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About USD / Torero Store

The **University of San Diego** is a private university committed to academic excellence, Catholic intellectual and social traditions, and providing a superior liberal arts education for scholars of all faiths. USD was founded in 1949 and is located in San Diego, California. Enrollment includes; 8,251 undergraduate, graduate and law students.

The **Torero Store** is the University of San Diego’s self-operated campus store. The store is a part of Auxiliary Services within the Student Affairs division. Traditionally the store provided the campus community with; course materials (new, used, digital, rentals and e-books), tech (Apple, Dell, hardware, software, accessories), apparel, emblematic, gifts and office supplies.

In July 2015 we **opened a brand new store** that we reimagined into a popular retail destination that provides an engaging and improved **customer experience**.
A New Store

The Opportunity

For a few years Auxiliary Services had been recommending to administration that the Torero Store be moved to a different location on campus. The old store was located on the back side of a building, bottom floor, in a low traffic area of campus. Because of its location the store was not even included in campus tours. Due to the expansion of Shiley-Marcos School of Engineering the opportunity to reimagine the store presented itself. In a time of economic turbulence and industry flux, this happened at the perfect moment. A modern, dynamic, experience-driven retail destination needed to be created to replace the bookstore of the past.

Prior to moving to its new location, in October 2014 the store was reduced and reconfigured down to half of its retail square footage in its original building. This allowed the School of Engineering to begin construction on new labs. After 9 months of operations in the temporary configuration the new building was ready.

Location, Location, Location

The brand new campus store was built in a much more central location on campus in front of the Hahn University Center adjacent to student offices and the largest dining facilities on campus. After just 8 months of construction, the brand new store opened on July 20, 2015.

Total Space Square Footage:

<table>
<thead>
<tr>
<th>Former Store</th>
<th>New Store</th>
<th>= A Reduction in Total Space of 65%!</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,398 sq. ft.</td>
<td>6,665 sq. ft.</td>
<td></td>
</tr>
</tbody>
</table>

Timeline

Retail Space Shrinks to ½ its Size (New School of Engineering Construction Begins) → Construction on New Store Building Begins → Old Store Closes → New Store Opens → 1st Day of Classes Fall Law School

Business Model

• **Create a Modern, Experience-Driven, Retail Destination**
  • The customer experience, based on the four Experiential Realms, is the center of the model.

• **Design for the Future**
  • Utilize mobile fixtures to create a highly configurable space for a variety of events and services.

• **Course Material Strategy**
  • Maintain our status as the custodians of course material knowledge.

• **Retail General Merchandise Strategy**
  • Develop a new strategy that is effective in a smaller retail space with a combined storeroom (shared with Dining and Catering departments).

• **E-commerce Strategy**
  • Develop a new mobile-friendly website. Build on website sales by offering new services, such as in-store ordering from digital touchscreens, and expanding product lines.

• **Auxiliary Integration/Economy of Scale/Resources**
  • Change staffing model to include cross training. For example; combine job duties to develop Auxiliary positions as opposed to separate Torero Store and Dining positions.

• **Retail Technology Strategy**
  • Incorporate a new mobile POS system for the store and additional Auxiliary areas.
The Experience Economy

“An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event.”


Four Experiential Realms

Entertainment
What can be done to make the experience more fun and enjoyable?

Educational
What do you want guests to learn from exploring new activities?

Esthetic
What can be done to make guests want to hang out and just be?

Escapist
How can you transport guests from one sense of reality to another?
Incorporating the Experiential Realms

Incorporating the Realms into our business helps to create a dynamic retail environment. To accomplish this we strive for every component of our business to tie in with these realms.

**Four Experiential Realms**

- **Entertainment**
  - What can be done to make the experience more fun and enjoyable?
  - Play popular Movies on the Digital Screens and Toys in the store
  - Provide Live Entertainment such as a DJ or Band

- **Educational**
  - What do you want guests to learn from exploring new activities?
  - Offer free Classes at the Demo Bar
  - Provide Tech Support from IT at the Demo Bar
  - Utilize the Digital Screens to show Videos about Merchandise – such as Made in the USA and Fair Trade products

- **Esthetic**
  - What can be done to make guests want to hang out and just be?
  - Design a modern, well-lit, interesting store that draws people in
  - Staff should engage with the customers in a friendly and helpful, but unobtrusive, way
  - Play music that appeals to your core demographic
  - Stock limited merchandise so it appears clean and uncluttered

- **Escapist**
  - How can you transport guests from one sense of reality to another?
  - Feature interactive retail for customers - such as a “Virtual Mirror” and the Amazon Echo
  - Utilize lighting and sound to create an immersive experience (example: red, white & blue lighting with patriotic music during a Veteran’s Day Sale

**Absorption**

**Immersion**
What’s New and How Has It Improved Business?

• **New Textbook Methodology**
  • The large *textbook department* that encompassed a third of the former store was replaced with a small “book nook”. During rush periods only, swing space in the University Center (adjacent to the store) is utilized for storing books. Temporary outdoor tents are used as *self-ordering kiosks* and for pre-ordered course material pick-up.

• **Reduced Square Footage and Reimagined the Space**
  • Annual facility allocation *fees reduced by 70%*!

• **One POS and Inventory Control Platform**
  • Through a *partnership with Nebraska Book Company* we now use one system (WinPrism/PRISM 360) that streamlines operations and allows for increased efficiencies in reporting and accounting. This system is used in the campus store, in the adjacent Tu Mercado dining/retail unit and at Blue Spoon frozen yogurt café. This system will also be rolled out to all Auxiliary departments.

• **Mobile POS**
  • *Mobile check-out* provides customers with faster, more modern, means of payment that millennials in particular expect from their shopping experience. Staff approaches the customer and processes their purchase on the spot without having to go to, or use, a traditional register.

• **Tech Demo Bar/Help Desk**
  • Operated in partnership with the IT department, the *Demo Bar* provides services in a more visible and easily accessible space. In addition to tech support, space can be used for classes and study groups.
What’s New and How Has It Improved Business?

• **LED and LCD Digital Walls** ->
  - Outdated paper flyers and posters have been replaced with three state of the art large wall screens. They are utilized for promotions and to provide entertainment in an exciting and dynamic way. Auxiliary Marketing has also developed a **paid advertising program for the digital media that will bring in non-student revenue** from university vendors and partners.

• **Retail Digital Touch Screens and Kiosks** ->
  - These four kiosk screens allow for access to e-commerce sites and advertising of store services and merchandise. Additional online products can be promoted, viewed and ordered in the store via the screens.

• **Maximized Existing Auxiliary Spaces** ->
  - Tu Mercado, a Dining Services deli/market adjacent to the store, is a **dining/retail hybrid** that includes a Nike Shop, USD gifts, emblematic, cards, a new cosmetics line and religious items.
  - We are utilizing pre-existing Auxiliary office and storeroom space for all Torero Store staff and back of the house operations.

• **Direct to Garment Printer**
  - The AnaJet printer responds to the needs of individuals and smaller clubs who want fast/inexpensive custom printed apparel. It **keeps departmental dollars on campus and provides an interactive element**. Customers can watch shirts being printed while they wait. It allows additional designs to be sold on a custom basis without taking up floor space in stock.

→ pictured
What’s New and How Has It Improved Business?

• **Virtual Mirror ->**
  - This digital ‘dressing room’ is the first of its kind on a college campus. It allows customers a fun, unique, modern way to ‘try on’ clothes. The mirror has even been featured on local TV news.

• **3D Printer**
  - A new service that offers the opportunity for students to access a 3D printer for class projects or for fun. The MoJo 3D printer also supports the growing School of Engineering program on campus.

• **Frozen Yogurt and Smoothie Café ->**
  - This revamped dining concept has increased dramatically in sales since the opening of the new store. Accessible from the store side and the student lounge side, it has also helped to increase traffic to both areas. FroYo was selected for the menu due to its popularity amongst millenial college students. This information was taken from surveys.

• **Mobile Fixtures**
  - Mobile fixtures allow for flex space and special event set ups. They can also be reconfigured to change the look of the space, for new merchandise displays, or to support other services.

• **Custom Lighting and Sound System ->**
  - The visual appeal of the unique ceiling lighting attracts people into the store and can be effectively used to set the mood. Lighting and sound can be used together for even greater impact to represent various themes for special events and holidays.
Marketing

An extensive Marketing Plan was created by the Auxiliary Services Marketing Director. The plan starts in fall 2014 (at the time the store transitioned into a smaller footprint) and runs through June 2016 (the end of the new store’s first fiscal year).

Key Components of the Plan:

Calendar and Events
The marketing calendar includes; operational timeframes (such as rush), the construction timeline and all store special events and promotions. To provide more interactive experiences for customers, we increased the number of special events from a few a semester to a few every month. The calendar was shared with store/Auxiliary employees and key campus constituents (student government, University Relations marketing/public affairs, President’s office and cabinet, Student Affairs administration, etc.) We collaborate with campus departments and student groups to create events tailored for specific markets. For example; we co-hosted with Alumni Relations a successful ‘Champagne & Shopping’ event to introduce the store to local alumni. Student groups, such as Torero Program Board, have been great partners as we work together to promote the store as a vibrant space for student life and activities. This is also inline with initiatives from the Student Affairs division.

Grand Opening festivities were a great way to kick off the fall semester by engaging the community to celebrate the opening of their new Torero Store. Monthly, free, arts & crafts events on the store’s patio are very popular. We launched a new bi-annual signature event - the USD Fashion Show - starring student and staff store employees.

Survey
In addition to reviewing industry retail trends, we wanted to garner campus-specific preferences about fashion and shopping. We issued a lengthy online survey (spring 2015) that was sent to all of campus. It focused on apparel but also included questions about other merchandise and services. The data was used to hone our new program. For example, because we were moving to a considerably smaller space we wanted to be sure we were offering the right merchandise on the floor.
Marketing

Print and Digital Media
Various print pieces (posters, flyers, banners) were created in-house to ensure campus was aware of the various changes happening during construction and the move. The Vista student newspaper included coverage of the future new store to share student feedback and help increase excitement. The modern concept of the store now requires all new digital media marketing. New content and designs for the seven digital screens are developed in-house.

Branding
All marketing components for the store include the official store logo and adhere to university branding guidelines. Key information – location, web address, and social media icons, are also consistently included. The majority of marketing collateral is designed with students (our core customers) in mind, then modified as needed when the audience changes (parents, alumni, visitors, etc.)

Web
Construction milestones and other activities were posted on the Auxiliary Services and Torero Store websites and on social media. These outlets were also used to garner general feedback about the project and to ensure awareness of the new store. On the day the store opened we launched our brand new mobile friendly website. Mass email newsletters are strategically sent by the store to campus. The in-store digital screens are used to promote our e-commerce/website, social media, events and services.

1st Annual Fall Fashion Show
Website Sales Highlights

The increase of exposure for the new physical store has had a positive impact on online store sales. We promote the website in the store and via all of our marketing materials and outlets. When comparing online store sales from July through October (2014 to 2015):

- Online orders have increased by 12%
- Online clothing sales have increased by 22%

Financials

<table>
<thead>
<tr>
<th>Sales</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales per sq. ft.</td>
<td>247.41</td>
<td>453.09</td>
</tr>
<tr>
<td>Gross Margin per sq. ft.</td>
<td>0.00263</td>
<td>0.00480</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facility</th>
<th>Savings Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Space Reduction Savings</td>
<td>496,746.00</td>
</tr>
<tr>
<td>Facilities Allocation Savings</td>
<td>222,528.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Increases – In Store</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bags/Backpacks</td>
<td>3,848</td>
<td>56%</td>
</tr>
<tr>
<td>Emblematic</td>
<td>32,486</td>
<td>51%</td>
</tr>
<tr>
<td>Clothing</td>
<td>101,751</td>
<td>27%</td>
</tr>
</tbody>
</table>
“You have all the reason in the world to achieve your grandest dreams. Imagination plus innovation equals realization.”

~ Denis Waitley