

Apple's Most Innovative Product Isn't A Product At All

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(Credit: Denise Lee Yohn)

The most significant innovation from [Apple](#) these days isn't the new headphone-jack-less iPhone 7 or the waterproof Apple Watch 2 — it's the Apple store customer experience. Apple has developed a new retail experience that has transformed the Apple store as we knew it and the Apple brand itself. The importance of Apple's customer experience innovation extends beyond the company and disrupts the concepts of shopping and stores for all retailers.

It's apropos to highlight Apple's customer experience innovation on this day, [Customer Experience \(CX\) Day](#). CX Day is "a global celebration of the companies and professionals that create great experiences for their customers put on by the Customer Experience Professionals Association (CXPA)." Apple certainly deserves to be in the customer experience spotlight. It broke new ground when it opened its first retail store 15 years ago and Apple has become one of the most productive and popular retailers of our time.

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The company recently removed the word "store" from the names of its retail locations. So for example, Apple's new store in downtown San Francisco is called simply "Apple Union Square." Also, this week, Apple updated its executive profiles webpage to remove mention of "online stores" from retail chief [Angela Ahrendts](#)' bio. Ahrendts' new title went from Senior Vice President Retail and Online Stores to simply Senior Vice President Retail. What seem to be mere word changes actually signify an important shift in the way Apple thinks about its stores and itself — especially in light of its new store design.

Apple is introducing new approaches in practically every aspect of its retail locations. Fully functional products are displayed across tables with generous amounts of space — and no signage — between them. The tables themselves are spread out, so the sales floor is designed as much for browsing and people watching as it is for trying out the products and actually buying them.

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The new store design includes “The Avenue” which features artful displays that change with the season and new “Creative Pros,” Apple experts in creative arts, offering advice and expertise. The Genius Bar has been replaced by a “Genius Grove,” a large section of the store where customers get support from employees working side-by-side with them. There is a 6K video wall and viewing area which the company refers to as “The Forum.” Apple hosts activities, events, and classes in The Forum, including programs for kids, teachers, and developers, and game nights with editors from Apple’s App Store. Small businesses and start-ups can get advice and training in “The Boardroom.” Apple’s signature minimalist design aesthetic is used throughout the location, down to the bathrooms that people are welcome to use. ([Here](#) is a video tour of Apple Union Square in San Francisco.)

Many other retailers have incorporated these kinds of experiential features into their flagship stores, but few are re-conceiving their stores to this extent and system-wide. At the opening of the company’s newly designed San Francisco location, Ahrendts [explained](#), “We are not just evolving our store design, but its purpose and greater role in the community as we educate and entertain visitors and serve our network of local entrepreneurs.” Notably missing from her remarks and the company’s store descriptions and design in general is the role of the store as a place of commerce. In fact, for the recent iPhone 7 launch, Apple put more of a focus on its online pre-order and reservation systems and its brick-and-mortar locations had only a very limited supply of devices for walk-in customers.

So it seems the Apple store is no longer where you go to buy Apple products; it’s where you experience Apple. Or rather, the Apple experience is the Apple product. Ahrendts has even described the company’s stores as its largest product. Apple’s most transformative innovations of late have happened at its retail locations. Sales and profits from Apple’s hardware have been declining while its services and stores are thriving. Eventually, Apple may no longer exist as a product company, or even a technology company, but an experience company. Its stores — and the Apple brand itself — have become conduits for gathering, connection, and entertainment.

Once again, Apple is disrupting retail and the industry should take note, especially on CX Day. Apple has revealed a new standard of customer experience — one that many companies need to adopt as product becomes less of a sustainable differentiator.

To follow Apple’s lead, Customer experiences should be developed with rigorous R&D and meticulous design. Innovations should be pursued in all aspects of the retail experience, perhaps with less emphasis on commerce and more emphasis on service, and definitely with consideration of the store’s role in the community. Like Apple’s customer experience innovation, all customer experiences should deliver specific, distinctive, and on-brand value.

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