Bringing community engagement

into physical retail

A growing number of retail-based companies are piloting and scaling in-store models for connecting more deeply and authentically with their local communities. Those efforts are motivated by the desire to drive economic growth in underserved neighborhoods, create space for community engagement and artistic expression, and modernize stores for evolving consumer expectations.

While individual approaches to community-based store models vary, there are several themes and patterns that stand out. Here are five common elements of these community retail models:

Art and design at the forefront

Hiring local artists to design parts of a store ensures that each location feels unique to its neighborhood. Foot Locker renovated the facade of its <u>Washington Heights</u>, <u>New York City "Power" store</u> to make space for local artist Danny Peguero's "Welcome to Washington Heights" mural. Peguero also created the artwork inside, paying homage to the area's Dominican heritage and local hotspots.

Classes, workshops, and events

By activating select retail spaces with frequent classes and events, some companies are actively engaging with customers in ways that extend far beyond their transactional roots. Lululemon's <u>Experiential Stores</u> feature fitness studios for different exercise classes, but they also offer lectures, mindfulness workshops, and other events to bring people onsite.

Differentiated staff positions

By creating new types of staff positions, some companies are helping employees to teach and share their unique skills with others, including in non-commercial scenarios. At Apple, "<u>Oreative Pros</u>" are distinct from tech problem solver Genius employees and run "Today at Apple" learning sessions that promote the creative potential of Apple products and their users.

Underserved locations

Companies with community-focused store concepts tend to place them in cities, where traffic is higher. Some specifically place their concepts to help support economic development in areas of need. In 2020, Nike built a Community Store in Los Angeles' Watts neighborhood, where 85% of employees were hired from within a three-block radius of the store. The store also participates in initiatives like the Nike Community Impact Fund to give grants to local charities.

Space for community gathering

Some companies are designing retail locations to include event or meeting space for members of their community. In line with its "Third Place" ethos, <u>Starbucks' Community Stores</u> have a designated room for community and events and programming.