Chapter 8

Rethinking Retail Design in the Experience Economy

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ABSTRACT

This chapter seeks to explore and discuss the way commercial companies and non-commercial companies have transformed the design and the delivering of products and services offered. This work aims to contribute to the discussion of the character of interiors by exploring empirical cases. These cases exhibit experiences comprised of emotional as well as functional interactions between customers and service providers. Their key attribute is to deliver a personal experience that stirs feelings, sensations, and emotions that are memorable and inclusive. The result of this research intends to enable professionals to have a series of instruments that are multidisciplinary in nature so that they can use them in their design practice.

RETHINKING RETAIL DESIGN IN THE EXPERIENCE ECONOMY

These subliminal aspects of everything that happens to us may seem to play very little part on our daily lives. But they are almost invisible roots or our conscious thoughts. - Carl Jung

The twenty-first century observed the progression of the economy, where organizations require to regard their competitive position, pricing, and needs of customers to compete (Pine II and Gilmore, 2011). This type of economy, in turns, changed the way commercial companies and non-commercial companies design, promote and deliver their products and services. Organizations can fit under four different stages, extract commodities, make goods, deliver services or stage experiences, depending on their economic function, nature of the offering, key attributes, methods of supply, sell, buy and factors of demand (Table 1). The nature of experience economy comprises the delivery of personal experiences that stir sensations through functional, usable, intuitive, aesthetic and emotional products and/or services that are compelling and memorable (Berry, Carbone, and Haeckel, 2002; Beltagui et al. 2012). Products and services move beyond tangible goods, giving primacy to socio-cultural, psychological, and emotional

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connections (Brakus, Schmitt, and Zarantonello, 2009). Consequently, businesses must design, manage, and stage customer experiences as its success depends on the ability to design a theatrical performance appropriately for the audience.

At this stage, the generation of value is somewhat nebulous since consumers highly regard the time spend enjoying a series of memorable events that a company stage. The creation of these offerings must consider the functional value of products or services (what they do), and the symbolic or experiential value (what they mean) (Holbrook and Hirschman, 1982). Norman (2004) suggest the concept of emotional design for going beyond mere functional performance. He proposes three elements of emotional design, behavioral design, visceral design, and reflective design. The first want aims to make things functional, but at the same understandable. It is purely concerned with logical and successful function. Visceral design aims to appeal to the senses, for example, through visual, audial, inhaled, and tactile stimuli. The brain interprets sensory stimuli in a primitive and impulsive manner, rather than a logical one. Reflective design aims to tap in the higher layer of cognition. It targets abstract and non-verbal connections between people and things. Hence, businesses should regard the design of products and services the consumer experience journey to identify the critical elements in their experience. This action enables designing physical and digital means that consider consumers emotional responses, expectations, and motivations before, during, and after the consumer’s interaction with the business. This endeavor triggers collaboration among different fields to define experiences that are affected by external and personal factors like intangibility, time, duration, type of interaction, and user motives.

This chapter regards four sections to explore and discuss the design of retail in the experience economy. The first section theoretically examines user experience approach in commercial design, especially its use in restaurants, departmental stores, and service stores. It discusses how organizations aim to create co-experiences that reflect emotional responses, expectations, and motivations of a brand. The following section centers in analyzing commercial design from a brand cultural perspective. It inquiries how a brand permeates the visual (or sensorial stimuli) and spatial space and how does it transcend and transit between the physical world to the digital arena and vice versa. The third section explores the intrinsic relation uniting art and science and design and how this transdisciplinary interplay encourages the creation of unique experiences in commercial design. This transdisciplinary approach allows understand-

Table 1. Experience economy

<table>
<thead>
<tr>
<th>Economy</th>
<th>Commodity</th>
<th>Product</th>
<th>Service</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrarian</td>
<td>Extract</td>
<td>Make</td>
<td>Deliver</td>
<td>Stage</td>
</tr>
<tr>
<td>Industrial</td>
<td>Fungible [Interchangeable]</td>
<td>Tangible</td>
<td>Intangible</td>
<td>Memorable</td>
</tr>
<tr>
<td>Service</td>
<td>Natural</td>
<td>Standardized</td>
<td>Customized</td>
<td>Personal</td>
</tr>
<tr>
<td>Experience</td>
<td>Method of supply</td>
<td>Stored in bulk</td>
<td>Inventoried after production</td>
<td>Delivered on demand</td>
</tr>
<tr>
<td>Seller</td>
<td>Trader</td>
<td>Manufacturer</td>
<td>Provider</td>
<td>Stager</td>
</tr>
<tr>
<td>Buyer</td>
<td>Market</td>
<td>User</td>
<td>Client</td>
<td>Guest</td>
</tr>
<tr>
<td>Factors of demand</td>
<td>Characteristics</td>
<td>Features</td>
<td>Benefits</td>
<td>Sensations</td>
</tr>
</tbody>
</table>

Adapted from Joseph Pine II and James Gilmore, The experience Economy.
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