



CREATING
THE

ULTIMATE

WIRELESS RETAIL

SPACE



— “ —

It's no longer sufficient to create a product, a service, an experience, or a lifestyle that's merely functional.

Today it's economically crucial and personally rewarding to create something that is also beautiful, whimsical, or emotionally engaging

Daniel Pink
A Whole New Mind

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Creating the Ultimate Wireless Retail Space

As online shopping continues to pick up momentum ([Forrester predicts](#) online retail sales will grow at a compounded annual rate of 10% through 2017), will physical retail stores cease to exist? That's the difficult question many retail executives are asking themselves as they evaluate the role of the physical store amidst this major shift in retail.

Retail stores will continue to be relevant, but only if they serve vastly different purposes than they do today. ([The U.S. Department of Commerce reports](#) that E-commerce sales in 2013 accounted for only 5.8% of total retail sales.)

So what is the future of in-store and how can you reinvent your stores to appeal to today's consumer?

In the wireless retail world, AT&T and Verizon have both recently gone through the process of reinventing and redesigning their store locations across North America.

According to Paul Roth, AT&T's president of retail sales, AT&T's new store design delivers a more desirable experience to consumers, offering the following three components:

- 1 **Personalization**
- 2 **Lifestyle Solutions**
- 3 **Emotionally Engaging Experiences**

This whitepaper will explore how these three components can be applied to any wireless retail space to create the ultimate shopping experience for consumers.

We will expand on these three subtopics by incorporating retail best practices we, at iQmetrix, have learned along the way. The purpose of this whitepaper is to create a conceptual "Ultimate Wireless Store," using all of this knowledge.

"The future of retail is all about personalized service and education."

- Paul Roth, President, Retail Sales & Service, AT&T

Ultimate Store Overview

Wireless stores have traditionally been humble in terms of footprint. Being that the products (handsets, accessories, etc.) are compact, wireless retailers tend to prefer minimalist layouts – in some cases, using just kiosks – in order to prove out the ROI.

For this reason, the primary interest of sales staff is often based on finalizing a transaction, increasing the attachment ratio by selling more than one accessory or service upon activating a new plan.

THE CHALLENGE

Making wireless stores more relevant and appealing to the consumer.

Wireless stores are very utilitarian and have worked well in the past. But with increased competition from the strong mobile brands like Apple and Samsung, major carriers, big box retailers and online retailers, independent wireless retailers must differentiate themselves from competitors.

The question is: How can wireless retailers achieve this differentiation?

The key is to make wireless stores more relevant and appealing to today's consumer.

To answer the question of how to do that, we visualized a conceptual "Ultimate Store" with the following considerations in mind:

- Medium size store (800-1000 square feet), mall or inline
- Use of simple circulation pattern
- Use of natural materials
- Use of existing in-store media solutions
- Use of existing retail management solutions



Personalization

AT&T's research found that consumers who want to buy a specific product and have it delivered to their home will simply do it online. But for those who enter a store, their purpose is to experience a product or a service, to learn about it, and to talk to someone about it. For these to occur, the physical environment of a store must change to reduce the communication barriers between employees and customers.

Today's consumer is overwhelmed with choice. Help them navigate that complexity on a personal level.

Presented with an abundance of choice these days, customers are often overwhelmed, so they would actually benefit from carefully curated selections in any given category. The store layout and the staff need to be able to tell stories around a curated selection to enhance customers' use of their devices and, ostensibly, their everyday life.

Assuming we can get the person into the store, 70% of people know, within two seconds of their entry, whether they will buy something.

The first hurdle, however, is getting the customer into the store.

Attraction

"An open door generates 35% more business than a closed door."

- "Getting People in the Door" by Nina Simon

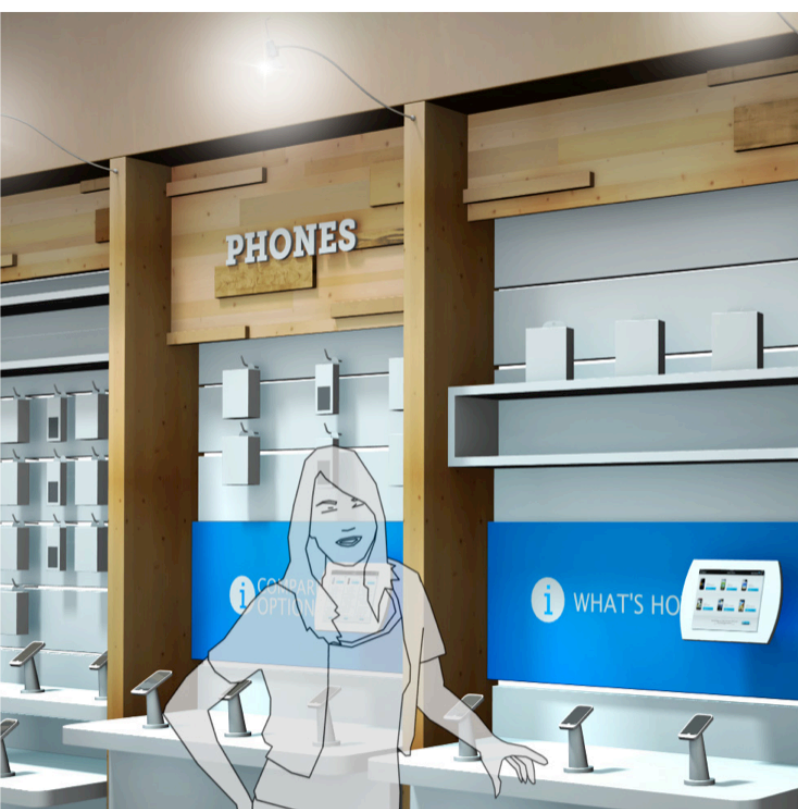
Consumers need a reason to enter your store, and quickly. Most retailers achieve this today through visual cues like signage and window displays. Digital signage is an effective way to catch a consumer's attention and share what is latest and greatest in your store as well as offer a clear call to action. One of the core benefits of digital signage is that the mere motion of its media catches more eyeballs than a static poster.



Plus, your marketing team will love digital signage – they can push out ads and fresh content to all store locations within minutes from a central location.

For digital signs, placement is obviously the key. It should be perpendicular to consumers walking by, as it's rare they are walking to the store head on. A screen on each side of the store works well to attract foot traffic approaching from both directions. In addition, signage is most effective in areas where customers dwell longer, such as consultation tables, checkout stations or facing other sitting areas in the store.

Relevant, exciting and up to date content is crucial to successful digital signage. Ads can feature new product, sales and promotions, as well as local content. For local content, crowd sourcing can be used – pulling from social sites like Facebook, Twitter and Instagram. Invite consumers to submit photos of your products in use with a particular hashtag and use those photos throughout your ads for authentic, lifestyle focused content. Dedicating a portion of a store to lifestyle themes that are rotated on a regular basis can also be a major attraction factor because of both its physical proximity and dynamic media.



Space for Exploration

Once a consumer has entered your store, you'll want to provide a space for exploration so they can test out and try the products featured in your signage or simply as an opportunity for them to connect with your brand.

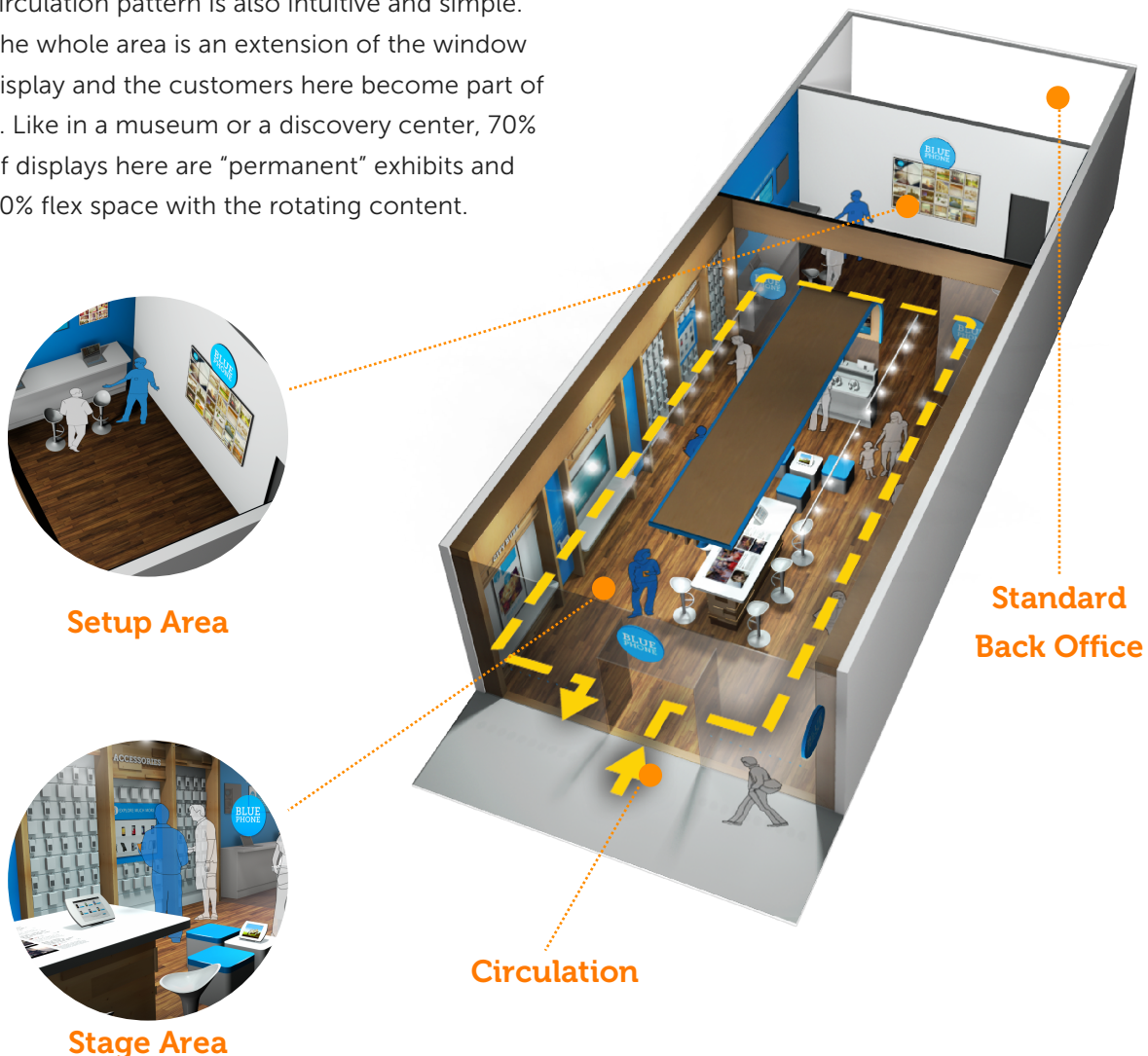
Based on various best practices in wireless retail around the world, we would suggest creating three distinctive areas in a wireless store.

"Stage" area. This open space, with a clear focal point, is dynamic and inviting. The circulation pattern is also intuitive and simple. The whole area is an extension of the window display and the customers here become part of it. Like in a museum or a discovery center, 70% of displays here are "permanent" exhibits and 30% flex space with the rotating content.

"Setup" area for activation, setup and service.

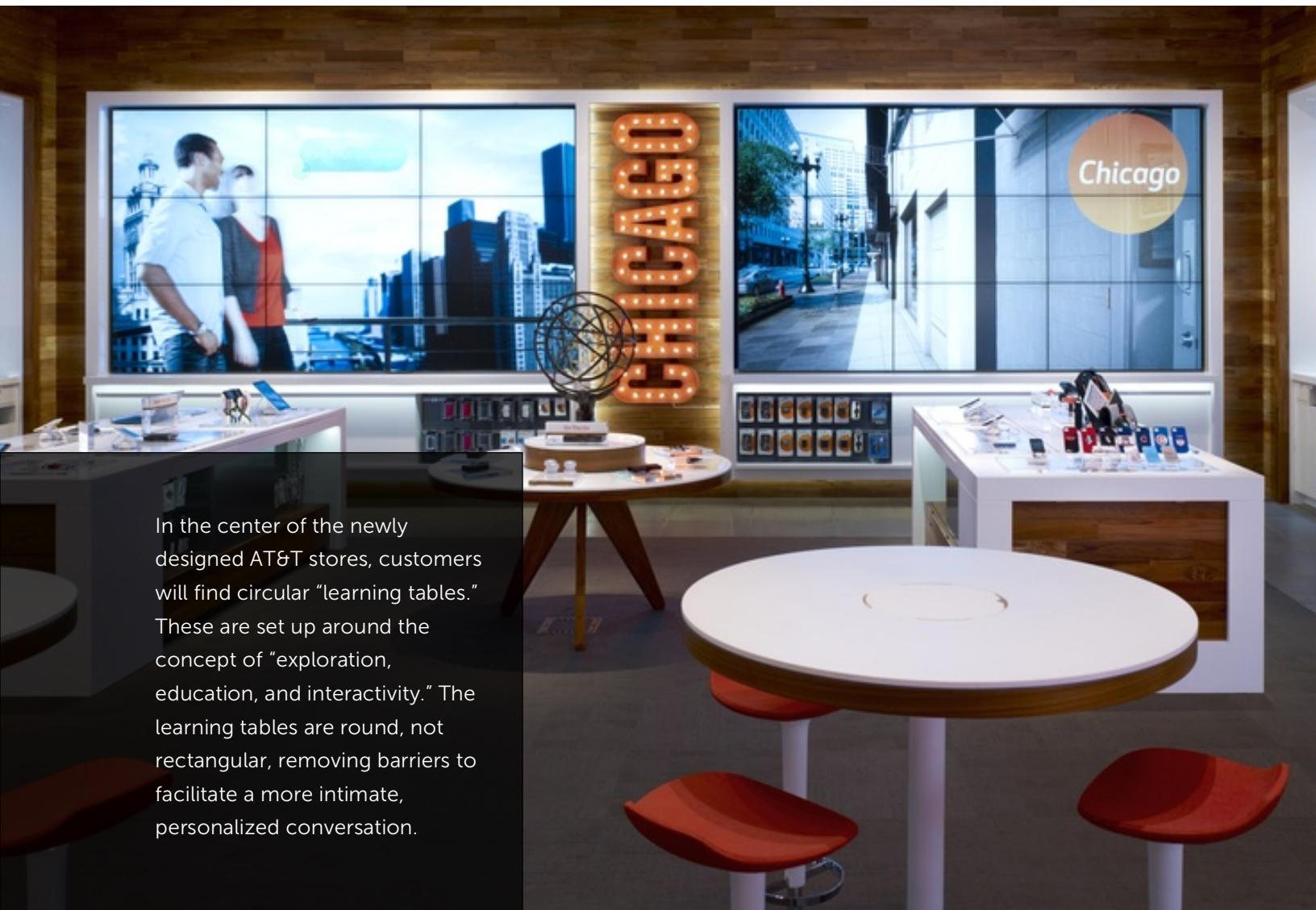
This area is in the back of the store adjacent to the back office. It is discreetly separated from the rest of the floor. Its purpose is to handle hard customers, B2B customers with more complex orders and activations, specific demographics, etc. Anything that wouldn't be appealing to new customers is worth separating from the "stage" area.

Standard back office. This is your typical back of house with operational items, inventory, storage, staff room, etc.



Stage area

Use this space to tell simple stories. For example, in the photo to the right, we've created a straightforward call to action: "What's your old phone worth?" Customers can use the tablet to access an app that will determine the trade-in value of their existing device.



In the center of the newly designed AT&T stores, customers will find circular "learning tables." These are set up around the concept of "exploration, education, and interactivity." The learning tables are round, not rectangular, removing barriers to facilitate a more intimate, personalized conversation.

A HUB OF ACTIVITY

The stage area is the best window display you can have.

A dedicated space within your store can be flexible in nature. Lifestyle themes, as previously mentioned, can be featured in this area in multiple formats.

Ads on digital signage are tailored specifically by theme: curated live devices on display for customers to try out, touchscreen catalogs offering details on displayed devices, extended selections offered in-store or for drop shipping. Some touchscreens can also provide entertainment or further information around the theme.

The space itself can easily be repurposed for live demo presentations from store reps or an outside presenter. This space can be treated as extended window display. Technically, it's the best possible window display a retailer can create: Not only does it feature a product or a service, but customers that are actively using it or learning about it.



Lastly, it is wise to address all demographics in this space. Offer comfortable seating (for a limited time) for both adults and children, as well as interactive games for children to play while their parents are shopping.



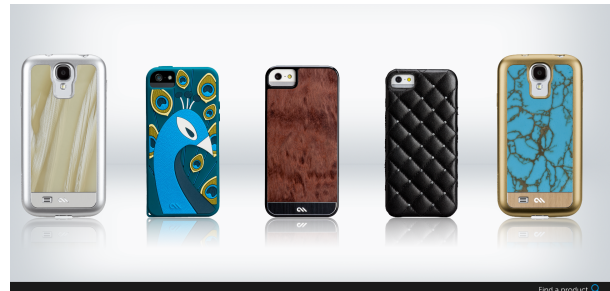
Product Availability

The goal of retail, of course, is to provide the customer with their desired product or service. Most retailers' inventory is limited by the physical store space they have. This limitation is being solved with **endless aisle** solutions that enable retailers to digitally display an unlimited number of products. Even though the product isn't sitting on the physical shelf, it doesn't mean you can't present that option to the consumer. Endless aisle brings the concept of e-commerce into the store. Consumers can choose to have products shipped to the store or even direct to their house, whichever is most convenient for them.

On the back end, endless aisle (i.e. virtual inventory) solves a lot of operational issues for the retailer as well.

The true efficiency comes from a direct integration with the supplier, removing the need for retailers to restock inventory themselves. In turn, inventory costs can go down by focusing on bestsellers and not replenishing slow moving items. The latter items can still be sold through endless aisle, however.

Not only does virtual inventory allow you to capture that particular sale – at a lower margin – it creates a positive, memorable brand experience with customers.

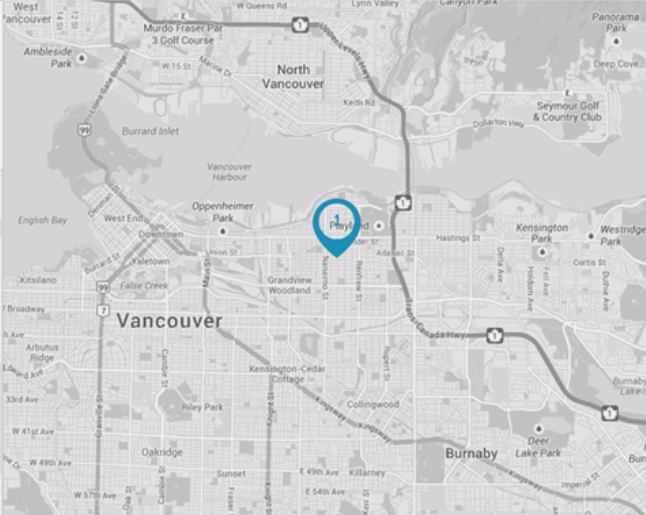


“Out-of-stock items are the number-one source of customer dissatisfaction followed by the inability to find the item they came to purchase.”

-Motorola Solutions What's Driving Tomorrow's Retail Experience Whitepaper

Make a purchase today and get same-day delivery!

1	[Current Store name] [Store address] [City] [Location contact number] Hours: M-W 9-5; Th-F 9-6; Sa 11-5; Su 11-4		
2	[Store name] [Store address] [City] [Location contact number] Hours: M-W 9-5; Th-F 9-6; Sa 11-5; Su 11-4	0.5 mi	^
3	[Store name] [Store address] [City] [Location contact number] Hours: M-W 9-5; Th-F 9-6; Sa 11-5; Su 11-4	0.7 mi	
4	[Store name] [Store address] [City] [Location contact number] Hours: M-W 9-5; Th-F 9-6; Sa 11-5; Su 11-4	1.9 mi	v



Lifestyle Solutions

AT&T's research found that consumers go to the web to conduct "transactions." However, they go to a store to discover solutions to help them live, work, play, and learn.

The new AT&T stores, as well as the new Verizon stores, feature connected theme, experience or lifestyle zones, where a complete set of products will be displayed together. For example, in the music zone, a customer will see smartphones flanked by various speaker options in different colors, sizes, and styles. A customer can play music on a smartphone and move the sound from speaker to speaker. Other zones will showcase digital home automation and entertainment products.

"In our prior merchandising scheme, we offered smartphones and accessories in different parts of the store. That's not a solution. It's a transaction. If we put them together to show how they work, now we have a solution."

- Paul Roth, President, Retail Sales & Service, AT&T

This is called "lifestyle merchandising" and, according to Roth, has been shown in pilot experiments to boost sales of products that

consumers didn't appreciate until seeing them used as a complete solution.

One way to think about lifestyle merchandising is to treat your store like a magazine. As with a magazine, you want your store to have an attractive front, a unique theme and engaging stories within.

Showing the value of a product is so much easier within the context of a story and storytelling can come in various forms: from sales reps, interactive touch screens, live device tryouts, videos and tutorials, meetings with local experts or between customers themselves. As mentioned in the previous section, the 'Ultimate Wireless Retail Store' is designed with flex space that will facilitate conversation and participation.



Lifestyle Merchandising
This digital ad tells a story around how each of these products can be used together to enhance the consumer's fitness routine.

Emotionally Engaging Experiences

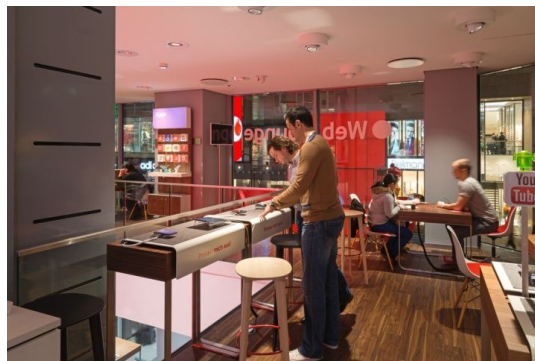
"I just had a really cool experience!" This is something you'll often hear from a friend or family member after a memorable shopping experience. Such an emotional statement is a confirmation that this store will remain imprinted in the customer's mind for a long time. Not only that, but the customer is now a store advocate – he will promote the place by word of mouth or via social media.

But creating "a really cool experience" for today's consumer has become increasingly complex. Not only does a store need to be well designed, the staff needs to be friendly and knowledgeable, the experience must fulfill the primary reason to visit, AND it needs to have an intangible x-factor that is part subliminally, part consciously perceived.

Customers told AT&T they want to be "rewarded" for a trip to a store. This means the physical design must be open, warm, and inviting. Customers visiting redesigned AT&T stores will find colors and materials designed to signal a high-tech experience (white tables with high gloss or matte finishes) combined with warm and comforting reclaimed teak wood. Interactive digital displays replace printed brochures and in-store posters, which often take up to eight weeks to print, ship, and install. Displays show targeted messages relevant to the local community and, in some areas, reflect a language used in the region.

Elements like these are vital to creating desirable shopping experiences. A simple way of classifying these varied elements is to think of them as: Space, Media and People.

Defining your store's x-factor requires a combination of space, media and people.



Space

Customers should feel pleasant and safe within a store. It should be easy to orient oneself. The store should provide plenty of contextual activities for all demographics – customers shouldn't perceive waiting time as waiting; they should feel compelled to explore, learn and make use of their time in-store.

The space can be a collaborative social hub where locals can learn from your retail staff and from each other, essentially establishing a community. Lululemon has done an amazing job with this concept, creating a community around a shared love for yoga and wellbeing, a community that is unwaveringly loyal to the Lululemon brand.



Media

Activities can also keep secondary shoppers busy, so the primary one can focus on finalizing the choice and the transaction. Think about a busy parent with small kids. Engaging the children will allow the parent to pay proper attention to the details and considerations behind buying a complex mobile device.

It's also crucial to provide a transparency of information behind product details, reviews and prices. Transparency of information is especially important, as consumers have come to expect this with online shopping. They can use their smartphone to compare your products and prices to those of the competition within a matter of seconds.

In-store media should be connected; it should tell a story.

In-store media should be connected; it should tell a story and offer messaging consistent with online media:

- Mobile phones are complicated products. Wouldn't it be useful to provide a "price tag on steroids" for a product or a group of products? Think interactive stations with rich media that offer value descriptions in plain English, not just tech specs and geeky jargon. This information can be consumed by both customers and sales reps.
- Digital signage has proven to be a cost effective and timely channel for delivering promotions, campaigns, and useful information. Carefully placed in the right location, digital signage can boost sales, brand and service awareness and add to the overall space design.
- The abundance of mobile apps as well as carrier TV services offer a plethora promotional options, giving customers (and secondary customers accompanying them) contextual activities that will keep them entertained and informed.



People

Of course, friendly, knowledgeable staff is a prerequisite to creating emotionally engaging experiences.

Consumers should be able to let their guard down. They should feel your brand is trustworthy, one worth establishing a long term relationship with. This is easier said than done.

Turnover in wireless retail is very high and sales reps' primary concern is closing sales efficiently, with as many customers as possible. Due to the long sales cycle (i.e. time between contract renewals), customers might not even come to this store again during a sales rep's career at that store. Besides, these days, consumers have often done so much research into the devices, they know more than a given sales rep anyway.

CONNECTING ON A PERSONAL LEVEL

The store and its media should put customers and staff on the same page.

One way to balance that information asymmetry is to put sales reps and customer "on the same page" using in-store media that features all available product info, independent reviews, prices, recommendations and the like. If this starting point is shared, a meaningful conversation can take place, where a sales rep can offer products and services based on a customer's knowledge and needs.

Efficiency is not to be overlooked, however. How an experience ends is a major factor in how people remember that experience. You have just provided a fun, engaging experience and when it comes time for the customer to complete a transaction, you want it to be as seamless as possible. Offering a mobile POS enables you to check customers out easily and anywhere in the store.



Conclusion

The Ultimate Wireless Store is not just a store after all. It's a "retail place."

Stores are where you simply go in and buy something. But a retail place is more than that. Based on the product complexity of wireless devices, the wide variety of plans, add-ons and accessories, and the endless array of brands and service providers, the process of buying a phone requires additional attention.

A retail place is so much more than just a store.

Likewise, the store needs to reflect that added care and attention:

- **Personalization** – Invite customers to explore and learn on their own terms, based on their knowledge level.
- **Lifestyle Solutions** – Go beyond a simple explanation of product stats and specs. Show customers how a set of products would affect their everyday lives, within different themes and contexts.
- **Emotionally Engaging Experiences** – This is what separates the great stores from the good ones. Create a store that makes a lasting, emotional impression. Seek that retail x-factor.

Who has done a better job of creating a place that captures our imagination, facilitates storytelling and stirs our emotions better than the Walt Disney Imagineers themselves? On that note, we'll leave you with "Mickey's 10 Commandments," [delivered by Imagineers President Martin Sklar](#), a solid set of rules for any retail store.

1. **Know your audience.** By the neighborhood you are in, but also know them personally if possible. Don't bore the customer, talk down to them or lose them – assume they know what you know.
2. **Wear your guest's shoes.** Look at your store, environment, staff and merchandise through customers' eyes. Insist that managers, staff and your board members experience your facility as visitors as often as possible.
3. **Organize the flow of people and ideas.** Use best practices adjusted to your own layouts. Use good storytelling techniques, tell good stories not lectures, lay out your displays with a clear

logic. Walking through the store, stop at any point and ask yourself, what would a customer see, hear and do right here?

4. **Create a “weenie.”** This is the focal point of the store; make it a meaningful one. It helps with orientation, brand and the program. This is one of the best locations for digital signage. Lead visitors from one area to another by creating visual magnets and giving visitors rewards for making the journey.
5. **Communicate with visual literacy.** Organize groups of products logically, with a story in mind. Label them for easy orientation. Organize areas in a logical sequence. Make good use of all the non-verbal forms of communication: color, shape, form, texture.
6. **Avoid overload.** Curate the best products, rather than showing your entire inventory. Resist the temptation to show or tell too much. Don't force people to swallow more than they can digest. Try to stimulate and provide guidance to those who want more. Studies show that a well curated limited set of products (5-6) sells better than larger sets. This is also known as “the paradox of choice.”
7. **Tell one story at a time.** If you have a lot of information, divide it into distinct, logical, organized stories. People can absorb and retain information better if the path between concepts is clear and logical.
8. **Avoid contradiction.** Clear institutional identity gives you a competitive edge. People need to know who you are and what differentiates you from the competition. Ensure all of your channels – store, e-commerce site, and social media – offer consistent messaging.
9. **For every ounce of treatment, provide a ton of fun.** Give people plenty of opportunity to enjoy themselves. Let people participate in the experience. Make your environment rich and appealing to all the senses. For example, replace dummy phones with live devices, replace printed materials with digital ones, introduce interactive media or games to waiting areas, etc.
10. **Keep it up.** Whether it's store cleanliness or updated media playlists, keeping everything in tip-top condition is extremely important. Never underestimate the importance of cleanliness and routine maintenance. People will comment more on broken and dirty stuff. Any out-of-date information quickly becomes an ad against you rather than for you. Keep it up.

About iQmetrix

At iQmetrix, we create great experiences for retailers, their employees, and the end consumer. Our products bridge the gap between physical and virtual retail channels, offering the latest in retail management and customer experience technology.



RQ Retail Management system is a complete solution for managing all aspects of your wireless retail business including POS, CRM, Inventory Management, HR and Accounting and more.



XQ Interactive Retail brings the online experience in-store, pulling consumers in with interactive displays and applications and empowering them with information to enhance the buying process.



Our Business Intelligence suite delivers meaningful metrics and provides insight to continually improve customer experiences and ultimately transform your business. For non-measurable aspects we provide access to industry experts.

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