

# CircleSquare puts on a show



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Never has travel retail needed the services of a creative agency more than now. As the impact of the COVID-19 batters the industry, Philip D. Handley, Executive Creative Director of CircleSquare, is brimming with fresh, disruptive ideas to lead brands out of the morass.

In an interview with *Americas Duty Free*, Handley identifies three key areas where travel retail can improve results. This involves fixing things that were wrong before the pandemic, namely increasing footfall, boosting dwell time, and “stop talking about prices”, he says, “because 95% of people that travel through the airport take out their cellphones and check pricing. I've seen people in China bringing two phones checking on pricing. If you increase dwell time, you increase sales, there's a direct correlation between these two points.”

Handley goes on to explain that 36% of purchasing decisions are made in-store, not at home. If people interact with your brands, their dwell time increases by 130-150%.

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Handley speaks from experience. He founded UK-based CircleSquare 17 years ago, as he “absolutely loved what travel retail stood for”. He knew it was a way to grow a brand internationally, but realized it was a challenge because the people who enter the stores aren’t really shoppers, but travelers, and shopping is not their number one priority.

The company’s first ever presentation was about experiences and how essential it was to bring those experiences to life. Not much has changed since all those years ago. “People feed off experiences, it's a human touch. Even to this day we talk about irresistible experiences. We want people to come and have a really positive and memorable engagement with the brand, and we want them to buy the product and feel good about it. You have to have them by the heart. It's much easier for to ‘pull’ them with positivity, fun and experience rather than ‘push’ them through force.”

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When it comes to learning about how brands engage with their customers, CircleSquare, says the travel retail industry should look to the local markets

### Adding to the theatre

As part of its comprehensive services, CircleSquare undertakes everything from the strategic thinking through to the original creative ideas. The company’s team encompasses 3D, 2D and digital content designers, all in-house, specialist project managers, and crews that install retail designs to ensure everything looks perfect. “We even work with actors and entertainers. This adds to the theatre and ultimately that's what we're all about. We like putting on a show. Creating irresistible experiences is our mantra.”

Undoubtedly, COVID-19 has had a profound effect on the travel retail industry, and that requires fresh thinking, Handley believes. That starts with analyzing footfall and conversion rates. “We’re referring to this as our ‘new normal’. I think it’s really important to look back at what we were doing so well and things we weren’t doing so well. If we look at the number of people that were actually buying in travel retail or even entering the stores, those percentages were relatively low. The numbers might look good in terms of what they were spending but penetration numbers weren’t all that great... like 15-18% of passengers were making purchases. I’ve seen numbers showing that less than 40% of travelers were entering stores. I believe those percentages can be improved quite dramatically. Also when interviewing people who had visited travel retail stores, only 14% of them said they enjoyed the in-store experience. That’s unbelievably low.”

Furthermore, half of the people interviewed said they would have gone into the store had there been some experiential retail. “Even if our numbers post-COVID are significantly lower than before, if we can entice those people in by giving the experiences they crave, they will come,” he argues.

There will be challenges around how to entice people back into stores, he admits, particularly with the issue of social distancing and standard retail configurations, where gondolas are placed 1.2 meters apart from each other.

### **Connect via smartphones**

But reconfiguring stores is only one solution. “There’s more we can do,” he asserts. “There will be people who are simply afraid to go into the store, [so] it’s time for us to take the store to them. From what I’m hearing, people will be asked to arrive up to four hours before the departure of their flight. Let’s say that might be true. That’s two hours longer than you would normally arrive at the airport... If they’re queuing, standing waiting, why can’t we go and entertain them? Why can’t we take the store to them? The airport needs the retailers, so they need to allow them to leave the footprint of their store.”

Retail store solutions at the airport are only one part of the puzzle. CircleSquare wants to ensure that the traveler’s entire journey is covered. The aim is to extend the consumer journey and ensure that brands are communicating with shoppers before they’ve even set foot in the airport.

If travelers are checking out the stores online before they travel due to the restrictions, that provides brands with an opportunity to connect with them via their smartphones to “take them on a brilliant journey all the way through. We can help them through the problems associated with airport travel at the moment.”

There’s a huge challenge ahead, acknowledges Handley, and that includes tight budgets. But even this can be overcome. “I look at things we used to do years ago, like for example the Hendrick’s [gin] brand, when we launched in travel retail. That stuff was all big cardboard cut-outs and stage scenery. We didn’t spend substantial money on it. But the consumers loved it, they loved the vibe and the emotion that went with it. You don’t have to have big budgets to do that, you just need to be smart.”

So how will people touch and engage with products in the post-COVID-19 era? Handley and his team are working hard to find a solution to this conundrum, as tastings and samplings reassure consumers that they are buying the right item in key categories such as liquor, beauty and sunglasses. “We’ve been looking at doing drinks sampling where we have ambassadors holding two-meter-long poles like fishing rods, that hold individual samples at the end. The samples are pre-created, so no one touches them.”

Another potential solution lies with using all our five senses. The company has experimented with

filling bubbles with aromas, which burst when caught. The bubbles can drop from the ceiling, so no one touches them. Motion sensors can also be used, where the aroma is emitted when you pass your hand in front.

“We need to work with the other senses,” says Handley. “They're there and they're available. It doesn't matter if they look a bit weird and unusual. People are always asking for something disruptive – well, this is going to be really disruptive!”



Describing today's global climate as a “defining moment” for the channel, CircleSquare has called on the travel retail industry to challenge the status quo of customer engagement & consider a new extended customer journey approach