

COLUMNS

Design and the future of retail in quest of millennials

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By [Dan Hodges](#)

Is the retail industry ready for millennials? That is the question a panel of experts recently addressed at the National Retail Federation's "The Big Show" event held midmonth in New York.

As more millennials use smartphones for everyday purchases, they are rapidly shaping the future of the retail industry by changing how consumers buy products. A perfect storm of easy-to-use and affordable smartphones, shopping, social, service and payments applications is driving the increased use of mobile by millennials.

Smart tone

The first mobile generation has distinct media habits that center around the smartphone.

Almost 80 percent of millennials currently own smartphones the highest penetration of any group in the United States. By 2020, nearly all millennials will own smartphones.

According to a 2014 study from Experian, "43 percent of millennials say that they now access the Internet more through their phone than through a computer compared with just 20 percent of adults ages 35 and older. Hispanic millennials are even more likely to be mobile dominant with 46 percent accessing the Internet more through their phone than a computer."

Given the importance of this growing demographic, it is essential that the retail industry serves this group by providing user experiences and interface designs that meet the needs of millennials.

As the late Apple cofounder Steve Jobs said, "Design is the fundamental soul of a human-made creation that ends up expressing itself in successive outer layers of the product or service."

In other words, a focus on user experiences and interface designs holds the key to success.

Three tops

During the discussion at NRF's Big Show, Financial Times U.S. managing editor Gillian Tett led the panel in exploring how the future of retail is affected by design. Here is a brief summary of the panelists' observations.

Debbie Kiederer, founder of ChalkDust Consulting and one of Luxury Daily's 2015 Luxury Women to Watch, offered key takeaways on design:

1. "Design isn't just about pretty, it's about function and form."
2. "Retailers should view a consumer-driven versus dictatorial approach as the key to omnichannel success."

3. "The best user experience doesn't have to be complicated by fancy user interface."

3. "Take calculated risks don't be paralyzed by fear or confusion."

Billy May, group vice president for ecommerce, digital and direct-to-consumer at youth apparel retailer Abercrombie & Fitch, had three thoughts:

1. Understand the customer journey and focus on solving pain points knowing the use case will evolve.
2. Collaboration: Mobile is not a channel, it is an experience strategy, and one that requires cross-functional support and buy-in.
3. Test/learn: start small, focus on iterative development, and ensure that there is a measurement plan.

Richard Ting, global chief experience officer at interactive agency R/GA, highlighted what was important:

1. Holistic customer journey: When designing for commerce, think about the holistic customer journey and not just a Web site experience, mobile application experience or a retail experience. Weave together a customer journey for commerce that integrates every touch point as well as the before, during and after moments of a transaction.
2. Audience segmentation: Gain a deeper understanding of your customer and develop logical audience segments so that you can serve each segment with more personalized and valuable content, offers, deals and experiences.
3. Create value: Only develop commerce experiences across the customer journey that makes a consumer's life better, easier and more efficient.

WHILE THE PANEL spoke broadly about the topic of design, the speakers' suggestions could well make the difference in reaching millennial shoppers for retailers on the new customer journey.

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