



SNAPSHOT 19 Dec 16

2017 EXPERT OUTLOOK ON SHOPPING

How do people want their parcels delivered? Do they want brands to act like mates? And how do they shop on mobile? As part of our Expert Outlook 2017 series, we speak to three experts about experiential retail, big brands taking inspiration from start-ups, and how mobile makes people impatient.

Location **Global**

Highlights & Data

- With people seeking to save time through click-and-collect options and home delivery, physical stores will require a better experience to draw customers in
- Showroom-style stores provide a more relaxed retail setting, eschewing pushy sales tactics to foster a sense of freedom and trust
- As companies realise they can't control what's said about their brand, they may have to hand over some of this power to the consumer
- By positioning themselves as peers, they can cultivate closer consumer relationships and create brand advocates in the process
- As more people choose to shop on mobile out of convenience, discovery-led platforms could disrupt retail by combining recommendations and sales
- Rather than offering mobile-optimised web pages and individual branded apps, retailers may turn to instant native apps to simplify mobile shopping

Scope

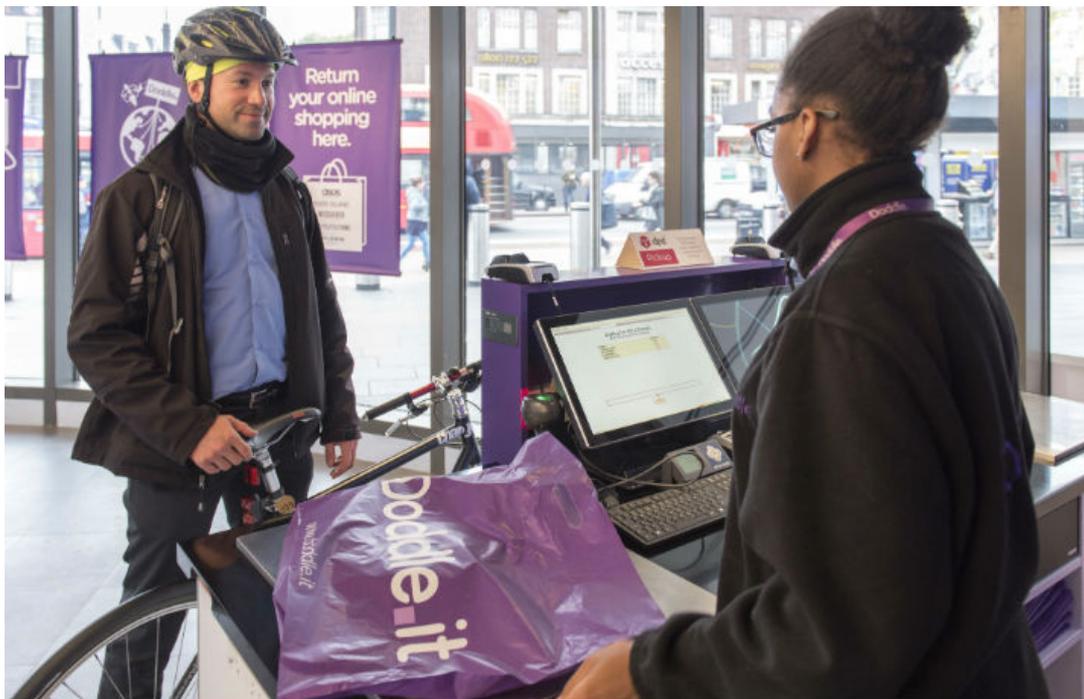
In the Shopping chapter of the 2017 Expert Outlook, Canvas8 speaks to Lyndsey Dennis, editor of *Retail Focus*, consumer and shopper behaviouralist Ken Hughes, and Daniel Murray, the founder and CMO of Grabble.

Lyndsey Dennis is the editor of Retail Focus, the UK's leading publication, directory and website for retail design inspiration.

2017 will be the year of convenience. People's lives are a lot busier, so there will more use of click-and-collect and home delivery. You'd never have thought you'd go to Amazon for your groceries, but it's now doing two-hour delivery, and with Deliveroo, you can order food from virtually any restaurant and get it at your door within an hour.

Doddle is set to disrupt the retail industry next year by tapping into this demand. It is a click-and-collect company that will handle your parcels. It has stores at railway stations, universities and shopping centres – convenient places where you could pick up your parcel as you go about your day – and it's just launched Doddle Neighbour, where a designated person in your neighbourhood can take in your delivery. It's convenient, and fits in with our hectic lives.

When consumers are able order things online and get them so easily, brick-and-mortar retailers really need to think about how to get them into their stores. Brick-and-mortar will focus more on interior design of the physical space, and they need to enhance the whole brand experience – from the app, to in-store, to online design, and all the way through that journey. Many retailers are creating brand experience stores as a way to offer something different from their competitors. Now, for instance, people can walk into shops and experience a catalogue through an augmented reality app or virtual reality headset they'd never had access to before.



Disruptive delivery services make it even easier for shoppers to avoid the high street

Doddle (2015) ©

Lush is a brand to watch closely. Earlier this year, it opened a really interesting store in Manchester that has a greenhouse, so it can grow the ingredients for its products. It put a sticker on products, with who made it and the day they made it. There's also a party booth that you can hire, massage baths and hair styling salons. You're not just going in there to buy a bath foam, you're getting to know the brand more.

The desire for a retail experience is why showrooming will continue to grow. Brands like MADE.com don't sell their furniture in-store, instead using the physical location as a showroom. IKEA has similarly opened a pop-up kitchen in London, where all the furniture is there and you can grab a meal. This concept will definitely grow, and more brands will look into it because people still like to walk into a store, touch the products and try things on.



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Jaguar is doing similar things. The idea of the car showroom is changing, so it's moving from industrial estates to the shopping centres. You can use a touchscreen in-store to customise everything on the car. It's not pushy, and the staff are on a fixed salary, not commission. They're there to help and guide you. You don't even have to buy the car in the store. You leave, think about it and then order from the comfort of your home. Jaguar will also let you test out the car on your own – you don't need someone with you.

This is an example of how stores are creating a more trusting experience for customers. Apple has just redone its Regent Street store. It seems to be more relaxed, none of the products are bolted down anymore. There used to be cords holding them down, but now you can walk around the store with them. It's about that freedom and trust. Increasing the feeling of trust makes the whole shopping journey a lot more enjoyable for the customer.



In-store experiences will be key to trumping convenience

Yelp Inc, Creative Commons (2014) ©

Ken Hughes is one of the world's leading consumer and shopper behaviouralists. He is a global thought leader in the areas of shopper psychology, consumer behaviour, retail futurology, retail strategy, omnichannel, and shopper marketing.

One of the things that will change in 2017 is big brand authenticity. It's very easy for a start-up to have an authentic appeal to a consumer – it's cool, it's funky, it's flexible. The question is how do you get that level of authenticity in a big brand? Just look at the global explosion in street food. It's happening because consumers like a story, they like the experience, they like the transparency in the production process. But really it's about the vibe – it's a little bit counter culture.

A great example is Airbnb, which released its first TV ad this year. It was really interesting to see

the brand push out into mainstream media and the ad talked about a genuine product. It says don't go to Paris. Live in Paris, even it's just for one day. Airbnb is promoting the idea that it gives you a genuine experience, and that's ultimately what consumers are looking for today – not just a basic product or service. We're going to see many more big brands trying to be a bit more authentic in what they do next year.

Peer-to-peer will increase in 2017. Amazon has opened a physical bookstore in Seattle, and what's great is all the books are presented not by the publisher or the marketing blurb, but with reviews from actual people who have bought and read the book. They put all the four- or five-star books on a table together, so you can walk to the four-star table and all of the books have been given great ratings by the readers. It's really curated by the peer group.



Harnessing customer input can add 'authentic' appeal

Amazon (2014) ©

We're seeing brands trying to get inside the peer network more and more. There's the realisation that you don't own the retail brand anymore, you just manage it. They can't control what the peer network says about their brand, so they have to hand over some of this power to the consumer, but can also try and use it to their advantage and curate content for them to share. Brands will need to get their heads around that one, and try to understand how we can empower customers to be sales agents.

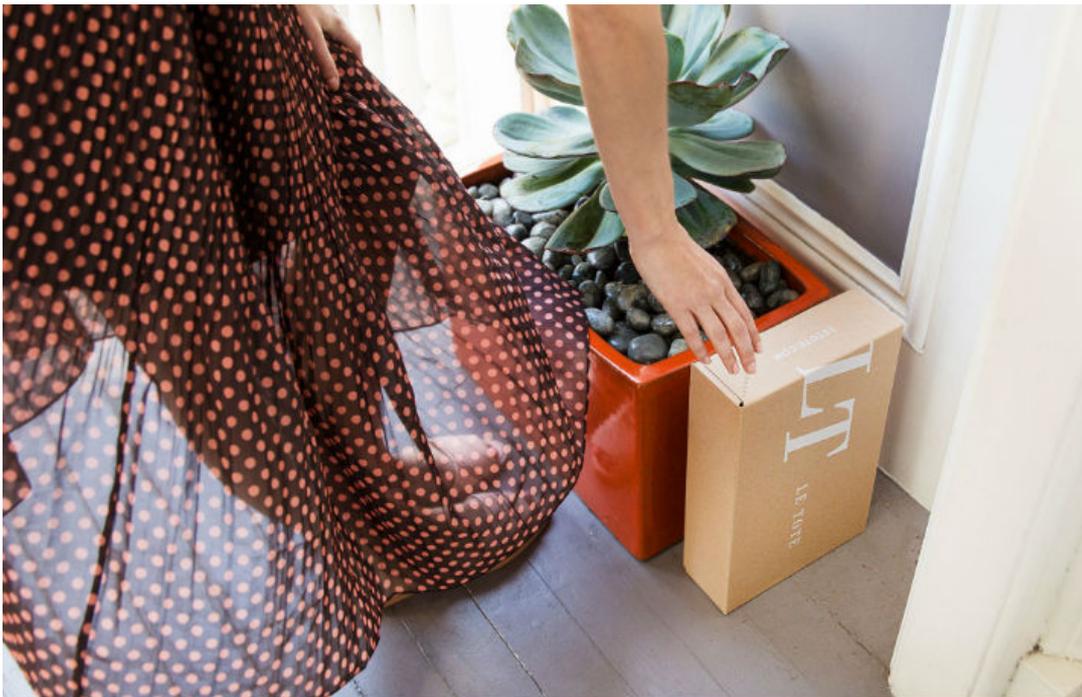
Brands are starting to understand that power of positioning themselves as peers. A couple of years ago, a brand like Samsung might have tried to hide behind the issues with the Galaxy Note 7. But it just dove straight into it. Only a week after it was pulled, airports were full of Samsung stands manned by customer experience operatives. The brand didn't wait for the customer to come to them – it put itself in front of the people and took it on the chin.

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Another brand to watch is **Le Tote**, an American company that turns apparel on its head. It's a subscription service that sends you five fashion items every month. You keep them for a month, then send them back and get five new products, meaning that you can always be on trend and can always have new stuff. It's growing strongly and taps into a generation who think, 'why would you bother buying a car when you could get an Uber?'

Unilever wouldn't usually be put up there as a 'brand to watch' because it's so established, but I think it's doing some interesting stuff. Its billion-dollar purchase of the Dollar Shave Club shows it's very interested in disruption, and it may be a test to see whether the direct-to-consumer model is the future. When you get brands like Unilever taking risks like this, it's interesting.



The subscription box model will continue to thrive in 2017

Le Tote (2016) ©

Daniel Murray is the founder and CMO of Grabble, a shopping app that seeks to simplify fashion, lifestyle and beauty product discovery and purchasing through expert curation and contextual content. A serial entrepreneur and angel investor, he was the UK Young Entrepreneur of the Year in 2015.

There will be more shopping on mobiles next year. It's nowhere near penetration point for the consumers at the moment, and it's going to start to develop quite a lot. Traffic on desktop is dwindling, and there are about twice as many people on their phones with access to the internet than there ever were on web.

What's particularly interesting is how e-commerce retailers are going to be caught out massively due to the evolution of mobile. Before, mobile was all just retrofitted into screens, but now that smartphones are quite sophisticated, it's time for the retailers to make big decisions on how they keep customers in their universe. Mobile web isn't really fit for purpose, but current apps are also not the solution. Mobile will become a lot more fragmented as more brands released their own

native apps, and people look to shop somewhere other than a smartphone browser.

A lot of brands are far behind when it comes to mobile, but **Nike** is amazing. It is always ahead of its game and has totally embraced mobile in every kind of way. It has a number of apps that have specific uses for specific audiences, and that are very clearly marketed with a reason why you'd use them. It's one of the only brands with a mobile app that really understands why it's made and who its target customer is, so we should watch how Nike continues this next year.



Being mobile-first has never been more important for engaging potential shoppers

Nike (2016) ©

There are lots of discovery-led platforms that will disrupt retail, like Grabble or **Villoid** – a fashion discovery and community app created by Alexa Chung. These are consumer-led, they're created based on what people are demanding and they provide an alternative shopping experience that's actually useful. The reality is that customers are spending more of their time glued to their phone and they're going there to discover as well.

All this mobile consumption also means more impatience. Magazines are great if you got an hour to read long content, but no one does that anymore. It's not because people are more busy, they're just more impatient so they dip in and out of content a lot more. We've tracked the data and found that if we keep a consumer on a piece of content for longer than one minute and ten seconds, they close the app. If we make them read the content in that time, they'll read the next piece of content. It's not actually that they don't have the time to spend on the product, they're just impatient with the information they're receiving and will only spend so much time trying to wise up to it. You may spend an hour shopping on a website, but you'll never find anyone spending an hour shopping on an app. So brands will have to tailor the shopping experience to meet this impatience.

Tapping into this impatience, Google's **Android Instant Apps** will really shake things up. These are Android apps that can run on your phone without having to go through the Play Store and installation process – they are instant native apps. It means that that anyone who has relied on mobile web before is going to have to create a native app that loads on the mobile web the way Google says it should. It's a genius solution that solves a huge problem on SEO PPC marketing

strategy, and it also creates a singular marketing strand and better experience all around. People should definitely keep an eye on Instant Apps next year.



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CONTACT

Jerome Linder, Head of Client Services
[+44 \(0\)20 7377 8585](tel:+442073778585)
[\[email protected\]](#)

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CONTACT

Nick Morris, Strategy Director
[+44 \(0\)20 7377 8585](tel:+442073778585)
[\[email protected\]](#)