The concept of concept stores;
a Qualitative Research on a New Retailing Concept

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Preface

As someone who has worked many years in the Dutch retailing industry, my personal interest was a big instigator for choosing this specific topic. With this research I wanted to expand my knowledge about and specialize in concept stores, since I believe that they play an important role in the Dutch retailing industry, based on their innovative and mission-driven motivations.

At this point, I am at the end of my study career, after being an active student at the Erasmus University for the last couple of five years. The knowledge and experience that I gained during this course will be my fundamental base for my future career in the creative industries.

I would like to use this opportunity to thank my coordinator, dr. Mariangela Lavanga, for giving me the choice and opportunity to write about my main topics of interest. She has been a great guidance during the process of my thesis.

I also want to thank my co-reader, dr. Marilena Vecco, for het critical eye and new insights about my study. She has shown me many aspects that involve around cultural management and cultural entrepreneurship.

The owners and managers of the concept stores have also been very helpful for this research. Without their input, this thesis could simply not exist. I would like to thank them for their time and efforts.

Furthermore, my parents, who have given me the opportunity to attend university and who supported me through my entire career as a student: *'faleminderit shume'*! I could not have been here without them. Last but not least, my dog Billie, for accompanying me through the whole process and understanding that play time was not always achievable during my writings.

Abstract

This thesis investigates how and why concept stores are emerging in struggling financial times. The literature review emphasizes the many aspects of the retailing industry that can be linked to the characteristics of concept stores. Furthermore, the literature review shows the various theories of organizations that exist that are related to this phenomenon.

In order to provide more understanding of the current state of affairs for concept stores, 8 semi-structured interviews have been conducted. The results of the interviews were then divided into different groups of categories that zoomed in on the findings of the performed research. The findings that were found that were not discussed in the literature review, are also discussed to show some new perspectives that could be interesting for future research.

As a result, it turns out that concept stores have emerged right during the economic crisis in order to provide a platform for young creatives and entrepreneurs in the creative industries, by bundling forces and focusing on collaborations. These collaborations are more local based and find their roots in the motivations of the owners to help strengthen area development in their cities.

However, most concept stores have indicated that their long term goal would be to collaborate with more brands and designers, on a larger scale. Their ambitions are international and they see new chances and opportunities in different cities than their own to expand this new retailing concept.

With these findings, the author intends to contribute to the lack of academic literature and knowledge on concept stores in the Dutch retailing industry. The patterns that have been found in the results can also be used for research about concept stores in other countries, since it shows that the researched concept stores share many similarities that could also be found in other international concept stores.

Key words: retailing, concept stores, authenticity, experience, organizations, branding, platform

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1   Introduction

1.1   Research problem

The retail industry is changing. It has become a more accepted and logical change that stores are closing down. This decline is constantly showing us the changes that are occurring in the retail industry. Shopping areas are struggling with the decreasing presence of the consumers. Store have become emptier, the main shopping areas are not as crowded as they used to be and as a result, there has been a tremendous rise in the foreclosing of stores, varying from small boutiques to historical and prestigious department stores, such as the closing down of the 'Maison de Bonneterrie' in 2014(www.nos.nl). As a result, the store density in the Netherlands has decreased with 2% since 2008 (www.vastgoedmarkt.nl)

There are many vacant spaces in the Dutch shopping areas that are leading to empty streets without any new initiative to be started (Weltevreden, 2012). This change shows that the retailing landscape is changing, mostly due to the economic crisis and the increasing online stores (Weltevreden, 2012). People are more careful with their budgets by not spending as much of their money on retail goods. This means that over the last five years the retail industry has had to deal with decreasing numbers.

One of the important factors of the more difficult financial times for the retail industry is the rise of e-commerce. Online shopping is for many consumers an easier and most importantly, cheaper way of adding new products to their household. The transaction costs and search costs are significantly reduced, because consumers can find new collections online and sometimes even for a better deal. They do no longer have to leave their house to purchase new products and as a result, stores have to deal with this increasing emptiness.

However, this portrait of the retailing industry in the Netherlands shows one side of the retail climate. The other side shows a completely different development; the rise of the concept stores. A concept store is a retail store that is not focused on simply selling products, but is focused on creating and offering a lifestyle based on their handpicked products. The products are a reflection of the household name of the concept store, but they also belong to a certain social scene that fits the concept store's target group that is mostly focused on high end fashion, urban fashion or hipster fashion (www.wisegeek.com).

There is room for new retail concepts to be tested or promoted. A concept store does not carry the full risk that other stores have; they can switch their collections and see how the consumers are responding to it. A concept store can be seen as a more experimental form of retailing, because changes and development are important factors for these pioneers (Petermans, 2013). Even though the retail market needs to upgrade the status quo, some retailers have acknowledged that they should take their efforts to a higher level while trying to reach the consumers. They are more oriented on creating a memorable and attractive consumer experience for their customers (Kozinets et al. 2002).

Their raison d'être is cultivating a new taste for their customers. They create and provide emotional and sensory experiences for their consumers. The products that are mostly present in these concept stores are clothes, shoes, accessories, books, cosmetics, food and gadgets. Every item needs to be united with the concept store's philosophy. These concept stores operate as trend setters and they offer a simpler short-cut for their consumers to find the right products for their lifestyle (www.toonaripost.com).

The late 90s was the period that the first concept stores were born. One of the first concept stores can be found in Milan, Italy: 10 Corso Como. This store combined luxury fashion and interior with literature, art and a restaurant (Chandan & Lottersberger, 2013). It was not until very short after that the now best known concept store of Paris, France was opened: Colette. This store has been able to combine fashion with beauty products, arts and the Parisian nightlife (Chandan & Lottersberger, 2013).

In the academic literature, there is little to be found about the phenomenon concept stores. The term is continuing to be discussed in the media, but the lack of academic literature on this new retailing concept is noteworthy. There is a need of an analysis that is focused on these so-called concept stores and their motivations. With this thesis, I want to help contribute to the gap that exists in the literature about this new phenomenon.

1.2   Goal and research question

Since the rise of concept stores on an international scale, many concept stores have risen and are continuing to do so. Even during this negative retailing climate, young entrepreneurs are deciding to open the doors of their very own concept stores. While keeping the success of 10 Corso Como and Colette in mind, young entrepreneurs in the Netherlands are feeling the urge to change the Dutch retailing landscape.

Therefore the main question of this thesis is: 'Why and how are concept stores emerging during struggling financial times in the retail industry?' I want to help contribute to the lack of academic knowledge concerning this new phenomenon, because a study on this new development knows as well as a societal relevance, as a scientific relevance.

1.3   Relevance of the research

Concept stores in the Netherlands can mostly be found in the two biggest cities: Amsterdam and Rotterdam. Their existence has led to a decreasing number of vacancies in the city's shopping areas that are a result of the financial crisis. Their locations also form an important factor for area development, since these stores attract many different types of consumers.

Furthermore, role as intermediaries also needs to be highlighted. Concept stores give a new stage to young creatives to showcase their creativity, talent and products. They function as a local platform for young entrepreneurs that want to be involved in the creative industries. Therefore, the societal relevance of this research is to investigate how these concept stores perform and what the motivations are for the owners start up an organization by using this model.

The scientific relevance of this thesis is the fact that there are not many researches performed about concept stores in the Netherlands. The term is new to many people, so there is also a misunderstanding and confusion when concept stores are being discussed. Functioning as a new retailing model, it is crucial that this type of model gets researched, because it can show new possibilities for retailers to upgrade their organization and be more attractive for consumers. This research will be done by qualitative research; in-depth interviews will provide the most data and hopefully will be essential to help form certain theories that count for these concept stores. The main goal of this thesis is to increase the scientific knowledge and information about this new phenomenon.

In order to explore the world of concept stores in practice, I will focus on 8 Dutch concept stores to find out why they decided to start their own concept stores and what kind of strategies they use to keep their business healthy. The concept stores will differ from beginning concept stores to highly established concept stores in Rotterdam and Amsterdam, the Netherlands.

1.4   Research structure

The design of this thesis is set in three different parts. The first chapter is the literature review. This forms the base of the existing theories that are linked to concept stores. This chapter has three different parts. The first chapter discusses the changes in retailing in general. It discusses how online shopping has become an important component in the world of retailing and how stores in general are responding to new changes.

The second part of the theoretical framework focuses on concept stores and is divided into different paragraphs in order to create a clear image of what a concept store entails. These paragraphs include themes such as authenticity and originality of the concept stores, the way that consumers can be linked to stores and its products in general, how concept stores are creating a brand of their own organization and how they offer the right experience for their customers.

After this analysis, the third part describes organizations in general. There are different theories that help dissect an organization, varying from its mission to its values. Furthermore, there are four different metaphors used to help explain the different ways that organizations can be designed.

The second chapter of this thesis is the methodology that is used in order to conduct this research. The fourth part discusses the research design, the sampling procedure and how the data will be analyzed. For this research, there is use of inductive theory. This means that the results of the research will form the base of new patterns and theories that will help answer this thesis' research question. In the fifth part, the results of the research are shown; the correlations between the different categories of the research will be described and formed in order to create a clearer image of how concept stores function.

The third and final chapter of this thesis presents the main findings. This part concludes and discusses the final results of this research and what kind of limitations it inhibits. Furthermore, some suggestions for future research are highlighted.

2　　　Literature review

2.1　　Introduction of the literature review

The literature review forms a base of the theories that are written about retailing. Retailing knows many elements and models that have been researched thoroughly. For this thesis, there are different theories used to illustrate the many characteristics that are linked to retailing in general. These theories are all linked to the research of concept stores, since they form an important part of the Dutch retailing industry.

In the first paragraph, I will discuss the situation of retailing in general and what changes are actively developing over the last couple of years. Furthermore, the four different retail trends of Meints (2013) are discussed to showcase the different types of consumers that have been categorized.

In the second paragraph there is a description of concept stores in general to give an introduction of what they entail. This paragraph shows the gap in the literature, because there is hardly any academic literature present that could help describe the term thoroughly.

The third paragraph discusses the importance of authenticity and originality that concept stores need to possess in order to be found unique and attractive. This paragraph discusses the importance of variety in the merchandise, a strong vision of the image of the store and therefore the brands and products that get sold and creating an authentic identity that can be easily recognized by the consumers.

There are also many theories written about how consumers can identify themselves through certain symbols that are ejected by stores that are linked to their products. Some products carry certain status symbols that people want to be connected with, because it helps create a certain self-confidence and the feeling of belonging to a specific group of choice.

Store branding can be found in the fifth paragraph that illustrates the theories that are written for stores to decide to start up their own product lines. There are three different motivations for stores to choose for this direction and they can be found in this paragraph.

The sixth paragraph that is linked to concept stores is the presence of offering the right experience for the customers. There are many theories written about the right experience in retailing and this paragraph shows the similarities between the literature and the present state of retailing. An experience can be seen as one of the most important factors of a retailing concept, because this can help build up a relationship with the consumers.

In paragraph eight there is a section of general theories about organizations. Organizations know many different aspects that can help build up a healthy company that can function over the long term. For this thesis, it is interesting to also research concept stores from this view point, because they are also simply an organization that makes plans for the long term.

In this paragraph, I discuss the general knowledge about organizations and their features. A new form of organizations is the 'learning organization' that can be found in relatively new organizations that incorporate younger models to function.

For an organization to possess a vast fundamental base it is important that there is a clear mission, vision and values statement. This part of the literature discusses three terms and their importance for a healthy organization. Alongside with the values statement is the 'Competing Values Framework (CVF)' that shows the different values that can be found important for an organization.

In line with the organizational features and also the last section of this chapter, is the discussion of the four different metaphors that can be found in organizations. Their characteristics, together with some examples of companies, show how organizations can function in different ways. They will be compared with the different values of the CVF.

The main goal of this literature review is to create an image of the current state of retailing and how it can reflect on concept stores. These stores have similarities with existing retailing theories, so the focus points of this research are easily retrieved by the literature. My contribution is to help explain the current state of affairs in the retailing industry and the many aspects that need to be taken into account in order to analyze and understand this new type of retailing model.

2.2   Changes in Retailing

The Dutch retail industry has known quite a lot of interest from its consumers. In 2007 almost 42,5% (which stands for €23,8 billion) was spent on recreational shopping (Peek & Van Vegchel, 2011). Since the economic crisis, consumers are demanding higher and better quality of products and services. During the crisis many consumers were forced to deal with new budgets. This is shown in the amount of stores in the Netherlands that could not make it through the crisis; the store density in the Netherlands has decreased with 2% since 2008 (www.vastgoedmarkt.nl). (Luxury) retailing was not on many people's agendas since the financial crisis.

However, the financial crisis also led to the development that consumers are in search of better quality, because they want to spend their money wisely and invest in higher quality items.

The use of the internet has been a handy tool for consumers that are looking for the best price-quality deals. These consumers find the information they need in order to make their purchase, because these online companies offer them more precise information that will take more time to gather without using the internet (Meints, 2013). One of the main advantages of online shopping is that search costs for products and services are reduced. The search for the best information regarding products and services has been lowered, which is why online shopping can be seen as the offline retail's biggest competitor (Lynch & Ariely, 2000).

Online shopping has many dimensions that users find helpful and interesting. The use of online shopping is mostly goal-oriented; the experience is less of importance. These consumers use the internet to do their shopping, because it is easily accessible, convenient; they can use it whenever they want to, there is enough information available that could help them to make the right choices regarding their shopping expenditures and the consumers do not have to deal with being social with the personnel (Wolfinbarger & Mary, 2001). It is even stated that consumers feel a sense of freedom and control when they shop online instead of shop in stores (Wolfinbarger & Mary, 2001).

This means that the retail industry needs to make quick changes in order to keep up with this constantly changing environment. They should keep up with this new experience economy. Retailers should understand that consumers can no longer be seen as mere customers. This group wants the retailer to focus on the authentic feelings, desires and personalities of the consumer. This group does not want to be passive anymore when it comes to information seeking.

They want to be indulged, informed and assured about their future purchases (Petermans, 2013). These changes will need to be taken into account by the Dutch retailers by taking a look at Meint's retail trends: the aging consumers, the sophisticated shoppers, the digital age and sustainability and scarcity of resources.

 The trend 'aging consumers' predicts that the amount of (rich) elderly people in the Netherlands is rising. The consequences are that their way of spending will change, along with the changes in the demand for convenience in stores and their accessibility (Meints, 2013). This aging development will show itself in the retail climate, because even though the elderly already set an established taste, the upcoming new aging group may show signs of changes in taste that the retail industry needs to supply in order to increase the revenues.

The 'sophisticated shoppers' are the group of people that are not willing to wait for the retailer. Instead, they are focused on information gathering of products by using the internet. Their knowledge of products, collections and trends can develop quicker than it used to (Meints, 2013). The consequence of this development is that consumers can no longer be led on by the retailer. It actually leads to that the retailer should take into account that his or her consumers are well informed by the products and that they should change their selling strategies.

The trend 'digital age' predicts the connection that people have with the internet. They are no longer limited to physical shops; they are able to purchase their products online without having to leave their house. This trend goes hand in hand with the sophisticated shoppers, since the digitization is responsible for the increase of knowledge by providing accurate information (Meints, 2013).

The last trend 'sustainability and scarcity of resources', focuses on the fact that consumers are now more aware of sustainability. As a result, they will also demand this of the retailers, because they understand that changes need to be made; not only by themselves, but also by their suppliers (Meints, 2013). Over the last couple of years, consumers are more oriented on ecologically friendly products, because they are more informed about environmental developments (Chandan & Lottersberger, 2013).

2.3   Concept Stores

Concept stores were born in Europe in the late 90s. The main outcome of a concept store is that it is specialized in cross-selling different products and services under one roof that shows a specific lifestyle. A clear definition of a concept store is ''*a new retail format that integrates apparel, homeware, bookstore, gallery and restaurant under a consistent brand personality and visual merchandising*'' (Chandan & Lottersberger, 2013: 2).
A concept store has different brands handpicked in order to create an image of a lifestyle that the concept store wants to express to the outside. The important factor of a concept store is that it creates a socializing environment with many different products and services that are relatable for different types of (sub-) cultures. There should be a sense of movement and thrill whilst visiting the store, because a concept store is always in a state of flux.

2.4 Authenticity & Originality

The key words of the concept store's values are authenticity and originality (Petermans, 2013). It is important for a concept store to possess a clear image that can be shown to the consumers, because creating and building a certain lifestyle takes time and patience. The products that belong to the store are chosen because of their innovative and original characteristics. The goal is to stay away from mainstream fashion as much as possible.

In this case, the terms authenticity and originality work in two ways: first, the concept store needs to possess the image that its vision, mission and values are authentic and original. They need to create a sense of authority when it comes down to their selections. A concept store can be seen as an intermediary that provides products that belong to a certain lifestyle. The function of being an intermediary is what can gives the concept store the authority that is required in order to create credibility towards the consumers. This is why a concept store should always work within a clear structure to maintain their position in the retail industry.

Brands can be seen as the drivers for people to spend their money (Kozinets et al. 2002). As a concept store owner, it is important that he or she can find the right brands that are in line with the store's vision. Their status quo is their identity and their customers want to derive their identity alongside with this lifestyle. The stores focus themselves on the supply side, by handpicking products that are in line with their concept and the lifestyle they want to portray towards their consumers. Concept stores can therefore be seen as certain intermediaries that curate certain products that can form a sense of belonging for the consumers.

The present literature on concept stores shows that these stores do not follow one direction or focus on one target group. The assortment shows that people with different backgrounds and tastes could be a customer. The range of ecologically friendly, luxurious or urban street wear products are a welcome sign for many different (sub-) cultures.
The need for variety in the merchandise is highly needed, because it can therefore be focused on a bigger, less specific target group (Chandan & Lottersberger, 2013). The diversity of their assortment is a big part of their originality; the products and services that are selected show the consumers that the concept store is well informed of the newest products that belong to various groups of consumers.

For all concept stores it is therefore important that they select the right brands for their customers. A brand stands for an identity that can be appealing for a consumer.

The fact that a concept store works with various brands from different disciplines shows that they could always switch from routes whenever they want to promote their own store identity (Manlow & Nobbs, 2012).

2.5   Choosing a self

Before we can discuss the strategies of concept stores of attracting various types of consumers, it is important to discuss the consumer's self-concept. Consumers are faced with their own self-concept whilst exploring the market for goods and/or services. The self is how a person sees him- or herself; as an object. Any feelings, evaluations, attitudes and perceptions of a person are embedded in this self-concept (Grubb & Grathwohl, 1967). It develops the experience of social encounters and is shaped by other people's responses towards that person.

The situational self-image is a part of this concept. It describes how a person wishes his or her self-image to be while being in contact with other people. A person's self-concept or self-image can change in different situations while being with different kinds of people, because this individual wants to be associated with certain feelings, attitudes and perceptions that need to be recognized by the people around him or her (Sirgy, 1982). This recognition and positive reactions from others will enhance the individual's perception of him- or herself. This is why people always strive for these types of reactions from others, because the self-concept will be boosted in a positive manner (Grubb & Grathwohl, 1967).

Consumers can view themselves in terms of different levels of abstraction, such as a student, a Christian, an athlete etc. They are built in social categories that are *'internal mental representations that can become a basic part of how consumers view themselves'* (Reed, 2002: 255). This is why consumption is a big part of shaping and establishing the self-concept. Product use can build an image around a consumer's personality; the physical characteristics of the product, the packaging, advertisement and the price are all factors that contribute to this constructive reinforcement. These factors communicate symbolic meaning to not only the individual, but also to others (Sirgy, 1982).

There are three conditions that lead towards the communicative skills of products: visibility in use, variability in use and personalizability of products. The condition visibility in use stands for that the product must be consumed in a conspicuous or visible manner (Sirgy, 1982). It needs to be shown to others that the product has been purchased, because this sends certain signals of someone's self-concept (Manlow & Nobbs, 2012).

The condition variability in use focuses on the importance of the variability of products, because this is what can differentiate people from each other. If there is no variability, than the uniqueness and originality of someone's self-concept will never count as something to take into account. The condition personalizabilty of products describes the way how products (or the use of products) can be linked to a stereotypic image of the user (Sirgy, 1982). This means that certain products already belong to certain stereotypes of people.

They can be seen as symbols that constantly interact meaning towards to the consumers. In order to function as a symbol, a product needs to possess social recognition and the message and the meaning that belong to the product must be clearly established and acknowledged by society (Grubb & Grathwohl, 1967). Consumption of products and services is one way for a person to express his or her self-image. This is why products need high levels of conspicuous consumption levels so that this expression can be easier established by the individual (Sirgy, 1982).

The self-enhancement by the consumption of products works in two ways. First, *the self-concept of an individual will be sustained if he or she believes the good he or she has purchased is recognized publicly and classified in a manner that supports and enhances his self-concept* (Grubb & Grathwohl, 1967: 25). Secondly, *public symbols elicit a reaction from the individual that supports his original self-feelings* (Grubb & Grathwhohl, 1967: 25).

This is why firms should focus on these differentiated self-concepts. They can appeal to many types of people that are dealing with the construction of their own self-concepts (Grubb & Grathwohl, 1967). Concept stores are exactly doing so. Their strategies are built on being appealing to various types of consumers. The variety of the products from different disciplines is what can cross many people's paths. However, another important factor of the formula of a concept store is the experience. The experience, alongside with the variety of products is what could be the success formula of these concept stores.

2.6 Store branding

A new development in retailing is the fact that stores are setting up their own products. The retailer as a brand is becoming a more important trend in retailing (Grewal, Levy & Lehmann, 2004). Store brands can be seen as important competitors to private brands that are bought in by the store.

These products contribute to retail differentiation and actually form a new path way to increase the customer's loyalty to the store (Collins-Dodd & Lindley, 2002).

This new strategy has different beneficial aspects for the store's image and its relationship with the customers. Whenever a store uses the name and/or the logo of the company into its products, there is an extension of the brand name that is no longer only dependent on the store name (Collins-Dodd & Lindley, 2002). When this occurs, the store also functions as a brand that offers new household products in order to be more connected with the consumer.

There are different motivations for a retailer to use store brand products. Firstly, store brand products can have a higher margin than products of other brands. It is mostly the case that designer's products have a fixed selling price, because they do not want any changes in prices at different selling points. Often, these brands already hand out a list beforehand of the selling prices of the products to the stores. These are fixed margins that help the store to increase its revenue, but they have fixed boundaries.

While working with an own label of the store, with products that are an extension of the store's image, the margins can be defined by the store itself (Ailawadi & Keller, 2004). This is more beneficial for the store's revenues, because it is not dependent on price lists that are defined by external parties. In this way, a store is able to experiment with margins and see which margins work the best for the store.

The second motivation to work with store brand products is the influence on the prices that are negotiated with manufacturers (Ailawadi & Keller, 2004). As a new 'brand', the prices of the production need to be as low as possible. Instead of being dependent on other brands' manufacturer prices that are automatically linked to the buying and selling prices, a store can now define its own prices according to the production costs.

If a store knows how to negotiate well and work with low prices, the prices of the store brand products do not have to set too high. As a result, the chances that these products will be sold will be increasingly higher, because it is not too much of a financial burden for the customer. The relationship between the store and the consumer becomes more tangible when this occurs, because it shows the direct support from the consumers to the brand.

A third motivation is that a store label can increase the consumer's loyalty to the store itself (Ailawadi & Keller, 2004). The store can be seen as an intermediary between the products and the identity of the consumer. This link between the both parties shows how a consumer can be connected with the values of the store that are reflected in the selection of the products.

With private labels involved, the relationship between both parties can be directly observed. A store can create a new shopping experience for the consumer, because it can offer products that are directly linked to the consumer's interests (Verhoef et al., 2009).

This build-up of the relationship needs to be executed in such a way that the store's image is well reflected in the products. For example, *'packaging, merchandizing and advertising strategies'* can be used to increase the connection between the store and the consumer (Collins-Dodd & Lindley, 2002: 347). The presentation of these products needs to be in the same line as the store's image. The story that is told by the company must be reflected in the way that these products are shown to the consumers.

However, a store is also in need of products that are from other brands and/or designers, because this selection can help increase the interest of the consumer and the loyalty towards the store. These brands are crucial to help shape the store's image of how it wants to be reflected towards its consumers. This is also called the ''you are what you sell'' theory in retailing (Ailawadi & Keller, 2004). The store shows its knowledge of the variety of available products, but it also helps differentiate the products that are on display. This variety helps the store to reach different target groups that can be interested.

2.7   The experience

A concept store can only be found unique when it provides a unique experience to its consumers. The main point of a concept store is that it can define its own style, its unique reason of being and its necessity to the fashion industry. There is a new kind of economy taking place in the retail industry that is called the 'experience economy' (Pine & Gilmore, 1998). The experience is created by the company, by using goods as props and by trying to engage the customers in an unforgettable way. As Pine and Gilmore describe in their article: ''*Commodities are fungible, goods tangible, services intangible and experiences memorable*'' (Pine & Gilmore, 1998: 98).

The rise of the use of internet shopping is seen as retail's biggest competition, but what the internet cannot provide is an experience during the shopping process. It is less possible for a web shop to create an experience that excites the consumer's senses. The atmosphere in the store that is strengthened by the use of music, colors and the service of the personnel can hardly be achieved by an online retailer (Manlow & Nobss, 2012).

Furthermore, online shopping can be easily accessible and time saving, but it also creates a chaotic world of information that the consumer cannot always select as right (Farag et al., 2007). The flow of continuous information can distract and confuse consumers which can lead to losing consumers (Manlow & Nobbs, 2012). Therefore, a concept store is the best type of store that can try out new products and visual merchandising concepts, because they create the possibility and opportunity to buy in new brands, as they want to reach different types of consumers (Manlow & Nobbs, 2012).

They do not have to stick to certain brands, because a concept store is always looking for types of products that come from different disciplines, such as art, literature, food, music and fashion. This selection is what can keep attracting new consumers, because they do not have to consume as much time for looking for high quality products; the concept store already did this for them.

In order for concept stores to reach their customers, they need to clearly define and promote their identity. Providing the right experience is one of the factors that can build and enhance the relationship these stores have with their customers. Brand experience is defined as '*the subjective, internal consumer responses (sensations, feelings and cognition) and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments*' (Dolbec & Chebat, 2013: 460).

The setup of the store needs to tell a story to the customer, by using different types of products that belong to different identities. It is important for a store to make sure that the customer can '*see, grasp, touch and smell the products*', because this is how they can indulge the customer with the products (Manlow & Nobss, 2012: 5). The environment in a store, based on music, lighting, color and aroma help form the sensory impressions that positively enhance the customer's experience (Morrison et al., 2010). The goal is that the customer eventually will walk away with the products that are shown. Store design is therefore a crucial factor whilst trying to associate with the consumers.

The spirit that is felt and seen in the store forms a leading role of the experience that is offered to the consumer. The goal that a store wants to achieve by taking this spirit into account is that relationships are being built with the customers.

Long term relationships are what (concept) stores need to look for, because that how a brand or store can be built (Manlow & Nobbs, 2012). Therefore, the importance of the physical retail environment needs to be emphasized. Only then can a company build up a relationship with its customers (Petermans, 2013).

People's attitudes are formed by their experiences, whether they are positive or negative. Whenever there is a ''feel good'' experience present, people are more likely to link this experience with positive emotions. Whenever a store is able to put this down in practice, a consumer will have a more positive attitude towards the store.

What happens is that the consumer will link this connection to his or her self, because they want to feel connected to this positive affirmation that they received during their visit. As a result, this in-store experience can lead different outcomes, such as the consumer's loyalty; he or she will come back more often, positive word of mouth; the experiences will probably be shared with friends and family, and it also helps trying to reach new groups of people (Petermans, 2013). The consumers need to be *'enticed, entranced and enraptured'* by the in-store's experience (Kozinets et al., 2002: 20).

Over the last couple of years, retailers have started to use the strategy of 'store as the brand' approach, because it gives them the opportunity to differentiate themselves from their competitors (Carpenter, Moore & Fairhurst, 2005). The exclusivity that the store wants to bring out to the consumers is what actually brings the consumers to the store. They want to feel associated with the store's originality and authenticity, especially when the store provides exclusive and high quality products (Dolbec & Chebat, 2013).

The identity of the organization needs to be ingrained in the design of the store, ranging from the architecture of the building, the visual merchandising and the products that are available. Based on previous research, the use of architecture and art helps to strengthen the image of the products that are being sold (Manlow & Nobbs, 2012). Retailers cannot only use a ''fun factor'' in their expressions of the store's identity. They should also provide a utilitarian value for the consumer. Retailers should have the right knowledge about how they want to merchandise their products that are placed in the right place with the right price (Carpenter, Moore & Fairhurst, 2005).

These demands of consumers work well in combination with the strategy of concept stores. Their various assortments of products from different disciplines can be used and merchandised in different ways. These stores have the space and the possibility to always shift the in-store design that does not only create new artistic spirits for the store's experience, but it also keeps the customers wanting to come back.

2.8   The concept store as an organization

Concept stores have different dimensions they have to take into account. As earlier described, they need to be aware of the relationship they have with their customers. This is a complicated task and a lot of time and effort needs to be put in if they want to expect positive outcomes.
However, as an organization, they also need to work on the internal organizational features that are always present. If they lack organizational skills, then it will become more difficult to work efficiently.

This chapter describes the factors that every organization needs to work with. An unstructured internal organization will eventually have to deal with unstructured marketing strategies. It becomes more difficult for an organization in retail to reach the consumers. As a result, the relationship between the store and the consumer will not be as fruitful as expected. Long term relationships with consumers cannot be formed when there is no clear organizational structure. It becomes harder for an organization to achieve its goals when there is no fundamental core set as the base of the organization.

2.8.1   Features of an organization

In order to describe the factors an organization should have, we need to start at the beginning: what exactly is an organization? An organization is the coming together of a group of people who share common values that they eventually want to reach while setting their goals (Klamer, 2013). The organization consists of a culture, which can be described as an organization's most important feature. It functions as the heart of the company. Another way to describe this culture is by using the term 'oikos' (Klamer, 2013). This is the place to realize values that we find important. There is a close relationship with the people whom we care about; family, friends and in this case, colleagues.

The oikos knows two essential characteristics. The first characteristic is 'sharing'; it stands for sharing our meals, our memories and our experiences with others. The second characteristic is the 'value of loyalty'; members of the oikos keep each other safe and members work interdependent with each other (Klamer, 2013).

These characteristics are what makes your home 'your home' and some people value this feeling when they are in their work place. Some organizations feel the need to achieve this type of relationship with employees. It gives employees a sense of safety and more confidence, because they can be themselves while they are at work and do not feel pressured to be someone that they are not.

The atmosphere at the workplace is more relaxed and this positive attitude can form a big motivation for employees to achieve the company's goals.

Organizations are in a continuous state of flux. In most organizations there is a presence of a hierarchical structure. A manager and/or leader carries the responsibility to ensure that every member of the organization fulfills his or her tasks.

Since the 1990's, organizations started to adapt a new kind of organizational structure, by implementing organizational learning. This concept focuses on the importance of continuous adaption and improvement of the organization (Goh & Richards, 1997). All members of the organization are a part of this development. It is no more the case that there is a hierarchy with a flow of information going downwards; the organization switches the process of information flows from being vertically, to a horizontal flow.

Organizational learning has a set of conditions that are crucial for its development. The first condition is that everyone in the organization has the possibility to exchange and share information. This could be information about new developments within the company, but it can also be expectations and feedback of employees and managers. This exchange has one goal and that is to assist learning with every member of the company (Goh & Richards, 1997). Certain walls between groups in the organization need to be broken down in order to reach this incentive.

The second condition includes information systems. They are built to enable members to be more questionable about how there is being operated within the organization. These information systems have the goal to make sure that members become more informed. This can happen on a small scale and more focused on individual development. It can also occur on a larger scale, which develops collective learning (Goh & Richards, 1997).

The final condition includes a culture and management style. This condition makes sure that there is a good atmosphere for members to work in. The oikos is a big part of this feature (Klamer, 2013). There is room to experiment and this is actually encouraged by the organization. The goal is that members can develop themselves and find new personal characteristics and work methods that could be beneficial for the company. Successes and failures are very much welcome here, because they stand for increasing knowledge and experience that are important and helpful for the development of an organization (Goh & Richards, 1997).

2.8.2   The characteristics of a learning organization

A learning organization knows five distinct key characteristics that should be present in order to work properly: possessing clarity of the purpose and the mission, leadership commitment and empowerment, experimentation and rewards, transfer of knowledge and teamwork and group problem solving (Goh & Richards, 1997).

Clarity of purpose and mission focuses on having a clearly stated purpose, alongside with a clear mission. It is of utmost importance that each member of the organization understands what they mean and what they stand for, in order to make sure that the organization can actually reach its goals. The company's purpose and mission can only be reached when the employees share the same goals and ideals (Goh & Richards, 1997).

The second characteristic, leadership and empowerment, describes that the leader's task is to ensure that the goals of the organization are reached and that employees are in a continuous learning environment (Fairhurst, Jordan & Neuwith, 1997). Leaders are the face and the mentors of the company, which means that they need to be trustworthy towards their employees. They are the ones that need to motivate the employees, while keeping in mind that mistakes will be made. It is their task to make sure that people can learn from their mistakes, without being punished for it. The key characteristics of leaders are *'seeking feedback, being open to criticisms, admitting mistakes and empowering their employees to make decisions and take some risks'* (Goh & Richards, 1997: 578).

Experimentation and rewards are needed when there are problems in the organization that cannot be solved with old work methods. Some problems can be solved with new and innovative solutions, which is why organizations need to create the opportunity to experiment. This is a key factor of a learning organization; when there is no room for innovative solutions, there is no room for developing better strategies. New work methods and innovative processes should be rooted for and encouraged by the company's managers (Goh & Richards, 1997: 578).

The fourth characteristics, transfer of knowledge, states that the communication of an organization needs to be vivid, fast and focused (Goh & Richards, 1997: 578). Every member of an organization needs to be able to communicate with its peers, without having to deal with too many obstacles. Slow processes of sharing information can lead to many problems that could jeopardize the functioning of the company.

The last characteristic, teamwork and group problem solving, describes how the metaphorical wall are being broken down between members of an organization when they work together.

Team work and group problem solving can reduce a lot of time and effort for the upper management, so that they do not have to lose time on solving problems that do not belong to their own tasks.

Furthermore, team bonding can develop itself during these more personal work methods. The team work gets more personal and employees can understand each other better when they have to work closely with each other. This leads to positive affirmation and eventually to a positive work spirit, which is a tremendous motivator for members of an organization.

2.8.3   The organization's mission, vision and values

The base of an organization starts at the beginning: what was the incentive to build up a new organization? What is the organization's reason of being? The startup of an organization lies exactly here. For every organization it is important to understand and define its ideals. The beginning of an organization derives from three different categories: the mission, the vision and the values. The mission can be seen as *'the 'Why': the organization's answer to why they exist. The vision is the 'What': the picture of the future they seek to create. The values are the 'How': how they act to achieve their vision'* (Mirvis, Googins & Kinnicutt, 2010: 317).

Every existing organization should have these three goals set up clearly; they function as a 'business card' for outsiders. People that are not a part of the organization can see what the organization stands for. They are the message that the organization wants to spread into society. However, their most important role is to make sure that internal members understand them perfectly. The most favorable outcome is whenever employees fully agree with these three factors. As an organization, you are looking for members that share the same ideals and values in order to work for the same outcome (Klamer, 2013).

2.8.3.1 Mission
Mission statements are the ideals and the purpose of the company (Klamer, 2013). The mission can be seen as the organization's starting point that is the essence of the company's ideology and managerial ethos (Fairhurst, Jordan & Neuwirth, 1997). The mission is the starting point of the organization: what is the reason of being? (Radtke, 1998).

Every organization starts with a purpose, because otherwise there is no credibility of the company's goals. A good and clear mission statement includes an explanation of why the organization exists and what goals want to be reached in the future (Radtke, 1998).

As an organization, you want to ensure that the mission statement is clear for external parties; clients, competitors etc., but it is also necessary that the mission is also clear for the people that are involved in the company. It becomes painfully difficult when members of the organization do not coincide with the ideals of the organization (Mirvis, Googins & Kinnicutt, 2010). The mission should inspire and motivate the employees because that leads to more dedication to the company and its ideals.

The mission statement should consist of three key questions: *'What are the opportunities or needs that we exist to address? What are we doing to address these needs? What principles or beliefs guide our work?'* (Radtke, 1998: 2). When the mission is poorly stated or even absent, it can cause structural problems within the organization (Klamer, 2013). Therefore an organization should be aware of the importance of a clear mission statement.

2.8.3.2 Vision

An organization's vision is a prediction of how the company wants to see itself in the future. It is about being informed about the environment: what is going on in the world? What is the company's perception? What are inspiring phenomena that count for the organization? The vision is about the worldview of the company (Klamer, 2013). The company needs to understand its place in its environment and needs to always be aware of changes. It can be seen as the intellectual framework of the organization; it shows the direction the company wants to move to from a strategic viewpoint (Mirvis, Googins & Kinnicutt, 2010).

The vision is somewhat different from the mission statement, because it refers to a future state that is better than where the organization stands at a specific moment (Campbell & Yeung, 1991). The vision can always change when time goes by; future predictions of a company's optimal condition will not always be the same, especially when the goal has been reached. Therefore, the vision can be seen as the long-term goal of an organization, in contrary to the mission that is more linked to a moral code of behaving (Campbell & Yeung, 1991).

2.8.3.3 Values

Values are an individual's motivational strengths; whether it is in private or work spheres, they are a force behind personal responsibility (Mirvis, Googins & Kinnicutt, 2010). They are the beliefs and desires that form a person's behavior (Ghosh, 2010). As a member of an organization, wherein you collaborate with your peers, it is of utmost importance to be aware of the values you strive for and the values of others (Klamer, 2013).

When your core values are in line and shared with your peers, the road to success of the organization will be easier than when they are not shared (Rexhepi, 2013). Therefore, an organization should decide on its own what values are seen as the true core of the organization, without being dependent of the environment (Voss, 2000).

The values are seen as the organization's most influential characteristics. The base of a healthy relationship lies within shared values. If they are not being shared in an organization, it becomes more difficult to stand firmly behind the company's mission and vision. It is therefore crucial for an organization to make sure that every single member shares the values that the organization is striving for.

2.8.3.4 The Competing Values Framework (CVF)

The values of an organization form the base of the mission and the vision at the same time the base of the company's existence. It is extremely important for an organization to set their values straight. They need to be seen, heard, felt and most importantly, accepted by every member of the organization in order to create a positive work atmosphere.

A company's values can be put in four different quadrants of the so-called 'Competing Values Framework' (CVF) (Cameron & Quinn, 2011). This framework shows the difficulties an organization can face when different values rise up the table. The CVF is a method to organize the way how people think, how they differ from their personal values with others, and how they process specific information (Cameron & Quinn, 2011). The next table shows the design of the CVF and what credentials it has.

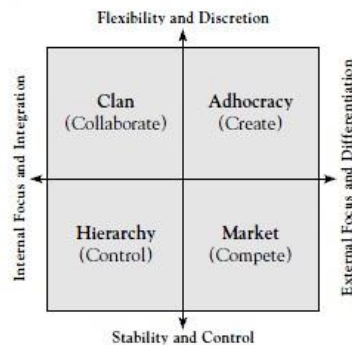Figure 3.1 The Competing Values Framework

Table 1. The Competing Values Framework.

(Cameron & Quinn, 2011: 39)

The framework is set in four different quadrants, describing four different elements of an organization's values. The names for each quadrant all have another word attached to show the key characteristic of that specific value for the company. The quadrant 'clan' goes along side with 'collaborate', the quadrant 'adhocracy' goes together with 'create', the quadrant 'hierarchy' stems with 'control' and the quadrant 'market' is linked to 'compete'. These four quadrants represent four different types of culture an organization can possess whilst discussing its values.

The first quadrant, clan, inhibits the characteristics of an organization that can be seen as a family-type of organization. Business and profit making are not the key words of this type of organization. Shared values and goals, collaboration, togetherness and a form of ''we-ness'' instead of individuality are this culture's key values. This type of organization is focused on the well-being of its employees and teamwork is therefore an important starting point (Cameron & Quinn, 2011).

A clan culture within an organization shows that it can function properly when the employees feel safe and empowered by the positive attitudes of their superiors. One of the examples of a clan culture is the company 'Pixar', that knows how to create room for every member of the organization to be involved. A hierarchical form within the company is not welcome in their formula. Loyalty and respect are the values that have brought this firm to its leading position in the world of animation (Cameron & Quinn, 2011).

The second culture, adhocracy, describes the temporary structures of particular organizations, because these organizations have the tendency to constantly respond to new innovational changes. These organizations keep a close eye on the developments within their surroundings, whether they are national or international. Creating innovative products is what these organizations strive for. The starting points of this type of culture are flexibility, adaptability, and creativity (Cameron & Quinn, 2011). It cannot be expected of this type of organization to maintain one specific formula in order to keep the organization flowing.

The hierarchy culture shows the existence of levels within an organization that inhibits a formal and structural work atmosphere. The organization has set up certain procedures that every member must follow in order to maintain a smoothly running organization (Cameron & Quinn, 2011). This organization's key values are *'stability, predictability and efficiency'* (Cameron & Quinn, 2011: 42).

An example of this organization is McDonald's, a multinational fast food company that can be found in many countries over the world. In order to maintain a solid structure that represents the McDonald's culture in every office, there needs to be a clear structure of how the work needs to be done for a long term existence (Cameron & Quinn, 2011).

Organizations like these do not make a lot of room for input from employees that have lower functions than the managers; rules need to be followed and procedures need to be lived by.

The fourth and final culture, market, is primarily focused on external affairs. This culture is led by *'economic market mechanisms, competitive dynamics, and monetary exchange'* (Cameron & Quinn, 2011: 44). The organization's key values are competitiveness and productivity (Cameron & Quinn, 2011). The market culture focuses itself on competition; there is no distinction between internal and external affairs. Formal procedures and strict rules are not seen in this culture. The results of the company and profit maximization are what this type of organization is about.

2.9 The organizational metaphors

Every organization has its own set of values that are of importance to its founders and to its members. The CVF showed the differences of values that organizations can have. With every different culture, there belongs a different organizational metaphor. The use of metaphors helps to illustrate an organization's nature and character that can help expand the explanation of why organizations can be so diverse.

For this thesis, it is necessary to find out and understand how concept stores can differ from or share certain organizational characteristics.
The design of this is type of organization is relatively new, which is why it is important to find out what characteristics of organizations that we already know the design of, are present.

Morgan's metaphors (2006) are in this case helpful, because they share some of the properties of the CVF. The four metaphors that will be described in this thesis are the metaphors of the organization as a machine, as an organism, as a brain and the final one is a political metaphor (Morgan, 2006).

2.9.1 The organization as a machine

Modern organizations are not unknown with this metaphor. Routinized procedures are a factor that cannot be missed in this case; they are created to ensure that the work is done properly and efficiently by employees. They are expected to work at a certain time for a certain amount of hours (Morgan, 2006).

A day of work has a chain of rules and steps that need to be performed and followed, without any exceptions. This formula that is different in every organization has been created to ensure that employees understand what their work entails on a daily base.

As Morgan describes, this organization needs to be able to work in *'a routinized, efficient, reliable and predictable way'*, just like a machine (Morgan, 2006: 13). The organization as a machine focuses on *'planning, organization, command, coordination and control'* (Morgan, 2006: 18). There is a highly routinized work method, wherein every step that is taken by every member of the organization is predetermined, clearly stated and closely monitored by its superiors.

These standard procedures leave little room for flexibility and/or creativity, because the organization wants to work as efficient as possible. There are many similarities with the hierarchy culture of the CVF; control, structure and formalization are the key factors that rule this organizational culture (Rexhepi, 2013).

2.9.2   The organization as an organism

The organization as an organism has a different design; the company works as a body that has emotions, feelings, and it experiences growth. An organization like this wants to keep the body healthy and responds to its environment in order to survive. Member of this type of organization are therefore less irreplaceable than the members of the mechanical organization (Morgan, 2006).

The needs of every member are taken into account; they are being given the feeling that their contribution and presence is useful and necessary for the existence of the company. What happens in this type of organization is that members feel more appreciated and as a result, their job satisfaction increases. This contributes to their motivations to work harder for the company, because they get the feeling that they are an important factor of the company's development. A way to evoke this feeling is to give the employees more autonomy, responsibility and recognition (Morgan, 2006).

An organization can only achieve this status when there are managers involved that are more democratic and participative to create a more employee-centered style (Morgan, 2006). It becomes clear that this metaphor sorts with the clan culture of the CVF. They share the same characteristics that involve collaboration, teamwork and a sense of togetherness (Rexhepi, 2013).

2.9.3   The organization as a brain

The third metaphor, the organization as a brain, describes how this type of organization can be seen as a part of the body, the brain that is focused on being a learning organization. As a brain, its key features are having a memory, being flexible, resilient, and inventive (Morgan, 2006). It functions as an information processing system that holds enough room for creativity and innovation.

This organization always keeps an eye on the future and how it can be a part of the newest innovations in technology. The adhocracy culture of the CVF is therefore a striking match with this metaphor, because both parties hold creation, invention, and developing new thoughts and ideas as their key values (Cameron & Quinn, 2011).

2.9.4   The organization as an instrument of domination

The reason why this metaphor is described as an instrument of domination is because the elements in this type of organization are relatively dominant towards its employees. The main goal of this organization is to reach profit maximization and productivity (Morgan, 2011). These are the two main goals to be reached, without really paying attention to the well-being of the employees and creating a fruitful work atmosphere.

This metaphor's main focus is competition, which is why it coincides with the market culture of the CVF. The competition is present within internal parties; colleagues that want to outsmart each other in order to make the best deals.

This causes a lot of stress and tension on the work floor, with the consequence that few people feel secure in their roles as employees (Rexhepi, 2013). Furthermore, competition towards external parties is also present; these types of organizations always look for the best deals, without paying too much attention to others.

3   Objectives & Methodology

The research for this thesis will be conducted by qualitative research, with the use of inductive theory. This means that the theories will be the outcome of the collected data. The research question of this thesis is 'Why and how are concept stores emerging during struggling financial times in the retail industry?' Even though there is enough literature written about retailing, there has been little research done towards concept stores. The amount of concept stores in the Netherlands is rising, but there is hardly any academic literature available about this specific retail industry.

Concept stores have taken a new place in the current retail industry and the media have written many stories about them. They are linked to terms as 'hip', 'trendy' and 'exclusivity' and they are gaining strength in attention and reaching a bigger public.

In order to work with the right data for this thesis, the set-up of the research is based on (semi-) structures interviews. These interviews will form the backbone of this thesis, because the results can show similarities and differences that can be crucial for shaping new theories about concept stores. The interviews will be structured, because it is important that every interviewee receives the same questions that can help me answer my research question.

There will be room for other subjects to talk about that can occur, but the main objective of the interviews is finding as many similarities or dissimilarities between the chosen concept stores. One interview will take no longer than an hour, since it needs to remain interesting for both parties and the chances are small that the interviewees are willing to participate any longer than this.

The set-up of the research is a case study about 8 different concept stores in Amsterdam and Rotterdam, the Netherlands. The number of concept stores for this research is low, simply because there are not many concept stores in these cities to choose from (Bryman, 2012). In the Netherlands, most concept stores have found their place in Amsterdam and Rotterdam. These two biggest Dutch cities attract many consumers, because they do not only have to focus on their city's inhabitants and the Dutch people, but they also have the benefit that there are many tourists who visit them. The concept stores in these two cities are therefore also listed online, by well-known Dutch fashion and lifestyle bloggers and high fashion magazines, such as ELLE and Vogue.

3.1   Unit Analysis

For this thesis, eight different managers and/or owners of the concept stores will be interviewed; four stores from Amsterdam and four stores from Rotterdam. The concept stores in Amsterdam are Hutspot, Restored, Sukha and Brainy Days. These are all concept stores that have been written about in the Dutch fashion press, which is why I chose them for this thesis (www.elle.nl).

In Rotterdam the amount of concept stores is a lot smaller. Amsterdam already knows 16 different concept stores, but Rotterdam is still developing itself (www.elle.nl). However, there are some concept stores that already have an established name in the Rotterdam retail industry; GROOS, Gorilli Concept Store, Stroop, and starting concept store Objet Trouvé. This last one is particularly interesting for this thesis, because this is a store that slowly wants to transition itself from being a regular women's fashion boutique to a concept store.

What is interesting for this thesis is the difference between the concept stores in Amsterdam and in Rotterdam. Amsterdam is known for being an easy city to start up a store, because it has many inhabitants, Dutch visitors and tourists that can be reached. Rotterdam is a different story; it is a difficult city for retailing. It is not known as a shopping city with the best stores and brands. This is also why there are not so many concept stores founded in this city.

For this thesis it is therefore interesting to see the differences in approaches of the stores in both cities. I want to find out if there are any similarities between the strategies of Amsterdam concept stores in comparison with the Rotterdam concept stores. Furthermore, I am interested to see what kind of difficulties the Rotterdam concept stores have to deal with in comparison with the Amsterdam concept stores.

Every concept store that is chosen for this thesis has its own characteristics of a concept store. They all provide multi-disciplinary products from fashion, music, interior, art and literature. Their focus is on providing the right experience for their consumers that is in line with their store image. During the selection of these stores, I have focused on these five variables because these are mostly found in international concept stores such as Colette in Paris, France and 10 Corso Como in Milan, Italy.

There are enough noteworthy stores in both Amsterdam and Rotterdam that provide high and low fashion brands that are in line with the latest trends. However, these stores have limited themselves only to clothing and accessories, which is not usable for this thesis. I am looking for stores that offer a wide range of products that are specifically handpicked by the store's owners and/or buyers, in order to provide a wide array of products for a target group with various characteristics.

City	Concept store			
Amsterdam	Hutspot	Restored	Sukha	Brainy Days
Rotterdam	GROOS	Stroop	Gorilli Concept Store	Objet Trouvé

Table 2. The participating concept stores of this research

3.1.1 Setting

The interviewees are the owners and/or the managers of the concept stores. Their input is crucial for this research, because they are in total charge of the organization of their stores. Part-time employees cannot provide the right feedback over the different themes that are spoken of during the interviews. The interviews will take place at the assigned concept store itself.

3.2 Data collection

In order to retrieve insights in the perspectives of these concept stores, a qualitative research will be conducted with the use of (semi-) structured interviews. The available literature on concept stores in general is limited and especially any academic literature on concept stores in the Netherlands.

Concept stores are a relatively new phenomenon in the Dutch retail industry, which is why this thesis will help explain why and how these concept stores are popping up. The research question of this thesis is 'Why are concept stores emerging during struggling financial times in the retail industry?' In order to create an efficient interview guide, my questions will be divided in different categories, ranging from general topics of discussion to topics that are more zoomed in the organization.

3.2.1 Operationalization

The semi-structured interviews are set up in 34 different questions, varying over two pages. All concept stores of this research are asked the same questions in order to provide a clear pattern between the different answers. The interviews are semi-structured, because there is always room for more information that can be of importance for the research.

The literature review of this thesis forms the outline of the questions. The interview is set in four different paragraphs, with questions that are designed to answer themes such as general perceptions of retailing, authenticity and originality of the store, providing an experience and how the organization is designed.

These paragraphs will be divided into different categories that will help to illustrate the similarities and differences between the 10 concept stores. The outcomes of the interviews that will be categorized will eventually be used to make any connections that could be helpful for the creation of new academic theories regarding concept stores.

3.2.2. Data Analysis

The analysis of the research is a dissection of the answers into 16 grouped categories. All these categories are linked to the theoretical framework of this thesis. The categories are illustrated in table three. These categories are directly linked to the structured questions of the interview. Other results and findings that were not a part of these structured questions will be described in a different chapter.

During the analysis, the eight different concept stores are divided by city; Amsterdam and Rotterdam. For this research, I also would like to investigate whether there are crucial differences between the two biggest cities of the Netherlands, to see whether there are essential differences of perspectives and working methods.

Chapters	*Categories*			
General topics	Reason of being	Definition concept store	Target group	Online behavior
Authenticity & Originality	Importance	Buying	Trends	Branding
Experience	Importance	Long term relationship customers	Interior	
Organization	Mission	Vision	Values	Staff

Table 3. Categories of the different themes of the research.

3.3 Conclusions of the methodology

The completion and categorization of the interviews took place between May 9 and May 29, 2014. The choice for a qualitative research with the use of interviews turned out positively, because the direct interaction with the managers and/or owners of the concept stores all took their time to discuss their motives and theories about their store and the retailing industry.

However, there are some limitations to this research that I found out while conducting the interviews. In total, there were four different chapters in the interviews that all included different topics of discussion. For this research, there could have been more themes and chapters added to the interviews, because it turned out that many more theories were discussed during the interviews.

Furthermore, it is difficult to state that the results are an accurate representation of why and how concept stores are performing in the Netherlands. Yet, the amount of concept stores in the Netherlands is still small, which makes an extensive research on this phenomenon still difficult.

4   Research Findings

4.1   Description of the researched concept stores

In order to provide a clearer image of the concept stores that are interviewed for this thesis, I will first highlight some of their characteristics; year of establishment, location in the city and their status as a concept store. In this description, the names of the concept stores are shown. However, in the further findings and results, the names of the managers/and or owners of the concept stores will not be shown. The anonymity of their names and companies are much respected and the stores will be addressed as 'Manager of concept store 1' and 'Concept Store 1'. The numbers are random and can therefore not be directly linked to the listed store names in the tables and descriptions.

4.1.1   Rotterdam

Objet Trouvé is a women's fashion boutique in the city center of Rotterdam. Located in the Pannenkoekstraat next to the main shopping street the Meent, it was founded in February, 2013. This store is now primarily focused on women's fashion, but the two founders are making plans to expand their shop into a concept store. Their eyes are mostly focused on French and Scandinavian fashion.

The concept store Stroop started in August, 2013 and is located in the West of Rotterdam. Their location is far from the city center; it is located in a desolate area of Rotterdam. The store sells homemade syrup waffles, coffee & tea, interior design, vintage and art. They started as a temporary concept, but are now being given permission by the Rotterdam city council to stay there for another year.

Gorilli Concept Store was founded in 2008 and is located in the city center; a side street of the Meent. Their specialization is urban street wear and fashion. They used to sell many different products from different disciplines, but they have chosen to shorten the list to only fashion and accessories.

The last concept store in Rotterdam is GROOS, founded in 2013 and is located near the shopping areas of Rotterdam. The store can be found next to BAR and Het Schieblock at the Schiekade. The store only sells products from Rotterdam; art, fashion, interior design and literature.

4.1.2 Amsterdam

Hutspot was founded in 2012 and has an assortment of all kinds of products, ranging from fashion, to interior design, vintage, art, coffee, food and accessories. In little than a year, the founders have managed to open a second store in Amsterdam, alongside with a bar and restaurant that opened in the beginning of June, 2014. The location of their first store and bar and restaurant is in the area the Pijp, which is located in the south of Amsterdam. Their second store is located in the center of Amsterdam, near the area Jordaan.

The concept store Restored is located in the city center of Amsterdam and was founded in 2008. This store is known for its handmade products and good-quality brands. The products range from fashion, interior design and accessories.

Sukha is a concept store, also located in the city center, that was founded in 2011. This store also knows many products from different disciplines and it is known for selling products that are handmade in the atelier of the store.

Brainy Days is the youngest concept store of this selection; it opened on April 11, 2014 in the area Jordaan. The store's assortment is based on unique findings that are found in small brands, vintage items and unique brands.

4.2   Findings of the research

4.2.2   General topics

The general topics are divided into four different categories: reason of being, definition of concept store, target group and online behavior. These categories are all linked to the first chapters of this thesis. With the category 'reason of being', I wanted to research their motivations for working for and/or starting up their concept store.

The second category, 'definition of concept store', is not a topic of research for this thesis. However, I want to find out what the answers are from the interviewees and if they are in line with the given definition in this thesis.

The third category, 'target group', is focused on what kind of target group these stores have and if they are specified in any way. Finally, the last category, online behavior, is a focus on how they are dealing with online shopping and social media.

4.2.2.1 Reason of being

The results of this particular category show that most of the researched concept stores started out with a plan to offer a platform for young designers, artists and brands that were not able to sell their products to other stores. They wanted to show that there are more possibilities for young creatives to show their work in one place that would function as a store. The main focus of most interviewed concept stores was that they wanted to show several brands from different disciplines in one store, to show new possibilities of thinking, acting, and styling.

'The old retailing concepts are outdated. We wanted to introduce a new retailing model that would work for young creative brands and designers in these times of economic crisis'
- Manager of concept store 1 -

The concept stores that shared this goal all acknowledged the fact that the economic crisis was a big part of the rise of the concept stores. A lot of stores are struggling financially due to the fact that consumers are more hesitant of spending their money and these stores take less risk when it comes to their buying behavior; new brands and designers will therefore not be selected easier, because the store owners are not certain whether they would work in their collections. This is one of the reasons why concept stores started out in the Netherlands, because young creative entrepreneurs were now given a stage to show their products and talents.

Concept store 2 also shared this ideal, but was also involved in area development. The store owners were actively involved in creating new work possibilities for local companies in order to develop the area in a better way. Their focus was based on local opportunities and collaborations, without a commercial attitude. This characteristic was also shared by concept store 3, who was eager to help instigate product development, but on an international scale.

'My goal was to show the joy of life through products
around the world. Product development is important to me,
on both a national and international scale'
- Manager of concept store 3 -

4.2.2.2 Definition of concept store

A general conclusion of their definitions was that their definitions were mostly not in line with the given definition in this thesis: '*a new retailing format that integrates apparel, homeware, bookstore, gallery and restaurant under a consistent brand personality and visual merchandising*' (Chandan & Lottersberger, 2013: 2). It turns out that the term concept store is still too abstract and unclear, even for some of the owners and/or managers of these stores.

Most of the results show a similarity, that a concept store is a store with a concept that offers a certain experience:

'A concept store is a store with a concept, that goes further
in thinking about your vision and what you supply'
- Owner of concept store 6 -

Most of the interviewees claimed that they offered more unique products that tell a story and that are in line with the style and the thoughts of the owners. The growing awareness towards products was also an important characteristic of concept stores, because they all agreed that mass consumerism is experiencing a change; which is a more aware approach towards consumption; people are now more aware about the products, their origins and their qualities than before. However, some of the concept stores were not big fans of the term per se.

'I really am not a big fan of the term. I think it is too hip and too needless.
There are so many stores that call themselves concept store; it is all temporary.'
- Owner of concept store 8 -

This aversion towards the term is extremely interesting, because it shows that these stores do not work from the starting point of being a concept store; they started the store with other motivations than are stated in the definition. Mostly, these stores get the label 'concept store' from external parties, such as fashion magazines, blogs and the press. This could mean that this is why most of these concept stores could not exactly give a clear definition of what a concept store is, because they never intended to start as one. However, during the discussion of this aversion it came out that these stores did not mind if they were being written about as concept store in the media, because they acknowledged the fact that it also helped them with their publicity.

4.2.2.3 Target group

The delineation of the target group was for most concept stores not specified. They did not have a specific age or gender group hey focused on. Their primary target group ranged from young consumers to older consumers. The pattern between these concept stores was that they offer so many different products for different types of people, that they did not invest in research in order to reach a specific target group. The exclusion of people that do not fit into your target group is also a loss of revenues. The concept stores are therefore not fixated on reaching a specific type of group of people.

   Yet, out of the eight concept stores, two of them were a little bit more specified about their target group.

'Our target group ranges from the age 25 – 70. These are people that have

a bigger budget for spending. Also, we see that our consumers

are more aware and more informed about our products and the styles'

- Owner of concept store 4 -

' My target group is not so much specified, but I am lucky

that my store is in an area that holds many galleries

and their audience is also becoming my audience now'

- Owner of concept store 7 -

4.2.2.4 Online behavior

It is becoming more common that stores offer their products online in their web shops. For this research, I wanted to see what concept stores chose to work with web shops and how their online behavior was; their use of social media, blogs and their websites.

The majority of the eight concept stores has a web shop; only three of them were not using it. One of the main reasons for not working with one is that they all agree that they want to remain the personal and direct contact with their customers and offer the experience inside the store. Online interactions with the customers were not the reason why they started a store, which is why they deliberately chose for an 'offline' store itself.

'No, I do not want to work with a web shop. It is like opening a second store.
I will need to invest a lot of money, time and energy in order
to make it work. I will need to hire more staff, buy more products
and then I still cannot compete with the bigger web shops.
I understand why stores decide to work with this, but it does not work for me'
- Owner of concept store 4 -

Yet, they were all active on social media; Facebook and Instagram were mostly used. They used these mediums to also reach their customers, show the newest products and show their followers what was going on in their lives. They understood the importance of their online presence, but they did not see the benefits of working with a web shop.

The other five concept stores all owned a web shop and were actively involved in making sure that it worked accordingly. The opinions of working with web shops were divided; some did not like to work with them, because the use of web shops also brings many difficulties with them. Furthermore, the concept stores are also dealing with how to make the website and web shop as attractive as possible in order to keep the visitor's interest.

'I can honestly say that I hate using a web shop.

Not only do you have to deal with laws that can restrict you in many ways,

you also have to handle the return policies. That costs a lot of money.

We also miss a lot of revenues when products are bought online

and eventually get sent back. We have to sell 'no' to a lot of our

customers when the products are sold online.

But within two weeks, they sometimes get sent back and we then have them in our stock'

- Owner of concept store 5 -

The use of web shops is also applauded. Concept store 6 stated that their web shop is a big support for their concept. The ability for them to work online is a helpful outcome, because they have customers from all over the world. They use the web shop as a lengthening piece of their store, which creates new ways of reaching and interacting with their customers. Concept store 7 explained that the store's online magazine is directly linked to the web shop. The owner wanted to make it possible that interest customers could easily purchase products from the store, without having to visit it.

'The experience I show in my store,

I want it to be reflected online as well.

I want to create one feeling and one concept of my store,

both offline and online'

- Owner of concept store 7 -

4.2.3   Authenticity & Originality

This theme is divided into four different categories: importance of the authenticity and originality, buying, trends and branding. These different categories show how the concept stores use different methods in order to maintain an authentic and original reputation, regarding their story and their products.

4.2.3.1 Importance of authenticity and originality

All concept stores all agreed that their authenticity and their originality was of utmost importance and crucial for their credibility. The similarities between the different stores were that they believed that they all had an authentic and original story that was told in their store. This was shown in their selection of the products, the interior of their stores and their relationship with their customers.

'Our story automatically makes us unique. We are not just a store.
We are so more than that.
That is something that not a lot of stores have'
- Owner of concept store 2 -

The importance of the authenticity and originality of the stores was also a topic of discussion whilst talking about their identities. It turns out that a concept store needs to possess a clear statement of why this concept is authentic and original, for it to be acknowledged and accepted.

'If you cannot find and show something authentic
and original about your concept, then you are lacking
an identity. You are then no longer interesting'
- Owner of concept store 3 -

4.2.3.2 Buying

The buying strategies of the concept stores are important for this thesis, because it shows how young entrepreneurs are able to open their stores without a lot of capital of investment. Most of the eight concept stores work with consignment. This means that they do not have to invest in buying whole collections, but that they get a percentage of the price of the products, but only when it is sold. The benefit is that they do not have to buy in anything. This means that they do not have many risks with working with small brands and unique products.

Three out of the eight concept stores do not work with consignment. They buy their collections in, ranging from brands and designers from Japan, Europe and the United States of America.

The reasons behind these choices are that they are able to get products worldwide, without having to be dependent of local artists. The presence of international brands functions as an incubator for their reputation, because they can search for new styles and trends that are not easily to be found in Amsterdam or Rotterdam.

The concept stores that do work with consignment all agreed that this is the best way of collaborating with the brands without having to invest a lot of money. The pattern that is found here is that most products come from local artists and brands that want to find a place to sell their products. While working with consignment, different ways can be found for the concept stores to increase their revenues without having to invest in whole collections.

'We do work with consignment; we receive a specific percentage
of the sold price of every item. But we also rent out m2 to the brands.
They can decide how much they want to rent from us.
It can range from 1m2 to 50m2'
- Manager of concept store 1 -

'I work with packages that I offer to the brands.
If they want me to put their products online,
they have to pay a certain amount of money.
I shoot the pictures and they can use them,
but it always comes with a cost'
- Owner of concept store 7 -

4.2.3.2 Trends

The products that are available in the concept stores are all handpicked from the buyers' own visions. The pattern that is visible is that the products that are available in the stores all fit with the store's concept and tastes. One of the reasons why authenticity and originality is so important for these concept stores is that they have unique products that form a part of their identity. They cannot always be dependent of trends when they try to be different from others.

Still, there were few of these concept stores that admitted that they look at products from a commercial viewpoint.

'We are not a museum. I always ask myself: can I sell it?

You can use products that are not easy to sell as decoration or an extension of your concept,

but that does not happen often'

- Owner of concept store 6 -

These stores were convinced that a store needs commercial products, because that is what the public wants at that specific time period. They answer to it by making sure it is available in the store, but they do not use it to enhance their authenticity and originality.

Most concept stores stated that trends are not what they are looking for. For most concept stores, offering a platform to young creatives was their main starting point. The collaboration with these brands was more important to them than the focus on trends. The inner vision of a buyer is an important characteristic of a store's image, so most of them worked in this manner.

'Trends are not so important. It is about my vision.

When I am talking to a sales representative of a brand and

he is trying to sell me something that I do not like, I never go with it.

It has to be my taste'

- Owner of concept store 4 -

4.2.3.4 Branding

This paragraph focused on how the concept stores are promoting themselves in the market. What kind of marketing strategies did they use? Do they have their own products? These are all questions that were asked during the interviews.

One of the main similarities between the concept stores was that the concept stores did not put a lot of effort in trying to spread their name in the market. The interest from the media and the press came automatically after they opened their stores. Collaborations with PR agencies were hardly mentioned; only one concept store decided to work with an agency.

The strategies they do use to reach their audience, is to rely on social media. Fotoshoots, short teasers with the newest products and look books are all put online to show what kind of products and styles they have for a particular season.

When it comes down to their branding of their own products, all concept stores admitted to work with products that carry the name of the store.

'Our logo is everything.
We put it on caps, shirts and sweaters.
They are the best sold items of the store'
- Owner of concept store 5 -

The main reasons for them to choose for this move are that they enhance the store's notoriety and identity, because it becomes much easier for people to recognize their products by their names. It also shows that they start their own product line, because they can work more interesting margins. They can produce the products at relatively low costs and sell them for an attractive price.

'I believe you need those products.
You simply need them because of their margins'
- Owner of concept store 7 -

4.2.4 Experience

Many concept stores are cheered for offering an experience in the store. This is why this chapter is divided into three categories; the importance of the experience, long term relationship with customers and interior.

4.2.4.1 Importance of experience

The concept stores all found it extremely important that there was a right atmosphere in the stores that gave a positive feeling to the customers. A key word of their explanations was 'personal; create a certain feeling, make personal contact with the customers and offering the right service are important factors of this experience. Another way to add more to the customer's experience is to work in themes.

'Every six weeks, we change the theme.

We add new products and change the whole shop.

The store always looks different when you haven't visited it for a while'

- Owner of concept store 3 -

In most concept stores a lot of things can happen, because of the variety of the products, especially when there is a coffee bar present.

'When we are open, we turn on our radio from the 1950s

and play old music or our own music.

The old radio is a big favorite of our customers'

- Owner of concept store 2 –

These concept stores do not want to be a random store that sells fashion or interior design. They want to mix the products and create a certain style that matches their identity. It is safe to say that the importance offering the right experience is strongly followed by these concept stores.

4.2.4.2 Long term relationships with customers

All concept stores have different methods of developing a long term relationship with their customers. The main factor was offering good service; give the customer a welcome feeling, have a conversation and help them well are all characteristics of offering the right service. Some took this a little bit further than the rest.

'If we have a good customer, we write down his or her address,

so we can send them a card through the mail when we have our sale.

We also call our customers when new items arrive or

show our books with the products to come to customers that are interested.

We then contact them when they arrive in store'

- Owner of concept store 4 -

Other concept stores work with newsletters, mostly online via e-mail. Events are also a big part of building up a relationship with the customers. The store is open, but they also use the space to offer it to new initiatives.

> *'Once in a month we organize a collaboration with a local artist*
> *or craft man who can sell his or her products in the store.*
> *We always have coffee and drinks for the customers and*
> *we create a nice shopping atmosphere'*
> - Owner of concept store 8 -

4.2.4.3 Interior

The interior of the concept stores varied into two different styles; busy and clean. All store managers and/or owners had a different style and perspective of how to decorate their shops. There was not a difference in the tastes of the stores located in Rotterdam and Amsterdam. They all felt that the store's interior is directly linked to the store's image and identity.

> *'I want to show as many products as I can.*
> *With around 200 brands, I cannot be too selective.*
> *Most of the time, my customers walk twice*
> *through the shop in order to see everything'*
> - Owner of concept store 8 -

> *'The store needs to be clean and clear.*
> *One walk through the shop and it becomes clear*
> *if there is something for you or not'*
> - Owner of concept store 5 -

Most owners and/or managers designed and decorated the stores themselves, based on their own tastes and preferences. The need to work with interior designers was not highlighted, but there is one store that works differently.

'Every month, two stylists come change the store
to make sure that our interior is never the same. '
- Manager of concept store 1 -

Most concept stores that have been interviewed indicated that they do most changes to the interior themselves. It is therefore noteworthy that concept store 1 does not do the same thing.

4.2.5   Organization

This topic is divided into three different categories; mission, vision and values.

4.2.5.1 Mission

All missions of the eight concept stores were different from each other, ranging from offering a new type of lifestyle, to making people more aware of how to use and consumer products, but also offering beauty, hope and innovation. The missions that were mostly related are missions that focused on collaborations between brands and stores. In this way, they want to create new job opportunities, whether they would be on a local scale or international scale.
 Offering and being a platform for young creatives was the most significant mission that can be found in the results. The importance of bundling forces in a time of economic crisis turns out to be a crucial element of these concept stores.

'The creative side of Rotterdam needs to be emphasized and strengthened.
That can only happen when we work together and create new collaborations'
- Owner of concept store 8 -

4.2.5.2 Vision

The predictions of the concept stores about their future and their long term goals were mostly focused on going into two directions: developing more collaborations with brands and designers, and expanding their concept to other countries.

It was stated that some of these stores function as some kind of intermediary between not only brands and consumers, but also brands with other brands and/or designers. The guidance of these types of project was mentioned by half of these concept stores. Their ambitions are to function more than just a store, but to be an essential agent for young creatives. Another trend was that would like to switch their concept to different cities.

'It would be awesome if one my themes could move to,

for example, Berlin and that you can collaborate

with other cities and concept stores'

- Owner of concept store 7 -

Unfortunately, one of the concept stores is dealing with some difficulties that has resulted to two different options: either quit within a year or move to a more commercial location.

'We already reached our highest peak.

Maybe we should just focus on

our web shop and expand that part'

- Owner of concept store 5 –

4.2.5.3 Values

Even though there are many theories written about the values of an organization, the interviewees experienced difficulties expressing and stating them clearly. The values that were mostly mentioned were awareness, collaboration and togetherness. For them, this is all reflected in their relationship with their brands, as well as with their staff.

It is a more natural way of communication and being more in touch with their products. The story they want to tell with their selection of products was the most important aspect of their existence.

'We want to function and grow more in an organic way.

It feels very natural for us'

- Owner of concept store 4 -

4.2.5.4 Staff

The metaphors that apply for these eight concept stores are the machine and the organism. The organization as a machine is only relevant for concept stores when there is a hierarchical structure and a clear division of tasks. A few concept stores have this in their organization. Most concept stores function as an organism; the staff number is low for most of them, so it is difficult for them to act as a machine.

The stores emphasized that their staff members need to have their own identity and preferences. They do not want the same types of people working for them.

'I need diversity in my staff.

It gets really boring when everyone is the same'

- Owner of concept store 3 -

The reasons why their staff was selected varied from sharing the same ideals to knowing that someone is a good sales person. One concept store indicated that the preference for the store's staff were people from the art academy, because they were more creative and easier to work with. However, most concept stores just indicated that there simply needs to be a click between the two parties. If that does not exist, then the person will not be hired.

4.2.6   Other findings

One of the findings that were seen at half of the concept stores was that the best sold products were the products with low prices: the easy give away gifts. Accessories are the best selling products for these concept stores. Yet, that is also dependable of the season. In the summer time, clothes sell better than in the fall, when interior sells better. These concept stores are now looking for new ways to make sure that the more expensive products also get sold.

Another similarity is that the concept stores see that their customers are better informed about the environment, the products, the materials and how they are made. They understand that there is a shift

between consumers; the consumers that are focused on mass consumption and consumers that are looking for lesser known products that are more expensive, but more unique.

Most concept stores indicated that they would like to see a combination of both types of consumers in their store, because they also want to educate the consumers that are not familiar with concept stores and their products.

5   Conclusion

This thesis attempted to explore the relatively new phenomenon of concept stores in the Dutch retailing industry, by researching various aspects that are linked to these organizations. This thesis is designed to help explain what concept stores entail. The term is still vague for many people, and with my contribution I wanted to illustrate what kind of elements are linked to concept stores that we already know in general retailing models and theories. This thesis is a descriptive guide of why and how concept stores rise and function in the Dutch retailing industry. The research question of thesis is 'Why and how are concept stores emerging during struggling financial times in the retail industry?'

Even though online shopping became an important competitor for retailers, all concept stores of this research did not claimed that they felt threatened by it. Most of them actually embraced the new changes by increasing their online activities and having their own web shop. Even though web shops were not their ideal working method, they still seemed to understand that the experience they offer in the physical store should be also be shown online.

These concept stores all agreed that a change was taking place in the roles of the consumers; the group of the 'sophisticated shoppers' is growing and these retailers applauded the fact that their consumers were more aware of the quality of products and their origins. Mass consumerism was definitely not their primary goal.

The importance of authority and originality is an important characteristic of concept stores. They carefully select their collaborations with designers and labels, because it all needs to be in line with the store's vision and image. The risk they take with these brands is less high than for stores who buy in two or three collections a year. Concept stores have the benefit of working with contracts and packages that offer a minimum and maximum time for collaborating with the brands and designers. If a product turns out not be suitable for the store, the concept stores are able to end the collaboration and focus on new brands, without having to deal with losses in revenues.

In the theories of store branding there are three motivations for stores to create their own product lines. The first motivation is that their own products have a higher margin than the other products they sell. Secondly, the store owners can keep the costs of production relatively low while negotiating with manufacturers. The third motivation is that the products function as an extension of the store's image and the customer's loyalty. All interviewed concept stores work with products that carry their store name. Their reasons are to not only create a brand of themselves and extending their organization, but they also understand the importance of the attractive margins they can work with, in

comparison to the margins of products of other designers.

Offering an experience to their customers is a crucial element for concept stores. It turns out that in order to create an experience for the customer, the interior of the store, offering good service to the customers and organizing events are the focus points of reaching this goal. They try to create a 'feel good' feeling in their stores and at the same time try to focus on building and strengthening a long term relationship with the customers.

The organizational design can be mostly linked to that of a learning organization and the metaphor of the organization as an organism. The concept stores all have a clearly stated mission and are focused on teamwork, by giving their employees the opportunity to be actively involved in the development of the company. This goes alongside with the clan culture of the 'Competing Values Framework' that is focused on collaboration (with the staff, but also with young creatives), teamwork and a sense of togetherness.

Experimentation is a characteristic that can be found in all concept stores, because their assortment is always changing. This goes hand in hand with their missions; be a platform for young creative that experience difficult times while trying to reach the public.

Since 2008, the emergence of concept stores goes hand in hand with the outbreak of the financial crisis. It shows that bundling forces in the creative industries is an outcome in order to break the downward spiral that is caused by struggling financial times. In this way, small brands and young designers are given the opportunity to maintain their status as artists and creatives, because of the young entrepreneurs that wanted to offer them a stage.

The concept stores indicated that their biggest competitors are the big retail chains that work with relatively cheaper products that do not need any craftsmanship. The relationship between these companies and the consumers is also less personal and more focused on the masses. Yet, the concept stores see that this group of consumers can now be set next to the consumers that are more interested in sustainable, handmade or crafted products that are of better quality and that offer a story altogether.

The future of concept stores is still open; many have international desires and see opportunities in different cities. The rise of the concept stores is still young and at the starting point of a new retailing model. It will take some more time for the public to understand what the exact meaning is of these stores, but I believe that this model forms the beginning of a new retailing experience that we will hear more from in the future.

5.1   Limitations

The small sample of the research forms a limitation and may not form an accurate representation of concept stores in general. However, the amount of concept stores in the Netherlands is still low, which made it impossible for this research to perform a quantitative research. The results and findings that are presented in this thesis are more elaborate than would be reached with a quantitative research.

These extensive findings also made it impossible to go deeper into the material, due to the constraints that a master's thesis can possess. This is due to the many subjects and themes this thesis has discussed. Still, this thesis functions as a descriptive starting point that shows the development of concept stores in the Netherlands.

Furthermore, in this thesis, the supply side is the only researched aspect. It could be interesting for further research to investigate how consumers think of concept stores and what their personal motivations are to be involved.

5.2.   Future research

Future research should be done on both a general and more zoomed in level. There is still a need of theories that describe what concept stores entail and what their function is. This is still unclear for many people, which is why there needs to be more written about it. Furthermore, the research on concept stores should be more elaborate and thorough, to dissect the many elements that exist in this retailing model.

Another suggestion for future research is whether the older retailing models that are more known by the public will start disappearing and make room for newer concepts and themes that are slowly taking their place in the retailing industry. Furthermore, it is also interesting to find out what kind of retailing concepts could start developing when concept stores become a part of the general focus of consumers.

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6.1 List of interviewed organizations with dates and place

ROTTERDAM

Objet Trouvé	May 9th, 2014
Stroop	May 15th, 2014
GROOS	May 26th, 2014
Gorilli Concept Store	May 21st, 2014

AMSTERDAM

Hutspot	May 13th, 2014
Restored	May 14th, 2014
Sukha	May 20th, 2014
Brainy Days	May 29th, 2014

7 Appendices

7.1 English translation of the interview questions

Interview Erasmus University   Thesis Gresa Rexhepi   Concept Stores

1. Name:
2. Name of the store:
3. Function:

GENERAL

4. Can you tell me something about the store? How long do you exist?

5. Why did you choose for this particular kind of store?

6. What is your definition of a concept store?

7. What is your target group? Do you have a specific target group that you focus on?

8. How do you want to distinguish yourself from other stores and/or concept stores?

9. A new competitor in retailing is online shopping. How do you take this into account with your own store?

10. Do you see online shopping as a direct competitor?

11. Do you have a webshop?

AUTHENTICTY & ORIGINALITY

12. Do you find it important to be authentic and original with your store?

13. What kind of products do you offer in the store? Is there a specific buying strategy? Do you buy in products from your own vision and taste or because of their trend sensitivity?

14. What products sell the best? Are they from a particular segment?

15. Do you switch a lot in the buying of products? Are you always looking for new products? Or do you collaborate with brands on a long term?

16. Is this done on purpose to attract different target groups?

17. How do you put your name in the market? Do you brand the store?

18. Do you have any products that are linked to the store name?

19. If so, how do you present this in the store? Do they get more attention than the other products?

EXPERIENCE

20. How important is het to offer an experience to your customers? How do you try to reach this?

21. How do you try to build a long term relationship with your customers?

22. What kind of marketing strategies do you use to reach the customer? How do you try to make them visit the store more than on one occasion?

23. How do you design the store in order to attract the customer's interest?

24. Do you keep the customer's senses in the back of your head while doing this? So that they can feel, hear, see and feel the products?

ORGANISATION

25. The ideals and the purpose of the company are also called the mission. For example, why does the store exist? What kind of goals do you want to reach in the future? So, what is your mission regarding the store?

26. How do you try to make sure that this mission is clear for everyone within the organization and outside of it? Do you think it is important that the mission is clear for everyone that is involved with the store?

27. Do you also use the mission to keep your employees inspired to remain motivated?

28. The vision is about how you see the organization in the future; your long term goal. You need to keep the developments in your surroundings into account. Can you tell me what your store's vision is? What message do you want to tell your customers?

29. Sharing the values within an organization is an important factor for keeping a close relationship with your staff. It increases a good working atmosphere that gives the feeling that employees are safe to be who they want to be. What are your values?

30. Do you also look for staff that has the same values?
31. How can you describe the organization? What do you find important of having the right working atmosphere?

32. How many people do you have working in the store? Can you tell me more about the division of tasks? Does everyone have a specific task or is it more about collaboration?

33. What are the criteria to employ new staff?

34. Do you train the staff in a way that it reflects the store's image? How do you do this?

This was the last question. I want to thank you dearly for your participation. All information will be handled confidentially. The names of the stores and staff will not be shown in the results of this thesis.