



UKGBC Wellbeing Lab: Retail

A compendium of experience

Executive summary

MARCH 2018

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Introduction



WHAT WAS THE WELLBEING LAB: RETAIL?

The Wellbeing Lab: Retail (or Retail Lab) was a six month, highly bespoke, collaborative research and learning programme, tackling the topic of health, wellbeing and productivity in retail environments. The participating teams, composed of different combinations of retailers, landlords, consultants and other stakeholders, each undertook a deep dive piece of research into a specific element of the topic. The overarching goal of the project was to strengthen the business case for sustainable design and investment decisions in the sector.

Many of the participants came to the programme with a good pre-existing level of knowledge about the key issues which impact on occupant health and comfort, and some experience with the WorldGBC Retail Metrics Framework (the 'Framework' explained later in this report). Each team then used the Framework, in different ways, as a methodological approach to their specific research topic. Over the course of the programme, they came to regular workshop

sessions facilitated by UKGBC where they discussed their challenges, celebrated their successes and shared their findings with the wider group.

This report summarises the experiences of the group. Some teams chose to include case studies describing exactly what they did, and what they learnt, while others elected instead to reflect on the programme and its impact on their organisations.

WELLBEING LAB: RETAIL – OBJECTIVES

Although each team's specific approach and objectives varied, there were a number of themes that motivated participation across the cohort:

- **To push forward best practices** on this increasingly important issue, in the context of the rapidly changing sector landscape. As visiting a physical store becomes more of a choice, many retailers are working to create 'destination' spaces, intended to attract people interested in more than just purchasing. Many of these already incorporate a number of healthy design features, and the lab aimed to understand which of these work, and why.
- **To build evidence for investing in people.** Many of the teams chose to focus on their employees more than their customers for two reasons. Firstly, they did so on the basis that the retail experience is increasingly a choice for human interaction over digital, and happier employees lead to happier customers. Secondly, as with offices, they wanted to ensure they are able to attract and retain good employees.
- **To develop a more granular understanding** of, and more widely disseminate evidence for, healthy design and operational interventions in retail environments. Our teams were keen to contribute to industry knowledge. Sharing findings from these studies on specific issues will help the rest of the sector understand the impact of prioritising health and wellbeing.

HEALTH, WELLBEING & PRODUCTIVITY IN RETAIL: THE FUNDAMENTALS

In February 2016, UKGBC produced a report entitled *Health, Wellbeing & Productivity in Retail*. This followed our 2014 report on the same issue for the offices sector, and was in response to demand from the retail sector and part of the WorldGBC's Better Places for People campaign. Many of the issues arising in the retail report mirrored those in the offices research: for example, the majority of the environmental factors identified as beneficial to offices also improve retail environments.

That said, there were two major differences between office and retail sectors in terms of available information. Firstly, retailers generally already capture large quantities of data, especially concerning employee and customer satisfaction. Secondly, it is possible to look at potential value creation in terms of things like footfall, dwell time, and sales, rather than just cost avoidance, when studying the retail sector.

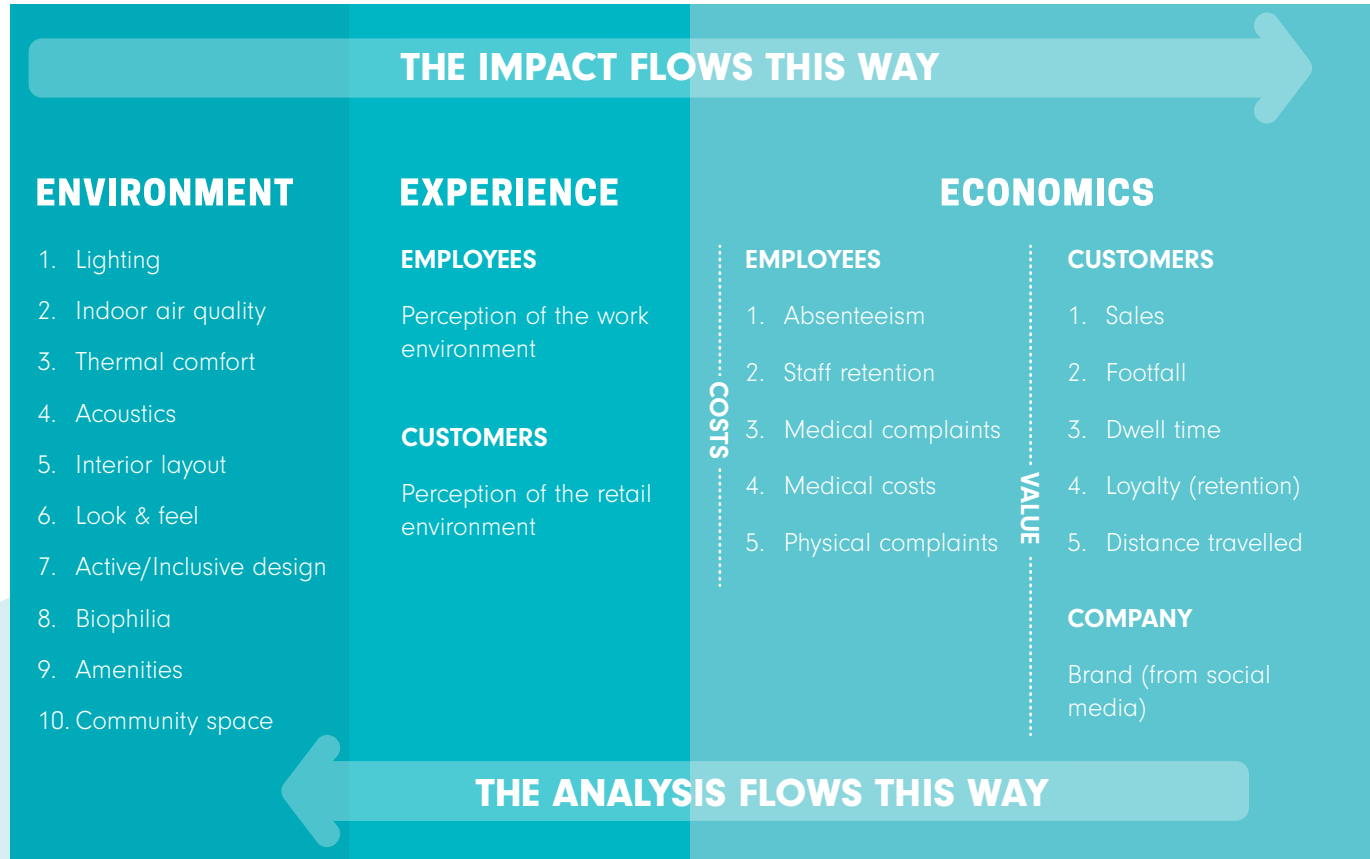
Furthermore, the retail sector is well ahead of the offices sector in terms of understanding the power of digital data. It is very easy to find customer perception data about health and wellbeing issues online, on sites such as TripAdvisor and Facebook. This is a very real risk – and indeed opportunity – for retailers, as individuals are increasingly likely to make decisions on which stores to visit based on easily available online information.

All of this together puts the sector in a strong position: by combining their existing economic data with environmental data and public perception in different stores, retailers are able to quickly identify which factors impact their business most. This idea formed the basis of the Retail Metrics Framework, which we published in the 2016 report.

OVERVIEW OF WORLDGBC RETAIL METRICS FRAMEWORK

The Framework provides a three-pronged structure for assessing and improving on health, wellbeing and productivity issues in retail environments, broken down into manageable components. The idea is that professionals should be able to pick it up, understand at least some parts of it and make a start on measuring some aspects of the environment. It should also help them understand who else they need to liaise with to gain information on aspects of the Framework beyond their reach in order to pull together a more complete picture of a space's performance.

The metrics are broken down into three categories – environment, experience and economics. Broadly, environment refers to physical characteristics that can be measured quantitatively or qualitatively. Experience refers to the occupant's perception of the space, and covers both the employee and customer viewpoint. Economics pertains to both cost issues, such as absenteeism and employee turnover, and value drivers, such as sales, dwell time and brand.



KEY INSIGHTS

The challenge of the lab was to try and derive general observations and common conclusions using the same Framework across different teams and settings. Below we set out our five key insights:

1 Health and wellbeing is an issue that tends to promote collaboration

In the lab, landlords and tenants worked together to understand and improve retail environments. They recognised that the customer does not distinguish between “common areas” and “tenant premises” but has a single shopping experience that was a product of both landlord and retailer efforts.

Therefore, we did not see the “split incentives” that often hamper other sustainability efforts, most notably energy efficiency.

2 Employees are directly influenced by their physical surroundings and this, in turn, impacts on the customer experience

Employees are strongly impacted by their environments, and there was a clear link between employee experience and customer satisfaction. There are a number of ways to improve the customer environment and experience, but improving the employee workplace environment is one of the most promising of these.

Gathering data from employees and assessing their workplaces makes a lot of sense, as they spend more time in specific retail locations than customers, so the impact of place is potentially more pronounced. Moreover, when it comes to implementing easy (and less costly) wins that can have important impacts on the business generally, employee spaces are a prime target.

3 In comparison to offices, retail is data rich, but (as with offices) little of this data focuses specifically on the physical environment

Participants in this programme did not have to go and gather new data initially. Instead they could rely upon historical collection, so started the lab equipped with a considerable amount of data.

But there is still a lack of understanding about how the physical environment links to satisfaction regarding employee (and customer) wellbeing. Seldom are there specific questions in staff or customer surveys pertaining to the physical environment.

Going forward, time and expense could be reduced if aspects of the physical environment were referenced in surveys, so that an analysis of employee and customer experience can be understood in the context of place.

4 Technology is making it easier to understand how customers feel about the different retail environments

Social media means that customers are providing retailers with actionable knowledge about how they are affected by retail environments. This enables retailers to correlate the customer experience and place as never before, for free, in a matter of hours. This type of feedback is both current and historical, so the lab participants were able to look online retrospectively to see how improvements they undertook had been received.

Thinking ahead, AI and neuroscience promise to inform architecture in innovative ways. When the challenge for retail is to create places that people want to come to, it is becoming possible to apply more science and technology data to design (and operational) decisions than ever before.

5 Health and wellbeing options are available to all kinds of people in all kinds of places, and are not confined to new build or premier properties


















Health and wellbeing is not just about design and building decisions. There are inexpensive managerial actions that can be made immediately to unlock benefits straight away, and over time can continue to reap rewards. This is true regardless of physical environment: properties involved in the lab covered the entire spectrum, from new to old, large to small, premier to secondary stock. All of the teams found ways to introduce health and wellbeing interventions that improved the employee and customer experience.

By starting small and focusing on employee areas, our lab colleagues demonstrated that health and wellbeing can and should be available to all kinds of retail in all kinds of spaces. The teams now have more experience and confidence to expand the pilot process into the larger customer environment.



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Download the report at ukgbc.org/Wellbeing-Lab-Retail

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