Developing a theoretical framework for understanding (staged) authentic retail settings in relation to the current experience economy.

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Abstract

In the current experience economy, some retailers and retail designers aim at triggering customer experiences by associating the retail store’s design with ‘authenticity’. The notion of authenticity, however, is complex and layered and has been studied in several scientific disciplines. But within retail design, only limited research on authenticity is available. This paper aims to clarify the complex concept of authenticity in relation to retail design. Retail design as part of interior architecture is an emerging discipline. By establishing its theoretical basis, authors mostly rely on the knowledge of background disciplines; as in this paper, where we look at theories developed in marketing and philosophy to investigate how (staged) authentic retail settings be can situated in relation to the current experience economy.

The paper contains three large sections. The opening section presents a review of literature on retail design and the experience economy in relation to authenticity. The second section explores authenticity as defined through the theory on simulacrum by Plato, Baudrillard en Deleuze. In the third section, these theoretical insights are translated to the actual retail environment by surveying (staged) ‘authentic’ retail stores in three shopping cities in Flanders (Belgium). Based on this survey, seven different groups of authentic stores are defined, moving from ‘real’ to ‘hyperreal’. This grouping should not be seen as a classification system but rather as a mental scheme to investigate and report on different approaches towards authenticity in retail store environments. The scheme can be applied in the field of consumer research as well as in retail (design) practice.

Keywords

Authenticity; Retail Design; Simulacra; Experience Economy

Authenticity is a layered concept, which has been studied in different scientific disciplines, such as philosophy, architecture, heritage conservation and marketing. Yet, to the authors’ knowledge, the notion of authenticity in the design of retail environments has not received similar attention. Retailers and customers increasingly label retail stores ‘authentic’, irrespective of its historical, cultural and architectural background (Pine & Gilmore, 2007).

Competing in today’s global market is becoming increasingly difficult. Since customers often perceive products and services as homogeneous, retailers and manufacturers continuously need to look for differentiation strategies (Petermans & Van Cleempoel, 2009). Differentiating oneself from the competitor by creating memorable customer experiences is therefore becoming one of the central objectives of many retail store environments (Verhoef et al., 2009). In the current experience economy, customers ask and expect more than just being satisfied with the purchased brand or product and the delivered service level. Instead, they look for personal, intuitive relationships with brands and retailers (Van Tongeren, 2003, 2004). Directing the store’s retail design towards the creation of memorable customer experiences by appealing to customers’ senses, emotions and values can contribute to the
creation of such company-client relationships. Since customer experiences in retail settings appear to immerse customers at a cognitive, emotional and intuitive level (Healy et al., 2007), they can be considered as a new source for value creation. A retail experience which succeeds in delivering value to the customer can become the key to long-term retailer success. One approach which seems successful in Western economies today, is focusing the retail store’s design on ‘(staged) authenticity’. Besides ‘truly’ authentic retail stores, retailers increasingly focus their retail store’s design on staging authenticity in the stores’ interior, exterior and/or the products sold in the store.

The research question is the following: How can (staged) authentic retail settings be situated in relation to the current experience economy? As retail design in interior architecture is an emerging discipline, theories are build by utilizing theoretical approaches of background theories. The purpose of this article is to (a) explore issues related to the design of a (staged) authentic retail environment through a literature review, (b) present cases of Flemish retail stores that were designed to be perceived as (staged) authentic retail settings and (c) describe and discuss the implications of these approaches for retail designers. The opening section of the paper discusses literature on retail design and customer experiences by focusing on the importance of designing appealing retail environments in the current experience economy in relation to authenticity. The second section approaches the concept of authenticity through the theory of simulacra by Plato, Baudrillard and Deleuze. The third section translates this theoretical framework into retail design practice by analyzing an inventory of (staged) ‘authentic’ retail stores in the three most important shopping cities in Flanders: Antwerp, Ghent and Hasselt (Llo, 2009).

**Designing retail environments in today's experience economy**

In the contemporary market, consumer choice is often emotionally guided and based on values (Holbrook & Hirschman, 1982; Babin et al., 1994; Mathwick et al., 2001). Hence, retailers need to be aware of the importance of designing retail environments, creating personal and memorable customer experiences. But what is retail design and how is it linked to the concept of an experience economy.

**Retail design**

Retail design refers to various aspects that deal with the interior and exterior of commercial spaces. There is particular attention as to how a store will work commercially through a functional and aesthetical environment. It entails, for example, an understanding of customer behaviour in relation to tangible (material) and intangible (atmospheric) design elements. Equally, the store’s interior has to meet regulations concerning the use of a public space (Kindleysides, 2007; Petermans & Van Cleempoel, 2009, 2010).

When customers visit a retail store, they immediately make an association between the products sold in the store, their price, the store’s ‘tone of voice’ and ambience and the retailer’s presence and identity. As a result, retail design and retail branding can not be disconnected from each another (any more). The role of retail design is to translate and develop retail branding into the practice of a retail store environment, in accordance with specific societal and temporal conditions (Van Tongeren, 2003, 2004).

**Authenticity in the experience economy**

The concept ‘customer experience’ was formulated in 1982 by Holbrook and Hirschman as a new experiential approach to consumer behavior. However, it lasted until 1999 before the ‘experience’ concept came to the fore in the management and marketing discipline with the publication of Pine & Gilmore’s book on the Experience Economy. They present experiences
as a new economic paradigm, which emerges as the next step after an economy of commodities, goods and services. They were the first authors to describe the contemporary market culture as an 'experience economy'.

How can retail stores appealingly be ‘designed for experience’ in the current experience economy? And how do individual customers perceive these retail environments? Until now, most of the existing literature on retail stores has focused on the isolated testing of individual in-store atmospheric stimuli, such as lighting (Areni & Kim, 1993). However, experiential elements do not work in isolation; rather, they function as a holistic mechanism, driving the customer's experience (Healy et al., 2007). Customer experiences originate from the interplay between a personal, social and physical context (in casu: the retail store) a consumer finds him- or herself in (Falk & Dierking, 1992).

![Interactive experience model](image)

The concept of ‘personal context’ refers to the personal, emotional, cognitive and socio-demographic characteristics, attitudes, norms, values, ... of the individual customer. The concept ‘social context’ does not only concern the people, accompanying the customer on a store visit, but also the presence and behavior of the in-store personnel. Finally, the ‘physical context’ encompasses different elements: (1) architecture and design (2) the lay-out of the environment (in and outside the store) (3) the feeling the environment invokes with its users (4) the objects and activities, present within the physical environment.

The combination of these three contexts continuously influence the individual customer. The interaction between these contexts ultimately results in customer experiences. Hence, customer experiences are always personal and subjective: each individual comprehends, organizes and interprets in-store information in a unique way, reacting with a different interpretation to in-store stimuli because of his or her particular cultural, social and personal backgrounds (Klingmann, 2008).

Consumers’ holistic attitudes about a given store can influence their overall preference for that store (Thang & Tan, 2003). When consumers perceive a store environment or element of that environment positively, they are more likely to remain in a store for a longer period of time, to touch or examine merchandise and to indicate an intention to purchase (Hyllegard et al., 2006). Orchestrated experiences can encourage loyalty, not only through a functional
design, but also by creating emotional connection through an engaging, compelling and consistent context (Pullman & Gross, 2004).

In today’s retail practice, different kinds of experiential retail settings seem to exist. Kozinets et al. (2002) differentiate between flagship brand stores (eg. Nike Town), themed entertainment brand store (eg. The Hard Rock Café) and themed flagship brand stores (eg. The World of Coca Cola Museum, Atlanta). The spectacular and entertaining aspect, used by these kinds of stores to differentiate from competitors, has inspired an increasing number of retail stores.

In today’s experience economy, customers in Western Europe want retailers to take into account their true and authentic feelings, desires, and personalities. Customers no longer want to be considered as mere ‘consumers’. They want to achieve goals in life, realize ideals and contribute to aspects they value important (Pine & Gilmore, 2007; Petermans & Van Cleempoel, 2009). Retailers and retail designers need to take this evolution into account when designing appealing experiential retail environments.

Currently, the concept of ‘authenticity’ is being used as a way to answer these customers’ concerns. Retailers try to appeal to customers by for instance choosing historic locations for their retail store, by integrating authentic elements in their retail store’s design, or even by designing completely new ‘authentic’ retail stores.

**The simulacrum: Plato, Deleuze and Baudrillard**

The paradigm of the simulacrum has been discussed in relation to postmodern consumer culture to explain that the boundaries between real and imaginary are becoming blurred and how this effects the marketplace (Firat & Venkatesh, 1995; Hollenbeck et al., 2008). So far however, this theory has not been applied to the actual retail environment. In this paper, the theory on simulacrum creates a better understanding of contemporary retail settings in relation to authenticity and staged authenticity.

**Plato and the simulacrum**

The concept of authenticity originated in Plato’s theory of Ideas which distinguish the true (metaphysical) object and its image, the original and the copy, the model and the simulacrum, the authentic and the inauthentic (Deleuze, 1983, pp. 45-46). The distinction moves between two sorts of images: on the one hand iconic copies, on the other hand phantasmatic simulacra. Icons are good, well-founded images of the Idea, endowed with resemblance. An iconic copy is ‘modeled’ in the Idea. Simulacra are insinuations, subversions and are made without passing through the Idea. However, a simulacrum is not a copy of a copy or an endlessly degraded icon. Where the icon is an image endowed with resemblance, the simulacrum is an image without any resemblance (p. 48).

The whole Platonic motive is a matter of distinguishing the good from the false copies. For the observer, to judge on an image, one should have true knowledge of the Idea. But ‘the simulacrum implies great dimensions, depths, and distances which the observer cannot dominate. It is because he cannot master them that he has an impression of resemblance. The simulacrum includes within itself the differential point of view, and the spectator is made part of the simulacrum, which is transformed and deformed according to his point of view’ (Deleuze, 1983, p. 49).

**Baudrillard: reality and hyperreality**

In contrast with Plato, Baudrillard does not believe in objective reality or truth but only in the individual interpretation of it (Lepers, 2009, p. 122). He approaches the concept of simulacra
within his criticism on the consumer society. According to Baudrillard, we live in the era of simulation, inaugurated by a liquidation of all referentials: the model of the real has no origin or real anymore. It is no longer a question of imitation, nor duplication, nor even parody. He described this 'decay of the real' in four steps:

'Whereas representation attempts to absorb simulation by interpreting it as a false representation, simulation envelops the whole edifice of representation as itself a simulacrum. Such would be the successive phases of the image:

- It is the reflection of a profound reality
- It masks and perverts a profound reality
- It masks the absence of a profound reality
- It bears no relation to any reality whatever: it is its own pure simulacrum' (Baudrillard, 1994, pp. 16-17)

This final phase is supposed by Baudrillard to supersede all others. Where in the first phase there is still a real to refer to, in the final phase simulation no longer copies anything and reality is replaced by nostalgia which is the plethora of truth, of secondary objectivity, and authenticity (Hegarty, 2004, pp. 50-52).

Baudrillard argues that in the era of nostalgia, reality is replaced by hyperreality. He gives Disneyland, among many other examples, as a perfect model of the hyperreal. In the first place, Disneyland is an imaginary world which ensures the success of the operation but it also is a social microcosm, a miniaturized pleasure of real America. Disneyland is presented as imaginary in order to make us believe that the rest is real; whereas all of Los Angeles and the America that surrounds it are no longer real, but belong to the hyperreal order and to the order of simulation (Baudrillard, 1994, pp. 12-14).

Deleuze and the upgrading of the simulacrum

In his article "Plato and the simulacrum", Deleuze takes the theory on simulacra even further (1983). He starts from a similar definition of simulacrum as Baudrillard but he undermines the very distinction between copy and model (Massumi, 1987). Deleuze says the simulacrum is not a degraded copy, rather it contains a positive power which negates both original and copy, both model and reproduction; the simulation is a process that produces the real. Deleuze describes the era of simulation as the 'overthrow of Platonism' which means to raise up simulacra, to assert their rights over icons or copies (Deleuze, 1983, p. 53).

Understanding the retail environment

The distinction between real and hyperreal can be recognized in contemporary retail settings. Today, we can still find some "real" authentic stores which have a continuous, and even renewed, attraction on consumers. In such stores there is emphasis on original characteristics, tangible as well as intangible, of the retail environment and their design has remained unaffected in the course of time (Grimmeau & Wayens, 2003). The designers and retailers of such stores often deal with aspects of conservation taking the international documents on heritage conservation as a reference (ICOMOS, 1964, 1994, 1996). An interesting example is 'Galeries Saint-Hubert' in Brussels, a 19th century shopping arcade (Galeries Saint-Hubert, 2010). The program of the passage was threefold: a well-thought combination between a public space meant to solve traffic problems, a commercial, sales oriented space and an official national monument expressing a new politic reality after the independency of Belgium in 1830 (Geist, 1979). From its foundation, the Galeries Saint-Hubert was continually in use and in 1997, the buildings were completely restored (Dienst Monumenten en Landschappen van het Brussels Hoofdstedelijk Gewest, 1998). The
restoration project preserved both the versatility of the initial project as well as the physical architectural qualities of the building (Plevoets & Van Cleempoel, 2009a).

On the other side of the spectrum, there exist “hyperreal” retail settings. An example is ‘Bataviastad’, an outlet shopping village in the Netherlands (Bataviastad, 2010), created as a themed park around the shipyard of the 17th century vessel ‘Batavia’. The design of Bataviastad is conceived as a reconstructed fortified town; aesthetically the village is a pastiche of historicised architectural elements inspired partly on Marken Island and partly on colonial architecture from the Caribbean where the original ship Batavia used to sail to (Groenendijk & Vollaard, 2006, p. 93).

But as suggested by Baudrillard (1993, p. 38; 1994, p. 6) and Deleuze (1983, p. 53), in contemporary society the borders between true (i.e. ‘real authentic’) and false (i.e. ‘staged authentic’) are becoming blurred. As one of the goals of this paper is to present cases of retail stores that were designed to be perceived as (staged) authentic, the authors want to test the value of Baudrillard and Deleuze’s idea in contemporary retail practice.

To gather relevant data, (staged) authentic retail settings in the three most important shopping cities in Flanders - Antwerp, Ghent and Hasselt (Llo, 2009) – have been surveyed. Two students from the master (interior)architecture helped to collect data. After the completion of the survey, all studied retail settings needed to be classified according to the developed theoretical framework. Our attempts in doing so soon made clear that most studied stores could not be classified as ‘truly’ or ‘falsely’ authentic; they mostly represented an intermediate type of authenticity.

As a consequence, the authors distinguished different groups of authentic stores. Three parameters were used to inform the different groups: the (staged) authenticity of the store interior, the (staged) authenticity of the store exterior and the (staged) authenticity of the products sold in the store. As a result seven different groups of authentic stores, moving from ‘real’ to ‘hyperreal’ were distinguished. These groups can be put into an axe on which retail spaces can be organized. Figure 4 presents a classification of retail settings based on the shifting between ‘real’ and ‘hyperreal’:
• **Historically authentic**

Despite retail being a rapidly evolving business subjected to constant change (Christiaans & Van Amerongen, 2004), some stores survived the course of time and remained unchanged since their foundation (Grimmeau & Wayens, 2003). These ‘historic’ retail settings can be considered heritage and as such their authenticity can be evaluated by applying heritage-related definitions such as these implied by international documents on heritage conservation (ICOMOS, 1964, 1994, 1996). In many cases, the preserved historic elements are limited to the store front (English Heritage, 1999, 2002) but some examples exist where both the exterior and interior elements are kept and where the store is still selling the original product.

An example is ‘Tierenteyn-Verlent’, founded in 1790 and located in the historic centre of Ghent. From its foundation, the store specialised in producing and selling home-made mustard. Over continuous generations, its owners have maintained the original shop front and store interior (Tierenteyn-Verlent, 2009). Today the store exterior and interior are protected as a monument by the Flemish government.

• **Historically authentic setting**

Increasingly retailers look for existing buildings that are historically or architecturally significant. Reusing significant buildings have advantages as to differentiating oneself against competitive retailers as well as to sustainable design. Moreover, historic buildings are often located on A-locations inside the city centre which make them very attractive for the retail sector (Plevoets & Van Cleempoel, 2009b, 2009c). Although the hosted building can often be considered authentic from heritage perspective, it does not obviously imply that the store is considered ‘authentic’ from the point of view of retail design.

Bookstore Selexyz Dominicanen in Maastricht (NL) is an example of a store located in a historic building; the host space of the store is the 13\textsuperscript{th} century church of the former Dominican convent. The casco of the church was completely restored and contrasts strongly with the contemporary design of the bookshop’s interior. In the centre of the church, a large bookshelf of two floors high is build up as a steal construction. On the one hand this volume stresses the dimensions of the church and on the other hand, from the upper floors of the bookshelf, visitors can observe the architectural details from the church. As a result, host space and contemporary interior enhance one another (Merkx+Girod Architecten, 2010).

• **Historically authentic interior**

Just as retailers use historic exteriors to render an authentic store image, also authentic interiors can be introduced for creating an atmosphere of nostalgia. Many examples are at hand where historic furniture aims to ad a sense of timelessness to the store.

Daniel Ost calls himself a floral artist and sculpture (Ost, 2010). His store in Brussels is located in the former Chemiserie Niguet, designed by the art nouveau architect Paul Hankar in the late 19\textsuperscript{th} century. Not only the shop front but also the interior elements of the store were restored in all their details (Heymans, 2006).

• **Authentic product**

Some retailers or brands distinguish oneself by offering traditional, often handicraft made products that are appreciated by customers still today for reasons of quality, originality or even rareness. To survive increasing market competition, these retailers often present themselves through an innovative retail design that represents the taste of their target public (Berckmans & Gaiardo, 2003).
The Belgian chocolatier Neuhaus has more than 150 years of experience in producing high quality chocolates. Although the process of production has evolved since its foundation in 1857, the quality of the used ingredients, the recipes and the production techniques are still given major attention today. The oldest store of Neuhaus is located in the Galeries Saint-Hubert in Brussels and its interior dates back to the early 20th century. But other Neuhaus stores have been founded all over the world and their design is adapted to contemporary fashion, taste and techniques (Neuhaus, 2010).

- **Staged authentic**
  Beyond using buildings and interiors that are authentic from heritage-perspective, retailers also ‘stage’ authenticity in their new design. The new design can be staged in different aspects: firstly it can stage a historic architectural style, secondly it can stage a regional architectural style from a specific area or country or thirdly it can stage a specific atmosphere.
  The bakery chain ‘Le Pain Quotidien’ stages authenticity in the products they sell, but also in the design of their retail spaces. Their bread and pastry look traditionally produced and are served hand cut. The interior of the store and the adjoining tearoom have a domestic atmosphere; the furniture is made of reclaimed massive wood and customer’s can have breakfast together at the long table, centrally in the tearoom (Le Pain Quotidien, 2010).

- **Pastiche**
  A pastiche is a combination of various historic and historicized elements. Axel Vervoordt for instance is a collector of art and antique objects from a large variety of periods and regions. When furnishing or decorating a space, he aims to give the space its own identity by bringing together objects from different cultures; hence, a certain tension is created between the different objects and between the objects and the room. Most of his projects concern private houses and apartments. His personal residence is a castle in s’ Gravenwezel, near Antwerp, and is opened for the public twice a year. At these occasions, people are free to buy certain objects (Vervoordt, 2010).

- **Hyperreal**
  A hyperreal retail setting does not refer to any profound reality but aims to create a world of phantasm. An example, Bataviastad (NL), has been given above.

But as suggested in figure 4, the different types of authentic stores should not be seen as a classification system with strict borders between the different groups. The scheme can be used as a mental scheme to investigate and report on different approaches towards authenticity in retail store environments. It can be used as a transparent interdisciplinary communication tool. It is, however, not meant as a quantitative methodology that would allow ‘measuring’ the level of authenticity in retail spaces.
Conclusion

This paper aims to present a first attempt in developing a theoretical framework on the complex concept of authenticity in relation to retail design. Although in certain disciplines a definition of authenticity could be formulated (e.g. heritage conservation: ICOMOS, 1994), the authors did not, as yet, aim to develop a normative definition of authenticity for the retail design discipline. More than defining the meaning of authenticity in retail design in this paper, the authors firstly studied the concept through the theory of simulacra as developed and described by Plato, Baudrillard and Deleuze, and secondly, described and clarified the concept by studying retail design practice in Flanders.

Based on the intermediate positions between ‘real’ and ‘hyperreal’ (Deleuze, 1983; Baudrillard, 1994), the authors have presented a classification scheme which can be used to study ‘authentic’ retail settings. However, the authors do not take a dogmatic position in favor of one of these two approaches to authenticity, all the more since recent consumer research illustrated that people’s perceptions on authenticity vary (Beverland & Farrelly, 2010). Beverland and Farrelly’s research (2010) demonstrated that the process of authenticating an experience is contingent on consumers’ goals. After in-depth interviews with 21 informants about their understanding of authenticity, some labelled ubiquitous, mass-market objects as “authentic”.

But Beverland and Farrelly’s results contradict with results from earlier consumer research that illustrated that commercialisation can have a negative effect on the way consumers experience authenticity (Grayson & Martinec, 2004; Maclaran & Brown, 2005). One of the possible explanations of these contradicting results may be caused by the lack of a clear definition or delineation of the concept of authenticity in retail design. As such, a first application of the classification scheme could exist in the field of consumer research; In future consumer research on authenticity in retail setting, the proposed scheme may be used to indicate more specifically the meaning of authenticity in the researched setting. As such the internal validity of results could be enlarged (Yin, 2009).
Further research could investigate if the type of customer differs between the different groups of (staged) authentic stores. If this should be the case, a second field of application of the scheme may be in the retail (design) practise; by knowing who their target customers are, retailers and designers could adapt their retail store’s design to their customers’ current needs and wants.

Given that the survey of the actual retail environment in this contribution only covers three important shopping cities in Flanders, the valorization of results is limited to the Flemish retail context. As consumer preferences are strongly culture specific (Millan & Howard, 2007), results could be different when studying actual retail settings in other cultural environments. Hence, further research could focus on developing a comparative study between the actual retail settings in different cultures or geographical regions, to provide a better understanding of the implications of cultural differences in consumer preferences for retail design. Another possible direction for future research could be the elaboration of the scheme, here presented.

References


Author Biography

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studied Interior Architecture at the PHL University College in Hasselt (BE). Already during this study she showed interest in heritage conservation, making her master thesis on ‘Re-use of convents: a social and architectural challenge’. After finishing her study in Interior Architecture at she followed a postgraduate master in Conservation of Monuments and Sites at the Raymond Lemaire International Centre for Conservation (Catholic University Leuven). Currently Bie Plevoets is working on a Ph.D research at the PHL University College and Hasselt University dealing with the tension between heritage and retail in historic city centres in Europe.

Ann Petermans
has a Master’s Degree in Communication Sciences. Since research has always fascinated her, she started her career in a Market Research Company. After having worked there for 3 years, in 2004 she turned to scientific research at PHL University College. Recently, she started working on her Ph.D. research at the PHL University College and Hasselt University. Her research focuses on the relationship between Experience Economy and Retail Design whereby she focuses on conceptualizing and getting an insight into customer experiences in holistic retail settings.

Koenraad Van Cleempoel
studied art history in Louvain, Madrid and London, where he obtained his Ph.D. degree at the Warburg Institute. Since 2005 he is engaged in establishing and directing a research unit in interior architecture at PHL-University College. He is the supervisor of four Ph.D. students on subjects of retail design and domesticity. Previously he has published on the relationship between art and science during the renaissance period, especially in the field of scientific instruments. But currently he shifted his attention to the modernist period. He currently looks at polychromic interiors of Le Corbusier and De Stijl and tries to understand its influence on Belgian modernists. Another area of research is the presence of the occult in the discourse of several modernist artists, Mondrian in particular.

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