

A Public Display of Acumen

Adding commercial value through intelligent displays

When customers visit a retailer's premises, the experience reflects the brand. Everything from the store's layout to its colour palette, to the music being played become a part of this experience. Naturally, during the refurbishment process, retailers consider the customer experience in every decision that is made. But, one key component is often overlooked: lighting.

Lighting is an undervalued resource for retailers, viewed as a cost and a source of frustration when something goes wrong. Since lighting is often so far down the priority list when refurbishments come around, or not considered at all until systems begin to fail, it is not being leveraged to its full potential. The reality is, lighting can play a significant role in both the experience of the customer and the operation of the business, if retailers understand its true potential.

The opportunities retailers can find in their lighting solutions are endless because lighting is able to do so much more than simply light a store. Lighting can create ambiance, a roadmap for the customer's in-store journey, highlight key products and so much more. On top of that, it can create energy savings, cost savings and compliance – lighting the way to optimised business practices.

In this eBook, we'll discuss the importance of display in the new world of retail, the lessons retail can learn from high end applications such as gallery and museum spaces, why we need a more considered approach to smart lighting, the evolution of rip and replace and finally, the need to and opportunity in aligning lighting solutions to business drivers.



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Clicks and Bricks

While the modern world brings vast ecommerce and online considerations for retailers to deal with, the bricks and mortar store remains an essential component of brand building and customer loyalty. The rise of online shopping means that display environments need to work harder to attract enough customers to achieve their sales and profitability targets. Lighting helps to achieve consistency across stores and differentiation from competition – important considerations within the retail environment.

Re-evaluating retail

The rise of ecommerce does not take away the need for an engaging in-store experience. On the contrary, it drives the need to create evermore enticing and differentiating environments, to attract the right kind of – and the right number of – customers to meet targets.

Creating consistency

Lighting has a significant role to play in the success or failure of the retail environment. From ambient, to accent, to window displays, all should work together to create a differentiated experience that enables retailers to stand out from the competition, while creating brand recognition and loyalty through consistency across stores and across geographies.

As consumers increasingly opt for online for their regular dose of retail therapy, alignment of the in-store experience is key, to create a single customer view, to smooth the buyer journey and to create a consistent face to market. This is especially important to larger chains, which need to ensure the same look and the same mood are created across multiple stores and in multiple regions. Designing lighting solutions that can be implemented across a variety of geographies is therefore important, as is finding a supplier that has the capabilities to deliver and implement these global solutions.

Seeking sustainability

At the same time as these aesthetic considerations, retailers have increasingly stringent sustainability targets to meet. Tax relief incentives such as the Climate Change Levy or CEE in France should propel retailers towards energy efficiency, but finding capital outlay for refurbishments can be an issue. Lighting has an important role to play in helping companies meet them. With energy costs on the rise, lighting must do much more than provide attractive displays. It must be energy efficient and contributing to meeting tough efficiency targets. Lighting can be an overlooked component but it can contribute to an improved bottom line too, adding value to both display environments and the wider business strategy.

Lighting the way to smarter business practices

While lighting can clearly be an important differentiator for aesthetic considerations, it can do so much more. There are many different ways retailers can work towards meeting business and challenges through their lighting solutions, and a practical, considered approach is essential. Although Smart solutions are increasingly in vogue, they must be approached intelligently. Theoretically, they can increase control, generate useful customer insights and help businesses save energy and money – but their implementation should be driven by business need. There are a myriad of smart applications becoming available too: we discuss later in this eBook why retailers need to give careful consideration to their deployment.

The infographic highlights the big numbers to show just how much retailers could optimise business performance through smarter use of lighting.

Light Your Way to Greater Cost Savings

When it comes to lighting, the numbers speak for themselves. Retailers can quite literally light their way to greater cost savings and efficiencies.

16% ↑

\$

A 10% decrease in energy expenses has the potential to increase net profit margins by up to 16% in certain retail environments.

10% ↓

During energy audits, retailers typically identify opportunities to reduce energy consumption by 20% to 30%, and sometimes by up to 50%.

Lighting accounts for anything from 15% to 70% of energy costs, depending on the type of store.



Five sectors – offices, retail, industrial, health and hospitality – account for 71% of total energy consumption. Of these, the industrial sector was the most inefficient, while retail and hospitality could have achieved cuts of more than a third and about a quarter respectively.

Lighting consumes about 20% of the overall electricity used in commercial and industrial UK buildings and plays a more significant role in sectors such as retail and hospitality.

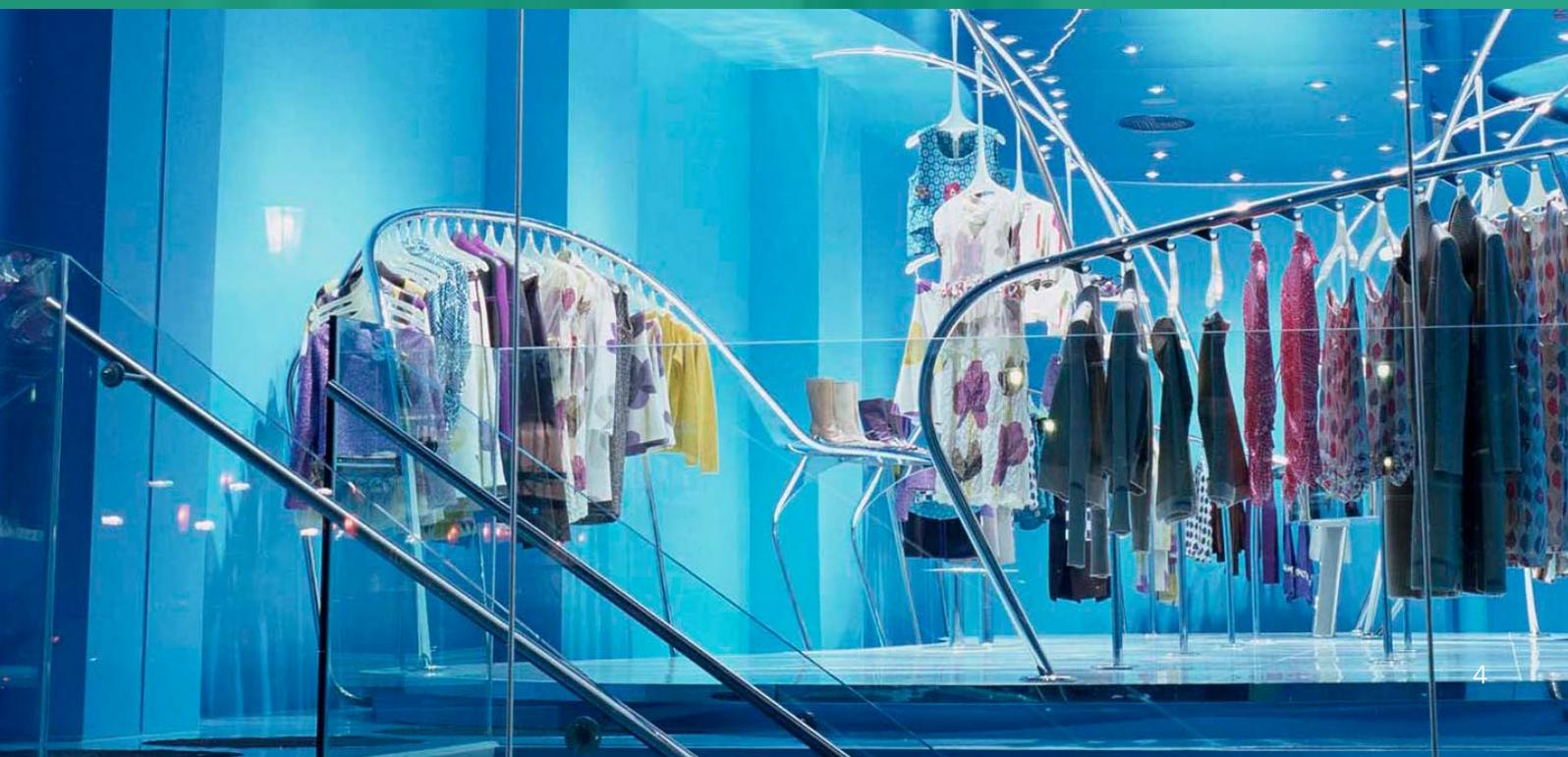
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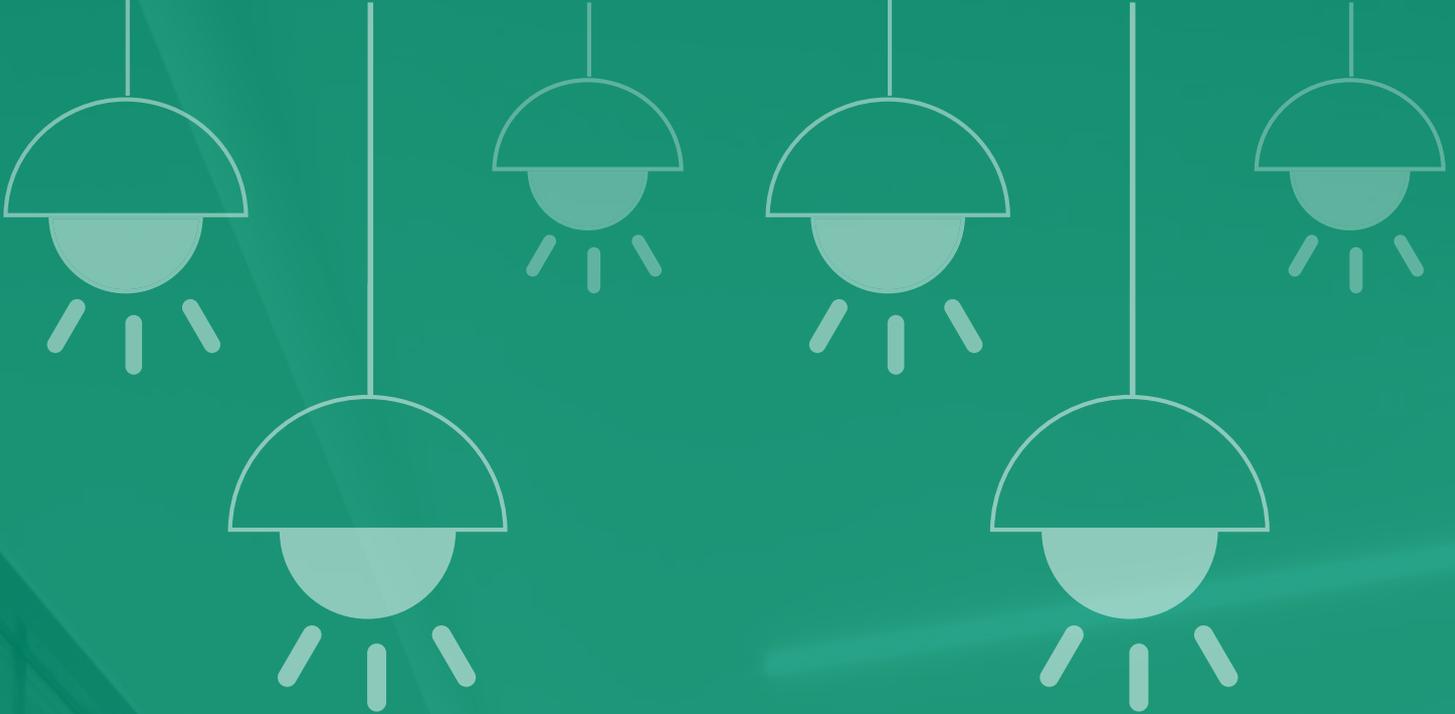
In terms of making lighting work harder for retailers, display is a critical element. Truly well-considered, intelligent displays add value to products and increase sales. Nowhere is first class display more important than in museums and galleries. There's much that retailers can learn from these high end applications that can be applied in store. Lighting is used in museums and galleries to guide emotions, communicate drama and enhance exhibitions. The same principles can, and should, be applied in the retail space.

When designing an effective lighting scheme for a museum or gallery, the perfect environment must be created for the display of artefacts, to protect the exhibits and provide a visually comfortable experience for visitors.

From creating anticipation on arrival to communicating drama or contemplation within the exhibition space, lighting has a key role to play.

Sensitivity to the building itself should also be considered in retail, where the built environment can and should be used to create impact, and lighting systems should be designed to complement and enhance the architecture that already exists.





Applying the right technologies

Ambient lighting: the brighter the better? Well, not exactly. A study carried out by the Royal Institute of Technology in Stockholm found that bright, uniform lighting is ineffective in drawing the eye. Contrast, instead, is key. By keeping ambient lighting subtle and guiding the eye with accents, retailers can create a much more controlled customer experience. It goes without saying that accent lighting is very much more associated with high end applications, so gives a more luxurious impression than a consistently bright ambient environment.

Accent lighting: let the spotlights do the talking. Different stores have different needs, different looks and feels that they are hoping to achieve in their lighting displays, different messages they want to communicate through them. Depending on the product they are looking to showcase, accent lighting is particularly important in making a product stand out and draw the customer's attention. As well as highlighting specific products, effective use of accent lighting also creates a better mood and atmosphere in store, making customers feel more relaxed, increasing dwell time and having a positive effect on sales.

Window displays: before you can hope to increase dwell time, you first need to draw customers in. Effective window displays can tempt shoppers and passers-by onto the premises in a matter of seconds – by showcasing products and themes, setting the right mood, or simply arousing their curiosity. In terms of technology, creativity is key. From tight spotlighting for mannequins to constantly-changing LED colour washes, a wide variety of luminaires can prove effective. By combining different lighting solutions, shop windows can

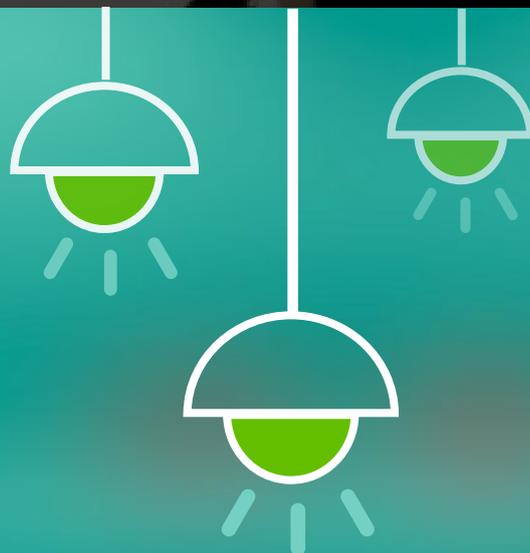
be transformed overnight to reflect changing fashions, seasons or promotions. These days, more and more shops stay open longer; many leave their display lighting on all night. With energy costs on the rise, this makes striking the right balance between aesthetics and cost efficiency more important than ever. Of course, the need for both brighter displays and lower energy consumption points straight to LED as the optimal solution.

The ugly ceiling: light fixtures and fittings themselves can be somewhat unsightly and should preferably be hidden. Lighting design for the shop floor needs to take this into consideration. Not only should designers look for solutions in which fixtures and fittings are designed to be aesthetically appealing or, at least, easily camouflaged, they should also look to draw the eye away from what's going on 'behind the scenes'. Vertical surface illumination and spotlighting can help to achieve this by ensuring the eye is drawn elsewhere.

Colour temperature and rendering: colour temperature and rendering is especially important in protecting the beauty and colour of fabrics in retail. A beautiful garment lit by a warm halogen bulb can quickly lose its charm. Staying in the fashion sector, the majority of decisions to purchase a product in-store are based on how the consumer feels in the changing room. Lighting plays an important part here too. How the light is positioned, colour temperature and colour rendition all contribute to the consumer's decision to purchase or not. White light creates space, whereas warmer colours create intimacy: colour should be used to best effect in different zones, depending on the mood and customer actions that are desired.

Lighting the Design Museum

The Design Museum building is a marvel of modern construction with its stunning interior space designed by John Pawson and illuminated via a multi-faceted lighting scheme employing Concord luminaires from Sylvania.

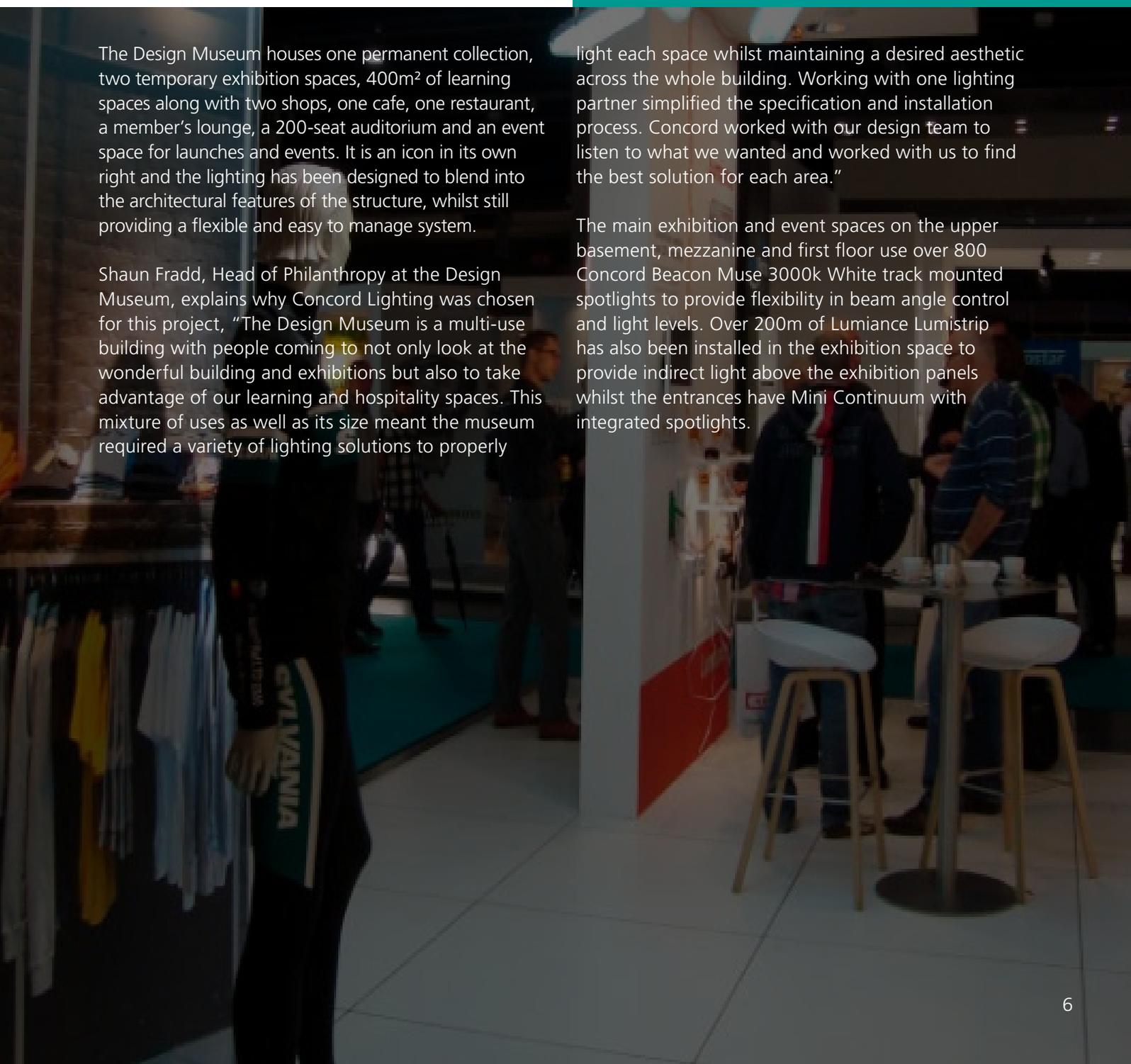


The Design Museum houses one permanent collection, two temporary exhibition spaces, 400m² of learning spaces along with two shops, one cafe, one restaurant, a member's lounge, a 200-seat auditorium and an event space for lunches and events. It is an icon in its own right and the lighting has been designed to blend into the architectural features of the structure, whilst still providing a flexible and easy to manage system.

Shaun Fradd, Head of Philanthropy at the Design Museum, explains why Concord Lighting was chosen for this project, "The Design Museum is a multi-use building with people coming to not only look at the wonderful building and exhibitions but also to take advantage of our learning and hospitality spaces. This mixture of uses as well as its size meant the museum required a variety of lighting solutions to properly

light each space whilst maintaining a desired aesthetic across the whole building. Working with one lighting partner simplified the specification and installation process. Concord worked with our design team to listen to what we wanted and worked with us to find the best solution for each area."

The main exhibition and event spaces on the upper basement, mezzanine and first floor use over 800 Concord Beacon Muse 3000k White track mounted spotlights to provide flexibility in beam angle control and light levels. Over 200m of Lumiance Lumistrip has also been installed in the exhibition space to provide indirect light above the exhibition panels whilst the entrances have Mini Continuum with integrated spotlights.



Learning from the Design Museum

- **Lighting should be designed to blend with and complement existing architecture**
- While zonal differentiation is important – lighting must be aligned to the activities undertaken in a specific area – consistency and a seamless customer experience across the environment as a whole are key
- Flexible systems should be designed that allow updates to the look and feel of a space through re-angling and colour changing, rather than upgrading or refitting systems

Creating energy savings at the Riverside Transport Museum

Zaha Hadid's first public building to open in the UK, the Glasgow Riverside Transport Museum sits proudly as a flagship of the city's Clyde Waterfront regeneration. With its unique shape and demanding presence, it is no surprise the lighting design was not up for compromise.

DHA Design was responsible for lighting the exhibits in the museum. Their brief was to design a predominantly ground-mounted display system that would provide suitable highlights and contrast to the exhibits and collections.

DHA used a versatile spotlight to selectively highlight the displays – illuminating cars, bicycles, miniature models, car parts and artworks. Conservation levels applied to all the exhibits, so protecting the artwork from light exposure damage was essential. The low UV from the LED source and an on-board dimmer potentiometer from the Beacon Muse meant it was able to comfortably handle all situations.

Learning from the Riverside Transport Museum

- **Spotlighting is essential to draw the eye and maintain customer focus where it is desired**
- Spotlights can do more than illuminate specific pieces
- For genuinely high value pieces, LEDs should be used to protect against light exposure

When Smart's Not Bright

Despite the huge buzz around Smart technology in retail – from AI to AR to VR – real applications have so far failed to keep pace. This is true of Smart lighting as much as it is of broader Smart applications. How many 'auto-on' displays have you seen in high street stores? How many Estate Managers do you know that monitor maintenance needs remotely?

...from AI to AR to VR – real applications have so far failed to keep pace



While there is huge potential for Smart technologies in retail, and the potentially impressive impact that Smart is poised to have on factors such as dwell time and footfall, taking a moment to step back from the buzz, how effectively is Smart really being used in retail?

Many retailers have seen success with online and mobile channels, but there's still a way to go in integrating digital into the physical store. Now that the online shop front is so mature, the physical is struggling to catch up again.

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Lighting is well positioned as the backbone of Smart technologies. Already installed everywhere, and with a power source, it's the obvious place to start to connect technologies in store, and to connect customers to them. What's more, there are plenty of next generation tactics that retailers can employ to take steps towards becoming Smart.

But doing so with no business driver in mind is rarely a particularly bright idea. Instead, better uses of more proven technologies should be a first step to a more effective impact on the bottom line.

Starting from the beginning

The truth is that we haven't yet even come to a place where the uptake of LEDs is ubiquitous. In the second half of 2017, Lux Review took to the UK's most famous shopping destination – Oxford Street – to assess the state of retail lighting. On a road famous for its flagships, there should be plenty of cutting edge retail display technology to enjoy. This was not the case. Approximately two thirds of the retailers in this casual survey didn't even have LED fittings implemented yet. Those that did, didn't seem to have been future-proofed for Smart.

Seeking a Smarter supplier

There is a massive offering in the market. Store designers and visual merchandisers are confronted with more brands, more products, and more types of added value than ever before. The challenge is often how to make a choice: how to compare, choose, be convinced, find a clear differentiation and compare on price?

No one supplier can 'do it all' when it comes to providing best practice Smart solutions, that are genuinely aligned to business drivers. You have to start with the problem you're trying to overcome or the objective you're trying to achieve.

From there, collaboration is critical to bringing together best of breed technologies and relevant expertise that overcome the specific challenges or drivers of each individual retailer.

A partnership approach is critical in a world that's becoming more digital. Because there are more elements to master to ensure success, bringing together best in class knowledge and best in class technologies from disparate suppliers is often the most effective route to a genuinely bespoke, applicable and best practice solution. Renowned futurist Gerd Leonhard talks about this need for 'hyper-collaboration' as 'a key crucial requirement for the creation of all new ecosystems'. It will be one of the key enabling practices as we drive towards a Smarter world.

Proof of concept

Once the theory is in place – the technologies have been identified and integrated – the solution must be proven. This should happen on a small scale in the customer mock shop to prove its suitability and effectiveness, before thoughts of a wholesale Smart roll out are entertained. Retailers should look for suppliers that are willing to work with them, to define the right solution, rather than simply provide a preordained laundry list of Smart products.

Drowning in data

Consideration should also be given to what will actually happen to any data gathered through the implementation of Smart technologies. Appropriate resource must be put in place to manage, analyse and glean insights from what can quickly become a huge data pot.

This will require new skills that many retailers currently don't have – and has been cited as a primary reason for hesitation in turning to Smart technologies. It's important to know the end game: knowing your business driver for installing Smart solutions is a key step in pinpointing which data you will need to gather and how it will need to be managed.

Lighting Aligned To Business Drivers

We've established that lighting can offer true value to the business. A 10% decrease in energy expenses has the potential to increase net profit margins by up to 16% in certain retail environments.

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As such, lighting must be considered earlier on in the refurb process. A more holistic approach to lighting, seeing it as a contributor, rather than a cost, can help businesses to save money over a wider number of shops and get more out of updates.

Consideration should also be given to the reuse, rather than disposal, of solutions – especially given the fast refit times associated with the retail environment. A circular economy approach is critical – and retailers should be increasingly cognisant of the tax relief incentives such an approach could bring.

Roadmap to more efficient refits

STEP 1: Define the most important business driver

Solutions should be driven by the needs of the wider business. For example, if there is a need to create consistency across stores, you should be looking for a supplier with a global reach that can provide consistency globally. If you're looking to hit sustainability targets, LED is an obvious choice and solutions such as occupancy detectors to ensure light is never wasted, especially in back of store areas.

STEP 2: Undertake an energy audit

It's critical to first understand where inefficiencies lie, before deciding on upgrades or refits. Many retailers don't know which kind or how many light fittings they have in store, a problem that becomes considerably more complex across a whole estate. Work with a supplier that can undertake a full energy audit of your environment, to ensure best in class solutions that work for the needs of the business.

By carrying out an on-site assessment it is possible to clearly and correctly establish the efficiency gains that could be realised through any investment, the infrastructure required to enable this to happen and the appropriate financial solution to maximise the savings return to the business.

STEP 3: Realise the value of retrofit

What if you can't afford a complete refurbishment? Retrofit measures provide cost-effective, low-risk efficiency upgrade options for retailers who are limited to making incremental capital upgrades to their building.

Standard retrofit measures include equipment, system and assembly retrofits. Retrofit, in principle, should only have a limited impact on the physical structure of a building, so is often seen as a preferred solution in its capacity to deliver quick results.

Given the fast refit times in retail, look for suppliers that can offer solutions that are easy to update, so a new season display doesn't require a rip and replace.

STEP 4: Choose a long term supplier

Look for a supplier that offer solutions that last, that can be evolved over time and that will work with you to define and supply a solution that specifically meets the needs of your business now and in the future. Look for heritage, experience and reliability over time to ensure the solution you choose will serve you well over the long term.

STEP 5: Get Smart with Smart

Don't rush into gimmicks without a business driver in mind. Tentative but effective first steps into Smart technologies include occupancy detectors in non-customer areas, determining footfall to prioritise resources or mobile calibration of lighting for health and safety.

STEP 6: Consider emergency lighting

Whether undertaking a complete refurbishment, or just upgrading certain elements, keeping pace with the latest standards in emergency lighting is critical.

Emergency lighting is activated when normal lighting fails due to a power outage. It ensures that people can safely leave the building with sufficient guidance and visibility on safe escape routes, locations of emergency equipment are easy to identify, emergency services have adequate illumination to carry out tasks and safety critical operations can be continued or shut down appropriately.

Finding The Budget

Take a more innovative approach to financing

While there is recognition that more efficient lighting and emergency lighting systems can have a positive effect on reducing operational costs, at the same time there are financial considerations in terms of funding this investment and the speed of return on any capital outlay.

Look for a supplier that has the flexibility to take a more innovative approach to financing, to meet your budgetary needs. One way that is increasingly being used across many aspects of a company's operations is to transform investment from a capital expenditure (CAPEX) to an operational one (OPEX). This removes the need for upfront capital but allows organisations to reduce energy costs, improve operational efficiency and meet sustainability measures while at the same time protecting working capital. 50% of lighting is estimated to be highly inefficient so there is a clear opportunity, as well as a financial necessity, for today's businesses to reduce the amount of energy their premises consume by reviewing their lighting and emergency lighting.

The lighting industry has listened to the concerns of businesses and developed flexible solutions to finance new lighting solutions that spread the cost in a manageable way, distribute savings equitably and in some instances, offer a longer-term service-based agreement.

Easy repayment

A straightforward hire purchase-based agreement is a good way to spread payment of a lighting upgrade without the need for capital outlay. Manageable monthly payments are predictable while there is no capital expenditure and no upfront costs, allowing businesses to use their working capital elsewhere while improving the efficiency of their energy consumption. The benefits of reduced energy consumption and efficiency savings, such as reduced maintenance and a lower luminaire failure-rate, are immediately realised by using this type of arrangement.

Savings sharing

A more in-depth financial option which guarantees savings and shares any benefits between the lighting company and the customer is a savings sharing solution. Still OPEX-based, this tends to be suitable for projects above £100,000 and is a partnership in which any savings that are made through improved lighting are shared 50/50 between the lighting contractor and the customer. This offers a lower risk profile for a business by effectively incentivising the lighting company to realise efficiency gains through improved lighting and emergency lighting systems. If choosing a savings sharing option, a guarantee should be available that if the project results in a loss then the lighting company will pay the difference.

Look for a supplier that has the flexibility to take a more innovative approach to financing



'Light as a service'

A more innovative, long-term approach for larger organisations that is becoming increasingly popular as the trends towards outsourcing remains strong is upgrading lighting infrastructure using a service level agreement. Appropriate for projects over half a million pounds, a service agreement has the benefit of offering known operating costs over the specified contract term. Light as service effectively outsources the supply, installation, management and commissioning

of lighting and emergency lighting infrastructure for a fixed monthly repayment. This repayment is usually lower than an organisation's current lighting bill and has the added benefits of ongoing commissioning of upgrades throughout the contract and no ad hoc maintenance costs. Contracts can be anything up to twenty years and depending on the size of business and length of term, there is opportunity for significant energy savings, above 50%, both during the financial term and beyond.



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