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Retail, Restaurant Industries Embrace Post-Pandemic Design Shifts

New store layouts emphasize convenience, flexibility and digital integration.

Kristin Hiller

As the nation emerges on the other side of the pandemic, the retail and restaurant industries are tasked with adapting their store designs and business models to match consumer behavioral shifts. Shoppers and diners alike want to make purchases easily with multiple options for ordering and pickup.

Border Foods, one of the largest privately held Taco Bell franchisees in America, enlisted the services of Minneapolis-based design consultancy Vertical Works Inc. in 2020 to create a new restaurant design. The result was Defy, a two-story concept with four drive-thru lanes situated below the restaurant kitchen. Today, construction is nearing completion on the 3,000-square-foot restaurant, which is located in the Minneapolis suburb of Brooklyn Park and is slated to open later this spring.

Josh Hanson, founder and CEO at Vertical Works and WORKSHOP, says his team set out to reimagine the drive-thru experience and create a concept that would solve many of the issues related to traditional drive-thrus. “By elevating kitchens and operations and adding multiple drive-thru lanes underneath, the Defy concept is able to increase efficiency and profitability within the same footprint and at the same cost as a traditional drive-thru,” he states.

Defy customers will be able to place orders online via the Taco Bell app or traditionally via a two-way video screen. Pick-up lanes will be designated for specific order types to eliminate long lines. A proprietary lift system will deliver food to customers from the kitchen, and there will be no indoor dining.



Pictured is Chipotle Mexican Grill's 3,000th restaurant, which opened earlier this year in Phoenix. The location features the brand's drive-thru pickup lane called a Chipotlane.

Hanson says one of the goals of Defy was to develop a concept that delivers a highly personalized customer experience. He believes this is something today's consumer not only wants, but also expects. “The pandemic accelerated this expectation, as retailers were forced to connect with consumers in new ways,” he states.

THE DRIVE-THRU EFFECT

Chipotle Mexican Grill has been rolling out its “Chipotlane” drive-thru the past few years, and the chain recently debuted its first Chipotlane digital kitchen. The restaurant prototype opened in Cuyahoga Falls, Ohio, and features a smaller footprint than a traditional Chipotlane layout. The new format exclusively fulfills digital orders for pickup or delivery, and guests can collect their orders either through the drive-thru or walk-up window. While there is no indoor dining area, guests can enjoy their meals on an outdoor patio.

In its 2021 year-end earnings report, Chipotle stated that digital sales grew 24.7 percent year over year to \$3.4 billion and represented 45.6 percent of sales. Of the 215 restaurants that Chipotle opened nationwide over the course of the year, 174 (81 percent) included a Chipotlane.

New restaurants featuring a Chipotlane opened with roughly 15 percent higher sales compared with non-Chipotlanes opened during the same period, according to Chipotle. The brand plans to expand its Chipotlane footprint in three different ways — new restaurant openings, relocations and conversions of existing buildings.

Jay Baptista, senior principal and global retailer leader with Stantec's Phoenix office, says that the drive-thru experience is improving and expanding in many restaurant formats. It's no longer just for the quick-service restaurant space as drive-thrus are now being added to fast-casual restaurants as well. Baptista also points out



Design consultancy Vertical Works Inc. created this new restaurant design for Border Foods, one of the largest privately held Taco Bell franchisees in America. Called Defy, the two-story concept features four drive-thru lanes situated below the restaurant kitchen. Defy is slated to open later this spring in Brooklyn Park, a suburb of Minneapolis.

that the natural effect of more drive-thrus will be fewer seating areas.

John Bradshaw, senior architect with Camburas Theodore Ltd., worked directly with a fast-food group on a new design for a drive-thru-only concept.

Rather than devote space to a dining area inside, the prototype features a smaller layout but with triple the number of drive-thru lanes. “The building is smaller; the asphalt is larger,” says Bradshaw.

The transformation of drive-thrus is one of the most notable changes taking place in today’s retail environment, but it certainly isn’t the only one. As the retail and restaurant industries evolve in a post-pandemic marketplace, architecture and design will play an integral role in reimagining shopping and dining experiences.

“Retailers need to find a way to differentiate themselves in a landscape that continues to change rapidly,” says Hanson. “Consumer needs are ever-evolving, and creating a space to meet those needs is critical to providing a successful retail experience.”

‘CONVENIENCE IS KING’

For Hanson, the design factors that are most crucial for retail spaces include convenience, functionality, experientiality and profitability. It’s important to address all four factors because customers will notice if one is lacking. Defy was designed to deliver on all four legs of the stool, according to Hanson.



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DESIGN

“We know today’s consumers expect shopping to be highly convenient, and perks like curbside pickup and same-day delivery have become run of the mill,” says Hanson.

Since customers are looking to fulfill their needs as quickly and easily as possible, convenience is top of the list. Intuitive layouts, clear wayfinding and signage, and SKU (stock keeping unit) reduction are key, says Michael Trenary, designer with the retail studio of IA Interior Architects. SKU reduction or rationalization is the elimination of products that aren’t performing well, therefore leading to a more balanced inventory.

“From a design preference, retailers are voicing adavance about intuitive wayfinding, clean and clear layouts and open-air design,” says Gregory Houck, principal and director of new work at Cuningham. “Additionally, we are seeing perpetual demand for clearly marked sections dedicated to pickup and online orders, as well as areas at grocery stores dedicated to



Courtesy of Chris Eden and IA Interior Architects

IA Interior Architects partnered with retailer REI to help develop a smaller neighborhood store in East Cambridge, Massachusetts. At less than 6,500 square feet, the store is a much smaller footprint than a typical REI location.

prepackaged food and online orders.”

Houck adds that the “buy online, pick up in-store” (BOPIS) model is a great way for retailers to integrate e-commerce into their physical spaces

rather than try to compete against it.

“Convenience is king,” echoes Michelle Decker, associate principal with CallisonRTKL. “Pre-pandemic, retail brands were becoming more and more creative in experimenting with immersive retail, Instagram moments and experiences. But now, even more important is the convenience to the customer and how seamlessly a brand integrates omnichannel services into its customer experience.”

Decker also says that clients are much more interested in improving the “behind-the-scenes” experience than they were prior to the pandemic. This adjustment by restaurants and retailers has led to more digital integration, service design and in-store services like pickup or curbside delivery. “Our approach has always brought these [features] to our projects, but now our clients are asking about these nuances even before a project is on the table,” says Decker.

When it comes to restaurants, offering a convenient option for food pickup is essential, especially for casual establishments, says Baptista. Restaurants also need central kitchens that make it easier to create food for delivery, according to Brian Reno, a principal architect with Stantec in Chicago.



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The SoNo Collection in Norwalk, Connecticut, is designed to reimagine the shopping experience. The Stantec team focused on infusing a new mix of activities, technologies and places to attract millennials. A meandering footpath through the concourse incorporates playfulness while guiding visitors to a variety of destinations.

REASON TO VISIT

Today's retail designs must also help establish a compelling reason for consumers to shop at stores in-person. Humans are social beings that like to go out, and consumers want a reason to visit stores, Reno emphasizes.

But with the pandemic accelerating the shift to online shopping, demonstrating the value of in-store visits is more important than ever.

"Retailers must create a space, event or in-person experience that draws guests and differentiates the store from the online experience," says Reno.

Some ways to do that are by rethinking spatial interior and exterior relationships, enhancing the use of outdoor spaces and analyzing store density, according to Reno.

Trenary argues that today's customers are also looking for an escape. In other words, they seek retail therapy. "Places that shoppers can go to safely and engage with other people are key."

It's important to provide a holistic experience, one that incorporates both digital and physical aspects, Trenary emphasizes. For instance, consumers that became accustomed to online grocery orders during the pandemic would like to see their designated pick-up areas prominently displayed within

the physical storefront.

"We need to integrate the online and in-store shopping experience into a complementary ecosystem," says Reno.

When designing new store prototypes, retail brands are equally as concerned with customer experience today as they are with the aesthetic of the store, according to Decker. "The design and experience are equally dependent on each other, and brands recognize that the most beautiful store must also have an equally elegant service design and digital integration."

"Successful retail focuses on the customer service," says Houck. "To continue being successful, we believe retail environments should use technology to advance customer service to create more positive human engagement, not to replace human engagement."

MODIFY AS NECESSARY

Flexibility is also a key aspect of new retail designs. "Whether it's a drive-thru, designated pickup area or ship from store, it's really about flexibility," says Reno. "It's about allowing consumers to feel comfortable and allowing our retail to deliver in a variety of modes."

Reno says that architects and de-



Wintrust Wrigley is a high-profile branded retail branch bank in Chicago's Wrigleyville neighborhood. It serves as a flagship retail location within a Stantec-designed hotel development for the client in a new, popular area for entertainment and recreation. Wintrust is a major supporter of the Chicago Cubs baseball franchise and wanted to reflect that relationship in the design with homage to both Wrigley Field and the surrounding neighborhood.

signers need to help retailers deliver the flexibility that customers have now come to expect. One way to accomplish that is to reconfigure a space to allow for more pickup options or more outdoor space so that the consumer has plenty of choices. In addition, flexible spaces that can be quickly reconfigured at minimal cost are helpful for hosting special events such as pop-ups.

“Perhaps the most important consideration from a design perspective is to create spaces that are flexible and can be rearranged or reinvented with the least resistance,” says Houck. Innovative design that promotes flexibility can help address uncertain times, he adds.

“Flexibility and planned adaptability are key,” says Decker. “Consumer habits are changing faster than the time it takes a store to be built, so investing in modular, flexible environments is a sound business tactic.”

Additionally, capturing data and analyzing these decisions regarding flexibility will be valuable in expanding the industry's understanding of how brick-and-mortar retail is utilized, states Decker. “Using live data will help us predict, plan and adapt

quickly.”

Retailers are also starting to develop distinctive spaces for different markets and utilizing their stores for fulfilling online orders. “The store is configured differently in a college town than it is in a small town or urban setting,” says Reno. “Today, the store is both a store and a last-mile warehouse distribution center for the online retail delivery segment.”

Other features that are becoming standard in retail spaces include app-based touchless checkout, self-service checkout and remote pickup, according to Reno.

SMALL SCALE, BIG IMPACT

Retailers are also experimenting with smaller footprints. Baptista says that recognizing the need to design for less density on the sales floor or in the restaurant seating area while increasing queuing space and touchless points has been the most prominent shift in retail design because of the pandemic.

Houck says he's seeing an increase in the success of strategically designed small-scale stores. These types of stores “radiate more authenticity and often have very creative curation,” he

says, referring to merchandise selection and display. “In this day and age, consumers crave curation and brand loyalty.”

IA has worked with several brands known for their big box spaces to create smaller-scale, neighborhood-type stores. Trenary says that these smaller types of stores are hitting on a number of trends that have been gaining momentum for years. For instance, by tailoring or curating product assortments to better serve specific customers, retailers can boost sales.

Recently, IA partnered with REI to help develop a smaller neighborhood location in East Cambridge, Massachusetts. At less than 6,500 square feet, the store is a much smaller footprint than a typical REI location. The small-scale store offers a more limited product assortment that is tailored to the tastes of the local community, which in this case is partial to running and indoor climbing.

Testing small-scale stores can be a smart way to experiment with real estate and cater to different types of customers.

In the past, there was one primary retail customer that Decker calls “the explorer” — someone who would visit a store simply to peruse merchandise and consider a purchase. While the explorer still exists in today's environment, an equally important customer has emerged — “the mission-driven.” This customer has already investigated a product online and wants to visit a brick-and-mortar location simply to make a final decision or pick up an online purchase. **SCB**



Pictured is a T-Mobile Experience Store in Southlake, Texas. IA Interior Architects says the design of these stores represents an “evolution from transactional to experiential, with a casual, guest-focused ambiance.”

Courtesy of Thomas McConnell
and IA Interior Architects