

Shopping in a new era

Future trends in retail

As modern consumers, we're spoiled for choice over where we shop and when. We'll happily browse online and then buy an item over our smartphone. And if we don't think it's right for us, we might choose to drop into a store on the way home from work and return it.

This 'omni-channel' world is one that every retailer has to address. The whole concept of shopping has become more dynamic and flexible in recent years. It's not just a question of online and offline. What about pop-up shops? Or stores that are based around specific events?

RetailScene has been investigating some of the key trends that are shaping the priorities of retailers and the habits of shoppers. From the 'big data' that helps to influence pricing and provides shoppers with offers and promotions, right through to the changing nature of premium and luxury markets, we have been taking the pulse of retail in key and growing markets such as the UK, US and India.



Trend
2

Good retail

Green means good in the second decade of the twenty-first century, with retailers responding to strong pressure from consumers.

Everyone wants to decrease their impact on the environment, whether it's through the reduction of waste, the use of renewables or a more intelligent approach to the consumer culture. Many retail brands are working hard to become part of this trend and involving all their stakeholders in the green agenda. There's a recognition that value can be created out of waste in what has become known as the 'circular economy'.

While governments and regulators are imposing ever-more stringent regulations, consumers are demanding transparency and making conscious decisions to help the environment.

There are numerous ways in which retailers can respond. Supermarket food waste can be used to generate power, for instance, while solar coolers can help rural retailers in the developing world to chill food and drink in places where electricity supply is limited.

The role of lighting

With intelligent lighting systems and controls, it is possible to divide a store into zones and only use the light that is needed in any particular area at a specific time. If no people are in the vicinity, the environment can be dimmed. These systems also allow retailers to track energy usage across a store and adjust brightness depending on the amount of daylight available.

Hyper local retail

Trend
1



All kinds of factors have influenced the rise of popular 'hyper local' stores. In the recent economic downturn, people have wanted to buy fewer, but higher quality, items. At the same time, environmental awareness has increased and shoppers want access to truly seasonal fruits and vegetables, as well as specialties from their local region.

When you add into the mix the strong desire for neighborhood spirit and the preservation of traditional craft skills, you have a recipe for a whole new trend, which is giving power to small and independent retailers, as well as pop-up and event-based traders.

Community stores can reflect the very best of local farming culture, celebrate the achievements of nearby manufacturers, play host to social enterprises or reflect the unique culture and heritage of a particular area.



The role of lighting

Through lighting, retailers are able to produce an authentic and culturally relevant ambience. It's possible to use light and color to create different scenes and environments, integrating with natural light to add a real sense of comfort and familiarity. In addition light also plays an important role in enhancing the appearance and freshness of produce such as seasonal vegetables.



Trend
3

Convergence retail

With the huge growth of online shopping, real-world retail outlets need to offer something different and special if they want to stay in the market. Visiting a store needs to be more of an experience. And if there's an opportunity to share that experience with other like minded people, so much the better.

'Convergence' is about bringing together a range of related activities and representations of the brand, so that a trip to a shop is more than just a transaction.

It's a response to consumers who are no longer loyal to one brand, but who like to shop around and 'curate' their own identity based on 'likes' and 'favorites'.

Remember, in a digital world, people still crave physical experiences – even the millennials, who have always lived their lives online. Perhaps food and fashion can combine in one space? Or maybe retail outlets can become a place for events and discussion?

The role of lighting

Responsive and flexible lighting plays a major part in creating different atmospheres in stores and producing spaces which become multi-functional. By playing with colors and light effects, retailers can attract customers into the shopping environment and encourage them to linger while they browse the shelves. It's all part of the creation of brand theater.





Trend
4

Convenience retail

We're all time poor in the modern world. It's also true to say that we're conditioned to want everything right now. Almost anything can happen today at the click of a mouse and physical stores need to address this need for immediate gratification and convenience.

Mini-supermarkets are back in fashion, thanks to an ageing population and an increase in single households. People want to buy little and often. That's why smaller stores, such as Carrefour's Proxi network, play an important role at the heart of local communities, as they provide fresh food at a time when people are looking to buy.



Trend
6

Nu premium retail

Exclusive doesn't have to mean expensive. Today, retailers understand that it's also about a focus on accessibility and truly personalized advice. After the economic crisis, there has been a shift from owning to using and from buying less to buying better. The role of the retailer is to act as a concierge – helping customers to achieve their desired lifestyle by making recommendations and providing consultation.

The new premium retail environment might take many different forms. Avatars allowing customers to visualize the way their look will be enhanced by clothes, jewelry or accessories, for example. Text message and email tips about fashion. Perhaps the rental of luxury catwalk items for a fraction of the price they would cost to buy.

The role of **lighting**

Real-time delivery, speed and convenience are now the expectation of most shoppers. Modular luminaires mean that retailers have flexibility in local shops, just as much as in big supermarkets. And through adaptable LED lighting, it's possible to create a personal and intimate environment for an authentic shopping experience.



The role of **lighting**

Lighting helps to enhance 'brand theater' and create a sense of flagship presence. It also allows retailers to highlight specific products, promote a particular lifestyle aspiration or the unique identity of a leading brand. Personalized recommendations can give the customer the feeling that they are valued and rewarded.



Trend
7

Quantified retail

Constant real time data is now part of our everyday lives – and the retail environment is no exception. Intelligent tracking systems allow us to understand consumers better and predict their shopping behavior. And when you combine them with tools that provide information on staff productivity, you have a great opportunity to increase sales.

The so-called 'Internet of Things' connects up mobile devices with passive beacons in the shop, allowing us to guide consumers and send targeted messages and promotions. Individualized prices are also become a possibility through the analysis of shoppers' previous purchases and the developments of insights over what they may choose to buy in the future.



Trend
5

The role of **lighting**

Data is now intrinsically bound up with lighting. Real-time information can be sent directly to the customer via indoor positioning systems and the LED light network. Useful for communicating product details, discounts and maps, this data is also helpful for staff in terms of managing stock and tracking the impact of changes across the store.

Experiential retail

Although online shopping is convenient, it's rarely memorable. That's where traditional bricks-and-mortar stores potentially have a huge advantage. It's possible to create a unique experience that will stay in people's minds. A sensorial journey that really enhances the spirit of your brand.

Simple ideas such as changing musical playlists every couple of hours can greatly enhance the sense of spontaneity and life in a store. Touchscreens for selecting products in store fronts give a whole new meaning to the term 'window shopping'. In this new experiential world, there can be a seamless blending of the virtual and the real. As a result, the divisions between online and offline are starting to disappear.



The role of **lighting**

Lighting plays an important role in creating a sense of drama and theater within a store. LEDs provide retailers with an unprecedented level of control and flexibility. It's possible to experiment with different materials (including luminous textile panels) and match the lighting to different moods, seasons or promotions. In specific areas of the store, retailers are creating unique experiences, such as the ability to see a product under different light conditions in a fitting room. By altering the setting of LEDs through an interactive control panel, it is possible to imagine a dress as it would appear on a summer's day or at an evening party.

