

KEN NISCH, JGA, Inc.

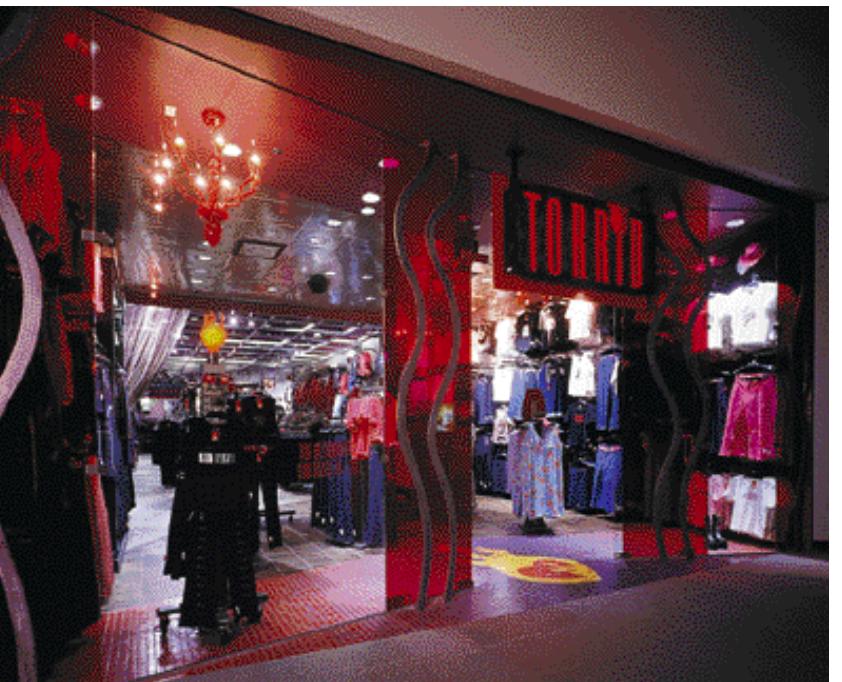
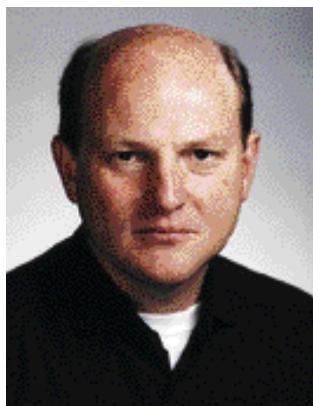
For many years it has been our privilege to show many of the JGA, Inc. cutting edge, creative and award-winning retail design projects. If there is any "look" or particular "style" that could be called JGA then it must be the look or style that best exemplifies and promotes the particular retailer they are designing for or the brand image being developed.

Named as one of the "30 Most Influential People in the Industry" several years in a row by *Display & Design Idea Magazine*, Kenneth E. Nisch joined the Jon Greenberg Associates team almost a quarter of a century ago. In 1987 he was named president of JGA and he has been Chairman of that design firm since 1995. It is his strategic insight and vision that has been vital in steering

the course of JGA and he is considered an innovator of thematic store imaging and experimental design for transactional environments. His knowledge and entrepreneurial insight into consumer markets are integrated into prototype development, conceptual development, architectural direction and strategic image positioning for retail operators, manufacturers and brand marketers.

We recently had the pleasure of visiting with this highly respected architect, designer and businessman and he graciously answered some of our questions.

MARTIN M. PEGLER: We hear talk about brands and brand imaging. How can the store designer help to promote the retailer's or the



manufacturer's brand image in a retail setting?

KEN NISCH: Unlike a billboard, a magazine ad or the Internet, retail is more impactful for the simple fact that it is "real" and can have a greater effect through its ability to immerse the consumer in its qualities. Studies have shown that communication at the point of sale is much more effective in generating purchase behavior than one outside the shopping environment. But an even more impor-

tant aspect is the store's tangibility to appeal to a full range of senses. The store designer must be in sync with the brand's positioning and in the event that position is unclear, help clarify the positioning and then ultimately bring it to life interactively, dimensionally, and through sensory clues—all of which implicitly and explicitly reinforce the brand's equities.

MMP: While our lives are becoming more complex it seems we are becom-

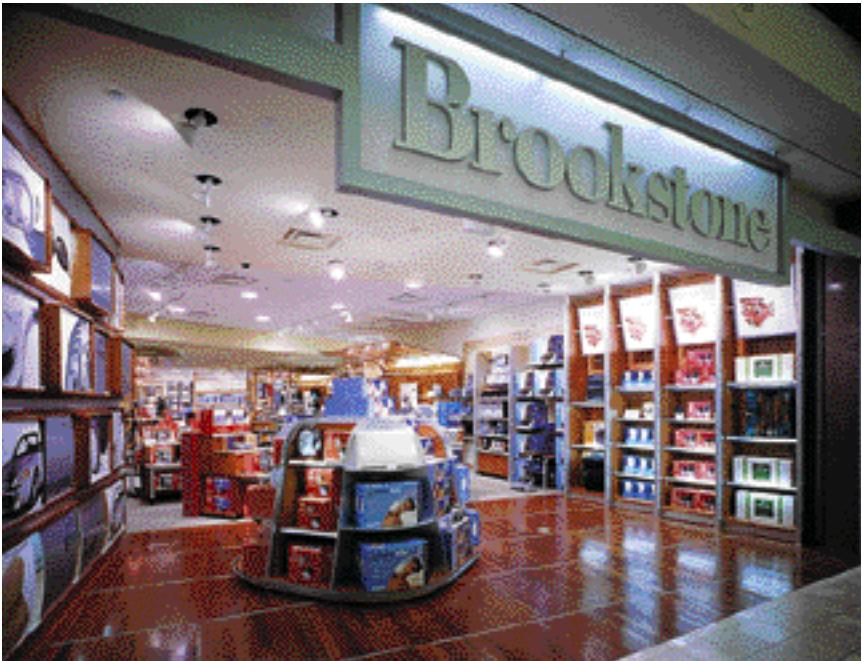
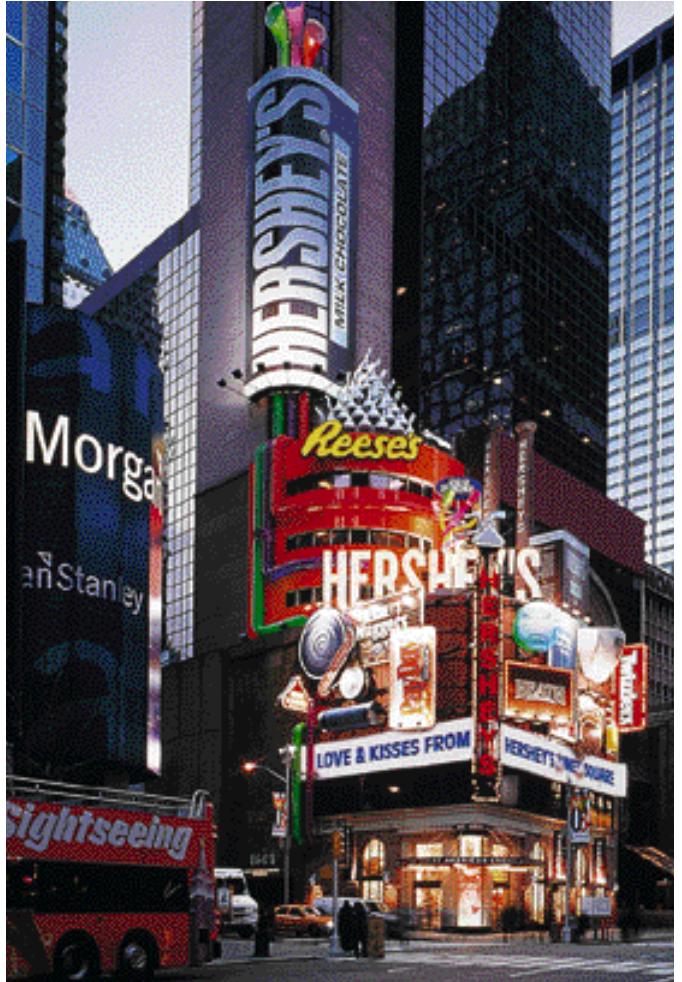
ing—at the same time—a more casual society. People don't seem to be dressing up or brandishing big logos and labels as they did a decade or two ago. What has happened to the "luxurious" lifestyle?

KN: Yesterday's lifestyle of conspicuous consumption is increasingly viewed as being in bad taste—or even insensitive to those less fortunate. Consumers are gravitating towards a standard of casualization, where the price tag may not change, but the style of products becomes more low-key, with smaller logos and more subdued colors used in branding. Today's consumers tend to prefer merchandise that concentrates on style while avoiding the ostentatious trappings of luxury. They don't want to shop in places where the veins in the marble are too brash—the gilt moldings too bright—or the chandelier too precious to be touched. In short, consumers are proclaiming pretension passé. Not only is luxury becoming more casual—mass marketing is also becoming more luxurious. This "luxury" is often represented in the most mundane products—such as Phillip Stark's toilet plunger at Target—raising customers' expectations that better things are available and even deserved as aspects of their daily lives.

MMP: JGA has great success in designing for the teen market—Torrid and Hot Topic are two excellent examples. How do you see that market and what has made JGA so effective in designing for that market?

KN: To begin with—you may have to alter your impression of the "average teenager." Teens aren't a uniform pierced, tattooed mob wearing Marilyn Manson and Limp Bizkit T-shirts. The vast majority are mainstream and—if anything—a bit sentimental. They can be just as traditional as their parents, or even moreso. They are looking to fit in and be accepted.

The teen members of Generation Next are looking for respect and—most of all—a place where products,



the environment, and the value proposition suit them. Teens love to discover newness, a sense of humor, whimsy and of-the-moment styles. Innovative and unique packaging, lively in-store graphics and communication and product displays that say "touch me" (never—"you break it—you bought it"). They help make a store a teen magnet. To get in on the action, you should take a look at your own store environment, your own product selection and last—but not least—your attitude towards this consumer."

MMP: How about the even younger market—the ones who will soon be the new teen market. JGA's design for Pawsenclaws & Co. certainly hit the target with them and with their parents and grandparents who actually do the buying?

KN: Let's face it! Kids (the 8 to 12 age group) influence a whopping \$290 billion in spending by parents and grandparents. Kids are maturing at an

earlier age and with greater momentum, aspiring for products, brands and experiences that are well beyond their apparent years. They do respond to brands and experiences on this type of emotional basis while their parents deal with the realities of economics and convenience. Satisfying a child's emotional needs can mean the difference between survival and success for many retailers. The personality of the owner, the ability to act local while thinking global and your closeness to the customer gives you better access to what children want as well as what they need. The retailer needs to develop a game plan that addresses youngsters' emotional requirements.

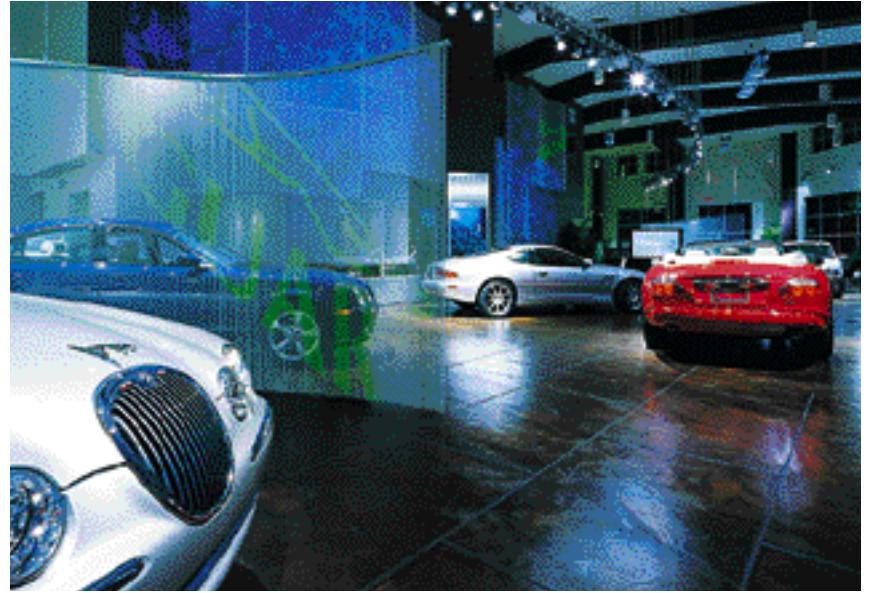
MMP: How much of what JGA adds to its successful designs is actually "entertainment" for the shopper? JGA has had several recent projects that relied heavily on theme-fantasy-whimsy. I guess Hershey's Candy Factory on Times Square in NYC would be a good example. How do you think the entertainment factor has been changed or been affected by the September 11 tragedy?

KN: There has been a significant repositioning in what we consumers see as entertainment—a shifting in the role we believe entertainment plays in our lives—whether the form becomes one of enrichment and introspection versus distraction and stimulation. What consumers may be increasingly looking for are experiences that they sense as authentic: ones that stimulate while they reassure—ones that act as a social binding medium between families and friends, experiences that connect us to what we see as good and appealing and less on "the dark side."

Attractions whose brand position is based more on shock value may find themselves looking to grow another part of their personality—creating a more sensitive self that is not only stimulating and eye-opening but

the award winning, 70,000 sq.ft. Dickson Cyber Express Interactive Mall in Hong Kong. You have also, on occasion, talked about the "clicks and bricks evolution." Could you explain what that is and the effect you think e-commerce has on traditional retail—and where do you see it going?

KN: E-Commerce was "the wave of the future." Start-up e-commerce companies soon abounded and manufacturers touted their new direct-to-consumer Internet channels. But—there were a number of things that many dot-coms failed to realize! 1: Retail isn't easy. 2: Consumption is mostly about wants—not needs. 3: Experience matters and cookies smell better in a bakery and coffee smells richer in a Starbucks. Consumers just haven't taken to e-commerce in the numbers that the business magazines said they would just a few years ago. Shoppers are saying—"We want multiple ports of access to information



and product, and on any given day we may use them all." The result is that both e-commerce (the clicks) and everyday commerce (the bricks) are right. Clicks and bricks are the wave of the future. E-commerce provides a far larger presence than any amount

of conventional retail space can—and location becomes irrelevant.

With the help of e-commerce, retailers can create micro-markets defined by size, style and taste. Information about the products and their value-added aspects can be deliv-

ered in a complete and consistent way on a website. And—for the time being—clicks and bricks is hip!! With the Cyber Mall we took advantage of both worlds, by demonstrating products while not necessarily fulfilling orders for them on-site, or in other cases, showcasing products and making different sizes and colors available on line. Technologies such as on-site publishing, the production of custom CDs, and virtual make-overs further enhance the selling process.

MMP: How do you and the design team at JGA keep current—or even ahead of the trends? How do you keep energized?

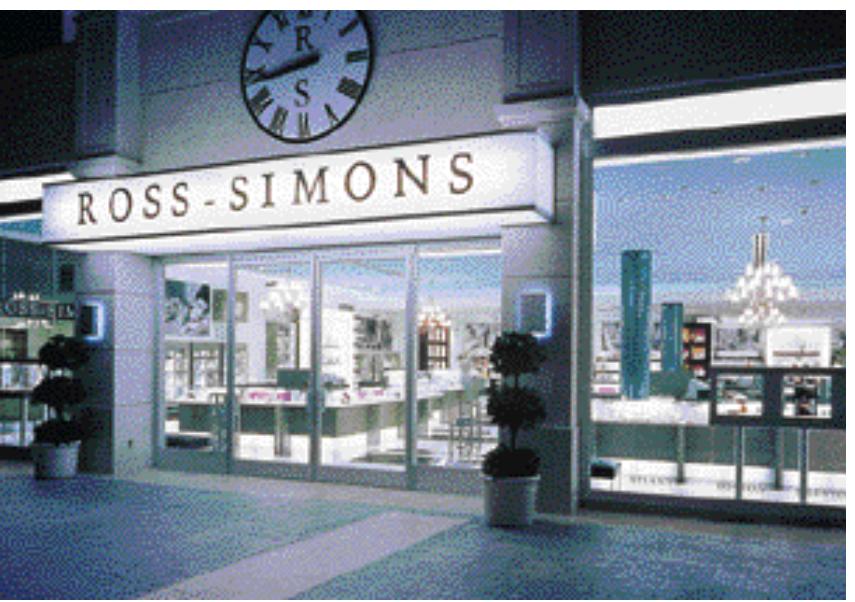
KN: Without realizing that design is really the end game not the output, we remain energized by focusing on people, personalities, lifestyles—all which inspire us toward the "thinking" part of our business—while not totally los-



ing track of the "doing" side.

MMP: What advise do you have to offer young architects/designers/visual merchandisers who are considering retail design as their life's career?

KN: Many of the most interesting designers we find come from non-traditional backgrounds. They may have gone through design school, be it fashion, graphic, architectural or interiors, but often took an interesting tack along the way: becoming a float designer, being a special events creator or promoter. I think unfortunately, education is a double-edged sword as is experience; sometimes training us to focus on obvious issues first, those being more familiar and comfortable, leaving the unique and innovative to last—which in this busy world sometimes means "not at all." My advice to them would be if you are interested in



this career—do something else before you become committed to it. Expand your point of view beyond what your peers offer. It is often experience that not just teaches you the rules, but also harpoons your sense of customer, sense of event and sense of innovation.

MMP: Thank you Ken Nisch. A real pleasure—and an education! We look forward to presenting more JGA projects—such as The North Face—in future issues.