As part of the Better Places for People Campaign, the WorldGBC is developing and piloting the Retail Metrics Framework. Modeled on last year’s landmark offices report, the Framework sets out three categories – Environment, Experience and Economics* – and a series of metrics for retailers to consider. The logic of the Framework is simple: better environments lead to better experiences that lead to better economics for retailers.

The Retail Metrics Framework is comprised as follows:

**ENVIRONMENT**: This refers to the physical characteristics of the retail setting believed to have impacts on employees and customers.

**EXPERIENCE**: How employees and customers perceive the space they occupy has been shown to be as important as objective measures of the space itself and hence worthy of another category.

**ECONOMICS**: There are many ways to measure the success of retail business activities.

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**THE IMPACT FLOWS THIS WAY**

**ENVIRONMENT**
1. Lighting
2. Indoor air quality
3. Thermal comfort
4. Acoustics
5. Interior layout
6. Look & feel
7. Active/Inclusive design
8. Biophilia
9. Amenities
10. Community space

**EXPERIENCE**
- **EMPLOYEES**: Perception of the work environment
- **CUSTOMERS**: Perception of the retail environment

**ECONOMICS**
- **EMPLOYEES**: Absenteeism
- **CUSTOMERS**: Sales, Footfall, Distance travelled
- **COMPANY**: Brand (from social media)

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**THE ANALYSIS FLOWS THIS WAY**
STRATEGIES FOR PILOTING THE METRICS

The Framework is deliberately concise – ten components of the environment to consider, two experiences to measure (staff and customer) and ten economical metrics to review. This is because the WorldGBC realises that many organisations are considering health and wellbeing systematically for the first time. You do not need to consider the Framework in its entirety. Indeed, many different kinds of stakeholders can draw important insights simply by engaging with the parts of the Framework they know best.

Even if you are new to this agenda you do not need to begin from scratch: chances are you can apply the metrics retrospectively against data that has already been collected. Companies that are further along in their understanding of these issues will benefit from the powerful explanatory power of a simplified framework and set of variables (as, for example, when there are many properties to assess).

As part of our guidance to retailers, we have identified five strategies that companies can use to begin to engage with the Framework. We have ordered these in what we believe is the level of difficulty - from easiest to most difficult - and have provided some explanatory text behind each methodology.

“Even if you are new to this agenda you do not need to begin from scratch.”

STRATEGY 1: Assess what employees and customers have already said about your store environments (through staff surveys, Twitter, Facebook, TripAdvisor, etc.)

There is a wealth of data already available to retailers in the form of staff and customer surveys. While surveys often do not ask about specific features of the physical environment, it is possible to gather important insights, particularly when there are open-ended questions or comment boxes. Screening responses by the right keyword (such as “comfortable,” “dark,” “noisy,” etc.) can help retailers understand how different physical environments affect staff and customer perceptions. It is then possible to correlate these kinds of perceptions with business results, such as staff retention and customer sales.

This same kind of analysis is even more powerful when retailers investigate what is being said about their places in social media. One of the more interesting findings of the WorldGBC work is the new possibility to use social media to “map” perceptions of environmental performance. Crowdsourcing consumer experiences reported through social media provides an easy and cheap but incredibly valuable building performance evaluation tool. It is now possible to search and rank larger properties such as shopping centres on customer perceptions about the physical environment using well-known platforms such as TripAdvisor. What makes this even more noteworthy is that transparency around building performance is becoming greater and potentially more influential in where people choose to work and shop.
STRATEGY 2: Identify stores that have undergone sustainable refurbishments and compare financial results

Examining financial results before and after refurbishment is one of the clearest ways to demonstrate the impact of the physical environment on business performance. In a store refurbishment, many factors (location, customer base, staff, etc.) remain the same so that the intervention (changes to the physical environment) can be isolated and interrogated. In the case where refurbishment options also contain positive changes in the physical environment from a health and wellbeing perspective (better daylight, air quality, etc.) it may be possible to correlate these changes with better business performance.

Stores that undergo refurbishment, sustainable or not, often experience a temporary boost in sales lasting up to 12 months or more. Just the same, organisations can assess whether sustainable refurbishments have a more positive impact, such as whether the “halo effect” that accompanies refurbishments is stronger and longer with stores that incorporate health and wellbeing considerations. This can be done by examining economic results a year prior to the refurbishment, then after one year (and then 18 months, 24 months, etc.)

STRATEGY 3: Identify green stores within a portfolio and work backwards from the economic data to review relationships with environmental features/performance.

This tactic was the method adopted in a highly influential study of LEED buildings a few years ago, wherein researchers noted a clear, positive relationship between retail building certification and better worker experience and better overall business results. This is a particularly useful method to consider when there are a large number of properties involved. Simply cross-referencing properties with green certifications against financial results can be an effective, low-cost way to see if there is a general correlation between sustainable environments and better store performance.

It is important to remember that stores with environmental certifications may not necessarily be those that employ the indoor environmental features our Framework cites as important. Nevertheless, as an important first step, particularly where there are a lot of properties to consider, using certification status as a screen can help companies streamline their inquiry and test high level findings.

STRATEGY 4: Sift the portfolio, again from the economic results, to identify correlations with store environments and worker/customer experiences

This is a continuation of the previous strategy, but without using the cue provided by a building certification. Particularly where there are many properties involved, it may be helpful to isolate the top ten or 20 performers and then work backwards to see if they have any positive physical features in common. This might involve bringing in store development personnel and facility managers who know buildings best, alongside human resource and finance professionals (similar to the approach recommended in the offices report).

“Transparency around building performance is becoming greater and potentially more influential in where people choose to work and shop.”
Experience has shown that as little as an afternoon session conducted in this manner can yield findings that are fundamental but often overlooked because pockets of useful data are not shared and evaluated. Very seldom are financial and environmental performance considered side-by-side in the same meeting, even though store environments are fundamental to business success and retailers spend large amounts on sustainability to boost sales.

**STRATEGY 5: Trialling the metrics from a standstill**

Trialling the metrics from a standstill is not as difficult as it might appear, since you will already have been collecting at least some of the metrics. The metrics and framework we have developed, not to mention the tools and guidance currently in development, are all geared to make this agenda practical and accessible to all retailers anywhere. It is not critical that you measure all of what we suggest, nor that you examine every relationship. Our experience is that even looking at some metrics and some aspects of the Framework can be an extremely informative exercise.

The important task from our perspective is to give you guidance and tools so that you can begin to review (sometimes for the first time) your assets through what is an ever-increasingly important perspective.

In the coming months, we will be providing additional guidance on measuring the physical environment and worker/customer perceptions, providing you with more concrete advice on how to trial the metrics in the most cost-effective and value-driven manner. The good news is that capturing all of this data is becoming increasingly cheaper and easier to do. This is especially true for measuring the physical environment – the area that is likely to be most challenging and underdeveloped for retailers.

“Very seldom are financial and environmental performance considered side-by-side in the same meeting.”

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*These categories directly correspond to the Physical, Perceptual and Financial categories of the offices report, but have been renamed to reflect terminology used more commonly in the retail industry.*