

# FUTURE RETAIL

OUTFORM. | Magazine

## TECHNOLOGY IN RETAIL

Investing In Innovation That Makes A Difference In Customer Experiences

## CASHLESS PAYMENTS

Is It Time To Say Goodbye To Our Wallets?

## SHOPPABLE IMAGES

How Google And Instagram Are Making It More Convenient For Users To Spend Money

## BOPIS

The Latest Trend In Retail That's Merging The Digital And Physical Elements Of Shopping

Together we

# SHAPE THE FUTURE OF RETAIL

We are a team of strategists, designers, engineers and innovators driven by curiosity and united by a single vision.

At Outform we like to explore disruptive change both digital and physical. To be innovative means to keep moving forward relentlessly challenging the status quo.

Through our complete in-house capabilities, and end-to-end retail solutions based out of offices across the globe, we lead the future of retail. The only way to succeed is to keep defining, redefining and elevating the way the world relates to brands.

We provide exceptional consumer-facing solutions that meet client objectives, whether it's to increase sales, brand awareness, or consumer engagement.

- / strategic innovation
- / human-centered design
- / agile manufacturing
- / global support

Outform's Guiding Philosophy

“**dare to innovate.**”



Image: SG Green Drinks



# In This Issue

## In The News

Image: Ilya Shapko



- 05 Technology In Retail
- 07 Cool Spaces
- 09 Cashless Payments
- 10 Retail Takes On Hotels
- 11 Customer Experience Matters

## Trend Report

Image: Sasha Lend



- 13 Small Format Stores
- 15 Shoppable Images
- 17 Do You BOPIS?

## Industry Insights

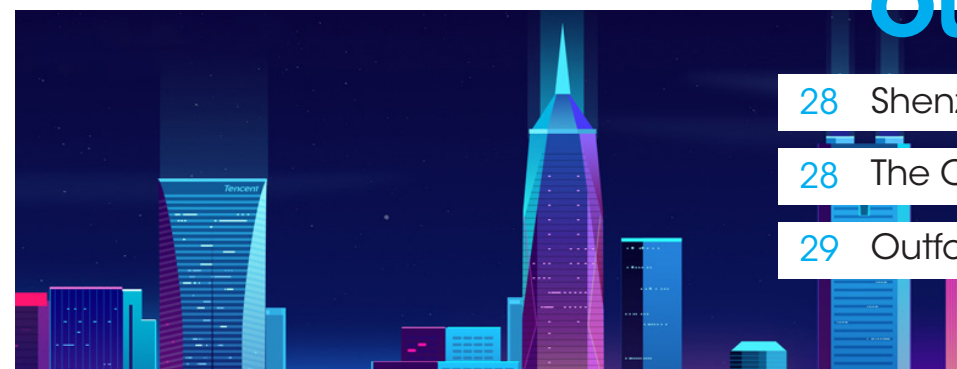
Image: Peter Tarka



- 21 Peaken Rule
- 23 CMF Design
- 25 3D Printing

## Outform Life

Image: Jet



- 28 Shenzhen Office
- 28 The City Of Shenzhen
- 29 Outformer Highlight



# Technology In Retail

Technology implementations are set forth by retailers and brands to, ideally, facilitate the shopper experience or create smoother internal operations to better satisfy shopper needs. With technology expanding so rapidly, companies are constantly pushing out new experiences to stand out from the competition and impress their shoppers. According to Gartner, worldwide retail tech spending will increase 3.6% to \$203.6 billion in 2019 (*Source: eMarketer*). With so much pressure to have the best experience, retailers are pushing their efforts to set new standards for what shopping looks and feels like in the modern age through technology, although their efforts are not always a true definition of “innovation”.

Innovations in technology do not always have to be blatantly obvious to customers for them to feel the positive effects. An example of internal technological advancements that, in turn, makes the customer experience better comes from Starbucks. The coffee chain partnered with Microsoft in an effort to create a consistent experience, no matter what Starbucks location a customer is visiting. With a focus on automation, Starbucks wants to ensure that an item like an almond croissant is the exact temperature no matter which location it is served in. Starbucks’ warming oven, which are programmed to heat such items for a specific time, are constantly updated as the menu evolves, but in a less-than-convenient way - by shipping these updates on USB to every store. To create a more streamline process, Starbucks is implementing Microsoft Azure chips on their machines, which allow the knowledge banks in their ovens to be updated much more efficiently, their brewing machines to automatically receive new recipes. (*Source: Fast Company / Bloomberg*)

Walgreens is testing its own technology - digital cooler screens that will display target ads to shoppers in-store. Refrigerator and cooler doors will not only show shoppers the products inside, but will also display in-store ads to consumers who approach, based on variables such as age, gender and even the weather. The implemented technology can also recognize items the customer has picked up or look at, letting advertisers know if what is being displayed is effective.



Cooler Screens Chief Executive Arsen Avakian

While it is seemingly better to have more relevant messages served to you, some shoppers may not be happy to have ads be present during their shopping trip. And, of course, there is always the question of data and privacy. According to Arsen Avakian, founder and CEO of Cooler Screens, “The business model is not built on selling consumer data. The business model is built on providing intelligence to brands and to the retailers to craft a much better shopping experience.” The company says its anonymous metadata is used to describe the size and demographics of an audience, that image data is not stored or transmitted. (*Source: Wall Street Journal*)

Satisfying the modern customer has proved challenging. According to a report by Oracle NetSuite, of the 1,200 customers surveyed, 80% said there is not enough personalization in the shopping experience retailers provide, while 58% said they do not feel comfortable with how technology is being used to improve in-store personalization.

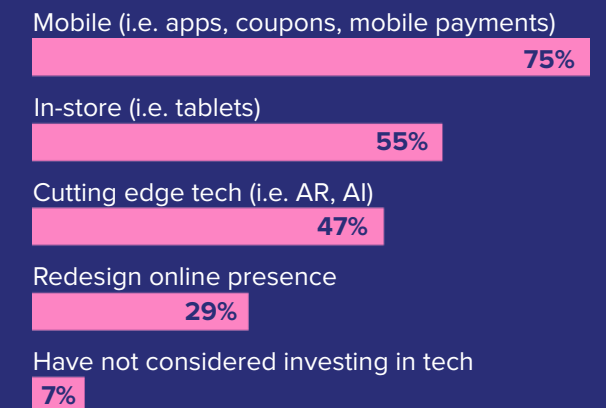
A report by Havas Group shows that British customers specifically do not feel satisfied with the content brands provide and find it to be irrelevant. Of the 350,000 respondents, 61% said they want more interesting, entertaining, or useful content.

The Oracle NetSuite report also found that 79% of retail executives believed that AI and VR would drive sales and that chatbots are meeting the needs of shoppers. However, only 14% of the respondents said technology would make a significant impact on their purchase and that 66% believed chatbots could be harmful to their shopping experience. (*Source: Marketing Week*)

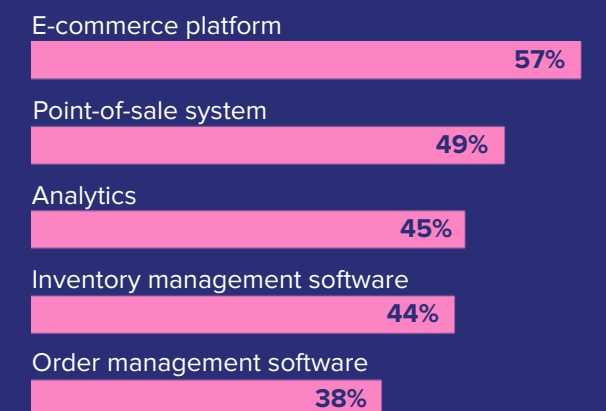
**“Technology must actually solve a real problem or make things easier for the customer. Internal innovation teams, largely pressured to create PR moments, do not think long term and end up investing in short sighted experiences that have no staying power...”**

*Scott Emmon, former Head of the Innovation Lab at Neiman Marcus*

## TECH INVESTMENT PLANS OF SENIOR RETAIL EXECS IN FRANCE & UK



## TECH CURRENTLY USED BY RETAIL INDUSTRY PROFESSIONALS IN U.S.



See more at [eMarketer](#)

# In The News

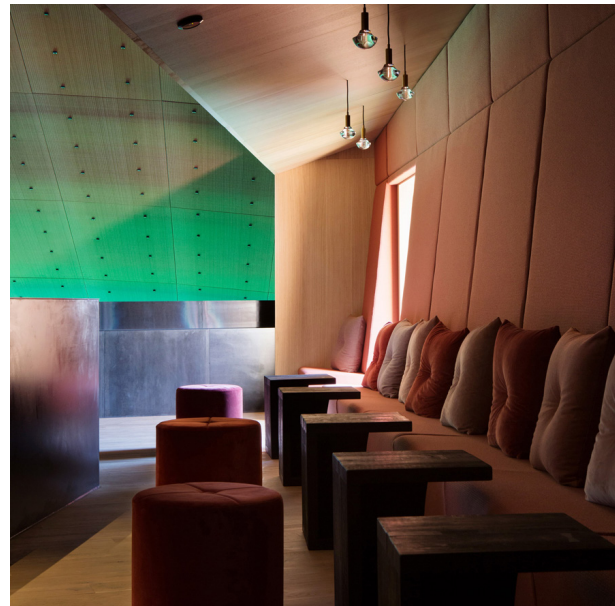


# Cool Spaces

In the realm of the continuously evolving retail landscape, brands continue to push the physical customer experience to stand out and impress. Here are a few of the latest innovative spaces that are helping redefine what customers have come to expect from brick-and-mortar.

## SHOPPABLE APARTMENT

Upscale lifestyle retailer Hopson Grace has opened a shoppable apartment to showcase its selection of curated products. Located in Rosedale, Canada, the space is a one bedroom apartment with a kitchen, living room, dining room, bedroom and washroom. “We’re offering a highly personal shopping experience, designed to inspire every room in your house”, said Andrea Hopson, co-founder of Hopson Grace and former vice president of Tiffany & Co. Canada. The shoppable apartment is meant to create a home-like experience, differentiating it from a typical retail showroom. (Source: Retail Insider)



## UNDERWATER RESTAURANT

International architecture company Snøhetta has designed Norway’s first underwater restaurant named “Under”. The restaurant will double as a marine life research center. According to Snøhetta, “The structure is designed to fully integrate into its marine environment over time, as the roughness of the concrete shell will function as an artificial reef, welcoming limpets and kelp to inhabit it.” (Source: Sonhetta.com)



## INTERACTIVE TECH EXPERIENCE

Samsung’s Experience Tour has launched in several cities across the U.S. to celebrate 10 years of their Galaxy series. The immersive pop-ups show what’s truly possible with the Galaxy S10 through gaming, VR, photo-opp, and connected living experiences. Samsung is also using the pop-ups to host art, wellness, educational, and entertainment events to further immerse visitors in their city’s culture and Galaxy ecosystem.

See more on Outform’s Facebook

## TRY BEFORE YOU BUY POP-UP

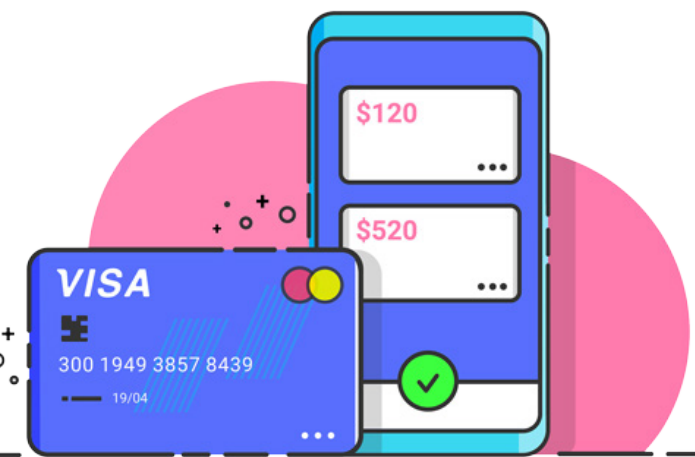
Glossier has popped up in Miami’s Wynwood district, letting visitors experience its highly-edited collection of essential beauty products. Visitors can try out every featured product, including lipsticks, eyeshadows, brow gels, concealers, and much more. Glossier stays on brand by incorporating its signature pink tones throughout the space, including the employees who are dressed in pink overalls with oversized pockets big enough to carry payment tablets. The 80’s interior design has touches of tropical decor, including a fruit stand and hallway filled with hanging vines and bird sounds. Paired with the Latin music playing throughout, the atmosphere matches Miami’s vibes perfectly and encourages Instagrammable moments.

See more on Outform’s Facebook





Image: Albin Groen



# Cashless Payments

**As technology continues to become more prevalent in our lives, adapting its advances is becoming more common. The latest digital trend making headlines is cashless payments, slowly appearing in retail and restaurants. Although it creates convenience for both customers and businesses, some are opposed to heading towards a future where cash is no longer necessary or even accepted by businesses.**

In our quick moving world, many are looking for ways to have more convenience and efficiency in their daily lives - something which technology has long solved for. Hence why paying with a credit card or mobile device has become increasingly popular amongst consumers and embraced by businesses.

Cashless payments have long been part of our lives through online shopping and have trickled in outside of the internet. From Uber, to Amazon's Go stores, to on-board airline payments, credit card and mobile options are seemingly creating a shift in the way payments are made.

For a consumer, cashless payments mean not having to deal with the hassle of going to a bank and getting the exact amount of cash when going shopping. Not carrying cash creates peace - once cash is lost, it's gone forever. But when a debit or credit card is lost, one phone call to the bank ensures none of the money will leave your bank account (or if it has, any unrecognizable charges will even be credited back to you). When businesses implement cashless payment options, customers benefit through increased efficiency. For example, fast casual restaurant chain Sweetgreen eliminated cash payments in 2017 - not having to count cash with every payment reduced

wait times in line and increased transactions per hour. (Source: CNN). Mercedes-Benz Stadium in Atlanta, Georgia is the first pro sports venue to eliminate cash payments, helping increase sales volumes, revenue, and speed so fans can get back to the game instead of waiting in line (Source: Forbes).

Beside reducing wait times, eliminating cash may also reduce criminal activity. According to independent report "Access to Cash Review", 36% of UK residents believe that a cashless society would reduce crime due to its traceability, something cash does not have (Source: Forbes). India has started making more moves towards a cashless society - in 2016, 500 and 1,000 Indian notes were withdrawn to help eliminate corruption and illegal activity (Source: BBC).

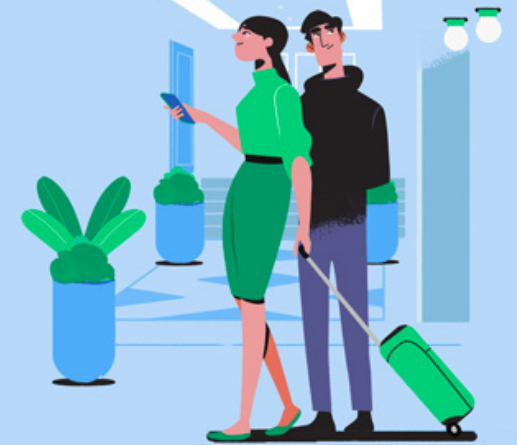
Cash, however, is far from being forgotten. According to an annual survey by Insight Intelligence, 25% of Swedes pay in cash at least once a week (Source: Financial Post). Americans use cash in 30% of all transactions, according to the Federal Reserve Bank of San Francisco (Source: CNN). Although paying with card or mobile can be more efficient for some, its strict implementations of cashless payments can have a downside for others. According to the FDIC, 6.5% of households in the US were unbanked in 2017, meaning they had no access to checking or savings accounts (Source: FDIC). In the UK, 17% of the population would struggle to cope with the lack of cash availability if cash payments were no longer an option (Source: Forbes).

Although there are definite pluses to cashless payments when it comes to convenience and security, living in a potentially completely cash-free world is still a while away. While it is a preferred method for some today, the only way digital payments can be the universal standard is if everyone is able to have access to them in the future.

**Want to stay up to date on the latest news about retail, innovation and design? Click here to sign up for Outform's Future Retail Newsletter.**

# Retail Takes On Hotels

**As retail continues to evolve, lifestyle brands are making a push into the hospitality industry. To connect to customers, the retail industry has been focused on providing them with more experiences and hotels are the latest venture.**



## EQUINOX

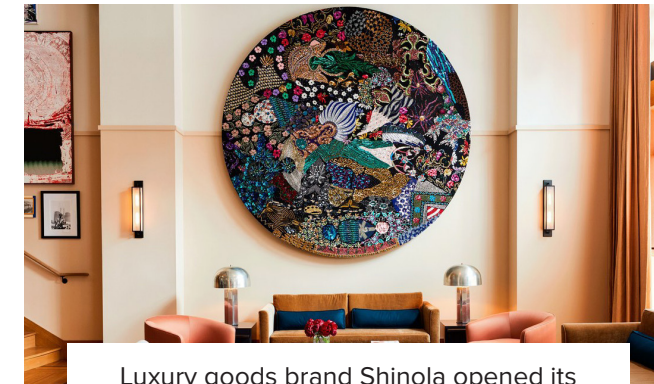
Just like Equinox gyms, The Equinox Hotel is looking to boost a healthy lifestyle for its visitors. Guests will enjoy a better night's sleep thanks to the hotel's soundproof rooms, where they can also order IV vitamin drips. During their stay guests will also have access to fitness club memberships.

## WEST ELM

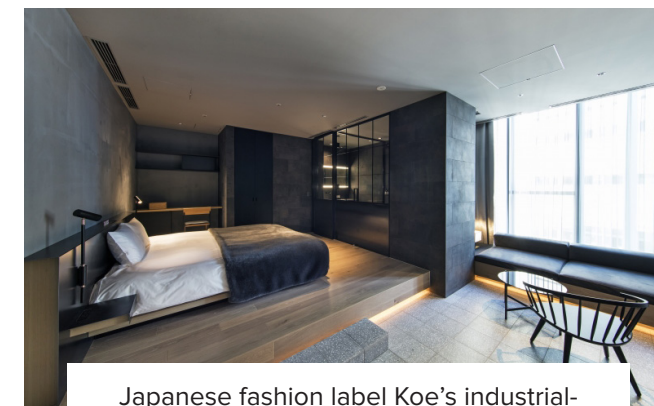
West Elm is planning its own line of hotels, set to open in 2020. The hotel will focus on a localized theme, featuring furniture built by local craftsmen and art by local artists. The aim is to bring a community aspect to the hotel. "The hope is that by weaving themselves into the fabric of the neighborhood, the threads will extend to their guests and give them an organic feel for the city—something that is important for the modern traveler". (Source: Indianapolis Monthly)

## MUJI

Japanese lifestyle brand Muji, which sells fresh produce, apparel, housewares, plants, furniture and more, has opened its first hotel in Japan. Muji is known for its minimalist, "no-brand" approach to retail and has taken the same route with its new hotel. It's located on top of the flagship store in Tokyo's Ginza district. The hotel is decorated with Muji products and furniture, following Muji's simple aesthetic. In addition, the location also features a restaurant, salon, bakery, library and two galleries. Muji also has hotels located in Shenzhen and Beijing. (Source: Fast Company)



Luxury goods brand Shinola opened its hotel in January in Detroit.



Japanese fashion label Koe's industrial-styled hotel in Tokyo.

**"Upstart Domio snags long-term leases on buildings or units, then converts them into sleekly furnished pads with hotel-esque perks...These companies claim to offer travelers prices up to 25% lower than similarly sized hotels by sliding into less touristy neighborhoods and swapping staff for smartphone check-ins and chatbot concierges."**

Source: Wired



# Customer Experience Matters

Positive customer experiences are key to the success of a brand and retailer. Whether it's a pleasant conversation with a representative over the phone or the smoothness of a shopping trip in a physical location, customers take note of interactions with brands to form opinions and decide whether they'll return. Here are a few examples of how brands shine when it comes to pleasing their customers.



## CUSTOMER SERVICE

Customer service is incredibly powerful. No matter how convenient a store is to get to or how great the quality of a product is, if the customer does not feel valued by the staff, they will eventually take their business elsewhere. Training employees to recognize customers' worth to a brand is crucial - it only takes one bad experience to have someone turn away forever, or one great experience to get them to be a brand advocate.

### Chewy

Inc. author Marla Tabaka shared her experience with Chewy, and online pet retailer, when she needed to cancel her account after putting her dog to rest. The Chewy representative who assisted her not only helped Marla with her initial inquiry, but went on to empathize with her situation and to let her know that the Chewy team is there for her in case she needed to talk it through.

"...We know it can help to talk to other folks who can relate so always feel free to reach out. We're here for you now and we'll be here in the months and years ahead. As your heart heals and you have time to

consider opening your heart and home to a new furry blessing in need, know that we'll always be here for you." Click here to read the full correspondence.

### Trader Joe's

While a usual trip for groceries can be a chore, Trader Joe's is a supermarket where customers consider grocery shopping to be fun. One thing Trader Joe's is known well for is their friendly employees who love to engage with shoppers to help create a positive atmosphere. The company also listens to their customers - like stocking a store with a customer's favorite ice cream after she requested it (*Source: Customer Think*). It's no surprise that Trader Joe's ranked first in Forrester Research's 2018 U.S. Customer Experience Index (*Source: PR Newswire*).

## EASY JOURNEY

Flawless and seamless in-store experiences, whether finding products or checking out, are a highlight of a customer's journey. This is where technology steps in, providing customers with ease, speed, and convenience while doing their shopping. Although some may not mind getting assistance from store associates, others prefer to have more independence.

According to the SOTI Annual Connected Retailer Survey, 76% of consumers want to use self-service technology (*Source: SOTI*).

### Flywheel

Although not exactly a retail location, FlyWheel gyms know how to create ease for their visitors through technology and automation. Booking a class is done through the FlyWheel app, as to be expected in 2019. When arriving at the gym, you have different options for checking into the class - with a staff member at the front desk, on your own using a tablet, or be automatically checked in via the FlyWheel app as soon as you come through the door without ever having to pull out your phone. When inside the class, your selected bike displays your name on a digital tracker that monitors your stats during the workout. The stats are then available on the app as soon as the class is over so you can see if you increased your power since last time, how many calories you burned, and what place you ranked amongst everyone else in the class.

### The Home Depot

A large store like The Home Depot can be a bit overwhelming to navigate through. To give customers independence and convenience when shopping, The Home Depot has implemented the power of its app. For example, customers are able to look for items they want to purchase on the app and see exactly where to find them once they get to the store. (*Source: PSFK*).

## MEANINGFUL EXPERIENCES

Having a smooth shopping experience, like easily finding the right product or checking out with speed, can be enough to satisfy customers. But when retailers go a step further to create meaningful and special in-store moments with customer needs in mind, that's when the magic really happens. Of the British consumers surveyed, 61% say they want brands to provide content that is interesting, entertaining or offers useful experiences or services that stand apart from the brand's usual services (*Source: Marketing Week*).



Image: Matteo Capaldi



### Nike

Take, for example, Nike's concept store, which offers things like a basketball court and interactive treadmill. Not only are these installments attention grabbing an Insta-worthy, but also offer customers a way to try the products in a way that is true to how they would use them in their daily lives to see if they measure up to their needs (*Source: Retail Dive*).

### Ikea

Ikea recently unveiled its planning studio in Manhattan, which is already open in London and Moscow, created with the specific needs of city dwellers. The planning studio is a contrast to the traditional big-box Ikeas - it has a smaller format and is focused on more personalized experiences and solutions for urban homes that have limited space. Visitors can explore several example homes, all modeled after dwellings of New Yorkers, with featured products to show how those living in the city can maximize their small space. There are also designated spaces where shoppers can also plan their rooms with the help of Ikea staff or in private (*Source: Business Insider*).

Whether it's authenticity, innovation, unique experiences, or just a hassle-free checkout process, brands should give their customers something to hang on to and resonate with during their store visit as a reason to return. Having great products is important, but creating an environment and culture through which customers can enjoy finding out about those products is just as vital. When brands can relate to a customer on a personal level and show how they can help fulfill their wants and needs in a multitude of ways, that is when customers are at their happiest.



# Trend Report



## Small Format Stores

Along with Ikea, as mentioned in the previous section, other retailers are trying to find the right balance between satisfying consumer needs and reducing square footage by opening up small format stores. These spaces have a smaller footprint and offer a more limited selection of products than their larger, traditional counterparts in hopes of creating a more curated, faster, and, in some cases, localized shopping experience.



## TARGET

By the end of 2019, Target will open about 130 small-format stores. The stores will be in urban, suburban, and college campus communities and will be tailored to local needs. They will offer a smaller selection of products and feature Target's best selling private label brands (Source: Retail Dive).

## SEARS

Sears' Home & Life stores are smaller format, ranging from 10,000 to 15,000 square feet, that will focus on appliances, mattresses, and home services. The stores will also have kiosks where customers can order items available online and in store and get them delivered to their homes (Source: CBS News).



## GROCERY STORES

As consumers habits have shifted from weekly hauls to more frequent and shorter trips, grocery stores are trying out smaller stores with focus on local products. (Source: National Real Estate Investor). Amazon Go stores have made a name for themselves in the grocery industry with their small size and convenient shopping and checkout experiences. Aldi has long been known for implementing this concept - with a smaller footprint, small selection of products, and competitive discounts Aldi is appealing to the modern consumer who does not want to spend too long shopping for groceries. Walmart has also experimented with a smaller format presence through their 800 U.S. Neighborhood Market stores (Source: Produce Blue Book).

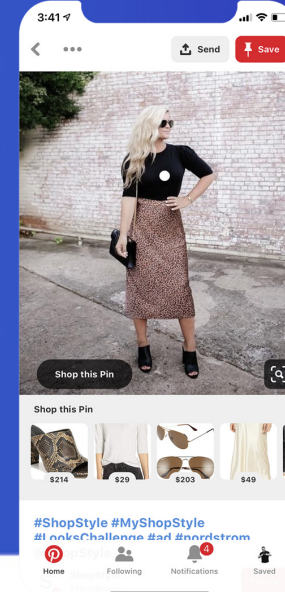
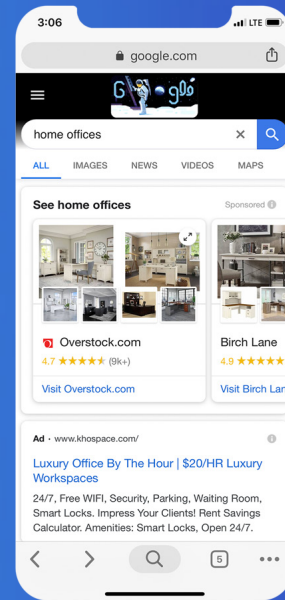
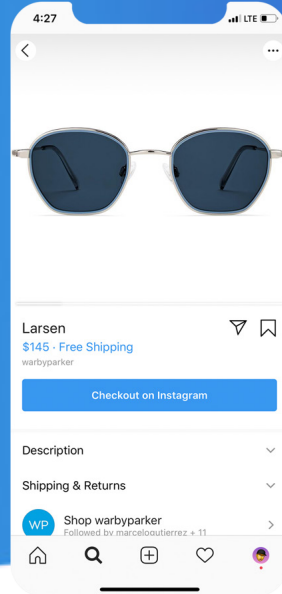
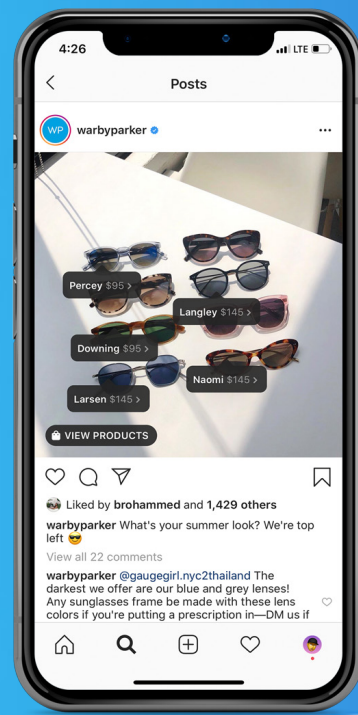
Macy's Story concept shop is a store-within-a-store that features curated products from varying brands based around a theme. The Story boutiques are about 1,500 square feet and change themes, looks, and product lineup every six to eight weeks. "Most striking to this observer is how out of place Story seems—and how it calls attention to much of what is decidedly mediocre at a much better than average (in my experience) Macy's location. Story's bold design stands in stark contrast to the rather stark and neutral visuals of adjacent departments", says Forbes contributor Steve Dennis (Source: Forbes).





# Shoppable Images

Brands are constantly looking for fresh new ways to connect with consumers. The latest endeavor is shoppable images, a way to advertise to online users in a more organic way with more tailored results through platforms like Google and Instagram. The idea is to keep users within the same platform to create convenience through a more fluid transaction process. Social commerce is an evolving category of retail and apps like WeChat have already implemented this infrastructure, creating a single ecosystem where users can chat, post updates, follow brands, and shop right from the app without ever having to leave it.



Check out our previous issues of our Future Innovation Magazine for more interesting stories - [click here](#).

Sign up for our weekly newsletter and get the latest industry news delivered right to your inbox - [click here](#).



## INSTAGRAM

Instagram has now began experimenting with social commerce too. The app is home to a huge amount of brands and influencers, all pushing products to users. Instagram wants to leverage this by making it easier for users to shop from products right from the app while making a percentage from the sales in the process.

Typically, Instagram users can be directed to purchase something they see on the app by either clicking a link in the description of a profile or swiping up on a story. Brands have also implemented shoppable images, which let users buy items shown in the post by directing them to their website right from the post. However, all these instances break up the user experience flow by leading shoppers to an external page where the interface and checkout process is unique to each brand. Users have to either login or enter their credentials in order to check out, which can dissuade some from following through with the purchase.

Now, Instagram is bridging the gap between shoppers and brands by introducing native checkout and shopping carts to create a smooth in-app purchase process. Shoppable content within Instagram lets users click directly on a "View Products" tag on the image of the post and checkout directly on Instagram instead of being taken to an e-commerce site. Once users enter their payment information, it will be saved for future purchases and will allow purchases to be

managed from within the app. Some brands that have implemented this feature include Adidas, Anastasia Beverly Hills, KKW Beauty, Warby Parker, and H&M.

According to Instagram, as of February 2019, more than 130 million users tap to reveal product tags in shopping posts every month data. That's up from 90 million in September 2018. "Removing as much friction from the shopping experience as possible to make it a truly native shopping experience for users is a key part of the plan," said Matt Navarra, a social media consultant." (Digiday)

The feature will take time until a full rollout, as Instagram need to work with payment providers in each country as well as buyer-protection features and inventory system management integration. (Source: Digiday & LA Times)

**Some 59% of shoppers think visual information is more important than written information, especially in categories such as apparel and home furnishings which rank the highest with roughly 85% of shoppers placing more trust in images than words.**

Source: Forbes

## GOOGLE

Google has also explored ways to connect with visual shoppers. One way is through Showcase Shopping Ads which, based on a user's Google search, lets brands group a selection of related products and present them together, giving a visual snapshot of related products from that brand.

Google's second initiative is their shoppable image ads. Google says that 50% of online shoppers are inspired by images of products when making purchases and turn to Google Images to help them with their visual quests. When searching Google Images for specific items, users can hover over shoppable images, marked as "Sponsored", and see the items within the images that are for sale. (Source: Google)

## PINTEREST

Pinterest is also looking to make their platform more shopper friendly. The platform is introducing features such as personalized shopping recommendations related to pins that users have been saving, brand catalogs that let shoppers explore and shop brand products, and shopping search, which display shopping results (or "Product Pins") related to the search terms. (Source: Pinterest)

## AND OTHERS

TikTok, one of the world's most popular social media apps focused on videos, has been experimenting with its own ad offerings. For instance, Hollister ran in-feed video ads encouraging users to shop while on the app using a "Show Now" button, which opened a microsite while still keeping users in the TikTok app. (Source: AdWeek)

Vudu, Walmart's video streaming service, is set to start including shoppable interactive content, allowing viewers to purchase products featured in shows. (Source: Market Watch)



Image: Yana Orudzhova





# Do You BOPIS?

Being omni-channel means being present in more than just a physical location, website or app. It is a strategic combination and balance of several of these channels to create maximum exposure and give customers multiple ways to access a brand. Doing it effectively and in a matter that is cohesive, however, can be a challenge.

Pairing physical shopping with digital aspects is a practice that has been widespread amongst customers. Many use their smartphones to search for product reviews, compare prices, or access digital coupons. If a retailer can help make this dual practice more convenient, like showing which aisle an item is located in on their app, it would result in greater customer satisfaction. It's all about recognizing how consumers are accessing and behaving with this touchpoint, and how to optimize their experience for that venue.

**“The future of retail is going to be less fixed, more fluid, and hyper-responsive to consumer trends and needs.”**

*John Hoke, Nike's Chief Design Officer*

## HOW CONSUMERS USE MOBILE PHONES IN STORES



*See more at Retail Dive*

“For Home Depot, 48 percent of online orders in 2018 used BOPIS, retrieving their items from lockers set aside for this purpose or a customer service counter. (To accommodate the pickup lockers, Home Depot redid some of its stores.) Notably, 20 percent of shoppers went on to buy even more items when they arrived to pick up their products.

In fact, 47 percent of all orders placed on Home Depot’s website are fulfilled either via BOPIS or BOSS (Buy-Online-Ship-to-Store), said Matt Jones, senior director, digital strategy and mobile apps for Home Depot. ‘The customer is going to dictate to us how they want to shop,’ he said, ‘and we as a company need to be able to respond to that and provide whatever type of option that is.’

BOPIS has also reduced shipping costs for Home Depot, though it wouldn’t disclose how much.”

*(Source: AdWeek)*



The latest trend that has started to be implemented by retailers is the option to buy online and pick up in store (BOPIS for short). According to a February 2019 report from iVend Retail, more than four in 10 global consumers find this to be the most valuable aspect of the retail shopping experience. Two major drawbacks of shopping online that deter customers from committing to a purchase are high shipping costs and slow delivery time, which is where the appeal of BOPIS comes in. When customers are able to browse products online at their own leisure and pickup their purchase same day, avoiding extra costs and waiting time, then they feel like they are in control. By giving customers alternative options that create ease, convenience, and instant gratification when making a purchase, it also creates a feeling of empowerment, a feeling that can be very appealing.

From their dedicated connected “Live Concept” store in Melrose California, to their New York City flagship, Nike has merged the digital and physical via their app and membership club offerings. Customers can reserve sneakers online to try them on in store. Their selections are placed inside individually-assigned smart lockers, which can be opened via the NikePlus

member pass. Once the customer decides to purchase the shoes, they can do so directly on the app at the stores “Speed Shop,” area. *(Source: Business Wire)*

Kohl’s offers BOPIS-dedicated parking spots near the front of the store. If shoppers want to do more shopping in-store during their visit, they can do so without having to worry about a time limit on their parking spots.

Target has also received high praise among consumers for their speedy checkout process. Their most recent omni-channel offering is their grocery curbside pickup. Customers can schedule a pickup of their grocery items and have them brought directly to their vehicle once they arrive at the store.

By 2021, it is expected that 90% of U.S. retailers will offer BOPIS services, with 66% of shoppers having already used BOPIS options between 2018 and 2019. *(Source: Ozy)*







# Industry Insights

Outform's extensive work with some of the world's leading brands has given us a deep expertise in the relationship between strategy, design, and manufacturing. Each part is unique and must be mastered. The ultimate success comes when the three parts are combined into one vision. We look forward to sharing our learnings from each of our three competencies with you each quarter.

*Image: Carl Gerard Elkins*



# Peak-End Rule

From the Outform Strategy team.

Peak-end refers to a behavior where individuals have a tendency to hold on to memories that happen at the peak and end of their experience. It is a cognitive bias that creates judgement based on emotional value during specific moments rather than a sum of the entire experience. (*Small Business Forum*)

Anyone who has been to Disneyland can relate to this phenomenon. The parks are notorious for long ride lines, poor crowd control, overpriced food & beverages and yet they bring in millions of people annually. Disney has mastered the peak-end rule; with photo opportunities at every point visitors can have a personal connection with the Disney characters, to finish off the trip the park puts on a firework show every evening. Later when recalling the memories of the trip visitors will think of the pictures they have with Disney characters and the closing show, completely disregarding the two hour long wait for a two minute ride. (*Customer Think*)

Retailers can leverage this strategy by redesigning their in-store experience to include these peak-end memorable moments. Brands can offset individuals' negative emotions during the experience by creating sensory elements that elevate the shopping journey and adding a seamless check-out process that eliminates consumer pain points.

The beauty chain Sephora uses this strategy across their physical retail locations worldwide. Sephora carries over three hundred brands in all of their stores, within these brands there is a lot of product overlap. Traditionally beauty stores allow consumers to use product samples to test out different brands, however, Sephora has introduced an AR digital touch screen that allows consumers to browse different makeup products in real-time with facial recognition technology. The touch screen provides an unexpected element and expands the consumer's knowledge of products in a new way. The beauty chain drives high traffic to their stores which means the checkout process can involve a lengthy wait. To offset customer dissatisfaction during this wait

Sephora places products at the checkout station for discovery opportunities. Customers who are members of the Sephora rewards program can receive free gifts with their purchase, thus emotionally exciting consumers to make future purchases. (*J. Walter Thompson Intelligence*)

With this customer journey in mind, brands can alter their strategy to focus on high points during and ending the experience. Doing so provides consumers with memorable moments that generate positive perceptions and drive return visits in-store.

**“We see our customers as invited guests to a party, and we are the hosts. It’s our job every day to make every important aspect of the customer experience a little bit better.”**

*Jeff Bezos, Amazon’s CEO*

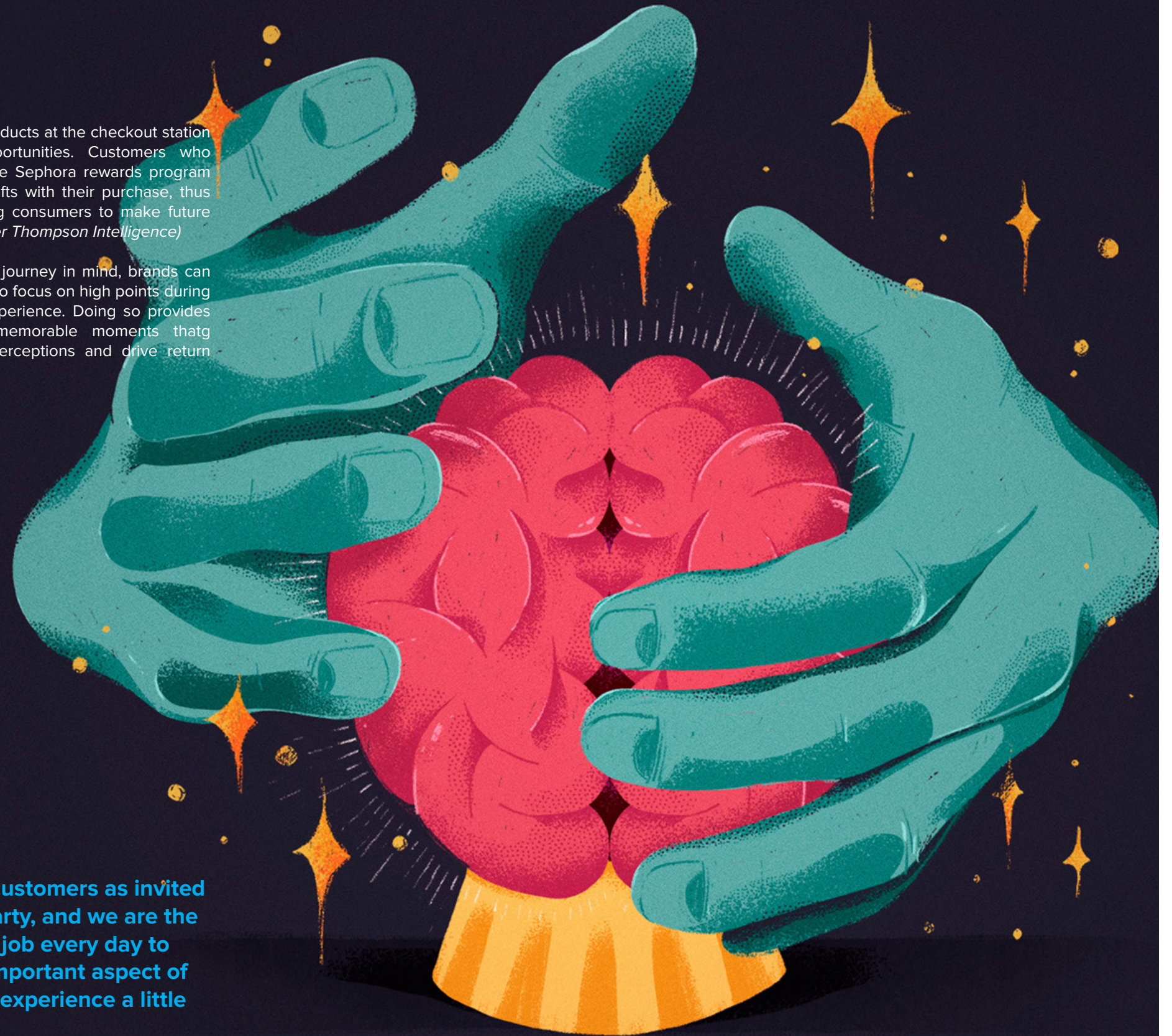


Image: Fran Pulido



# CMF Design

From the Outform Design team.

Color, material and finish design, also known as CMF design, is a practice that is becoming increasingly important in the current retail landscape. It helps brands own a certain look and feel that consumers associate with, creating value through recognizable elements.

CMF designers are like fashion stylists for products - they create the aesthetic of a product and decide how it will be visually and tactfully known to the public once it is out in the market. Think about your laptop or the chair you are sitting on - someone was responsible for deciding the what color that product would be and what materials it would be made up of. The CMF process involves a variety of steps to create the perfect look and feel for a product, including researching applicable trends, putting together a mood board, creating material innovation and making sure the final elements are ready for production.

During the design process, there are endless amount of colors, finishes, and materials that need to be thought about when deciding which ones would make the product looks its best. Durability is also something to consider - depending how the product will be used or which environmental elements it may be affected by, the materials have to withstand time. It becomes even more challenging when figuring out how the design can stand out amongst competing products in the market while still staying on brand.

CMF design can be applied across a variety of industries such as consumer goods, electronics, fashion, and automotive. CMF experts can have a background in graphic design, art, fashion, or industrial design and must have a keen eye for impeccable design and attention to detail. CMF experts have a responsibility to designs something that will not only meet the needs of the brands, but also connect with consumers through the senses of sight and touch to create an emotional connection. (Source: Color Marketing)

**A great emphasis on material combination strategies has surged in recent years for products designed to be ‘considerate’ throughout their entire life-cycle by involving a strategy called ‘design for disassembly’. This emerging key area for product and CMF design implies specifying the different product parts and materials to be easily assembled and disassembled for repair, refurbishing or recycling.**

(Source: Frame)



Image: Serafim Mendes



# 3D Printing

From the Outform Manufacturing team.

3D printing is a production process that transforms digital models into three dimensional solid objects. This process is over forty years old and has evolved from simple rapid prototyping to mainstream inkjet printers. In fact, Staples offers 3D printing services and sells 3D printers and materials. 3D printing involves stacking thousands of 2D layers from the bottom up until it forms a solid 3D shape. There are several different 3D printing processes, including Stereolithography, Selective Laser Sintering (SLS), Fused Deposition Modeling (FDM) and Multi-Jet Modeling (MJM).

Stereolithography is the oldest form of 3D printing. This process uses a high-powered laser to harden plastic (resin) to form a 3D shape.

Selective Laser Sintering is one of the more commonly used practices that uses a laser to combine small parts of glass, ceramic or plastic to create an object.

Fused Deposition Modeling uses a machine nozzle to uncoil plastic threads that create layers into the object desired.

Multi-Jet Modeling can manufacture objects with a greater level of detail and complexity. This is completed with one jet releasing layers of plastic to a flat base and a horizontal jet completing the finishing details of a product. While the processes vary all of these methods have an STL digital 3D model file in common, this file is used to facilitate the print. (Source: Auto Desk)

Advances in this technology have sparked innovation across the retail industry. Adidas has released 3D printed shoes as part of its Y3 line as well as the Alphaedge 4D shoe in 2018, an updated version of which has been released this year due to its popularity. (Source: 3D Printing Industry)

3D printing company Shapeways partnered with eCommerce platform Etsy to offer 3D modeling for designers to expand their product offering. This partnership eliminates the barriers to entry for small scale 3D production. For example, Ola Shekhtman, an Etsy seller who makes cityscape rings, uses Shapeways 3D printing services to produce her detailed jewelry. "Because Shapeways' 3D technology is able to capture and render incredibly fine details, I never have to hold back in what I design," she says. "So many jewelers are amazed by the details of my Cityscape rings.



Image: My Modern Met

Customers adore the miniature columns and statues that I'm able to build into each piece. It's tricky to carve out windows and yet 3D printing makes it easy. (Source: Craft Industry Alliance)

3D printing allows businesses to create customized products with speed and efficiency, helping eliminating harmful waste caused by overproduction by using only the materials needed for a given object. This style of production creates space for customization and flexibility, transforming traditional manufacturing and production methods and inciting future creativity and development across many industries.

**"Once 3D printing is incorporated into our daily lives, it will help automate our mundane tasks and give us more time to focus on things we actually want to do. Instead of going to the grocery store, we'll print our food, hopefully freeing up time to live our lives more fully in other areas."**

*Dávid Lakatos, Formlabs' Chief Product Officer*





# Outform Life

## SHENZHEN EDITION



## The City of Shenzhen

Shenzhen is located in Southern China in the Guangdong province just above Hong Kong. It has a population of over eleven million people and is the wealthiest city in China. Over the last three decades Shenzhen has transformed from a sleepy fishing village into a major international tech hub. It is where global brands Tencent and Huawei Technologies first got their start and where tech startups like OnePlus are helping scale Shenzhen's growth.

The city is a sprawling metropolis filled with luxury retail malls and fine dining experiences. Shenzhen is growing into a creative urban center with international galleries and public art spaces. Outform's team enjoys being at the center of urbanism and innovation in China.



## The Shenzhen Office

Outform's Shenzhen office is located in the Shekou area and faces Yuen Long, Hong Kong across the Shenzhen Bay. The Shenzhen team includes Outformers working in the areas of engineering, logistics, research and development, and support. The Shenzhen team is responsible for turning the renders and designs into real products and deploying them all over the world.





# SAM ZHU

Sam Zhu is a Graphic Designer working out of Outform's Shenzhen office. Sam's work days consist of creating aesthetically pleasing visuals for Outform projects while his free time is spent connecting with his city and nature through photography.

## How did you get into photography?

I got into photography when I was in college. When I saw the camera for the first time I was sure that photography would be one of my best partners. I was part of a photography club when I was in college, which is where I learned a lot about the process.

## What do you usually take photos of?

I often take photos of natural and urban scenery. The natural scenery gives me the opportunity to get close to nature while taking pictures. The changes in nature feels like a journey for me. Sometimes I take macro photos as well - macro photography is a very good way to express your creativity. You can build a whole world out of it and in that world, you can do anything you want.



## How often do you get to practice your photography hobby?

Usually once every two weeks, depending on the weather. During weekdays after work I usually edit photos I took earlier that week.

## Do you have any inspirations when it comes to photography?

I always look at the photos posted on 500px, there are a lot of great photographers there who share their work. I admire the guys who can travel around the world and use their camera to capture the different scenes in different places.

## See more of Sam work here:

<https://500px.me/horseman>  
<https://tuchong.com/2748833>







[outform.com](https://outform.com)

Receive the latest news in tech, innovation,  
design and retail right in your inbox every week.  
**Click here to sign up.**

*Front Image: Showclix | Back Image: Frameweb*