

101 PSYCHOLOGY OF WOW

*& What It Means for
Your Retail Formula*

It's no secret that this is an exciting and challenging time in the world for retailers.

Consumers' tastes are all over the map and the boundaries between shopping online and shopping in a physical space are being blurred.

People in the industry are constantly plastered with articles and forecasts about these very notions. Terms like *omni-channel*, *brick-and-mortar*, *Millennials*, *Gen Z*, and *technology* are thrown around in industry news, but always seem to be telling a different flavor-of-the-day story.

We took notice of this at Chute Gerdeman and set out to **create a (semi) scientific method to empower retailers - and restaurateurs - with a standard formula for creating WOW! moments for your customers.**

These WOW! moments will create emotional bonds with shoppers, increase their number of visits, amplify your brand, cultivate selling opportunities, and grow your business for the future.

WOW!



!

“But investments in brick-and-mortar retailing – new concepts, brand extensions, new technology, new services, flagship stores, remodels and refreshes – are flowing at high levels because it makes sound financial sense.”

- Retail Info Systems News,
October 27, 2015

HOW DOES WOW APPLY TO **RETAIL?**

“People are sensitive to unique, memorable experiences. People don’t forget a wow experience easily. If a product or service offers a ‘wow’ experience, people are more likely to buy it and use it, and buy it and use it again.”

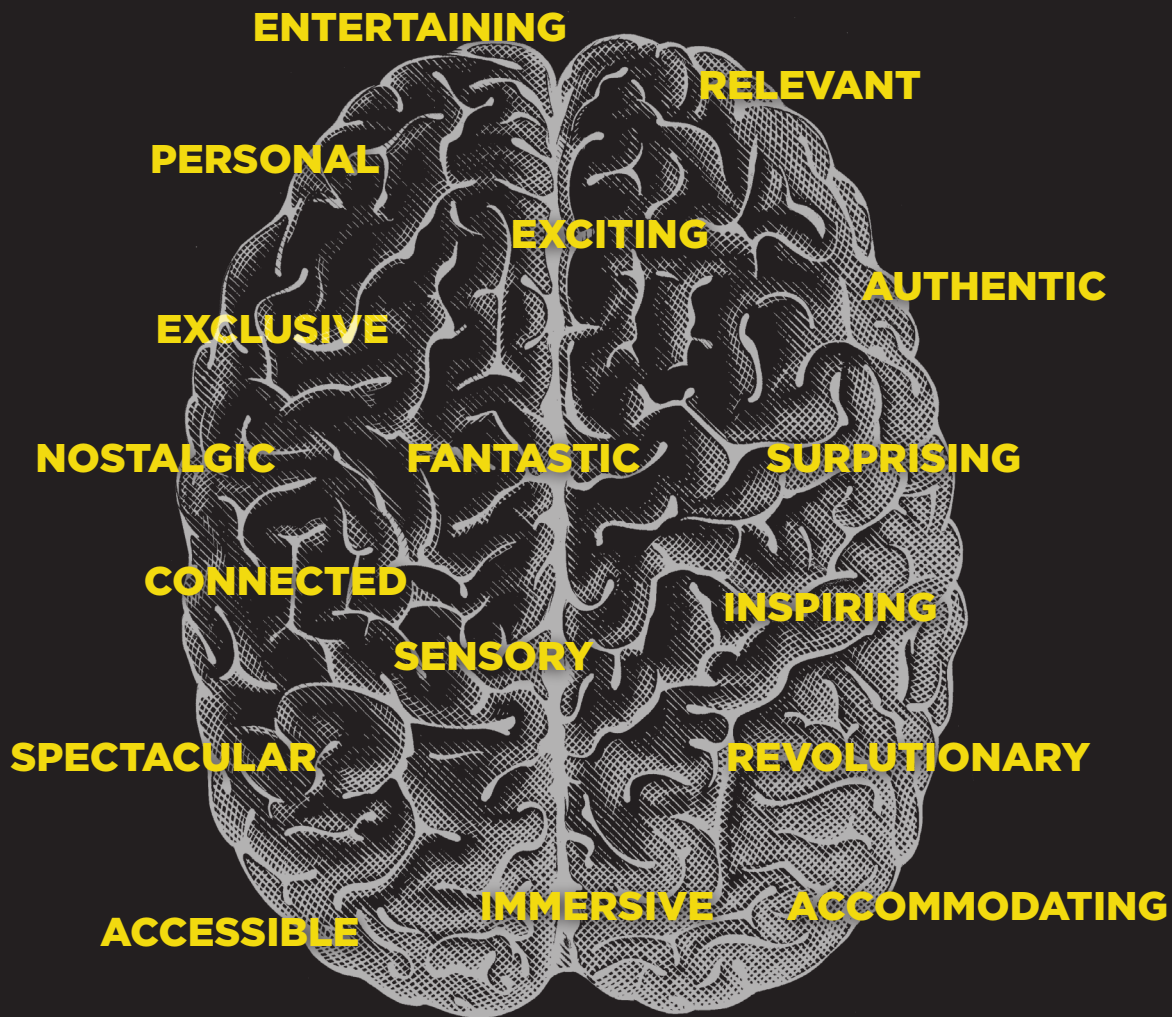
“The ‘wow’ experience - Conceptual model and tools for creating and measuring the emotional added value of ICT”

*What Mark Steen, Nicole De Koning,
and Lilian Hoyang say.*

So, what happened

with consumers to cause a shift from the simple days of *scale* and *selection* to more complicated, emotional elements like the ones mentioned above? Well, there are far more distractions in the world today. People have shorter attention spans, falling from 12 seconds in 2000 to 8 seconds in 2013 (Microsoft, 2015). Customers also demand more transparency and connection to the brands they purchase. They want to express more individuality and their evolving values through their purchases.

TODAY'S WOW FACTORS



We're all demanding a stronger connection to brands, and for this purpose, a stronger connection to the retail experience those brands create for us. And who wouldn't want to experience a connected, fantastic, immersive, authentic space?

The future of retail is combining the emotional factors to create positive, emotional experiences for the customers in your store. We can do this by *Understanding the Individual, Embracing Your Audience, Finding Your Edge, and Destroying the Boundaries.*

THE POWER OF **WOW** FACTORS COMBINED

1

RELEVANT + PERSONAL + ACCOMMODATING + ACCESSIBLE =

UNDERSTAND THE INDIVIDUAL

Consumers are often grouped together by age and gender, and approached at a macro level from brands in conversation. Times have shifted and it's important to look for opportunities with micro moments to reach consumers individually on a personal level. It's about meeting consumers where they are and making your brand easily accessible to them on their terms. Don't make them come find you. Instead, be there when they need you, even when they don't realize they do. Anticipate the need before it is one.

2

CONNECTED + AUTHENTIC + RELEVANT + IMMERSIVE =

EMBRACE YOUR AUDIENCE

You need to be relevant before you can even begin to establish a following or embrace an audience. Retailers today can achieve relevance through authenticity, which means being true to yourself as a brand and true to your consumers. It's also about being connected and creating a sense of community, and being the conduit for likeminded individuals sharing similar values, purpose, and passion. Create an experience centered around your audience, taking them from a passive witness to an active participant.

3

IMMERSIVE + SURPRISING + SENSORY + EXCITING =

FIND YOUR EDGE

Find the thing that pushes your brand experience above the rest. There's no time or room for "me, too" brands in the market. While it may be popular to follow the path or principles of successful brands that have paved the way, it's time to step back and look at things differently. Explore out of the box methods to create an immersive experience that activates consumer senses, and lets them experience your brand beyond a transaction, but instead through a multi-faceted perspective digging into the depths of your brand.

4

SURPRISING + SPECTACULAR + INSPIRING + REVOLUTIONARY =

DESTROY THE BOUNDARIES

It's not enough to push boundaries; you need to destroy them. Take past conventional thinking and toss it out the window. Be prepared to challenge social norms and surprise consumers. With social media and mobile access, brands are no longer confined to a conversation within four walls. Those brands that leverage and lengthen the dialogue with those mediums, will find a deeper connection that becomes top-of-mind. This isn't about just playing it safe to appeal to all; it's about starting a consumer revolution that carries your brand. Yesterday's word-of-mouth is now a socially connected movement. Engage and inspire to watch the action that follows.

UNDERSTAND THE INDIVIDUAL

RELEVANT + PERSONAL + ACCOMMODATING + ACCESSIBLE



IMAGE: DOMINO'S

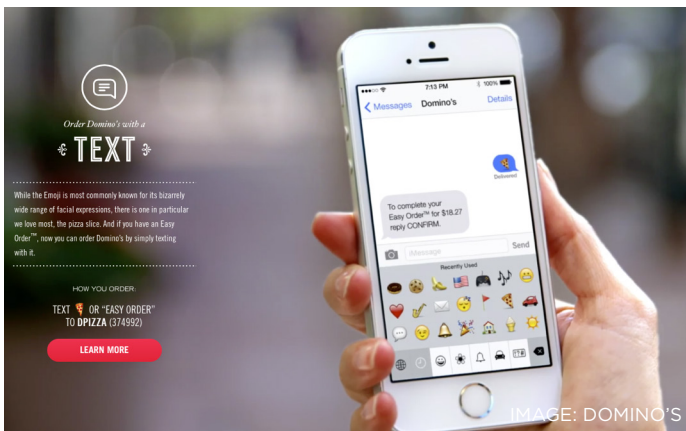


IMAGE: DOMINO'S

DOMINO'S

Domino's is a brand that continues to place wow at the top of its priority list. Not only did they wow us when admitting to letting us down for years (*personal*), they introduced a suite of changes to correct their shortcomings, most prominently, designing a new store format to provide a better experience for customers.

Additionally, the company introduced Domino's Anywhere, an app that allows you to order your favorite pizza from any device. This is great since text messages now out-rank phone calls as the dominant form of communication for Millennials (*relevant and accessible*).

The company took this once step further when they added Easy Order, or the ability to order quickly, easily, and in a fun way with a simple pizza emoji (*accommodating*).

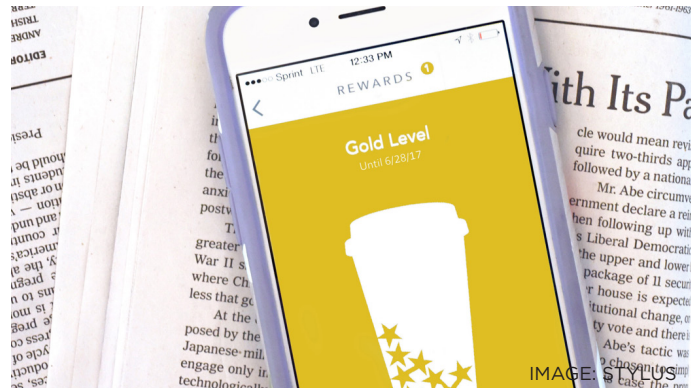


IMAGE: STARBUCKS



IMAGE: STARBUCKS

STARBUCKS

We promise that embracing the individual isn't all about mobile ordering, but the growth of Starbucks' successful mobile app has all industry eyes watching (*relevant*).

Recently Starbucks CEO Howard Schultz said to Forbes, "No single competency is enabling us to elevate the Starbucks brand more than our global leadership in mobile, digital, and loyalty. Starbucks is a clear leader in mobile payments and we are encouraged by how consumers have embraced mobile apps as a way to pay" (*personal*).

The company recently announced it'd be teaming up with The New York Times to feature top news everyday for loyalty members at more than 7,000 company owned locations (*accessible*).

This is a win-win-win for customers, Starbucks, and The New York Times, as they create positive experiences for both themselves and the people who love their brands (*accommodating*).

EMBRACE YOUR AUDIENCE

CONNECTED + AUTHENTIC + RELEVANT + IMMERSIVE

2



IMAGE: HOUSE OF VANS LONDON



IMAGE: THE WASHINGTON POST



IMAGE: HOUSE OF VANS LONDON



IMAGE: SOULCYCLE

VANS

Vans is teaching all of us how to embrace our audiences at House of Vans, London. The company, known for its storied skate heritage and street culture (*authentic*), took over abandoned subway tunnels to create an all-encompassing, multi-sensory experience for its customers (*immersive*).

They embraced the skating community and gave them something they couldn't experience anywhere else. Vans built the city's only indoor skate park, a music venue, café, bars, art galleries, and lab spaces to help nurture and feature talent. To top it all off, the company integrated with the community by becoming affiliated with three local charities (*connected*).

SOULCYCLE

Cycling is not a new exercise - it's been a staple in gyms everywhere since the early 1990s. At SoulCycle, however, the brand is reinventing the format to today's customer (*relevant*) and asking customers to pay a lot of money to take part.

This classic format has embraced its audience by recognizing the need for entertaining exercise and the willingness to share the support of others by creating an experience they can't get anywhere else (*authentic*). The dark, heated room is lit by branded candles and enveloped by the shouts of an energetic instructor - with a certain energy and look (*immersive*).

The brand has created a community of enthusiasts who love their experience and aren't afraid to show off their pride by purchasing a few items for SoulCycle's apparel collection (*connected*).

FIND YOUR EDGE

IMMERSIVE + SURPRISING + SENSORY + EXCITING



BEAUTY & ESSEX

Sometimes, the best wows happen in unexpected places. When arriving at Beauty & Essex, a popular clubstaurant in NYC, patrons happen upon a storefront that looks like your typical New York pawn shop. Visitors can shop at the pawn shop, but if they're in the know (*exciting*), they can proceed through the door in the rear of the store into the overwhelming juxtaposing hip restaurant (*immersive*).

Not only is this unexpected destination (*surprising*) a new take on blending retail and restaurants, it pushes both concepts to their edge through dramatic concept, unique theming, and fun elements like free champagne in the restroom (*sensory*).

AMERICAN FAMILY INSURANCE

This Chute Gerdeman designed space is the the manifestation of a company looking find the edge of their industry, before another business did (*surprising*).

Our team was challenged with creating an environment that showcased the intangible parts of life; the resulting Dreambank is a space for community members and customers alike to gather to share their dreams for the future (*exciting*). The space has areas to inspire dreams, share hopes for the future, and display wishes (*immersive*).

The entire Dreambank envelopes the participants in all aspects of dream (*immersive*) so well, that components are translated to agent offices and other activation experiences across the country.

DESTROY THE BOUNDARIES

SURPRISING + SPECTACULAR + INSPIRING + REVOLUTIONARY

4



SUBLIMATION

The fact that it's the world's most expensive restaurant aside, Sublimotion is one of the most buzzed about experiences today. The passionate two-star Michelin chef (*inspiring*) oversees the operations. He describes the restaurant guests as the "cheapest life-changing experience anyone can have" (*revolutionary*).

Described as theatrical dining, the environment changes with each course spinning plates, vibrant 360 degree projection, and other fun elements, such as a drinks that mix themselves (*spectacular and surprising*).

JAY-Z

The master "brand" that's destroying boundaries in today's marketplace is Jay Z. He's found a way to take his products to a new level by aligning himself with a lot of fine artists and cultural leaders (like Jenna Lyons, Judd Apatow, Marina Abramovic, and Alan Cumming) in unexpected venues (*revolutionary and inspiring*).

At an event called "Picasso Baby" Jay Z created a pop-up style performance (*surprising*) at a small art gallery. Word quickly spread, and soon he was joined by thousands of fans while he filmed the event for a new music video and HBO documentary (*spectacular*).

What's Next?

As we've seen, brands are embracing the challenge like never before. There are other forces, however that are also at play, especially in the media world.

Social media tools such as Vine, Snapchat, and Twitter's live-streaming app Periscope are framing up a new mode of communication. It's more real, more authentic, and more in the moment.

Content and discovery are going to be the major driving forces for brands, and we're interested to see how this will translate into the retail world. What will retailers do with these new tools and what will you do to change the conversation?

Overall, we see the erosion of traditional demographics. Recently, Iconoculture featured a piece that stated, "...boundaries are less defined by geography or gender than by access and attitude."

Our collective thinking is changing. All of us have the opportunity moving forward to interact with what we love the most and access a community of people who share the same beliefs. That's the new *demographics* and the new Wow!

Learn More

Want to chat with us about your updating your retail or restaurant space? Or maybe you'd like to schedule a workshop for your company to explore its own Wows. Let's talk!

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We are a team of experts, driven by varied perspectives, collaborating with confidence to create innovative and transformational brand experiences. We take pride in meaningful partnerships to change how brands engage their shoppers.

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