

ETUDES INTERNATIONALES



**L'effet Waouh dans
le retail !**

Introduction



SOURCE: ALICIA CLARKE

2019 Shop! Design Silver Award Winner
Softline Specialty Store 7,501-25,000 sf
The Shop at Bluebird, London

RETAIL CHANGES & CHALLENGES

Retail is in the midst of seismic changes. Historically huge retailers are struggling for survival, bold new entrants are changing business models, and today's leaders are searching for their next transformations to ensure they stay ahead. Shoppers have more choices and more information to make their purchase decisions than ever before.

Shoppers are evolving according to global macro trends that signal how individuals are becoming smarter and more self-sufficient while being driven by immediacy, according to Euromonitor International's *Top 10 Consumer Trends in 2019*. Consumers are busy (aren't we all!), and this is changing behavior. In fact, almost half of the 30-44 aged segment indicate they are willing to spend more money on products or services that save them time.

E-commerce has been one of the jolting factors to the retail industry. In the third quarter of 2018, it passed the threshold of realizing more than 10% of the total U.S. retail sales. Amazon is leading the pack, making it easy for shoppers to buy products online. It continues to push ways to deliver the last extra mile, starting programs that deliver in hours to certain pilot markets. Along the way, retailers big and small are developing strategies to compete, ensuring they get their share of ever-increasing online sales.



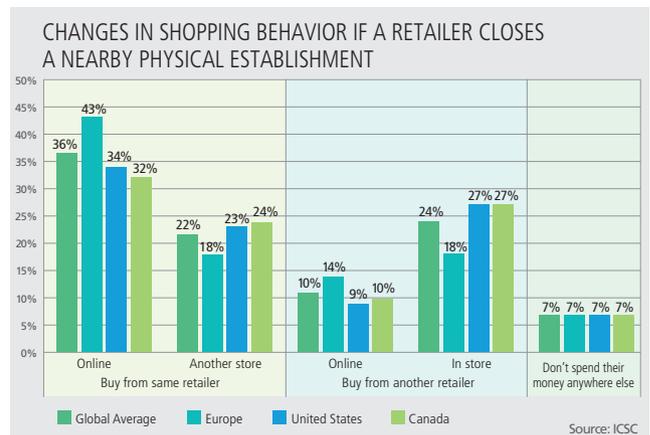
2018 Shop! Store of the Year Award Winner
b8ta, Santa Monica, CA

While this e-commerce tsunami is occurring, retail is fighting to adapt. Even the strong convenience channel, which by its nature captures impulse sales while consumers are out of the house is changing. 2018 was a major year of mergers and acquisitions, with multiple billion-dollar deals transpiring as players build scale or pursue focus.

Another shift has been the growth of new retail formats to engage consumers. Marketplaces with artisanal vendors, pop-up shops, subscription box retailers, or product rental retailers have gotten the attention of Americans: nearly four-fifths of U.S. adults have shopped at or visited at least one of these formats. These experiential channels are most successful among the critical millennial demographic.

BRICK AND MORTAR IS NOT GOING AWAY

E-commerce may appear threatening to existing retailers. But the flip side of the coin is that nearly 90% of U.S. retail sales are still done in brick-and-mortar stores. As the International Council of Shopping Centers (ICSC) describes in its March 2019 insights piece, *Bricks Drive Clicks Globally*, a physical store presence is important to buying online for 55% of online shoppers globally because a physical store is a key driver of brand perception and brand awareness. Furthermore, retailers lose business when they close a store as illustrated in the chart below.



Learning from new retail formats and macro trends, retailers need to develop to be more experiential (to take advantage of all a shopper's senses) and continue to innovate ways to be more convenient. Amazon Go stores, for example, show how the leading e-commerce company is entering the physical space with a super convenient model. These stores require the shopper to scan their app as they enter, pick out the products they want and simply walk out of the store—no checkout lines, registers, or scanning. Technology follows the shopper and knows what they select, simply billing via their Amazon account once they leave the store.

This paper will showcase how brick and mortar retail needs to focus on creating experiential in-store environments to engage and inspire, while meeting shopper demands. This will also enable retail to differentiate from the e-commerce path so that stores increase their relevance. The paper will start with shopper motivations and insights, the foundation for the design of any in-store design. Then it will highlight the needs of the brands and retailers so that the collaboration needed for best-in-class activations is achieved. Finally, this report will highlight the applications that demonstrate best practices to achieve success and case studies that tell the stories of how to win.



POP AI

shop! GLOBAL MARKETING AT RETAIL ASSOCIATION

FRANCE

ETUDE INTEGRALE
CONTACTEZ POPAI FRANCE

POP AI FRANCE

Email : communication@popai.fr

www.popai.fr