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Design For Future Retailing: An Investigation into the Changing Status of City-based Retailers in the UK

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This paper forms part of an on-going research project to critically examine how design enable city-based retailers to find new business opportunities through understanding transforming consumer behaviour patterns and its mutual relationship with city lifestyle transformations. In relation to the threat of declining physical retail store closures and the importance of those retailers towards city orientated social interactions, design and design thinking has been identified as the strategic tool to bridge current circumstances with possible future scenarios, which could achieve business innovation and long-term sustainable success. The primary method of data collection was achieved through public online review data and primary observational analysis with selected six retail outlets in this study to identify and examine how design is currently being utilised by retailers in their pursuit of innovation and new business models. This study categorised four aspects that demonstrated the values of design for retailers which are design for product innovation; design for in-store atmosphere creation and services; design for enhance multidimensional interactions; and design for add social and emotional value. Further work will be through collecting more detailed and qualitative research data to explore ways that design thinking can be used to identify latent customer needs.

Keywords: city-based retailing; design thinking; experience design; design for innovation.

1. Introduction

Under the backdrop of the thriving development of e-commerce over the past decade, brick-and-mortar shops (those that operate within a physical building) (Encyclopædia Britannica, 2017) have been through a series of phenomena. For instance, the increasing number of store vacancies on the high streets and booming of outer town shopping centres making investment in physical retailing in the city centre high street a financially difficult strategy. Those who are still operating a retail store are challenged by the uncertainty of future survival. The perceived notion by consumers are that

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conventional retail outlets are old-fashioned in the new age of internet retailing. Now it may be argued, that city-based retailers have reached a critical transition time in the way they conceive and plan their commercial activities (Wrigley et al., 2015).

City planners argue that the government should rethink the high street landscape as an economic system (Fletcher et al., 2016); sociologists argue that the future roles of city retailers are way beyond just consumption but as social glue improving social interactions (Crawford, 2005; Yu, Tullio-Pow, & Akhtar, 2015). In addition, marketers propose, that to achieve high satisfaction of consumers experiences retailers should take primary consideration of in-store atmosphere design (Pantano, 2014; Turley & Chebat, 2002; Wakefield & Blodgett, 1999). When viewed in entirety, all these critical points highlight the need for retailers to be proactive in their overall offerings and that strategies should take greater consideration in the creation of meaningful customer experiences and finding the new business models.

However, on closer examination, none of them provides operational tools and strategic directions to achieve these aims. What strategies retailers can adopt to meet the satisfaction of consumers and have positive impact on the social development remain under-researched. This paper argues that design and design thinking are invaluable approaches in bridging the gap between theoretical reality and endless future possibilities. With the capabilities of design for innovation and to strategic business planning activities, this paper draws upon the use of public online review data and primary observational analysis on a purposive selected group of high street retailers in the UK. Therefore, demonstrate how design thinking could be used in the context of commercial space innovation within a physical social environment.

2. Theoretical Overview

2.1. The Current situation of city high street retailing

The growth rate of store sales revenue was only about 1% in 2016, (PwC, 2017) and the continuing rise of empty property units in city centre high street retailers since 2008 economic crises and continued austerity (Hughes & Jackson, 2015; Wrigley et al., 2015) concern not only policymakers but also businesses.

The downwards momentum is primarily caused by multiple factors. Firstly, the convenient and data supported online shopping platforms are one of the major threats to traditional high streets (Zhang, Zhu, & Ye, 2016). With the high-speed development of mobile devices and the improvements of door-to-door delivery service, the trend of emergent online retailers seems unstoppable (Digital High Street Advisory Board, 2015; Singleton, Dolega, Riddlesden, & Longley, 2016). Secondly, out-of-town centre shopping projects are another main threat for city-centre based shops. Low commodity prices and easy parking make shopping in these environments more desirable to consumers (Hughes & Jackson, 2015; Wrigley & Lambiri, 2014). However, on the other hand, even though the e-retailer is on the rise, physical stores still take up 79% of the main channels for generating sales (PwC, 2017). David Bell (2014), in his book *Location is (still) Everything*, articulated in many ways that learning from physical shopping is even important for who doing e-commercials. Alongside these factors, the overall social (demographic change) and economic (technology innovation and city-branding) changing trends are forcing established city-centre based retailers to find new ways of business practice in light of these emergent conditions (Bevan, 2014; Coca-Stefaniak & Bagaeen, 2013).

From the perspective of city development, city high street shops are essential. Like Crawford mentioned in his paper *A Brief History of Urban Form* "...Cities have been consistently arranged around a centre hosting commercial and social activities..." (2005). High streets as 'system' are directly associated with the life and death of the larger system so called the city (Dennis, Marsland, & Cockett, 2002; Hallsworth, 1995; Williams, 1996). Furthermore, the competition between cities for creating their 'brand' (Coca-Stefaniak & Bagaeen, 2013), city high streets development links with secure investment and to attract and retain businesses which determines the economic success of a

city (Hodgkinson, 2011). From city planner's view, Cultural, entertainment, health, social and more possibilities (Department of Communities and Local Government, 2013; Zhang et al., 2016) should all be considered in this transition of city high street in order to shape future smart cities (Crawford, 2005; Fletcher et al., 2016). Regarding specific debate about the functions and roles that retail outlets play in the city and community activities, Mary Portas in her review (Portas, 2011) offered a comprehensive summary. She suggested that *"high streets are not just in commercial terms, but as dynamic, exciting and social places that give a sense of belonging and trust to a community, providing an important catalyst for both the investigation of, and policy debate on, topics."*

From the perspective of consumer needs, American psychologist Abraham Harold Maslow (1943) purposed the famous Maslow's Hierarchy which illustrated five levels of human needs from physiological to self-actualization. E-commerce takes over physical retailer's function of selling and buying on fulfilling the needs in physio pleasure (Jordan, 2000) and to some extent socio pleasure. However, to achieve the higher level in socio, psycho, and ideological pleasures, will need multiple channels working together simulating consumers' full senses which including see, hear, touch, smell, test and feel (Maslow, 1943; Norman, 2005). In the field of consumer behaviour, Philip Kotler (1973) presented forty years ago that physical shopping space have significant influence in the purchase decision making, even than the selling product (or service); stores have to consider the "total product" which includes tangible products and intangible features associated with it (Sherman, Mathur, & Smith, 1997). And environmental psychology suggests that consumers react more emotional than cognitive in a physical shopping environment (Gurel-Atay, Giese, & Godek, 2010; Wakefield & Blodgett, 1999) and creating a positive in-store atmosphere which hugely contribute both to pleasure and purchase decision making processes. From the perspective of business strategy, in order to achieve the paramount of consumer experience, they have integrated tools and *"communication techniques"* (Morschett, Swoboda, & Schramm-Klein, 2006) to deliver the brand message to the customer, and by doing that, brand can improve the customer satisfaction and loyalty and promote economic gain (Yu et al., 2015).

It is demonstrable that the significance of city-based retailers and the expectations towards Omni-functional future stores are fully explained. However, none of them gave city-based retailers specific tools or path leading them to find new opportunities. This paper will introduce and argue that design and design thinking are the key tool enables city retailers to better understand consumers, to connect consumers, and to be able to identify new business opportunities. Having now explored the macro retail landscape, the following sections introduce design as a strategic business asset which then is followed with six purposive selected mini-case examples to support current literature on design as a driver for change.

2.2. Design for business

2.2.1. The design and business dimension

Often the term 'design' is commonly, and sadly, used to articulate how either a product or object looks, mainly at a very superficial level of understanding. With this rather limited definition of usage, it is seen as a frivolous activity offering no real worth to the organisation. However, enlightened organisations regardless of size, really understand its 'value' not just at a tactical level of engagement, but as a vital ingredient and source of both inspiration and opportunity. When carefully managed and orchestrated, design has the innate ability to offer a distinct range of value-propositions that are desirable in the eyes of the consumer and end-users alike. With the advent of globalisation in full force, competition between companies is becoming increasingly fierce, and as such, design is now becoming the commercial 'imperative' in the continual struggle towards long-term survival and continued sustainable success. Alongside increased competition in the commercial marketplace, emergent technologies are both shaping and destroying established business models on a daily basis. Design is what connects technology to consumers' needs; it is the powerful link from the organisation (supply) to the marketplace (demand) offering powerful transformational

'experiences' based on exceeding customers and desires (Dorst, 2010). The nature of design practice merely offering creative propositions that meets customers' needs is now not enough to remain competitive, the organisation has to use design far beyond this base level of application; offering more of the same is a redundant short-term strategy that will eventually lead to market failure and inevitable commercial decline.

2.2.2. Design leadership

It is widely agreed that the role, remit and responsibility of design and its overall management have considerably changed from an early stage to maturity and wider acceptance; as such, it is now considered a vital source of competitive advantage. Design is increasingly gaining more attention within the organisation and that it is becoming more strategic in its role as a mechanism to envision new futures for the company.

Business leaders and key decision makers drawn from traditional non-design backgrounds are exploring the numerous opportunities and challenges of this unlikely relationship with design. Brown (2008) argues that design thinking is "*...a discipline that uses the designer's sensibility and methods to match people's needs with what is technically feasible and what business strategy can convert into customer value and market opportunities*". Furthermore, Liedtka (2010) actively encourages organisations to engage more proactively with design arguing "*...business strategy desperately needs design...*" With this flourishing symbiotic and mutually rewarding relationship in ascendancy, designers are now extolling the benefits of design to new and traditionally highly sceptical audiences, thus developing a 'design consciousness' within the organisation and establishing design as a core competence. In conjunction with this growing recognition from and by business leaders, design and designers are increasingly well-placed to initiate, develop and support NPD (New Product Development) opportunities and wider innovation activities. A core competence has to provide a significant contribution to customer-perceived value, and indeed design has played a leading and direct role in the 'lifestyle' offerings from organisations.

2.2.3. Design as strategy

If design is to add value to the business; it must be a fundamental element of the business, able to take part in that crucial interplay in the pursuit of long term success. This is often made difficult, however, by the differing mind-sets of designers and business owner-managers. Entrepreneurs may have clear ideas of what would sell and make a profit but does not view design as a central component of this activity. Designers have clear ideas of "*good design*" for products, or marketing purposes but often lack wider commercial awareness. Both believe they know what to do to make the business successful; that is, both have complementary ideas of "effectiveness" that are tacit and often competing versions of the business process. However, if significant progress is to be made in the integration of these two perspectives of both parties to understand what design in a business context is, and how it links to overall business effectiveness – in essence, it is all connected to strategic 'alignment'; by this I mean alignment from top to bottom of the organisation, and from the inside (internal environment) to outside (external environment) connecting the company to the end-user (Cooper & Press, 1995).

The role of design and in particular, designer can play a significant role in corporate strategy development; this often occurs within three levels of active engagement – top, middle and bottom. Starting from the top, this is the highest and most powerful form of decision making or 'influencing', impacting upon every aspect of design 'touch-points' within the organisation. Design recognition and advocacy at Boardroom level is fundamentally connected to driving the overall vision of the organisation in terms of long-term direction, company goals, management structure, finance and human resources. In essence, design is not only considered but recognised and celebrated as a strategic resource of organisational innovation. However, strategic design thinking at this level within the organisation is heavily concerned with both renewing and re-imagining what it offers –

either through their products, services, experiences or all of them combined in a carefully orchestrated manner.

One fundamental element of strategy development is placing primary emphasis on the appraisals of the external and internal business contexts. The former uncovers threats and opportunities in the external environment (which are beyond the control of the organisation), the latter reveals strengths and weaknesses of the organization, which can be internally controlled and managed when undertaking the external review of the wider marketplace (i.e. researching current marketplace activities and to identify any emergent patterns or trends that could trigger new business opportunities). Alongside this, the internal audit would focus upon examining the strengths and weaknesses of the organisation, carefully balancing the strategic options, which both exploit internal opportunities with external circumstances (opportunities and threats).

2.2.4. Design 'thinking' for competitive advantage

Design has and is continuing to play an increasingly important role in delivering business propositions; often in a variety of subtle ways. Firstly, the proposition contains elements that are highly tangible to the consumers which are manifest in both physical and intangible forms. These may include built physical environments, digital applications, graphics and a wide array of supporting promotional material, physical devices and complementary packaging elements. The intangible proposition is equally powerful, but requires far more consideration in both development and delivery due to its subtle nature; these could be achieved through the offering of memorable services, clearly defined policies and processes that are so heavily informed by and through design. Taken in entirety, the holistic application of design addresses all attributes of a product or service offering it physically or virtually or both; what is important though, this activity has to be intelligently and carefully orchestrated at both strategic and operational levels of implementation. In essence, it could be argued that design and design management is the manifestation of strategic intent making the intangible values of the organisation visible to a wide variety of both internal and external audiences.

3. Primary Research Questions

RQ 1: How can design be utilised to enable high street retailers to identify new business opportunities through the identification of latent consumer needs?

RQ 2: In what ways can design thinking be used to identify latent consumer needs?

4. Research Methodology

As a social science research, the paper aims to gain an in-depth understanding of the performance of current seek-for-change retail outlets and how the consumer will respond to the in-store experience and how design enabled this. Therefore, a qualitative methodology, observation, has been adopted. Regarding the sampling technic, the study used purposive sampling where cases are pointedly selected for how each is able to illustrate different values that design can offer to retailers. The representativeness of selected cases supported by mainstream public online consumer review data which including consumer reviews on Google map, TripAdvisor and Facebook; and news reports of selected cases on numbers of online news agency such as Timeout, Creative Review and The Guardian. Through visiting selected retail outlets, the researcher recorded the experience(s) that retailers created to influence consumers and how the strategic design approaches were implemented to improve consumer experience(s). The unique features of the selected retailers including - geographical location, the selling products (or service), in-store atmosphere and their USP (Unique Selling Point). Combine researchers' primary investigation and online review data, five different types of retailers based in London and one bookshop in Manchester were chosen for this study (see Table 1).

Table 1 The six retailers selected for investigation

	Strategic Approach	Retailer name	Store type	USP through Design
1	Concept presenting	Dyson	Product Showroom	“museum style” presenting Dyson’s design and technical strength
2	Scenery creation	Nike	Sportswear retailer	Planting the seed of your professional sports dream
3	Interior design	Libraria Bookshop	Bookshop	Reflecting the philosophy of knowledge and reading
4	Business model	Kioskafe	Kiosk and café	The kiosk in the café shop for worldwide travellers
5	Product selection	We Build This City	Souvenir store	The shop represents London’s image with high quality local artists’ works
6	Nostalgia	Paramount Books	Bookshop	The memories of growing and living in this city

Central London was selected due to its status as a leading retail destination in the UK attracting well-known international brands and independent innovators. In order to have a clear illustration of social and emotional value of a city-based retailer, a second-hand bookshop in Manchester was selected for the research study. Not limited to that, the case will also introduce how design thinking was utilised in the discovery of new business opportunities for physical retailers. Findings from these cases will be further explored in the latter sections of this paper. In the analysis section, the study draws upon Maslow’s Hierarchy of Needs as the foundation of categorisation, six cases’ common characteristics are located in four categories that (product, in-store atmosphere and services, interactions, and add social and emotional value) present how design can bridge brick-and-mortar stores into an innovative future.

5. Observations

5.1. Case Example 1: Dyson Demo

Location: 447 Oxford St, Mayfair, London W1C 2PR, visit period: July 2017,

(Official website: <https://www.dyson.co.uk/inside-dyson/dyson-demo.html>)

Figure 1 Dyson Demo showroom. Source: all photos in this paper are taken by author with shops’ permission.

Dyson is an established British household appliances technology company founded in 1987 (Dyson, 2017), their most successful product lines include, vacuum cleaners, bladeless fans, hand dryers, and recently revolutionary supersonic hair dryer. In 2016, Dyson opened the first British store in Oxford Street, central London; the store is not solely aimed for selling products but more akin to a design museum highlighting their product ranges. Another famous innovative brand - Tesla is adjacent to the Dyson retail outlet. On entry to the retail environment, huge plasma screens display the technology that underpins Dyson products. Product categories are divided by usage, and the display takes the customer through a narrative journey of their development from idea to commercialisation. Store assistants explain to customers particular aspects of each products and their operating principles.

This multidimensional retail environment carefully conveys the essence of the Dyson brand with emphasis on allowing the customer to see, touch, listen, and engage with the Dyson brand story, imprinting on the consumers' mind subtle messages stronger than videos projected via wall-mounted flat screens. No matter you buy or not, the recognition of the brand image is significantly enhanced.

5.2. Case Example 2: Nike Town

Location: 236 Oxford St, Marylebone, London W1C 1DE, visit period: July 2017

(Official website: https://www.nike.com/gb/en_gb/)

Figure 2 The Nike Football section and the mini boot trial area.

Nike is one of the world's largest retailers of athletic footwear, apparel, accessories, sports equipment and services that covered worldwide markets. This Nike Town is located in the central corner of Oxford Street. The store is the brand's largest flagship store cross the world with 70000 sq.-foot dedicated to a full range of Nike products (Porter, 2017). In total, the store has three levels, the overall store is well designed with interior, product layout, advanced technological communication devices, and friendly staff supporting.

Within the Nike store, there is a dedicated section to football and in particular football footwear, with an extensive array of products being displayed. To further emphasise the technical excellence of the footwear, a traction wall illustrates how the football studs work with all types of ground, i.e. firm ground, artificial grass, indoor court, etc. Behind the wall they created a mini boot trial area.

Area front part design like lounge which includes score board, bench and full sizes in all the sellers. The majority of customers waited on the line for trying were teenagers, and their parents were waiting outside. A store assistant will ask you some questions about your foot size, where you normally play football and check if you wear the right socks. Then there is a “coach” waiting inside of the fence and guide you how to use different postures to kick the football to the target in order to feel how the shoes feels. All the children were very excited to wear professional shoes and get to learn some new techniques, and their parents were also happy to watch their children get trained.

5.3. Case Example 3: Libreria

Location: 65 Hanbury St, London E1 5JP, visit period: September 2017

(Official website: <http://libreria.io/>)

Figure 3 Libreria interior environment and layout books by themes.

Libreria bookshop is located in the northeast London Spitalfields area which is popular to graffiti artists and independent designer retailers. The shop was opened in 2016 by the founder of the vibrant co-working space Second Home, Rohan Silva and his business partner Sam Aldenton who created the store concept as a ‘no distraction reading space.’

The whole concept of the shop design was inspired by Argentinian author Jorge Luis Borges’s short story, the ‘Library of Babel’ in 1941. *“This fantasy story features an almost infinite library where hexagonal galleries contain every possible combination of letters.”* (Frearson, 2016). The outside facade is considered normal, but once customers enter the shop, they will sense the boundless world that the literature explores. The bookshelf in both sides designed with the erratic outline, with the help of mirror ceiling and back wall make the space endless. There are a few seats, as part of the bookshelves and if people wish to read inside, then they have to follow Librerias “no-phone” policy. Unlike the ordinary way that people category books with subjects, Libreria put books together by themes, such as Love, Power, Ways of Seeing, etc. By doing this, consumers will be surprised by meeting some new books and feeling incredible that the unexpected connection between books. Not all the books in store can be found online or in mainstream bookshops, as some of them are published by independent publishers with erudite writers. Silva was saying in the interview (Clark, 2016) that without coffee and tech devices, this is the place where emphasis on reading and creativity, wish we could free ourselves from the overloaded information chaos.

5.4. Case Example 4: Kioskafe

Location: 31 Norfolk Pl, London W2 1QH, visit period: October 2017

(Official website: <http://kioskafe.com/>)

Figure 4 Kioskafe interior environment and service range, they provide print-on-demand service and home-like restroom.

Kioskafe is the second café that the British lifestyle magazine Monocle launched in 2015 (Rchael Steven, 2015). With the background of a media publisher, the brand aimed to explore the new business model for news retailing and to see how newsagents can be integrated into people commuting life. Therefore, the name could show its function as the hybrid of the kiosk with café. The Monocle creative team designed the Kioskafe brand identity system based on the potential of expanding and franchising internationally. It inherited the Monocle style by the chosen colour combination and the design format.

Kioskafe is located not far from London Paddington train station where commuters converge across the locale. The street where the store is located is not like the business high street but added the sense of order with residential homes and hotels. Walk into the café, the major area is placed with magazines instead of tables and chairs. 300 different kinds of newspapers range from art, design, fashion, culture and more in 60 languages are selected across the world. Also, there was a printer near the sales counter to allow consumers to select thousands of newspaper choices around the world from their print-on-demand catalogue. This is something that you cannot find in a normal kiosk and easily get from Internet at one time. Alongside the magazines, the table in the middle displayed with items, which aimed for travellers, for instance, small size shower gel, shampoo, pens, and toothbrushes. More thoughtful, in the back corner, store created a home-like restroom for travellers to have a break. It is understandable to be like it with the chosen location. Two long tables under the window with few seats allow people to drink and read the magazines while shortly waiting for their train.

5.5. Case Example 5: We Build This City

Location: 56b Carnaby St, Carnaby, London W1F 9QF, visit period: September 2017

(Official website: <https://www.webuilt-thiscity.com/>)

Figure 5 We Build This City shop storefront design and London local artists' work sell in the store.

We Build This City is a souvenir shop opened in 2014. London is the most popular tourist city in the world, but like the common situation over famous locations, the poor-quality kitsch in normal souvenir shops hardly represents the creativity and diversity of London. Therefore, the shop founder Alice Mayor had the idea with her artist and designer friends, to open an alternative souvenir shop selling high quality and London-inspired goods from artists, designers, and makers who passionately understand this city of London (Steven, 2016).

The shop is located in the one of London's favoured shopping destinations, Carnaby Street and since it opened, more than 250 London-based artists, designers and makers have sold their work through the shop. Design is in the gene of this store and its products, the storefronts changed almost twice a year are designed by different artists and designers; all the products in store are well selected covering all kinds of items in life, you can see designers put the sense of humour into those personal goods. On the two sides' wall, original art paintings, drawings show different versions of the image of London. Though the price is higher than ordinary souvenir shops, it deserves because the memories associated with it about London travel back home with the customer. Not just individual consumers, local interior design agencies and nearby fashion brands are becoming their major clients. The atmosphere in-store is more akin to an art gallery, the creativity and diversity are what London feels like.

5.6. Case Example 6: Paramount Books

Location: 25-27 Shudehill, Manchester M4 2AF, visit period: September 2017

(Official website: <http://paramountbooks.co.uk/>)

Unlike the other five examples, design can enable those physical stores to gain strength and create more connect spots with consumers in different ways. It is the creative feature of design to think strategically. This case is to show how design thinking also takes physical and social connection into consideration. Not a well-known brand but quite famous among local Manchester customers, this second-hand book store opened in 1965 is located in the central Manchester side of the Arndale shopping centre. It is hard to ignore this shop, the classical jazz music booming from outdoor speakers attracted people to find the source. The shop logo has not changed since half century ago when it was first established. This antiquated feeling seems to have a lot of story to tell.

Figure 6 Paramount Books in Manchester.

Materials in the store are varied: comic and graphic collection are the best you can probably find, the modern paperbacks, science fiction, fantasy, and classic novels are spread in the store. Above all this, the great selection of out-of-print books will surprise customers with the diverse range of themes. The shop owner has placed cloth dolls on unexpected corners around the shop, making the in-store atmosphere playful. Shop owner was there talking to a consumer, in between of their conversation, he often said hi to people who came in, he seems knowing everyone. After he got free, I went to talk with him, I asked why he put dolls in the shop, he said, *"this shop is not just a place for making money, my kids also grew up in here, they read in here, play in here. It is like a second home."* At this time, a man holding two big boxes of books walked in and said to the owner *"I will leave them here, and let me if you want to keep some."* I asked, *"how did you get those books?"* He answered: *"like him, people were my customer, and then became my friends, then my suppliers, they bring books to me, sometimes I bring book from travel to Japan, American, Thailand, and you name it. We made friends around world. I told them my shop, people came to visit me."*

6. Analysis

Following the presented findings from empirical observations, this section will examine all the cases by locating them into four categories illustrating how design can offer innovative inspiration and new business opportunities for high street retailers. Regarding different levels of consumer needs be achieved from physiological to self-actualization, Maslow's Hierarchy used as the foundation of categorisation. The four categories are 1) Design for product innovation; 2) Design for in-store atmosphere creation and services; 3) Design to enhance multidimensional interactions; 4) and Design for add social and emotional value.

Figure 7 Based on Maslow's Hierarchy, fig.7 illustrates design values from low to high represent with selected cases.

6.1. Design for product innovation

"Design is in the guise of new product and services." (Lawor, O'Donoghue, Wafer, & Commins, 2015), Product (or service) is the core which connects the brand mission with target consumer needs; it is also the main source for a retailer to gain profits and represent the brand value in the market (Stein & Ramaseshan, 2016; Swoboda, Berg, Schramm-Klein, & Foscht, 2013). Regarding Kioskafe, it is a news supplier operating as a café, worldwide magazines and print-on-demand service make the brand distinctive from ordinary newsagents. It has clearly defined target consumers who are in their travelling, products like personal hygiene products and the space for them to refresh and rest offers brand uniqueness. The well-designed business model, brand identity and selected presenting products and services closely relate to their target consumers' needs which will allow brand adoption in any transport links worldwide. Furthermore, Meaningful product design enables the brand to differentiate from its competitors (Brunner, Emery, & Hall, 2009). We Build This City changed the image of regular souvenir shop, offering unique and playful designs with characteristic of a creative London image. Products featured with high quality and originality make the shop unique in what could be considered as a crowded marketplace. Through the eyes of local artists and designers, their products offer a distinct personality, which could be an interface for travellers to understand London alongside with famous scenic spots. Product innovation in those cases are strongly connected with the brand mission and the needs of their target consumers. Design is a vital mechanism for retailers to understand their customers and to be able to serve them more effectively.

6.2. Design for in-store atmosphere creation and services

In earlier literature of this paper found within theoretical overview, it discussed how consumer behaviour is closely linked with positive shopping process satisfaction and behavioural intentions with the space atmosphere design. The natural advantage that physical store competed with virtual retails is that it can create 'full-sense' experience (Norman, 2005) which will simulate consumer's deeper response and brand associations. As one of the important components of store atmosphere creation, store environments are attached with deep knowledge of the product and brand, contributing largely to consumer satisfaction (Mohan, Sivakumaran, & Sharma, 2012; PwC, 2017). The Dyson Demo store, by showing the product working mechanism, design and development process, allows consumers to directly communicate with the leading technical innovation that the company represents. All the elements in-store, including decoration, layout, materiality, light, sound,

colour movements, and the professional and friendly human assistance gives people full degree of exploring what Dyson represents. The showroom itself cannot create direct profits for the brand; however, channelling the brand story to mass audiences could reach potential consumers and create word-of-mouth marketing. Similarly, good store atmosphere creation is the key in the case of Nike Town, for instance, the overall in-store environment of Nike town, the vibration and energy filling the air, and the mini boot testing area giving children the imagination of being a professional sportsperson. Lastly, the elegant interior design in Libraria affords people the fantasy of a world of endless literature and creativity; the in-store atmosphere allows customers to focus on quality reading and self-reflection.

6.3. Design for enhance multi-dimensional interaction

Although Internet and technology create a broader channel making connections with people around the world, human as physical existence, the interactions in real life still dominate the overall wellbeing and customer satisfaction and loyalty as for brand (Yu et al., 2015). Regarding the featured cases, they all created a positive influence in different terms of interaction, human-human, human-social, and human-culture interactions. For instance, Nike is a good example illustrating how a retailer can connect friends and family together; Well-designed souvenirs and artwork offered by We Build This City enables travellers to make lasting connections arising from their visit to London; Libraria provokes browsers the possibility of serendipity and help them discover unexpected relations between books, allowing the customer to make interactions with high quality information; Kioskafe collects multi-language magazines into one place; and more than half century existence Paramount Books made itself as the city's memory bank, nostalgia of past times reflecting and connecting every time when consumers visit it.

In addition, the benefit to business activities, entertaining experience and temporary activities can increase the likelihood of reaching potential consumers (Lowe, Maggioni, & Sands, 2017; Sherman et al., 1997). Like the workshop that We Build This City designed for consumer interactions with art and design; Libraria allow people to rent the space to host events, both of them overcome the conventional image of souvenir shop and bookshop, and allow new business opportunities emerging and testing.

6.4. Design for add social and emotional value

From the previous analysis, design can bring strength to business activities from task to strategy. Design can help retailers achieve innovation; in addition to that, regarding the fundamental importance of physical stores towards city life, which is associated with our past memory with living place, and the psychological safety and belongingness generated from social and environmental interactions (Harris & Williams, 2011), design can also capture the emotional value for city high street store development. Paramount Books, the invisible and strong bond between the retailer with their customers was developed slowly over time, involving past figures of the city and memories of the past. Though the bookshop does not have well planned and delicate design like other five cases to distinguish it, the image of "timeless" and "history recorder" make it special to customers and more likely to maintain high level of "brand" loyalty. The extra emotional value, which Paramount books offer, cannot be measured by organisation scale but by connecting deeply with the consumers life narratives. Design strategy for city-centre based store innovation should take human fundamental emotional needs into consideration, and the name of 'innovation' should not be a trending slogan but truly for the benefit of a better city life.

7. Discussion and Conclusions

This paper explored the proposition that design is a strategic tool that can help city high street retailers create strong connections with their customers and define new business opportunities. Observations from the six selected innovative retailers illustrate different capabilities of design in business operations. Through finding and analysis arising from the case observations, it can clearly

be seen that city high street shops are not only for delivering merchandise but also can achieve higher level of consumer satisfactions through meaningful experiences. Design as a tool and strategy helps retailers to generate new links with consumer and search new possibilities that were clearly illustrated by the mini-case examples.

By strategically planning design, including but not limited to product design, service design, in-store atmosphere design, and business model design, retailers can achieve what business management aimed to meet consumers' emotional and social needs; what marketing talked about to identify unique selling points; and what city planning emphasised to build stronger connected communities. With innovative design thinking, city-centre based retailers can shift their focus on selling-and-buying competition with e-retailers to explore more possibilities by redefining "citizen roles". Design can build various channels to allow brick-and-mortar stores and consumers communicate with each other. During its process, business model is shifting and adapted to fit new contexts of consumers' city life. Reconfigured business landscape is on its way being discovered, and design will keep the equilibrium between old and the new.

8. Next Phase of Research Activities

This early-stage interpretivist study examining design's capability to discover new opportunities for city-centre based retailers is the first phase of the overall research project. Regarding understanding the interrelationship between design, the city-centre based retailer and consumer behaviour, the next phase will focus on exploring in-depth literature and to conduct primary detailed interviews with consumers, city retailers and design experts. As such, subsequent findings will enable to demonstrate how design can be applied to understand consumer behaviour in relation to the creation of new business opportunities. Data will be collected from diverse perspectives, which will include geographic environment, levels of design understanding, and city-centre based retail practices to understand and define current city retailing business models. Through collecting more detailed and qualitative research data, the second research question 'In what ways can design thinking be used to identify latent consumer needs?' will be revealed. Offering a comprehensive set of guidelines for city-centre based retail practitioners to use design thinking will be developed as a final research outcome.

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