Reimagining THE BOX

Wow factor! This stunning EDEKA Hundrieser supermarket in Essen, Germany won a 2022 EuroShop Retail Design Award. (Design by Kinzel Architecture)

KINZEL ARCHITECTURE

Five ways grocers are shaking up their physical spaces today, and what the store of tomorrow might look like

By Shellee Fitzgerald

NOT SO LONG AGO, reports foretelling the demise of physical stores were prevalent in news cycles. Fortunately, those predictions have not come to pass. Physical stores continue to be relevant places that have even had their status bolstered in recent years. According to Martin Campbell, creative director at design firm Interstore | Schweitzer, the younger generation, in particular, "are connected more with stores" today than before the pandemic.

Canadian Grocer talked to retail analysts and design experts to learn how grocery retailers around the world are changing up their spaces in compelling ways to ensure they stay relevant to customers so they can future-proof their business. Read on about five trends shaping in-store grocery environments (with some stunning real-world examples, too). »

From abundant produce displays to food counters and restaurant—fresh is front-and-centre at Fresh St. Market at Vancouver House. Last year, King Retail Solutions (KRS) won a Retail Design Institute award for its work on the downtown Vancouver store. Sarah Luker, a senior designer at KRS who worked on the Fresh St. project, describes the fresh-focused store as an energetic fresh marketplace with a "farmer industrial chic vibe"

Central Food Hall in Bangkok is a sprawling food destination where shoppers can get their groceries and dine at the dynamic Central Eatery located in the middle of the store's fresh departments

Designed by Interstore | Schweitzer, this Dunnes supermarket in Dublin, Ireland includes a collection of fresh food specialists under one roof

1. Fresh forward

While grocers' focus on fresh is nothing new—the fresh-filled perimeters have long been the more compelling areas of the store—the pandemic has changed some dynamics. Online grocery accelerated through the COVID crisis, allowing consumers to conveniently click-and-collect or have groceries delivered to their homes, eliminating the need to enter the store. To entice customers back to the in-store environment, get them to stay longer, and spend more dollars, grocers are upping their fresh game.

"Retailers are using fresh to drive footfall, differentiate their stores and showcase quality," says Toby Pickard, head of Innovations and Futures at IGD in the United Kingdom. To further stand out, Pickard says grocery retailers will step away from traditional store layouts and that fresh food and food counters will play a more significant role going forward. We'll also see a further blurring of foodservice and retail and stores will use partnerships to strengthen their offer and provide locally relevant solutions, he says.

Boosting their fresh food offering is also a strategy to maintain some of the gains made during the pandemic when grocers were able to grab share from restaurants that were shuttered or operating at a limited capacity.

Jean-Pierre Lacroix, president at Shikatani Lacroix Design (SLD) says the foodservice opportunity will continue to grow, especially in urban areas filled with condo dwellers. "They don't have room for storage and cooking," he says, pointing out that kitchens in condos are shrinking. And yes, there will still be plenty of condo dwellers. Lacroix discounts the notion that Canada's urban areas will be emptied out as people shift outside the cities to buy homes. "That's a short-term situation," he says of the pandemic-era trend; downtown condos are still being built "left, right and centre. It's not stopped."

So if they can, retailers should beef up their foodservice offering at their stores and borrow from restaurants, bringing in some of their more beautiful attributes. This is a great way to introduce a customer to a new recipe idea that they can try in the store, says Lacroix. Grocers can then provide a list of all the ingredients and tell shoppers where to find the items in the aisles.

2. Local connection

Another trend that gained steam during the pandemic was consumers' desire to support local—local businesses and local communities—and grocers are responding.

GEORGIA MAIN FOOD GROUP; INTERSTORE | SCHWEITZER

"The emphasis on local connection is huge," says Sarah Luker, senior designer at Oregon-based King Retail Solutions (KRS) whose grocery clients include B.C.'s Georgia Main Food Group, Whole Foods Market and Albertsons. Brands, says Luker, are wanting to demonstrate—and consumers are wanting to see—that they are aware of local needs and are reflecting that local need not only in their product offerings but also through store design.

"One of our major clients right now is trying to figure out how to bring that localization into all of their stores, so that it doesn't feel like you're walking into the same store in California that you may be walking into in Maine," she says. "They want it to feel familiar and like you're at home, but you're walking into a localized version of that store."

3. Sustainability on show

Consumers' desire to do better by the planet has grown in recent years. Studies tell us consumers expect businesses to be more responsible and they're looking to support those that are taking action on sustainability.

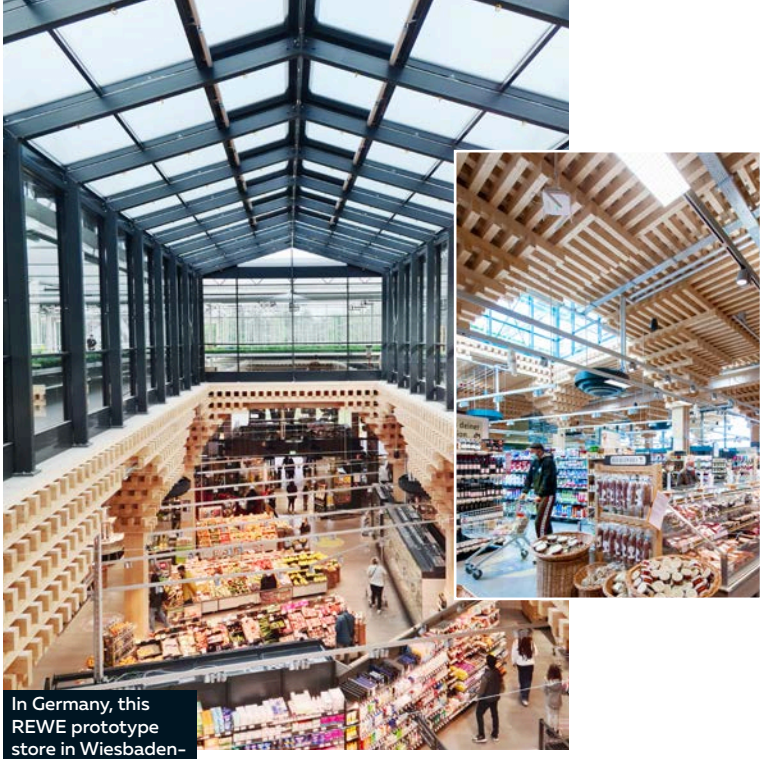
"Sustainability is not a nice to have anymore," says Interstore | Schweitzer's Campbell, "It's an integral part of what you're about." Retailers are demonstrating their commitment to sustainability on a number of fronts—from the products they sell to food waste and plastic reduction initiatives, and by setting ambitious goals around reducing greenhouse gas emissions. That goes for the physical stores themselves; there have been some impressive examples of sustainable store designs in recent years.

Discount grocer Lidl introduced what it called "the most sustainable supermarket in the Netherlands" last summer. Touted as the first C02 and carbon neutral grocery store in the country, it was constructed using sustainable and circular materials and features solar panels to minimize its environmental impact.

REWE, Germany's second-largest supermarket chain, also debuted its super-sustainable "Market of the Future" in the city of Wiesbaden last year. Designed by U.K. architectural firm ACME, the store is a prototype for what is calls a "new adaptable and sustainable market concept." The unique supermarket construction boasts sustainable materials and also functions as a "resource saving" urban farm housing a fish farm (capable of producing 20,000 perch/tilapia, annually) and a rooftop modular farm where 800,000 pots of basil are grown to be sold in REWE stores. By bringing food production front and centre, ACME says the "Transparency of the food-making process is celebrated."

Closer to home, Longo's launched what was described at the time as "Canada's first near net-zero supermarket," in Stouffville, Ont. a few years back. And Walmart Canada just announced plans for a $20-milion, sustainability-focused Supercentre in Montreal next year. Among its planned features is a 125,000-sq.-ft. green roof.

"To be really sustainable we have to be continually evaluating all the ways we do everything," says KRS' Luker, because there are new learnings emerging all the time. "It's a continual race." This means looking at everything from designing a more efficient space to using more sustainable materials. And the challenge, she says, is "how do we design something that's effective, beautiful and that will last? "



In Germany, this REWE prototype store in Wiesbaden-Erbenheim is billed as a "Market of the Future." The state-of-the-art green building is constructed of timber and features a basil farm as well as a fish farm under its glass roof

Touted by the discount chain as the "most sustainable supermarket in the Netherlands" this Lidl, which opened in Almere last year, was built using sustainable and circular materials and is energy and CO2 neutral

4. The tech edge

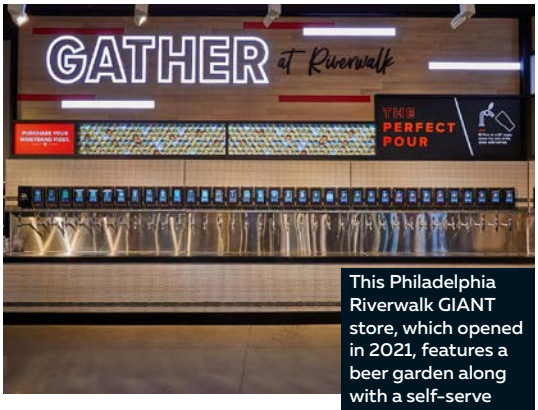
Retailers are continuing to experiment with technology, of course, to enhance their operations as well as the customer experience.

"Consumer expectations continue to ramp up," says Tom Ertler, SVP creative director at Miller Zell, an Atlanta design firm that counts Whole Foods Market, Kroger and Walmart among its clients. And digital integration is one of those expectations. Ertler points to Amazon Fresh and its Just Walk Out technology as the pinnacle of this. "It's not just cool technology; it actually helps the shopping experience." Even if you've not set foot in an Amazon Go or an Amazon Fresh, given all the buzz these stores have received in recent years you probably have some grasp of how the tech in these stores works: enter

ACME; LIDL

Amazon brought its Just Walk Out technology to Washington D.C.'s Glover Park Whole Foods Market in February

In 2022, Japanese chain Uny opened this grocery store in Hong Kong. Among its features is Pet Korner with more than 1,000 products to delight pet lovers



This Philadelphia Riverwalk GIANT store, which opened in 2021, features a beer garden along with a self-serve tap wall with 40 different beverages

The wine department, complete with its industrial chandelier, is a showstopping feature of the EDEKA Hundrieser supermarket in Essen. Sommeliers are also on hand to dispense recommendations to shoppers

the store with your Amazon app, take what you want from the shop and as you exit you are charged for the goods through the app. A slew of retailers are aiming to rival Amazon by rolling out their own checkout-free stores—notably Tesco with GetGo and Aldi U.K. with its Shop&Go banner.

But it's not all about removing the friction of the checkout; grocers are also deploying less pricy digital solutions to improve the shopping experience. "We expect to see more retailers using digital displays in store to drive sales, and using technology like wayfinding technologies that are incorporated into shopper smartphones in stores to drive loyalty and sales," says IGD's Pickard.

In the U.K., retailer M&S launched its List and Go app earlier this year. The app offers shoppers easy-to-follow, real-time navigation so they can quickly locate items on their shopping lists. At the time of the launch, the company said it had seen an uptick in customer use of digital, interactive shopping over the past year and a half and were launching a wave of new initiatives to make shopping quicker and easier.

5. Experiential spaces

"Frictionless stores that we're seeing with Amazon are fantastic. I think they have a need and a niche," for those who want to get in and out quickly, says Interstore | Schweitzer's Campbell. "But there are still a lot of people who just like to go and shop."

Rather than fixating on providing a frictionless experience, consider the "friction full" experience—where customers can stop, engage and connect, he says. "As humans we respond to a space that's created around us, and great interior design makes us question what we believe a space can do and I think we ignore them if they're too deeply conventional," says Campbell, adding, shoppers "tend to embrace those spaces that are distinct." People want to discover something new when they go into a store, he says. "Discovery is fundamental."

Campbell notes that some supermarkets are changing their thinking and bringing back marketplaces. The store "can't be just aisles and aisles of product." Others are introducing distinct restaurant experiences, pubs and even on-site breweries, vertical farms in-store, as well as unique/exclusive partnerships with popular brands.

Retailers that want to stand out "will dedicate space and theatre to categories where they can build an emotional and experiential connection that cannot be replicated online," says IGD's Pickard, pointing to areas such as health, pet, and beer, wines and spirits as examples. And grocers will upgrade design, the range of goods on offer, merchandising and service to drive traffic around the store and encourage frequent visits.

Today's consumers are busy and spoiled for choice; you've got to give them a reason to come to the store and spend time there. "It has to be some kind of compelling experience," says Miller Zell's Ertler. **CG**

WHOLE FOODS MARKET; UNICORN STORES (HK); THE GIANT COMPANY; KINZELARCHITECTURE

STORE OF THE FUTURE

Speculating on what grocery stores might look like in some distant or not-so-distant future is always an fascinating exercise. Shikatani Lacroix Design (SLD) brought together futurists, graphic designers, brand strategists, retail designers, digital scientists, A.I. and robotics experts, and asked them to think about what the supermarket will look like five, seven, 10 years from now. Get Unboxed! *(right)* is the concept the team came up with.

"A lot of these elements, they've already been done—rooftop gardens, drones, self-driving delivery vehicles—but they'll become the norm," says Jean-Pierre Lacroix, president of SLD. "The future is a lot closer than it looks; now is the time to experiment," he says. Look at where the friction points are and leverage some of these technologies and ideas to differentiate and drive loyalty to your store.

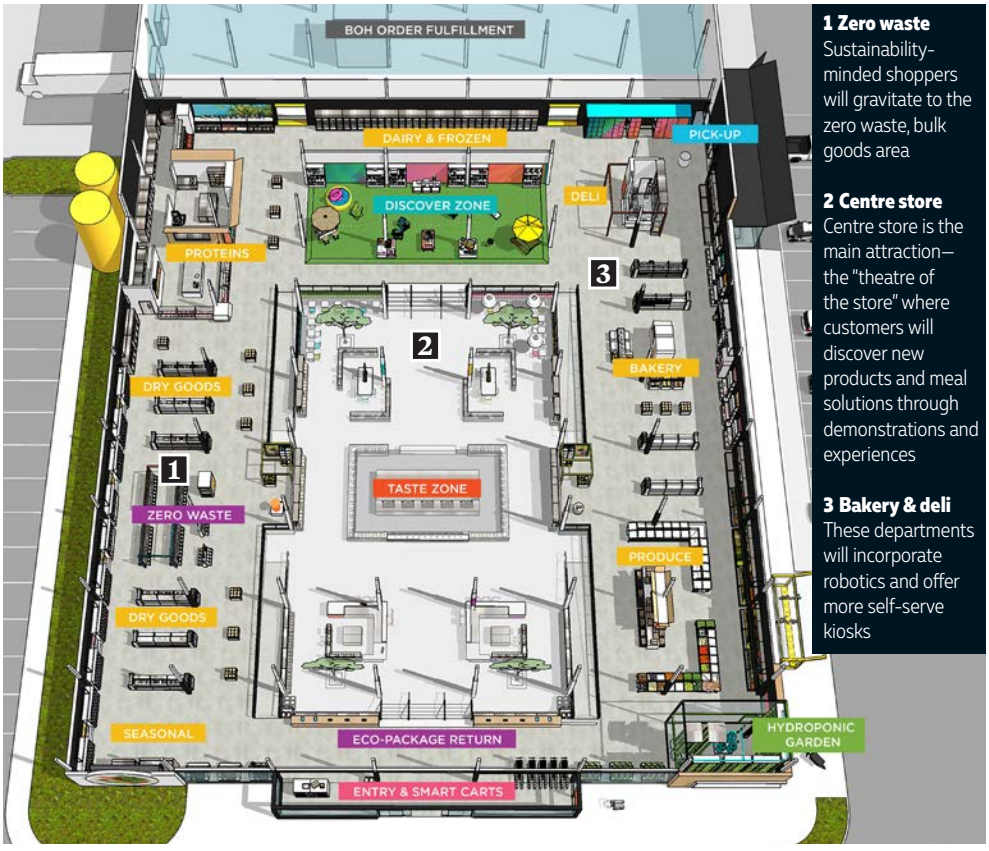
1 Charging Stations
Plenty of spots for shoppers to charge their electric vehicles

2 Solar Panels
Grocers will make efficient use of their sizeable rooftops by adding solar panels

3 Vertical Gardens
Grocery stores will house vertical gardens to grow their own food and provide some in-store theatre

4 Drones
The future store's rooftop will also serve as an airport for delivery drones

5 Pickup Areas
Designated grocery pickup areas will add convenience for customers



1 Zero waste
Sustainability-minded shoppers will gravitate to the zero waste, bulk goods area

2 Centre store
Centre store is the main attraction—the "theatre of the store" where customers will discover new products and meal solutions through demonstrations and experiences

3 Bakery & deli
These departments will incorporate robotics and offer more self-serve kiosks

SHIKATANI LACROIX DESIGN (SLD)