

Stores Are NOT Dead



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A RETAILER WALKS INTO a board meeting and says, "I don't get it. We've hired the best from our competitors, spent a fortune on research and redesigned our stores—why aren't we more successful?"

And that, dear reader, is what this new *design:retail* column attempts to uncover.

"Searching for Steve Jobs" came to me after a long career in the creative industry in which I often worked with clients whose desire to innovate—and engage consumers through the experience of their products and presentation—was subverted by cultures that view process as the end, not the means.

It seems few big companies remember what it was that made them what they are. Their worlds revolve around revenue rather than value; demographic segments instead of people. And what requires good common sense becomes over-analysis of the abstract.

I believe the opportunity for physical retail has never been greater—but retail's existential threat is itself. Who would choose to shop online if they could get the benefit of price as well as experience? It starts by believing there's a better way and by asking if what you are presenting to the buying public matters. If it does, you win. If it doesn't, you discount.

The thing I admired about Steve Jobs was his ability to understand what people care about and his courage to relentlessly pursue the execution of



his beliefs. So in that spirit, this column will focus on telling the story behind retail companies that, in their own unique ways, embrace the courage to "think different."

I hope you enjoy the read.

MAYBE STORES AREN'T DEAD AFTER ALL...

I fantasize about being locked overnight in a department store. There's something scintillating about the idea of roaming undisturbed through aisles of new things with their "new" smells. To have a world of desired items all to myself. I also now know I want that store to be Selfridges in London.

Selfridges is a premium department store whose flagship is located in London's retail heart on Oxford Street. Opened in 1909 by Harry Gordon Selfridges—an American, actually—it attracted 90,000 people its first day. I knew the store as a shopper, but on the day I saw through it for the first time, it was 8 a.m., midway through a project I was executing in the store for a client.

The place was hushed—the hum of floor polishers the only sound. The visual spectacle was like a magical kingdom of retail. The department heads came onto the floor in a phalanx, then split apart to begin tweaking their environments. They obsessed over the details. These were people who clearly saw the store as a stage; who understood that to lose the illusion is to lose the audience.

What Selfridges "gets" better than most is that, as a retailer, *retailing* should be a major part of the appeal. And getting shoppers off the couch means delivering value through the creation of experience—that thing e-commerce can't compete



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with when it's done well. And it is working for them: in the last four years, Selfridges set new records for sales and profitability, despite being based in a country that continues to lurch from one near-recession to the next.

This took me to Dr. Christopher Knee, assistant general secretary for the International Association of Department Stores, who explains what makes Selfridges different. "The thing Selfridges understands well is that you must give the brands you carry room to be exciting without losing yourself; otherwise, you become a shopping center. Selfridges is exceptional at aggressively curating its retail offer—they get rid of 300 brands every season. They know their customers, and they know how to stay current."


But, with all this praise, I was curious what they were like culturally. It's one thing to create a façade and enter contests, but what were they like on the inside? For this, I turned to an executive with a prestige beauty brand who asked to remain anonymous, as she counts Selfridges as a major partner. She told me they're the hardest retailer she works with, and "the least fun, because they're always pushing, and their only focus is results."

She explained that when it comes to Selfridges, her company adds another dimension to anything they plan on doing, and that when they don't, the program doesn't do well there.

Remarkably, she said Selfridges has the least sophisticated customer data programs of any department store she works with, "yet they seem to know their customers best. They're not unassailable, but most of their competitors don't try as hard. Others are about advertising and discounting; Selfridges builds their truth through experience."

I asked where this comes from within the business, and she attributes it to Alana Weston, Selfridges' creative director and the daughter of the owner (this is obviously significant). My friend said that a big difference between Selfridges and everyone else is that creativity, and the vision that drives it, leads their strategy.

In our finance- and MBA-heavy business cultures—where creativity is often diminished—Selfridges places the creative spirit at the heart of its brand and experience, as a way to win in a depressed economy with over-served consumers.

Everyone I interviewed said the same thing of them: creativity doesn't have the level of influence in any other department store than it does at Selfridges. It's hard to re-create that on a spreadsheet. And to those who say bricks and mortar is dead, perhaps you should visit Selfridges. 

ROBERT HOCKING IS A LONDON-BASED RETAIL BRAND CONSULTANT WHO LOVES RETAIL BUT HATES SHOPPING—AND CONTINUES TO SEARCH FOR STORES THAT WILL CHANGE HIS MIND.

Selfridges Denim Studio: Photo courtesy of SELFRIDGES