

Apple's stores getting new look as other retailers struggle (Update)

May 19 2016, by By Michael Liedtke



People try products in the "Genius Grove" during a preview of the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. Apple is getting ready to unveil a stylish new product that's not for sale, a new look for its stores. The iPhone maker is overhauling its nearly 480 stores worldwide, starting with its new location in San Francisco. (AP Photo/Eric Risberg)

Apple is getting ready to unveil a stylish new product that's not for sale—a new look for its stores.

The iPhone maker is overhauling its nearly 480 stores worldwide, starting with its new two-story location in San Francisco.

Apple provided a glimpse of its revised approach to retailing on Thursday, the 15th anniversary of the company's first stores in Virginia and California. Since then, Apple's stores have become renowned for their elegant design and employees roaming the floor offering assistance, helping make them among the most profitable in retailing.

Despite their success, the stores have been growing stale, said longtime Apple analyst Tim Bajarin of Creative Strategies.

"This is a chance to reimagine a retailing concept that Apple had already nearly perfected," Bajarin said.

Apple could use a boost. Although it remains the world's most valuable company, sales of both its iPhones and iPads have been falling as consumers increasingly hang on to the devices that they already own and hold off on upgrading. The slowdown is the main reason Apple's stock has fallen by nearly 30 percent during the past year.

The San Francisco store, scheduled to open to the public Saturday, is supposed to conjure the ambiance of a town square where people can gaze through giant windows to savor views of the city as they stroll through spacious aisles.



Angela Ahrendts, Apple's senior vice president of retail and online stores, speaks with an employee during a preview of the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. Apple is getting ready to unveil a stylish new product that's not for sale, a new look for its stores. The iPhone maker is overhauling its nearly 480 stores worldwide, starting with its new location in San Francisco. (AP Photo/Eric Risberg)

It also features a 42-foot-tall sliding glass door that opens up to San Francisco's busiest shopping district.

"This is a company statement, not just a retail store," Angela Ahrendts, Apple's retailing chief, said in an interview with The Associated Press.

Unless they're in San Francisco, most Apple fans won't be able to see the new look for a while. The Cupertino, California, company plans to convert about 5 to 10 percent of its existing stores to the concept

annually, Ahrendts said. Some stores will probably have to be moved from their current locations in malls to accommodate all the changes.

The new layout culminates two years of research by Ahrendts, who Apple CEO Tim Cook lured away from luxury fashion brand Burberry in 2014 to restyle the stores as consumers increasingly shop online instead of brick-and-mortar merchants.

Much of that shift has been driven by the ubiquity of the iPhone and other smartphones that have made it even easier for shoppers to compare prices and buy products on the go. The upheaval is causing sales to slow or shrink at many major retailers as people spend less time at the mall.



Employees applaud as people arrive for a preview of the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. Apple is getting ready to unveil a stylish new product that's not for sale, a new look for its stores. The iPhone maker is overhauling its nearly 480 stores worldwide, starting with its new location in San Francisco. (AP Photo/Eric Risberg)

"It is kind of our fault that retail is changing," Ahrendts said. "Therefore, we realized that we needed to do something different with our physical space."

Even Apple is being affected by the online migration, with its digital store attracting more than three times the 400 million people who visited its brick-and-mortar stores last year.

The store changes include dispersing various accessories down a row of cubicles along a wall to simulate the experience of walking from one small store to the next. Apple is calling this area "The Avenue."

Apple's heavily used "Genius Bar" for fixing problems with its devices is being renamed "Genius Grove" and being relocated into a bigger area of the store with more tables and chairs to create a more relaxing atmosphere for those who might be stressed about a malfunctioning iPhone or computer.

Apple is also setting up cubes and balls in an area called "The Forum" that can seat up to 100 people for educational sessions about photography, music and other topics covered by experts in the field. Bigger stores like the one in San Francisco will have a space called "The Boardroom" where tech startups and other small businesses can hold closed-door sessions.

The company is also earmarking outdoor space at its stores in major cities that is supposed to be like a small park that will be open to all comers around the clock.



Angela Ahrendts, Apple's senior vice president of retail and online stores, speaks with reporters during a preview of the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. The store opens on Saturday. (AP Photo/Eric Risberg)



Signature 42-foot tall glass doors slide open during a preview of the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. The store opens on Saturday. (AP Photo/Eric Risberg)



Two women talk in the "Genius Grove" near "The Plaza," outside at right, during a preview of the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. Apple is getting ready to unveil a stylish new product that's not for sale, a new look for its stores. The iPhone maker is overhauling its nearly 480 stores worldwide, starting with its new location in San Francisco. The plaza, which will be open 24 hours a day, features a living wall, waterfall, sculptures and public Wi-Fi. (AP Photo/Eric Risberg)



People make their way along Post Street outside the new Apple Union Square store, Thursday, May 19, 2016, in San Francisco. Apple is getting ready to unveil a stylish new product that's not for sale, a new look for its stores. The iPhone maker is overhauling its nearly 480 stores worldwide, starting with its new location in San Francisco. (AP Photo/Eric Risberg)



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