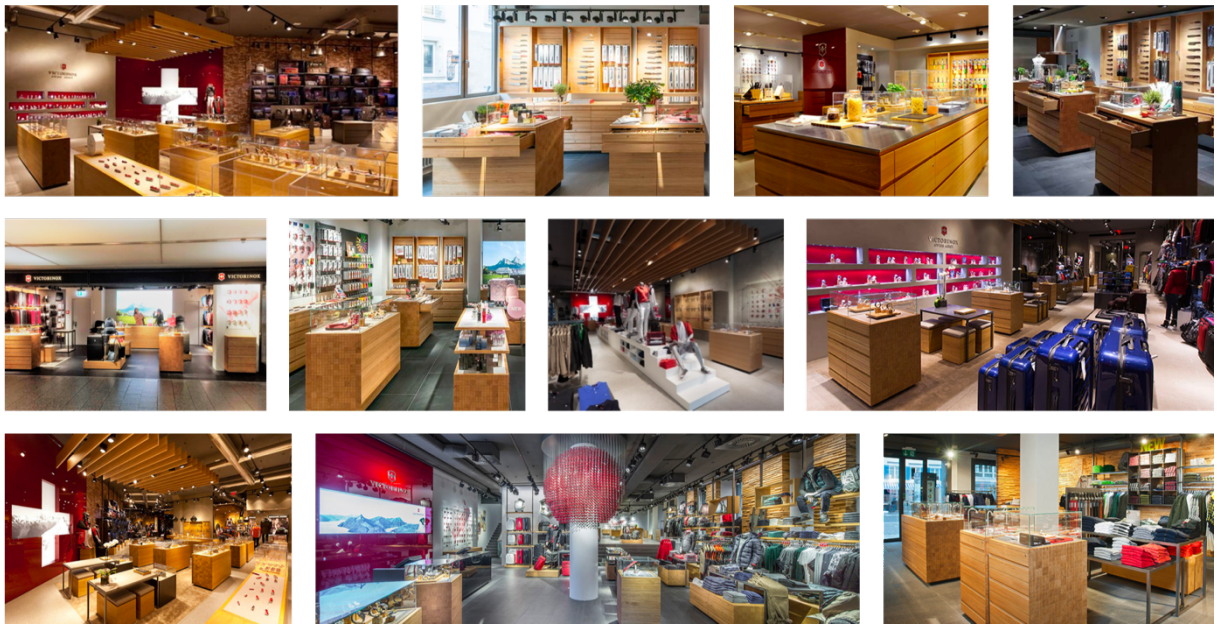
Appendix I: Monobrand travel and lifestyle accessories stores in Switzerland

Brand	**Number of stores in CH** *(as of Oct. 2018)*	**Source**	**Evaluation**
Freitag	6	https://www.Freitag.ch/de/store-locator?f%5B0%5D=neo_store_type%3A142&f%5B1%5D=neo_store_address%253Acountry%3ACH	Pre-defined case
Horizn Studios	0	https://horizn-studios.com/de/store/berlin/	No stores in CH, not suitable
Liebeskind	0	https://de.liebeskind-berlin.com/storefinder/	No stores in CH, not suitable
Porsche Design	0	https://www.porsche-design.com/store-locator/	No stores in CH, not suitable
Rimowa	0	https://www.rimowa.com/de/de/storelocator	No stores in CH, not suitable
Samsonite	0	http://storelocator.samsonite.com/en/index.htm	No stores in CH, not suitable
Tumi	0	https://de.tumi.com/store-finder/	No stores in CH, not suitable
Victorinox	8	https://www.victorinox.com/global/en/Victorinox/Visit-Us/Victorinox-Stores/cms/our-stores#country-Switzerland-3	Suitable, see image analysis

Appendix J: Monobrand cosmetics and personal care stores in Switzerland

Brand	**Number of stores in CH** (*as of Oct. 2018)*	**Source**	**Evaluation**
Aesop	7	https://www.aesop.com/au/r/page_00002T38?visitMenu=open&visit=Switzerland	Pre-defined case
Kiehl's Since 1851	1	https://stores.kiehls.com/search.html?q=switzerland&choices=	Not enough stores in CH, not suitable
L'Occitane en Provence	9	https://ch.loccitane.com/boutique,78,2,24392,242733.htm?country=Switzerland	Suitable, see image analysis
LUSH	18	https://www.lush.ch/info/ShopsinderSchweiz.aspx	Suitable, but strong focus on scent
MAC Cosmetics	2	https://www.maccosmetics.ch/stores	Suitable, but strong focus on decorative cosmetics and participants would probably all visit the same stores
Rituals	18	https://www.rituals.com/de-ch/stores	Suitable, see image analysis
The Body Shop	44	https://www.thebodyshop.ch/de/ueber-uns/filialen.html	Suitable, but same parent company as the pre-defined case
Yves Rocher	19	https://www.yves-rocher.ch/de/schoenheitsgeschaefte/filialen-und-kosmetik-institute/SL	Suitable, see image analysis

Appendix K: Image analysis Victorinox



Appendix L: Image analysis L'Occitane en Provence



Appendix M: Image analysis Rituals



Appendix N: Image analysis Yves Rocher



Appendix O: Expert sample study 3

#	Informant	Brand	Position	External/ Internal	Background	Duration	Approach
1	Expert 3.1	Freitag	3D and Category Driver	Internal	Architecture	89 minutes	Face-to-Face
2	Expert 3.2	Victorinox	Head of Retail Services	Internal	Architecture	79 minutes	Face-to-Face
3	Expert 3.4	Victorinox	Global Brand Development Manager	Internal	Management	81 minutes	Face-to-Face
4	Expert 3.4	Victorinox	Global Retail Operations Director	Internal	Management	44 minutes	Face-to-Face
5	Expert 3.5	Victorinox	Head of Content Factory	Internal	Management	38 minutes	Face-to-Face
6	Expert 3.6	Rituals	Store Designer	Internal	Architecture	-	Written
7	Expert 3.7	Aesop	Sales Representative Zurich Oberdorfstrasse	Internal	Sales	10 minutes	Face-to-Face
8	Expert 3.8	Aesop	Sales Representative Zurich Bärengasse	Internal	Sales	8 minutes	Face-to-Face
9	Expert 3.9	Aesop	Sales Representative Paris Tiquetonne	Internal	Sales	15 minutes	Face-to-Face
10 & 11	Expert 3.10 & Expert 3.11	Freitag	Space Designer & Expansion Manager	Internal	Architecture & Management	51 minutes	Face-to-Face
12	Expert 3.12	Aesop	Store Design Manager (EU)	Internal	Architecture	-	Written
13	Expert 3.13*	Aesop	Architect and Product Designer	External	Architecture	24 minutes	Phone

*Expert 3.13 is the same person as Expert 1.16 in study 1.

Note: This data has partially been collected with Florence Scherer and Julia Forster.

Appendix P: Consumer sample study 3

#	Informant	Gender	Age	Occupation	Store visit 1	Store visit 2	Store visit 3	Store visit 4	Participation in FG
1	Consumer 3.1	Female	24	Medical student	Aesop Lucerne	Aesop Basel	Rituals Lucerne Weggis-gasse	Rituals Basel	yes
2	Consumer 3.2	Female	24	Business student	Aesop Munich Ludwig Beck	Aesop Paris Tique-tonne	Rituals St. Gallen	Rituals Cons-tance	yes
3	Consumer 3.3	Female	24	Pedagogy student	Aesop Zurich Oberdorf-strasse	Aesop Basel	Rituals Zurich Bahnhof strasse	Rituals Basel	yes
4	Consumer 3.4	Female	24	Cultural studies student	Aesop London Covent Garden	Aesop Paris Montmar-tre	Rituals Zurich Markt-gasse	Rituals Zurich Bahnhof strasse	yes
5	Consumer 3.5	Female	24	Psychology student	Aesop Zurich Bären-gasse	Aesop Bern	Rituals Bern	Rituals Zurich Markt-gasse	yes
6	Consumer 3.6	Female	24	East European studies student	Aesop Zurich Oberdorf-strasse	Aesop Paris Saint-Sulpice	Rituals Zurich Markt-gasse	Rituals St. Gallen	yes
7	Consumer 3.7	Female	26	Marketing management student	Aesop Lausanne	Aesop Geneva	Rituals Lau-sanne	Rituals Geneva	no
8	Consumer 3.8	Female	24	Finance intern	Aesop Paris Condorcet	Aesop Zurich Bären-gasse	Rituals Zurich Airport	Rituals Paris Rue Saint-Sulpice	no
9	Consumer 3.9	Female	27	Customer service employee	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Noerd	yes
10	Consumer 3.10	Female	26	Event manager	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Grün-gasse	yes
11	Consumer 3.11	Female	25	Marketing and communications student	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Grün-gasse	yes
12	Consumer 3.12	Female	26	Journalist	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Noerd	yes

13	Consumer 3.13	Male	32	Psychiatric case manager	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Noerd	yes
14	Consumer 3.14	Male	23	Marketing and communications student	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Grün-gasse	yes
15	Consumer 3.15	Male	26	Marketing and communications student	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Grün-gasse	yes
16	Consumer 3.16	Female	29	Customer experience researcher	Victorinox Zurich Rennweg	Victorinox Zurich Airport	Freitag Zurich Gerold-strasse	Freitag Zurich Noerd	yes

Note: This data has been collected with Florence Scherer and Julia Forster.

Appendix Q: Expert interview guideline study 3

Part 1: Introduction

1. What does the brand stand for?
    - What are the brand's relevant values?
    - What kind of people do you want to appeal to?
2. Could you briefly describe the retail design process in your company?
    - What are the main steps?
    - Who is involved?
    - How is the work divided between internal and external work forces?

Part 2: Briefing

1. Who is involved in the creation of the briefing?
    - Who gathers all the information for the briefing?
    - Who defines the visual identity of the brand?
    - Who gets consulted during the process for specific information?
    - Is the briefing synchronized with the management level / executive board? Who has the last word and makes the final decision?
2. What is the selection process for your external partners (design agencies, architecture bureau)?
    - Do you create a long list to whom you send the briefing?
    - Do you let external agencies do a pitch?
        - How many steps do you have in the pitch?
        - Who is usually attending the pitch presentations?
        - When evaluating the pitch presentations, do you have a set of criteria for the evaluation of the pitches?
3. What is typically included in a briefing?
4. Do you already design and define elements in the briefing?
    - How do you translate the brand values into design elements?

Part 3: Concept generation

1. How free are designers and architects to use their creativity?
    - Is it desired that they bring in their own creativity? Are there limits?
    - Do you have key elements that you would find in every store?
    - How far are local features taken into account?
2. What are your specific design features?
    - How exactly do you connect the brand values **mentioned above*** with those design features?
        - For example, how do you connect "value 1", "value 2", "value 3"?…
    - Could you give examples of stores where this translation is observable?
3. What are the challenges of your brand by translating the values?
    - Do you allow compromises?
4. Do you keep track of retail trends and what other competitors do? If yes, do they influence the concept of the visual identity of the brand?
    - Are there any competitors you are deliberately distinguishing your retail strategy from?
5. Which design features do consumers perceive actively? Which design features do consumers perceive rather subconsciously?
    - Do you use design features, which are obvious for every consumer and how are they applied?
    - Do you use design features, which are not recognizable at first sight but contribute to the overall shop experience (e.g., materials, shapes etc.)? How are they applied?
6. How consistently are the features used over the total of your stores?
    - How well do you think is your brand succeeding at the translation in general?
    - Do you have features which are used in every retail store and others which are specifically limited to one store?
    - Which are the most typical stores of your brand? The most characteristic ones?

Part 4: Roll-out

1. How do you choose your partners for the roll-out of a new store?
    - Do you work with local architects?
    - Do you have one or several shopfitters in each country?
    - Do you always work with the same partners?
2. Do you make a difference in the whole process if it is a flagship store or a regular retail store?
    - For example, by using lower quality materials etc. for the regular stores?

Part 5: Closing

1. How does a customer recognize a store of your brand?
    - If a customer went to your store and did not see any logos, how would he know he was in a store for your brand?
    - What are the drivers of recognizing your brand in store design?
2. How would you describe your overall retail design strategy?
    - What differentiates your retail design from your main competitor's retail design?
3. What is the retail design philosophy of your brand?
    - What do you want to trigger in your consumers perception of the brand?

Please note that this interview will be recorded.

Note: This interview guideline has been developed with Florence Scherer and Julia Forster.

Appendix R: Instructions for store observations study 3

Instruktionen für Store Beobachtungen der Victorinox und Freitag Gruppe

Hallo zusammen, viele Dank nochmals, dass ihr euch für unsere Studie zur Verfügung stellt. Die Fokusgruppe findet am 24. Mai von 18:00 – ca. 19:30 Uhr statt.

Der Auftrag ist folgender: Bis zum Termin sollt ihr zwei Victorinox und zwei Freitag Läden eurer Wahl besuchen. Pro Laden sollt ihr 8-12 Fotos von Dingen machen, die euch besonders auffallen. Um eure Eindrücke zusammenzufassen wäre es zudem super, wenn ihr zu jedem Store zwei bis drei Sätze schreiben würdet. Das Ganze könnt ihr uns dann per WhatsApp, Dropbox oder Mail zukommen lassen.

Das Ziel der Fokusgruppe wird sein, eure «Kundenperspektive» zu erfassen, positive bzw. negative Erfahrungen zu diskutieren und das Erlebnis der jeweiligen Marke im Store zu beurteilen.

Falls ihr Fragen habt, könnt ihr uns diese jederzeit gerne stellen.

Note: These instructions have been developed with Florence Scherer and Julia Forster. The instructions for the other group of consumers were the same, except that they had to go to stores of Aesop and Rituals.

Appendix S: Consumer focus group guideline study 3

Unterpunkt	Thema	Bemerkung	Material
Teil 1: Allgemeine Einführung			
1. Einführung	• Kurze Einführung in das Thema und Spielregeln der Fokusgruppe erläutern.	• Konsumentenwahr-nehmung abholen • Es gibt keine richtige / falsche Antworten bzw. Meinungen	
2. Vorstellen	• Stellt euch kurz vor und nennt dabei euren Lieblingsladen bzw. einen Laden, den ihr sehr gerne besucht. • Was macht ein gutes Store Design aus?		
Teil 2: Freitag			
1. Einführung	• Wer kannte die Marke Freitag bereits? • Welche Stores habt ihr besucht?		• Teilnehmern werden Bögen mit Ihren Bildern gegeben.
2. Exterieur	• Was habt ihr am Äusseren des Ladens beobachtet? • Habt ihr den äusseren Bereich als einladend empfunden? • Woran konntet ihr von aussen erkennen, dass es sich um einen Freitag Store handelt?		• Bilder der Teilnehmer vom Äusseren zeigen Schaufenster, Eingang, Fassade)
3. Interieur	• Was war ganz allgemein der erste Eindruck beim Betreten der Freitag Stores? • Wenn ihr euch nun eure Bilder anschaut, woran erkennt ihr, dass es sich um die Marke Freitag handelt? • Welche Materialien sind euch aufgefallen? Wie wirkten diese auf euch? • Wie würdet ihr die Farben beschreiben? Wie wirkten diese auf euch? • Wie habt ihr die Beleuchtung des Ladens erlebt?		• Bilder der Teilnehmer vom Inneren
4. Markenwerte	• Welche Eigenschaften verbindet ihr mit der Marke Freitag?	• Nachhaltigkeit (Materialien)	

	• Welche Elemente der Stores wiederspiegeln diese Eigenschaften?	• Einzigartigkeit/ Unikats-Gedanke (Regalsystem)	
5. Store Vergleich	• Wenn ihr nun die beiden Freitag Stores miteinander vergleicht, was fiel euch auf? • Welche Elemente konntet ihr in beiden Freitag Stores vorfinden?		
Teil 3: Victorinox			
1. Einführung	• Wer kannte die Marke Victorinox bereits? • Welche Stores habt ihr besucht?		
2. Exterieur	• Was habt ihr am Äusseren des Ladens beobachtet? • Habt ihr den äusseren Bereich als einladend empfunden? • Woran konntet ihr von aussen erkennen, dass es sich um einen Victorinox Store handelt?		• Bilder der Teilnehmer vom Äusseren zeigen Schaufenster, Eingang, Fassade)
3. Interieur	• Was war ganz allgemein der erste Eindruck beim Betreten der Victorinox Stores? • Wenn ihr euch nun eure Bilder anschaut, woran erkennt ihr, dass es sich um die Marke Victorinox handelt? • Welche Materialien sind euch aufgefallen? Wie wirkten diese auf euch? • Wie würdet ihr die Farben beschreiben? Wie wirkten diese auf euch? • Wie habt ihr die Beleuchtung des Ladens erlebt?		• Bilder der Teilnehmer vom Inneren
4. Markenwerte	• Welche Eigenschaften verbindet ihr mit der Marke Victorinox? • Welche Elemente der Stores wiederspiegeln diese Eigenschaften?	Von Victorinox genannt: • Touch of Red • Bildwelt • Messer / Produkte Werte • Qualität • Funktionalität • Iconic Design • Innovation	

5. Store Vergleich	• Wenn ihr nun die beiden Victorinox Stores miteinander vergleicht, was fiel euch auf? • Welche Elemente konntet ihr in beiden Victorinox Stores vorfinden?		
Teil 4: Vergleich Freitag und Victorinox			
1. Marken Vergleich	• Wenn ihr nun die beiden Läden der Marke FREITAG und Victorinox miteinander vergleicht, was fällt euch dabei auf? • Welche Läden welcher Marke haben euch mehr angesprochen? Wo hattet ihr eine bessere Erfahrung? • Wenn ihr nun keine Logos oder andere Hinweise auf die Marke erkennen könntet, welchen Laden der beiden Marken würdet ihr schneller wiedererkennen und wieso?		
Teil 5: Abschluss			
1. Marken-abschluss	• Wie würdet ihr abschliessend die Freitag Stores in drei Wörtern beschreiben?		
2. Sonstiges	• Gibt es von eurer Seite her noch Anmerkungen zum Thema Markenwiedererkennung durch Retail Design?		

Note: This focus group guideline has been developed with Florence Scherer and Julia Forster. The focus group guideline for the other focus group was the same, except that the focus was on Aesop and Rituals.

Appendix T: Overview of semantic transformations

Semantic transformation	Brand	Brand value	Examples for retail design elements
Structural symbolic semantic transformation	Aesop	Excellence	Materials of high quality
	Freitag	Sustainability	Refurbished, up-cycled, and robust materials
	Rituals	Authentic Eastern traditions	Gold colored shelves for new products (not sure what exactly this is supposed to refer to, but it is probably symbolic); brown furniture
		Naturality	Natural colors (warm, earthy tones); natural materials (e.g., wood, cement, bricks); real plants
		Relaxation	Warm, earthy colors; warm light
		Sensuality	No over-illumination for a dark and cozy atmosphere; dark environment
	Victorinox	Quality	High-quality wood
Cultural-embedded symbolic semantic transformation	Rituals	Authentic Eastern traditions	Buddha; cherry blossom trees
Quality of execution-related semantic transformation	Aesop	Excellence	Materials implemented in a high-quality manner when it comes to the shopfitting to authentically create an overall high-quality atmosphere
	Victorinox	Quality	Materials implemented in a high-quality manner when it comes to the shopfitting to authentically create an overall high-quality atmosphere
Space distribution-related semantic transformation	Rituals	Relaxation	Lower ceilings
Metaphoric semantic transformation	Rituals	Authentic Eastern traditions	Stackable shelving designed after the tiered rice paddy fields of Indonesia
Analogic semantic transformation	Freitag	Sustainability	Use of recycled truck tarp and seat belts in product design and use of discarded freight containers, furniture elements (e.g., benches), and truck-themed product displays
Narrative semantic transformation	Aesop	Creativity	Adaptation to every location working with architects of distinction
		Respect	Choosing centrally, but off-site locations location which are drawing on the locale and designing each store individually with very site-specific features
		Integrity	Create lasting relationships with the local community through adaptation of the store to the "locale", preserving elements from the store's former "life"
	Freitag	Uniqueness	Choosing centrally, but off-site locations location e.g., industrial zone, partially drawing on the locale with site-specific features
Idiosyncratic semantic transformation	Aesop	Respect	Choice of locally rooted architect with a fit to the inspiration chosen for the location (e.g., Philipp Mainzer in Frankfurt) or fit of the values of the architect (e.g., Jo Nagasaka in Tokyo)

Curriculum Vitae

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PERSONAL INFORMATION

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EDUCATION

06/2016 – 04/2018	University of St.Gallen, St. Gallen, Switzerland *Ph.D. Program in Management*
08/2014 – 08/2015	HHL Leipzig Graduate School of Management, Leipzig, Germany *Master of Science in Management*
10/2013 – 06/2014	EADA Business School, Barcelona, Spain *Master of Science in International Marketing*
09/2010 – 08/2013	International School of Management, Dortmund, Germany *Bachelor of Arts in International Management*

PROFESSIONAL EXPERIENCE

09/2018 – present	University of St.Gallen, St. Gallen, Switzerland *Lecturer*
11/2019 – 03/2020	German-Israeli Chamber of Industry & Commerce, Tel Aviv, Israel *Tech Scout*
02/2016 – 10/2019	Institute of Marketing (HSG), St. Gallen, Switzerland *Research Associate and Doctoral Candidate*
09/2015 – 01/2016	SEAT S.A., Matorell, Spain *Intern Sales South and Western Europe*
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07/2013 – 10/2013	BMW Group UK Ltd., Bracknell, UK *Intern Aftersales BMW i*