

# Retailers rethink their retail concepts

## Article

**The trend:** Retailers are experimenting with new retail concepts and technologies as they look to adapt to the changing ways that consumers live and shop.

- **Jonathan Adler** opened Atelier Adler, a three-story hybrid concept that combines a retail flagship with a pottery studio and corporate headquarters in downtown Manhattan, per Chain Store Age.
- Gap Inc. [unveiled](#) four “laboratory” stores for **Old Navy**, **Gap**, **Banana Republic** and **Athleta** at its global hub in San Francisco that enable the brands to test product and technology

innovations.

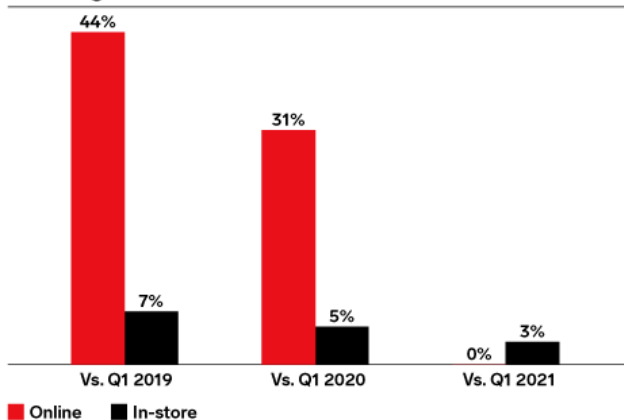
- **Starbucks revamped** three of its most-visited Seattle stores—including the original Starbucks at Pike Place Market—as part of a “Heritage Market” initiative that offers an elevated experience.

**Providing an experience:** The experimentation comes at a time when the growth rate of brick-and-mortar retail has outpaced that of ecommerce for **four straight quarters**.

- Consumers have returned to in-person shopping, but now often **seek an experience** rather than just finding an item to buy.
- Experiential shopping has driven many of the new store concepts. For example, Atelier Adler customers can view a pottery studio where the retailer’s team sculpts the prototypes and models for the brand’s products.
- Similarly, baristas at the Starbucks Heritage Market stores will participate in a coffee master program and host coffee tastings with customers.

#### US Consumer Spend Growth, by Channel, Q1 2022

% change



Source: Cardlytics, "Q1 2022 State of Spend," May 12, 2022

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**A broader perspective:** Other retailers are testing concepts to help them reach new customers, as well as technologies that remake the in-store experience.

- **Petco** is testing a new rural format called Petco Neighborhood Farm & Pet Supply that features health-and-wellness products and services for farm animals, as well as traditional pets.

- **Wayfair** has begun opening its first [physical stores](#) across all its banners, starting with two **AllModern** locations in Massachusetts. The stores blend physical and digital retail by allowing shoppers to interact with furniture and experts who may also guide them to the retailer's online selection.
- **Amazon** is gathering data about its offline customers by launching [Store Analytics](#), a data tracking service to all US Amazon Go and Amazon Fresh stores with Dash Cart or Just Walk Out technology. The technology collects data such as how many shoppers interacted with a brand's in-store product and purchased it during the visit or later on Amazon.com. This will help it (and brands) shape its promotions and advertising strategies.

**Why it matters:** Physical retail's strength has always been its ability to build connections with customers in ways that aren't possible online. As consumers return to in-person shopping, retailers have a unique opportunity to develop experiences that surprise and delight shoppers. Done well, that offline experience can foster long-term loyalty.