The joy and significance of serendipity in retail

A report from Faire
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Serendipity and discovery today

“The cultural context of serendipity and discovery, and what it means for retail

“In the rapidly changing world, information is abundant but rather chaotic. The adaptive power of serendipity allows people to notice treasures within the wild sea, but only for those who understand how it works.”

Dr. Quan-Hoang Vuong
Director of the Centre for Interdisciplinary Social Research
Serendipity, or happy, accidental discovery, is a fundamental human joy—but it’s also key to retail.

It influences how satisfying, meaningful, and memorable people find a shopping experience, as well as whether they’re likely to recommend or repeat-purchase from a given retailer. It’s a means of building anticipation—something that’s linked to heightened enjoyment of the shopping experience, both as it unfolds in real time and when it’s remembered afterward. It helps frame shopping not as a pragmatic affair to be ticked off a to-do list but as a creative achievement. And today, the way society practices shopping is evolving to put more emphasis on serendipitous discovery: People are putting more time, effort, and weight than ever into the “seeking inspiration” phase of retail journeys.

But despite these values, much of today’s cultural context—and retail context—is lacking serendipity. On one level, serendipity was another casualty of the pandemic—Covid dealt a blow to accidental discovery, cutting spontaneity and in-person experiences out of the shopping experience. But beyond the plot twist of the pandemic, the influence of tech has been chipping away at serendipity for some time. Algorithms may have revolutionized some of the more practical aspects of retail, helping retailers to better reach and serve their audiences, but when a shopping journey is less of a practical affair and more of an emotional or identity-building one (as it often is for consumers), tech’s efficiency comes at the expense of the delight people take in their own discovery. This is leading to a growing sense of “algorithmic anxiety” in society: There was once excitement about the product recommendation economy, but, increasingly, there’s less joy in it for consumers.

This is a phenomenon noted by cultural critic Kyle Chayka: “Besieged by automated recommendations, we are left to guess exactly how they are influencing us, feeling in some moments misperceived or misled and in other moments clocked with eerie precision. At times, the computer sometimes seems more in control of our choices than we are.”

This feeling extends across everything people shop for, from the clothes they buy to the gifts they give to the entertainment they consume. It’s a familiar refrain: Music lovers, for example, bemoan how Spotify’s extensive song catalog somehow feels less rewarding, emotional, and personal than the accidental musical discoveries that predated the algorithm.

But now, off the back of the pandemic and with increasing algorithmic anxiety, retail culture is evolving—trying to regain some of the serendipity that it lost and that people crave. This report from Faire dives deep into the role of serendipity in retail, looking at spatial design and sensory stimuli, community and experiential discovery, and the collaborative process by which retailers share their taste with consumers.

Through these approaches, this report breaks down how independent retailers are uniquely positioned to offer curated, community-centric spaces—all in service of helping their customers be delighted through discovery.
Surprise—a key tenet of serendipity—intensifies people’s emotions by about 400%.
Apart from mail-order catalogs and TV ordering, shopping is carried out primarily on Main Streets and in local shops, making it community-centric and leaving space for serendipity.

Mall of America opens its doors to the public, marking an era of shopping that foregrounds shopping-as-socializing and communal browsing.

E-retail had been on the rise for years, but 2002 was the launch of what’s now Google Shopping (then known as “Froogle”). E-retail promises the easiest, most-optimized vision of shopping, meaning that discovery is driven by the gospel of efficiency.

Brick-and-mortar shops reposition themselves in contrast to e-retail, with a focus on the experiential and social, like piercing pop-ups at Topshop or floristry workshops at & Other Stories.

Online shopping was already escalating, but it’s powerfully amplified by the pandemic’s forced closure of shops. E-commerce sales account for nearly 18% of all retail sales worldwide, jumping from 13.8% the year before.

Post-pandemic, there’s a wave of renewed appreciation and nostalgia for what’s been lost from previous retail culture. This backlash takes the form of a move away from efficiency as the guiding principle of shopping, toward the values of artisan culture: craftsmanship, local provenance, handmade items, and an emphasis on discovery.
Serendipitous spaces

How spatial design and sensory experiences can enable serendipity and discovery
Consumers stay in a store up to **51% longer** in retail spaces with multisensory cues.
Trigger-rich environments
Shop environments that are designed to push people toward more active discovery by "triggering" their sense of curiosity.

Multisensory cues
Information or stimuli in a store that taps into senses beyond the visual—so anything shoppers experience through touch, smell, taste, or sound.

Congruent cues
When all sensory cues (any design choices relating to visuals, touch, smell, taste, or sound) in a shop work together in service of a unified theme that represents the shop’s brand narrative.

Terms to know

The experience of in-store discovery starts, naturally, with the physical space of a shop itself. In the broadest sense, stores have the power to put people in the mood to engage with them—research has found that just being in a store that makes people feel at home, through, for example, soft lighting or relaxing music, can improve a shopper’s mood.

But the layout, features, and design of a store powerfully affect the retail experience beyond just making shoppers feel good. This idea—that spaces affect discovery—has long been accepted wisdom in the corporate world, where layouts like the open-plan office have been designed to spur more interpersonal "collisions."

But this knowledge hasn’t translated as much into the world of retail. Online shopping struggles with it: 48% of consumers say they’ve abandoned an e-commerce site because its offerings were poorly curated. But in physical shops, there’s more mind being paid to the way that aesthetics, from merchandise placement to lighting and color, can be used not only to increase the time spent in a store but to make for a better quality shopping experience.

On a baseline level, this means following the established wisdom of color and light: Shoppers spend more time in well-lit shops, where they can inspect what they’re looking at, with cooler lighting more suited to shops that require visual clarity (like electronic shops), while warmer lighting is more suited to gift boutiques and high-end goods stores that angle more at a pleasant, luxurious experience.

But beyond just optimizing for a good shopping experience, retailers are also optimizing for discovery. Those who want to make space for serendipity can design “trigger-rich environments”—an ambition that can be worked into shops of any size, from “curiosity-teasing” layouts (for example, book covers positioned so that they’re partially visible on shelves, taking into account the direction people walk through a store) to “featuring imperfections” (for example, having certain items “misshelved,” like an eye-catching piece of jewelry draped in the books or homeware section, to create a cognitive break from the wider pattern of organization).
CASE STUDY

P.F. Candle Co., Los Angeles

Founded in 2008, P.F. Candle Co. is an independent home fragrance company owned and operated by Kristen Pumphrey and Thomas Neuberger. The Los Angeles–based brand's candles are inspired by memories and designed to make customers feel good while elevating their spaces. “Scent is a way to tell your story in design,” said Pumphrey. “It connects to the emotional part of your home’s design, the part that you can’t put into words or color or form.”

P.F. Candle Co. has two brick-and-mortar locations, with its flagship located in the Echo Park neighborhood of Los Angeles. Both retail spaces are designed to serve the brand’s “California icon” aesthetic. Multisensory elements including color and music are intentionally selected to align with this identity.

Consistency is key: The brand’s color palette, or example, carries across their in-store design, marketing materials, and website. Unsurprisingly, scent is the most important sensory element for P.F. Candle Co. because customers often visit with the intention of finding a fragrance they love. “Feelings and emotion are deeply intertwined with scent—and scientists think the reason is the proximity between the olfactory gland and the hippocampus/amygdala (the parts of the brain responsible for processing memory and emotion),” said Pumphrey.

“The holy grail of multisensory retail is to weave cues together in a way that’s congruous, meaning all sensory aspects work together in service of a unified theme that represents the shop’s brand narrative.”

In its simplest form, this could mean a furniture shop considering what visual, sound, touch, and smell cues would work in service of a theme like home, coziness, or family. And at its furthest reaches, it could mean retailers leaning on multisensory design to create a fictional world separate from the reality outside of the shop. When congruent cues create their own narrative atmosphere, they invite people to inhabit a character rather than be just a shopper—like Hunker, a homeware retailer whose showroom mimics the atmosphere of a dining room and goes as far as hosting food and drink evenings to let shoppers take on the role of an elegant dinner party host.

These congruent cues, whether low-lift or more complex, are a powerful way of putting people in a mental state of exploration and discovery. Consumers stay up to 51% longer when congruent cues beyond just visuals are added to a retail setting—and this ladders up into purchase behavior.

Beyond this focus on the visual aspects of design, the post-pandemic culture of retail is placing emphasis on the multisensory experience of brick-and-mortar shopping.

While e-retail can compete in terms of visual stimuli, it’s lacking in the wider sensory canon of what people feel, smell, and hear.

Research has found that adding multisensory cues—those that complement the visual—positively affects shoppers’ emotions, purchase behavior, and length of browsing more so than piling on visual cues. This is in part because senses like smell, sound, and touch have more cut-through in a visually saturated landscape: Given that most shops are rife with visual stimuli, adding scent in an otherwise odorless shop, or music and voice in an otherwise quiet space, has a more dramatic effect. Scent in particular is well-suited for teeing up exploration and discovery: Pleasing smells enhance shoppers’ brand memory, risk-taking, variety-seeking, and curiosity.

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Tips for creating serendipitous spaces:

First, design for clarity; then, design for curiosity.
Helping people understand how to navigate a space is table stakes, like having good signposting and sufficient lighting. Once that’s tackled, there’s room for guiding people off the beaten path, with curiosity-piquing design that leads people toward new discoveries.

Think beyond visuals.
Retailers’ impulse is to lean on visual stimuli, but diversifying into sound, smell, and touch enables shops to have a more powerful effect while avoiding the sensory overload of visual clutter.

Use sensory cues to build a shop’s “immersive world.”
This doesn’t mean using elaborate, expensive, or large-scale design features—it means starting with a shop’s brand identity and breaking it down into the sensory features that would work in service of that, whether it’s simple scents, soundtracks, or layouts that guide people on a journey.
Serendipitous community

The role of community and social experiences in serendipity and discovery
89% of shoppers trust recommendations from people they know over brand advertising, making peers the biggest influence on shopping decisions.

Terms to know

**Retailtainment**
Experiences that combine entertainment or leisure activities with the act of shopping, or feature entertainment experiences within retail spaces.

**Third spaces**
Social or community environments that are separate from the two most common social spaces of the home ("first space") and the workplace ("second space")—for example, cafés, community centers, or public libraries.

**Social-experiential hub**
A location where people gather for collective entertainment or leisure experiences, like coffee shops or yoga studios.
trusted than anything else (89% of shoppers trust recommendations from people they know over brand advertising, making peers the biggest influence on shopping decisions). As Highsnobiety’s report on the new luxury consumer notes, this suggests that “successful brands no longer speak to, but rather through, their audience.”

All of this is laddering up into a retail space where community is central—both to a shop’s broad identity and to people’s experience of discovering products.

Looking at the swelling role of shops as community hubs, there are two powerful cultural forces at play, both of which hint at what shoppers are looking for from retailers. Firstly, across countries, the pandemic stoked lasting love for the community culture that blooms around local retail. In the UK, 57% of consumers are more likely to shop with brands that are supporting their communities, and 28% would pay more for local products, while in the US, 38% of shoppers say they want to support their community and local creators.

Secondly, shopping is becoming more intertwined with community because people want to consult their peers when buying. Especially in retail spheres that are more emotional than practical, like luxury and home decor, people are paying less heed to what brands and publications recommend and more to the opinions and approval of their communities. It’s why peer recommendations are more trusted than anything else.

With effective retailtainment, shared social leisure activities are the main affair—but products are naturally dotted into both the atmosphere and the social fabric, letting people discover collaboratively and with the real-time feedback of peers.

Retailer and creative collective The Silver Room angles at this by inviting customers to come in for DJ sets and book signings while ambiently interacting with the shop’s retail goods.
The pandemic spurred a focus on local community-based shopping, with 65% of shoppers now preferring to buy goods and services made in their home country.

If retailtainment is a more active and immediate approach, there’s also the passive and long-term approach of the “shop as third space.” “Third spaces” refer to physical areas of a shared community beyond the “first space” of the home and “second space” of work. These were traditionally churches, cafés, clubs, public libraries, bookstores, and parks—but with these types of locales in decline, especially since the pandemic, retailers have stepped in to fill the void and have found space to thrive in the post-pandemic landscape. Shops are being framed as purely hangout spots, where it’s not retail or entertainment that is the main draw, but the sense of camaraderie and knowledge-sharing.

This concept came into the mainstream through big business, when Apple bet the success of its brick-and-mortar shops on becoming a Gen Z hangout space. But actually, in practice, it’s smaller shops that are best placed to execute this. As Edison Chen, co-founder and creative director of lifestyle brand Clot, has noted, the key to shops-as-community-hubs is for owners to be in dialogue with their local community. “The curation of each store is heavily reliant on local culture and local needs,” said Chen, who recommends surveying locals—asking community members directly what they love about their hometown and championing these points of pride through visual storytelling that reflects the neighborhood, or asking locals what a community is lacking and shaping a shop’s social events to address those needs.
“When we think about building a place where people want to be, we find that it makes a lot more sense to think about where somebody wants to spend their time and not where they necessarily want to spend their dollars.”

Samantha David
President of retail developer WS Development

The Silver Room, Chicago

The Silver Room, a retail space and creative collective founded by Eric Williams in 1997, has been supporting local designers, hosting events, and building community for over 20 years.

The importance of community was a key driving force behind the building of the business. “I wanted to have a space that was at the intersection of entrepreneurship and arts and culture,” Williams says. This vision manifested itself in a shop with turntables where DJs can play around the clock, an art gallery where friends display visual art on the walls, and book-signing events where writers speak about their work. The shop also serves as a retail space for selling jewelry, clothing, bags, and more. “Folks would come in for an event, and they would buy some jewelry. They would come in for some jewelry, and they would see a book signing,” Williams says. “It was always a space inclusive of everybody. And the place is like a home for many people, especially a lot of young Black creatives.” People began visiting the store not just from around the city but from around the world.

Looking forward, he’s hoping to continue doing what The Silver Room does best—creating a safe space for people from all walks of life to gather and enjoy art, community, and culture.
“Serendipity is not simply blindly stumbling on important phenomena or simple trials and waiting for luck to come—rather, it requires highly insightful questions and searching for solutions.”

Dr. Quan-Hoang Vuong
Director of the Centre for Interdisciplinary Social Research

Tips for creating serendipitous community:

Give to—and take from—the community.
People want to support shops that are part of the local ecosystem, and community interplay is the best way to demonstrate this. This can go both ways: giving support to the community (stocking local artists, hosting workshops that contribute to neighborhood needs) but also asking things of the community (support, participation, input, and opinions). This give-and-take shows embeddedness in the local fabric.

Create opportunities for peer feedback.
Peer input informs purchases more than anything else. Retailers can lean into this by, for example, creating an in-store space where shoppers themselves can highlight their recommendations and greatest hits.

Enable collaborative discovery.
This can be on a small scale, with refer-a-friend discounts or two-for-one deals encouraging social shopping—or on a larger scale, with retailtainment events, or shops designed with appealing hangout spaces, rather than just direct pathways that guide footfall through.
Symbiotic discovery

How collaboration between retailers and shoppers unlocks discovery
For dedicated retailers, a shop is at its core a collaborative enterprise: Collaboration begins between a retailer and the brands it stocks and continues between retailer and consumer. This philosophy shapes the role of independent retailers: Beyond being curators, they are tastemakers, and in creating a shop, they lend their taste to consumers. It’s how Faire customer Claire Tibbs speaks about her store, Humboldt House. “We are a feminist goods store. We opened in 2013 more as a vintage store, and then we’ve slowly evolved over the years. I have a queer artist background, so a lot of my friends are makers, and I started casually featuring their work in the store. Over time, that was the thing people were really excited about.”

This collaborative relationship isn’t just a hallmark of dedicated retailers—it’s also a key condition for serendipity. Research has found that serendipity is a two-sided process: an experience that the shopper him- or herself has to play a part in, as well as having their environment facilitate it.

Understanding serendipity as a collaborative experience—one that requires shoppers to find the right setting but also bring the right personal knowledge—sheds light on its appeal. Psychology (specifically, the concept of “psychological ownership”) tells us that people feel more invested in things they’ve put effort into. This explains the joy of an unlikely discovery: When someone unearths the ideal gift for a tricky friend or the perfect piece of homeware to tie together an unfinished room, it feels like a personal triumph, and they feel more invested in their purchase.

But it’s more important to understand serendipity as collaborative points to how discovery can be used to enable a more fulfilling retail experience—one that can build on retail’s role as a signifier of identity, status, and taste.

Terms to know

Psychological ownership
When consumers feel so invested in a product that it becomes an extension of themselves.

Investment of self
When consumers contribute to the creation or existence of a product (for example, by customization or brand-consumer collaboration workshops) in a way that makes them feel greater psychological ownership of that product.
The idea of “expressing who you are”—an individual’s tastes, preferences, and sense of self—has always been a core motivator for shopping.

But how people project identity and signify status is evolving: Self-expression is increasingly about having (and flaunting) not only the right things but the right knowledge (“being in the know”).

As noted by Dr. Elizabeth Currid-Halkett, a consumer economy expert and professor at the University of Southern California, today’s shoppers are less focused on conspicuous consumption. “This new elite cements its status through prizing knowledge and building cultural capital,” said Currid-Halkett.

Because “good taste” today is more about demonstrating knowledge, the ability to discover something is as important as the ability to purchase it.

There’s cultural cachet and status in the act of digging through retail options, putting time and effort into “the find.” (This is true for shoppers but also for retailers—it ties into the premiumizing of “human curated” in an algorithmic economy: The consideration and curation put in by both retailers and shoppers is read as a mark of distinction and value.)

In this sense, effective discovery—that which fulfills shoppers’ desire for tastemaking—makes people feel complicit in “the find.” Retailers enable this by creating opportunities for shoppers to take an active role in the discovery process, whether that’s creating customizable products and experiences that let shoppers flex their taste or including more information and storytelling (for example, using color-coded labels to signify features like Black-owned, small batch, or locally sourced to give shoppers a deepening sense of being “in the know”). Retailers may also be able to draw upon a customer’s previous purchases to help shape their “taste trajectory” by offering new product recommendations via personal shopping appointments or similar one-on-one guidance.
“Today, the codes of status are more implicit and more contextual than they have been before. Material goods have become diluted in their power to show status; instead, knowledge is currency.”

Dr. Elizabeth Currid-Halkett
Consumer Economy Expert and Professor of Public Policy at the University of Southern California

CASE STUDY

Rare Device, San Francisco

Rare Device is a woman-owned artist-focused gift store and gallery in San Francisco, California. The shop was founded in 2005 by Rena Tom and purchased by the current owner, Giselle Gyalzen, in 2011.

For Gyalzen, curation is key to the business. Every object in the shop has a story. Products are selected because they’re either handmade, well-designed, useful, beautiful, or all of the above. As part of the curation process, Gyalzen familiarizes herself with makers before selling their items so she can share their stories with the Rare Device community. “We love building relationships not only with our customers but also with the artists and makers who make the things we sell,” she says. “We are proud to be a part of supporting the livelihood of up-and-coming and established talent alike. We also love being able to give them another platform to show and sell their work.”

As a result of Gyalzen’s collaboration with both makers and customers, Rare Device is an environment where shoppers have the opportunity to discover, define, and develop their tastes.
Customers who feel fully emotionally connected to a brand or retailer are 52% more valuable, on average, than those who are just highly satisfied.  

Tips for creating symbiotic discovery

Help, but don’t spoon-feed.
This feeling of self-satisfaction is dependent upon shoppers feeling like they’re exerting their own taste and knowledge. Retailers can enable this by drawing out shoppers’ sense of agency—for example, by requiring people to make active decisions when navigating a store (rather than having a prescribed layout), having specific products that have to be requested by name, or featuring products that can be customized or personalized.

Feature storytelling.
Both in brick-and-mortar and online, give people access to in-depth knowledge about the products and artists that they’re engaging with. By creating a retail landscape replete with “Easter eggs” of information (for example, the origin story of a given artisan, the provenance of local or sustainable materials, or the production methods of handmade goods), stores can make space for fandom and let people cultivate a distinctive “taste” through the brands, artists, and items they choose.
“Modern status is conveyed through storytelling. Brands tell stories of their origin, heritage, design, craftsmanship, or purpose and appropriate the stories of people they are celebrating. Consumers tell stories of how, where, when, and what they bought and through those stories provide meaning and cultural and social context to their purchases.”

Ana Andjelic
Brand Executive, Author of The Business of Aspiration, and one of Forbes’ “World’s Most Influential CMOs”
Feeling inspired to bring these concepts to life?

Help your customers discover unique goods by stocking your shop with Faire.

About Faire
Faire is an online wholesale marketplace built on the belief that the future is local—now more than ever, consumers are choosing to support local shops over big-box chains. There are millions of thriving small businesses in North America and Europe alone. With our global community and the power of technology, Faire is helping fuel the growth of entrepreneurs everywhere. Learn more by visiting Faire.com.

Methodology
Faire’s cultural insights report was conducted through research of reputable secondary sources—existing journalism and cultural analysis, academic research and peer-reviewed studies, trend and futures reports, and quantitative evidence—followed by original analysis and brand case studies to illuminate cultural shifts and their applications to retail.
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