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Matthias Spanke, CEO,
Big Ideas, and author
of 'Retail Isn't Dead'

Photo: Big Ideas

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RETAIL

“Brick-and-mortar retail has many opportunities”

by **Sabine Kühnl** – March 04, 2020

No day goes by without any news or report calling out the official end of brick-and-mortar retail—at least the kind we used to know it. We talked to retail and visual merchandise expert Matthias Spanke who thinks just the opposite and has just published a book called *Retail Isn't Dead*.

In one sentence: Why is 'retail not dead'?

E-commerce has massively changed the way customers shop and brick-and-mortar retail has many opportunities to not only adapt to customers' new expectations but also to offer more than e-commerce can.

What are the three biggest global trends when it comes to store design and retail concepts?

One trend is new retail technologies and especially artificial intelligence. Data will be one of the most decisive, if not THE most decisive, success factors for retail. Collecting and analyzing information and data about customers and their shopping behaviors will be crucial in order to make sound predictions of their needs.

Speed and convenience are the next two big trends. Ever since its boom, e-commerce has challenged the processes and services provided by brick-and-mortar retail. Customers love the speed and convenience of online retail. Within seconds, customers can navigate through product selections on the web and find merchandise they are looking for. They can submit a payment on e-commerce at the touch of a button or via facial recognition, and they will hope for the same service in brick-and-mortar retail. Whoever wants to retain customers or attract new ones as a retailer today has to develop strategies to offer the same advantages as e-commerce and even more.

Could you give three successful examples of brick-and-mortar concepts?

The best examples are the ones that created an innovative solution for a customer pain point in her or his brick-and-mortar retail experience.

The first example touches on the greatest pain points in shopping at a hardware store: The desired articles either can't be found or are not available. The Home Depot developed an app that allows their customers to search for items and their availability in the store. When customers arrive at the store with their digital shopping list, the app shows them exactly the aisle and shelving unit where the desired articles are presented. With the app's barcode scanner, they get detailed information on the product or can read customer reviews.

The brick-and-mortar stores of today need to become part of a community. Example number two: With their philosophy "Sweat. Grow. Connect." Lululemon, a yoga-inspired sportswear retailer, became a community hub for their customers by offering fitness courses at its stores. Each week, employees move the products aside and turn the stores into yoga studios. The stores, thus, became meeting places for like-minded people.

"Renew" is the name of Eileen Fisher brand's innovative strategy which serves as example number three. Today, the technical lifespan of clothing is completely disproportionate to its practical lifespan. Eileen Fisher's concept stipulates wearing the merchandise as long as customers like, then passing it on to someone else. If a customer brings a garment back to a store, she receives a five-dollar voucher that can be redeemed at any of the stores. The garments that were selected for resale are cleaned through an environmentally friendly process and resold at affordable prices.

**From the ones who do it right to the ones who do it wrong:
What are the biggest mistakes in retail today?**

The biggest mistake is not to listen to your customers. Unfortunately, there is no overall strategy for successful brick-and-mortar retail. Therefore, brands that ask their consumers what they like about their store and—most importantly—what they don't like about it, are the ones that will stay successful. The pain points in the customer experience are the window of opportunity. It's about developing strategies that in an innovative way are tailored to the customers and even to each and every one individually.

You gained retail experiences on two continents: What are the key differences between retail in Europe and retail in the US?

The US market is further advanced in terms of innovation and customer satisfaction. There are already a lot of implemented strategies around "speed and convenience" in almost any kind of business field. You can find self-checkout and return stations in fast fashion as well as premium stores. Or "curbside pickup," where the merchandise is delivered directly to the parked car. A more detailed great example is the Nike in-store app, which features a barcode scan that can be used to retrieve additional product information and available sizes and colors in real time. Through the online connection to sales staff, the desired article is requested and brought to any location at the store.

About Matthias Spanke

For more than 25 years, retail and visual merchandising expert Matthias Spanke has gained expertise in covering the development and implementation of strategies for in-store

brand experiences of more than 100 companies. His career includes stops at Tom Tailor, Tchibo, and Tally Weijl, among others. At department store chain Macy's Inc. Spanke spent several years in the position of vice president creative director of visual merchandising.

In 2017, Spanke left Macy's to found the full-service agency Big Ideas Visual Merchandising, running offices in Cologne and Miami. Since then, he holds the role as CEO, but still finds the time to give presentations, to lead workshops and to write industry books and to contribute to B2B magazines.

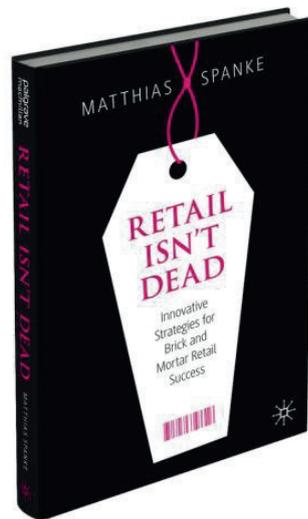


Photo: Big Ideas

About the book

- English edition -

Retail Isn't Dead –

Innovative Strategies for Brick and Mortar Retail Success

by Matthias Spanke

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