

MANUNDO



HOW TO THRIVE IN THE
DIGITAL AGE OF RETAIL



*Heart is what drives us and
determines our fate...*

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HOW TO THRIVE IN THE DIGITAL AGE OF RETAIL

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PHOTOGRAPHY BY CHARLIE SCHUCK

1 INTRODUCTION

The traditional shopping avenues that once occupied prominent positions in our cities now stand on the precipice of obsolescence, not due to waning consumer demand but rather the substantial shift in shopping behaviors and consumer expectations.

Today, the traditional retail model that merely offers a variety of products is lacking. Contemporary consumers seek a multifaceted shopping experience that transcends conventional transactions. Likewise, their journey toward purchasing has evolved into a multi-channel process, incorporating digital interactions and memorable physical experiences.

This shift toward a more immersive retail model is more than a fad. Instead, it is a critical requirement in the modern retail landscape. Today's consumers are increasingly searching for engaging, personalized experiences beyond simple transactions. They yearn for a connection with the brands they choose and desire shopping experiences that are seamless, convenient, and unique.

Moreover, consumers make purchasing decisions based not just on product quality or price but also on the values that a brand represents. They seek brands that align with their personal beliefs and values, whether it's sustainability, ethical manufacturing, social justice, or other causes. Accordingly, this shift reflects a desire for authenticity and transparency in business practices. Brands that clearly communicate their



values and demonstrate commitment to them can build stronger connections with their customers, foster loyalty, and differentiate themselves in a crowded market. In this regard, brand values have become a crucial part of its identity and a critical factor in its success.

To cater to these expectations, it's incumbent upon retailers to reassess their existing strategies and invest in innovative technologies and practices that can provide these elevated experiences. The rapid advent of digital technology has unlocked many opportunities for retailers to engage their customer bases more effectively.

The concept of omnichannel retail, which facilitates a seamless shopping experience regardless of the shopping platform; the emergence of contactless technology that enables streamlined, hygienic transactions; and the proliferation of memorable physical locations all highlight the retail industry's evolving nature.

These contemporary strategies are not just industry jargon; they signal a fundamental shift in how retailers engage with their customers and vice versa. Retailers who remain anchored to the traditional approach and still need to adapt to this novel shopping model will likely grapple with significant challenges in the future.

2 THE FUTURE OF OMNICHANNEL RETAIL

As the retail sector continues to evolve amid the growing influence of e-commerce, social media commerce, and immersive experiences in the metaverse, many exciting avenues are emerging for retailers to connect with customers. The key to unlocking this potential lies in embracing an omnichannel approach, which puts customers at the heart of the retail experience and seamlessly integrates multiple avenues of customer engagement. This approach necessitates a profound understanding of the customer journey, from the initial stages of awareness and consideration through the point of purchase and even beyond. Success goes beyond merely adopting the latest technology or jumping on the newest trends.

Such a journey is often a well-choreographed dance between digital and physical touchpoints. Customers might start their shopping experience with online research, maybe influenced by personalized advertising, then transition to a brick-and-mortar store to sample products before circling back to the digital realm for the final purchase.

Whether they are browsing online, using a mobile app, or physically shopping in a store, though, customers expect a journey that is not just seamless but also uniquely aligned with their individual needs and preferences. This process, commonly called “phygital” (from the fusion of “physical” and “digital” retail) combines the tangibility and immediacy of





brick-and-mortar stores with the convenience and personalization offered by digital platforms.

In this phygital landscape, customers might use a smartphone app to check inventory before they step outside their home, read reviews in a physical store, or interact with a digital screen to customize a product for home delivery. Retail staff members, in turn, shift their focus from immediate in-store sales to becoming knowledgeable guides, ensuring a comfortable shopping experience that allows customers to consider their choices and make conscious purchases at their convenience, whether online or elsewhere. Additionally, conversations between customers and store staff are no longer confined to physical stores. Now, they are shifting to digital platforms such as live chat, allowing customers to get quick and accurate answers to their questions directly from the store team, potentially meeting them in person during their next store visit. Shopping thus has the potential to become a powerfully personalized journey harmonizing elements of the digital and physical realms.

Furthermore, retailers can gain profound insights into customer behavior and choices by analyzing customer interactions across various channels. They can offer personalized communication, promotions, and recommendations based on data.



Specifically, retailers can tailor digital signage in stores based on the customer viewing them or customize communications based on their shopping history.

Augmented reality can also play a significant role in phygital retail by enabling customers to visualize products in their intended setting. For instance, a furniture store may offer an augmented reality app that allows customers to see how a sofa or dining table would look in their homes. This feature adds a layer of personalized engagement that takes more work to achieve in a physical retail environment.

When we designed A.MANO Brooklyn, a home furnishing store selling work created by local ceramic artists, we recommended incorporating QR codes next to the items on the shelves. These QR codes serve as a digital gateway, enabling customers to access artists' online profiles. Such a strategy creates a seamless connection between the physical store and its online platform, which can be highly beneficial in a few ways.

First, the strategy introduces and familiarizes customers with the store's website. Using their phones to scan the QR code, customers might save the website on their devices for future reference. This, in turn, gives customers the flexibility to revisit the item of their interest later from the comfort of their home, where they might be inclined to place an order or sign up for a mailing list.



A.MANO





Moreover, the QR-code feature allows customers to check inventory and availability independently and order directly, bypassing the need for assistance from salespeople. This could be particularly useful during live events or busy times when the staff might be engaged with other customers. Ultimately, the inexpensive integration of QR codes enhances the shopping experience by providing the possibility of a self-service approach and bridging the gap between the physical and digital shopping realms.

With the evolution of the retail industry into this blend of the physical and digital realms, unparalleled opportunities for customer engagement and personalization are emerging. As we journey into this future, the key to success will hinge on understanding and delivering phygital experiences that cater to the increasingly sophisticated needs of today's consumers. Still, retailers must ensure that technology complements rather than overshadows the tactile and sensory aspects of physical retail many consumers still deeply value.



3 THE POWER OF ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) and machine learning (ML) technologies are increasingly becoming vital components of the retail industry. As retailers continue to explore, embrace, and incorporate these technologies, the shopping experience will become more personalized, seamless, and engaging. Personalization can manifest in various ways within the retail environment, from customized product recommendations driven by ML algorithms to tailored marketing messages and exclusive offers. We are at the beginning of this revolution, and many ideas and applications will surely emerge in the following months and years. Eventually, AI will be a technology as disruptive as the Internet or the smartphone.

By analyzing a diverse range of data, including unstructured information, AI can tailor interactions to individual customers, providing personalized recommendations and anticipating their needs.

Advanced generative AI models can entirely reframe the messaging in each email (beyond just including "First Name"), reflecting every customer's unique style, behaviors, and preferences. For instance, customers who frequently buy organic products might receive targeted promotions for new organic product lines. Customers who often shop for specific styles or brands might get personalized fashion recommendations or even suggestions about combining different clothing



items or pair accessories. By taking advantage of these new tools, retailers can more effectively cater to individual customer preferences, boosting satisfaction, curiosity, and loyalty.

Personalization can also extend to real-time in-store experiences. In particular, digital signage can dynamically change based on data about the customer currently viewing it, offering product suggestions or promotions that match their shopping habits and preferences.

Retailers who can effectively leverage data to deliver personalized experiences are better positioned to foster stronger customer relationships, as this heightened sense of personal relevance can drive customer loyalty and increase customer retention and sales.

In addition, AI can predict and respond to customer needs, often before the customer articulates them. By swiftly analyzing and interpreting historical customer data, AI can identify recurring issues and questions, enabling it to provide timely and relevant responses.

One of the most popular implementations of AI in retail is chatbots, which are already transforming from dumb, pre-set answering machines into extremely powerful assistants that can provide round-the-clock customer support, offering immediate answers and solutions to consumer queries or problems. The responsiveness rivals in-person or phone conversations, giving them an advantage over traditional email support.



Importantly, they offer customers the convenience of self-service, eliminating the need to wait for staff availability. Consumers shop primarily at night or after work when most customer service is unavailable.

It's important to note that the role of AI in retail isn't confined to the point of purchase. Rather, AI can guide customers toward making the right choices, ensuring that when their order arrives, it's precisely what they want. This enhances the customers' experience and reduces the likelihood of returns.

AI is a potent tool to help retailers deliver a consistent, personalized, seamless omnichannel experience. By harnessing the strengths of AI and acknowledging its limitations, retailers can effectively bridge the customer experience gap, meeting and exceeding the evolving expectations of today's savvy consumers.

However, it is essential to strike a balance. It is vital to remember that customers are becoming aware of and sensitive to the type of communication they receive and will, therefore, quickly understand that the email or message was crafted by a bot and not by a person. Hence, it is essential to disclose this and be honest with them about it. While personalization can enhance the customer experience, respecting customer privacy and using data responsibly is also crucial. Powerful data security measures and clear communication about its usage are thus essential to preserving customer trust in this age. Customers are more inclined to share their

data when they understand and appreciate the benefits they derive from it. Correspondingly, brands must explain why they collect personal data and consistently illustrate how they use it. The absence of transparency, or even the suspicion that their data might be sold, will deter customers from sharing information.

In the dawn of the era of AI, data has become an extremely powerful tool at a level we haven't seen before. Companies ready to take advantage of this revolution responsibly are poised to be the leaders in their field.





4 THE IMPORTANCE OF CUSTOMER EXPERIENCE

Customer experience, often called CX, refers to a customer's journey when interacting with a company or brand. CX encompasses all touchpoints a customer has with the business, from initial discovery and research through the purchasing process to post-purchase support and service. Notably, customer experience includes elements such as the quality of customer interactions, ease of use of products or services, the efficiency of service channels, and website design.

Online transactions, making up a large part of this experience, can be ruined by a poorly designed or hard-to-navigate website, slow loading times, difficulty in finding desired products, lack of product information or reviews, complicated or buggy check-out processes, poor customer-service interactions, or issues with payment security. Businesses must identify and address these areas to improve the overall customer experience and maintain customer loyalty.

Another crucial factor is the dialogue between a brand and the customer who has purchased online (or in-store) and chosen home delivery. Does the customer receive a tracking number for their package? Are they informed about each stage of the delivery process? Many customers reside where packages could be stolen or exposed to rain, so they appreciate timely updates to manage their schedules accordingly. Furthermore,

the ease of returning items has become an increasingly significant aspect of the customer experience. Are returns a breeze, or do they involve lengthy, complicated procedures?

In short, customer experience encompasses every interaction a customer has with your business.



5 THE ROLE OF AESTHETICS: WHY BEAUTIFULLY DESIGNED STORES MATTER

Modern consumers expect stellar service, smooth transactions, and great products but mainly want to be emotionally moved, inspired, and entertained.

Experiential retail design is about creating immersive, interactive spaces that evoke emotions and engage customers' senses. It's about humanizing the retail experience and transforming retail spaces into brand theaters where stories unfold, memories are created, and relationships are nurtured. Let's not forget that consumers seek more than transactions—they long for connection. They don't just buy items; they connect with the brand, root for it, and weave it into their lives.

A store's physical layout and design are crucial in facilitating customer experiences. A well-designed store providing a conducive environment for engagement, interactivity, and enjoyment can turn shopping from a mundane task into an exciting activity. That's what we aim for every day in the studio. It is our goal in every project.

The design of a store is a symphony of elements that we orchestrate to culminate in a captivating sensory experience that, hopefully, will leave a lasting impression. Every material, light fixture, and piece of furniture is part of a larger canvas where colors, smells, textures, sounds, and emotions play a role in crafting a brand story. Likewise, design is an intricate, culturally based,



PHOTOGRAPHY BY MAX BOLZONELLA

multi-faceted process with far-reaching implications for how a brand is perceived and experienced by its customers. With every design decision, we aim to evoke feelings, shape perceptions, and, ultimately, entertain.

In the era of digital proliferation and ubiquitous social media, our interactions with the environment and how we perceive architectural and design aesthetics have undergone a dramatic shift. The advent of platforms such as Instagram has significantly influenced business owners, pushing them to conceive spaces that are appealing to the eye in person and visually captivating on digital screens.

This digital age demands that spaces, especially retail stores, be designed not solely for their functional role in facilitating the physical shopping experience but also with an eye toward their aesthetic resonance in photographs. Accordingly, the implications of this are far-reaching. An Instagram-friendly design can elevate the profile of a store, attract footfall, and enhance brand visibility in the digital sphere. This trend ties into the broader shift towards experiential retail, where the objective is to create engaging, enjoyable shopping environments that encourage customers to prolong their store visits, increasing the potential for sales. On the other hand, the proliferation of visually appealing spaces is forcing other retailers to invest in aesthetics to not look antiquated. Overall, it is a trend that has ignited a fascinating evolution in the design of stores.

In the competitive world of retail, aesthetics have evolved from being an afterthought to becoming a crucial component of the brand strategy. While aesthetics in retail can broadly encompass elements such as product packaging, branding, and visual merchandising, the design and layout of physical stores are of particular value.

This is a battle we have been fighting since the beginning in our studio. The motto “functionality first,” often shouted by certain clients, is today as stale as can be. This relentless focus on function often led to environments and objects that, while practical, felt sterile and unengaging to the senses. Ultimately, a purely functional design, devoid of beauty and charm or forced into inaccurate proportions, doesn’t solve the problem it set out to address. Aesthetics shouldn’t be subordinate to function but an integral part of the design process. Beauty can inspire, evoke emotions, and profoundly impact our psychological well-being. Beauty is a function.

A well-designed store goes beyond visual appeal. It serves as a physical manifestation of the brand, conveying its identity, ethos, and values to the consumers. A disconnect between the store aesthetics and the brand identity can lead to confusion and dilute the brand image.



Moreover, a beautifully designed store can facilitate better customer engagement and enhance the shopping experience. Thoughtful design can guide customer flow through the store, drawing attention to essential products or promotional areas and encouraging exploration.

Stores emphasizing comfort can also encourage customers to spend more time browsing and learning, increasing the likelihood of purchases. For example, cozy lounge areas, interactive product demos, or in-store cafes offer spaces where customers can relax and prolong their stay, thereby fostering a deeper connection with the store and the brand. This concept, known as “dwell time,” is a strategic tool for retailers to boost customer engagement and sales.

As consumers increasingly seek memorable and immersive experiences, stores that deliver visually and sensually stimulating environments stand out. Retailers are now investing in pop-up installations, immersive digital displays, and thematic store designs to provide unique, Instagram-worthy experiences resonating with the modern, experience-seeking consumer.

To design anything with beauty is to functionally enrich and elevate our existence.

6 THE EMPOWERED RETAIL CONSUMER: THE INCREASING IMPORTANCE OF PRODUCT KNOWLEDGE

In today’s rapidly evolving retail landscape, consumer behavior is changing dramatically. Customers are no longer passive recipients of goods and services. Instead, they are proactive, informed, and eager to know every detail about the products they buy.

When we designed Wholesome Cuts, a butcher shop in Brooklyn, we extensively discussed these themes with the client. We identified its customer demographic as relatively young, characterized by social and health consciousness, ethical considerations, and tech savvy. Additionally, this demographic often prioritizes ethical concerns, including animal welfare and fair trade practices. They value supporting local businesses and farmers. Likewise, they prioritize purchasing locally sourced products with a lower carbon footprint and appreciate the transparency and traceability of locally produced organic meat and other natural products.

Based on these considerations, we envisioned a system where each piece of meat would be easily traceable to its source. Customers would be able to know everything about it, including where it came from, how the animal was raised, its medical history, etc.



PHOTOGRAPHY BY MAX BOLZONELLA



Now, a new generation of consumers wants to understand the complete life cycle of a product before purchasing. They ask who made it, where it came from, and what materials were used in its production. They scrutinize the manufacturing process and investigate the origins of the materials. Accordingly, this comprehensive level of inquiry reflects a paradigm shift in consumer behavior driven by the age of information and an increased emphasis on social and environmental responsibility.

The heightened awareness and demand for information underscore the importance of transparency in today's retail environment. Consumers increasingly value ethically sourced and produced goods and are willing to pay a premium for them. Thus, they expect businesses to disclose whether their products are environmentally friendly, fair trade certified, or locally sourced.

Environmental sustainability has become a critical factor in the purchase decision-making process. A product's ecological footprint—how its production, distribution, use, and disposal affect the environment—is now a significant consideration for many consumers. They seek products that have a minimal environmental impact, are recyclable or biodegradable, and are made with renewable energy.

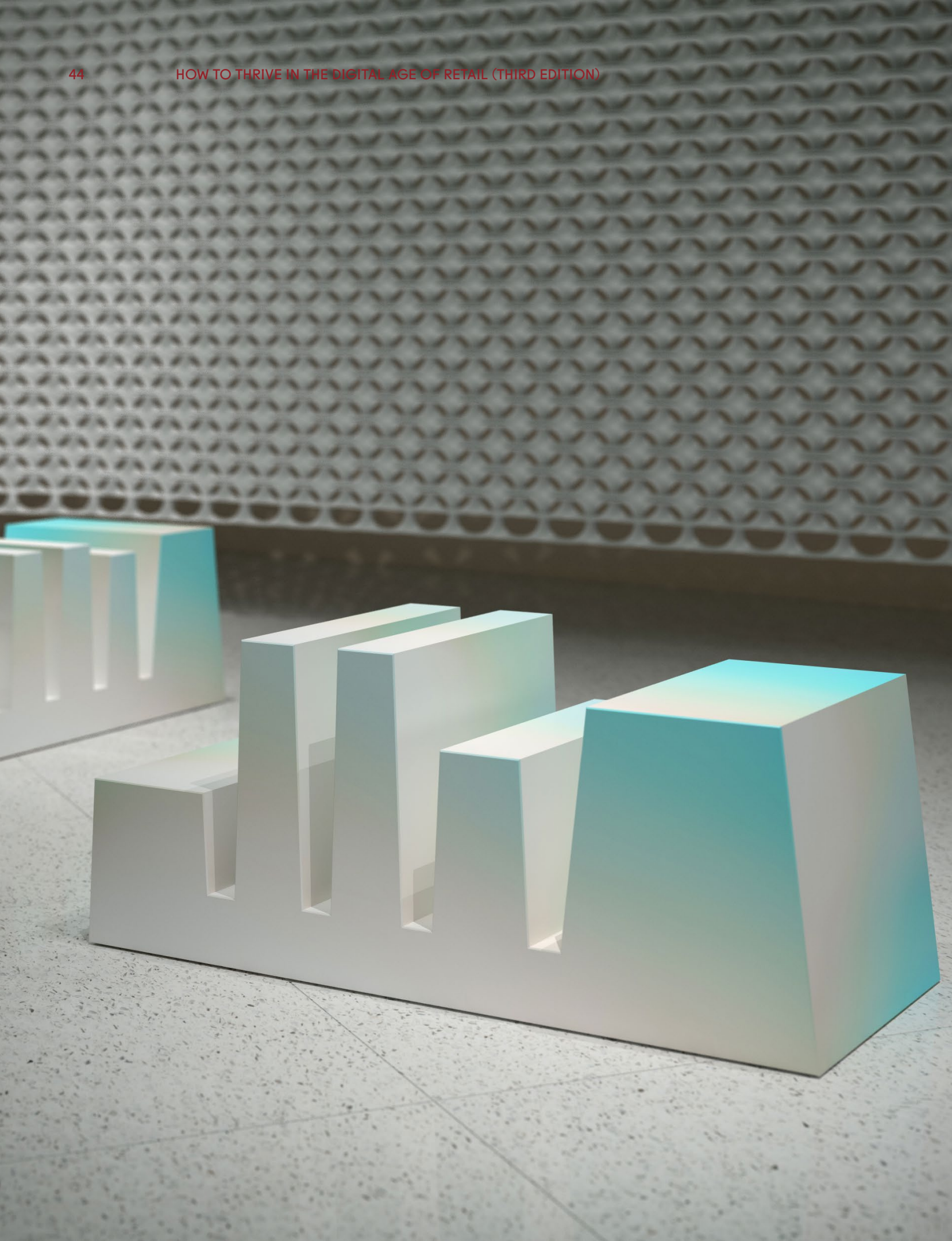




Similarly, social acceptability is of utmost importance. Consumers now care deeply about the working conditions of those who produce their goods. They want reassurance that their products are not linked to child labor, poor working conditions, or unfair wages.

The modern retail consumer is more enlightened and expects product knowledge beyond mere functionality and price. Retailers must adapt to this new consumer consciousness to remain competitive. They must offer full product transparency, be willing to share supply chain details, demonstrate environmental stewardship, and ensure fair trade practices.

In the new age of retail, knowledge is not only power but also a decisive factor in fostering brand loyalty and maintaining a competitive edge.



7 THE FUTURE OF RETAIL IN A DIGITALLY CONNECTED WORLD

The chapters of this research journey have shed light on the complex dynamics of the modern retail industry. Defined by straightforward transactions, the traditional retail model has been replaced by an intricate web of interactions and experiences spanning physical and digital realms. The customer's journey to purchase, which used to be linear and confined within the walls of physical stores, has morphed into a simultaneously online and offline omnichannel experience.

We have seen how technology is a fundamental pillar in this new landscape, enabling retailers to deliver seamless, personalized experiences. Technologies like e-commerce platforms, mobile apps, AI, and machine learning are changing how retailers interact with their customers and reshaping the shopping experience's fabric. Contactless technologies have also gained significance, enhancing customer convenience and safety.

In this context, the emergence of "phygital" retail represents a powerful convergence of the physical and digital worlds. This blended model leverages the strengths of both channels, creating an integrated, seamless shopping experience that caters to the modern consumer's expectations and behaviors.



Store aesthetics have taken center stage, crucial in engaging customers and enhancing brand perception. Well-designed, visually appealing stores can enhance customer engagement, improve brand perception, and drive sales.

The future of retail is increasingly customer-centric, digitally interconnected, and experientially driven. It is a landscape where technology, aesthetics, and personalization merge to create unique, immersive environments.

Retailers must be agile and flexible. They must be ready to respond quickly to consumer behavior shifts and embrace emerging technologies and strategies as soon as they become available. They must also be committed to continuous change, always looking for ways to improve their business and deliver more value to their customers to exceed their expectations. They must be willing to experiment with new approaches and learn from their failures without being discouraged. Failures are not considered as such anymore; only companies that try and fail will succeed in this environment. Failing is intertwined with success.

Retailers who can navigate these challenges, adapt and innovate, and truly put the customer at the center of their business will be the ones to thrive in the future retail landscape. The future of retail is promising.



8 DESIGNING TOMORROW: AN INVITATION TO RESHAPE RETAIL

Are you ready to redefine the future of retail?

To craft a brand that speaks to your customers and stands the test of time?

At Sergio Mannino Studio, we harness the transformative power of design and architectural branding to redefine the retail landscape. Our team is a diverse mix of visionaries—architects, designers, strategists, writers, and dreamers. We specialize in breathing life into retail spaces, creating immersive environments that reflect our society and envision a future we aspire to.

We recognize the rapid evolution of the retail world. We're here to guide you if you're ready to embark on an innovative, experimental journey.

Visit our website, www.sergiomannino.com, to explore our portfolio and discover how we can help you create a relevant and revolutionary retail experience.

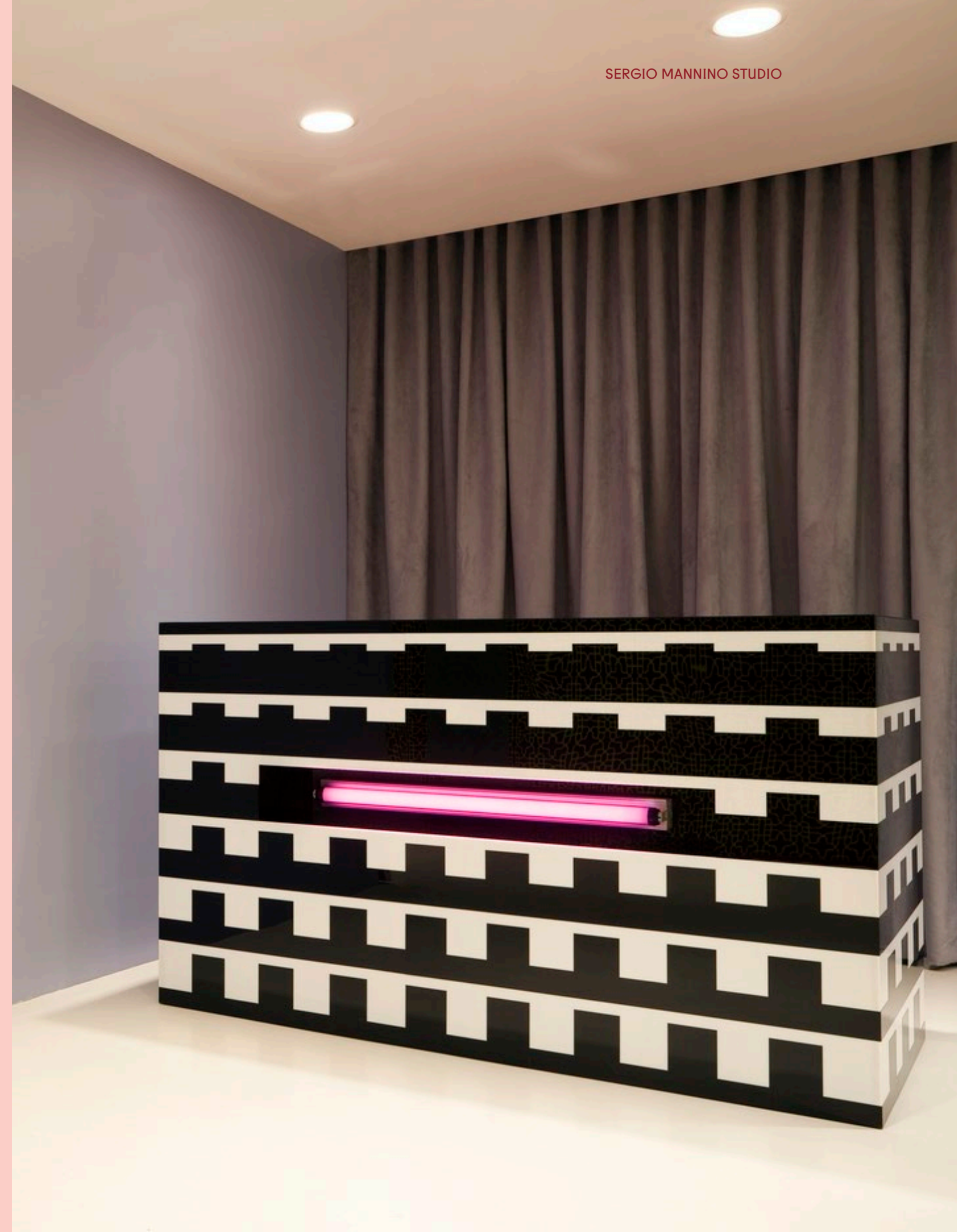
Let's shape the future of retail together.

*Heart is what drives us and
determines our fate.*

*That is what I need for my
characters in my books:
a passionate heart.*

*I need mavericks, dissidents,
adventurers, outsiders and rebels,
who ask questions, bend the
rules and take risks.*

Isabel Allende



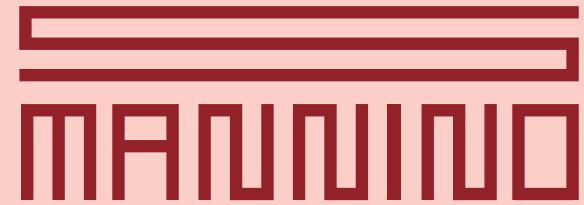


MANNINO

Sergio Mannino founded his namesake architectural branding agency in 2008 to help innovative brands succeed through design in a rapidly changing world. Forbes regularly features Sergio's articles on retail design, branding, and more.

With over two decades of experience in retail, Sergio has had the privilege of designing stores and consulting for brands of all sizes. As we navigate the future of retail, he continuously learns from clients, colleagues, fellow designers, journalists, and thinkers. We are on the cusp of a significant transformation, the scale of which can only be compared to the diffusion of the Internet and the invention of the smartphone.

This is an exciting time for the industry, and Sergio is committed to helping brands navigate this new era. Through his work, he aims to shed light on future opportunities and help leverage these opportunities to succeed in the rapidly changing world of retail.



Sergio Mannino Studio is an Architectural Branding Agency helping innovative brands to succeed in a fast-changing world.

WHAT WE DO:

We can advise you on how to launch a relevant consumer brand from scratch or help you grow into your pop-up, a second, twentieth or hundredth retail location. We believe that every brand needs a holistic approach in order to succeed. Every channel needs to work together in order to communicate the brand values: website, physical spaces, social media, events, etc.

Our agency will help you navigate through them seamlessly.

At the Studio, we work on brand's specific projects, and we also experiment with Design, developing limited edition and one of a kind pieces of furniture that are purely driven by our desire to explore.

WHO WE ARE:

We are a team of architects, product and graphic designers, branding strategists, writers, and dreamers. We are creative and pragmatic. We look into the present to imagine a better future.

WHO ARE OUR CLIENTS:

Our clients are not afraid to experiment because they understand that the world is changing at a very fast pace. They know that if they don't evolve, their brand might not succeed or even exist tomorrow. Sometimes this can be overwhelming but don't worry, we are here to help.

OUR EXPERTISE:

For clients who are seeking assistance with implementing the changes necessary to thrive today, our firm offers a range of services, including brand development, architectural design, online presence, modern commerce consultations, and more.

"Sergio Mannino Studio's roots in Italian design culture shines through in its projects.

The firm uses a bold palette to create distinctive environments that channel the Memphis Group—and other influences unafraid of a little color—with an aesthetic that is uniquely its own."

Surface Magazine



All projects in this book are by
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