



YOUR RETAIL RESOURCE

10 **RETAIL TRENDS SHAPING 2018**

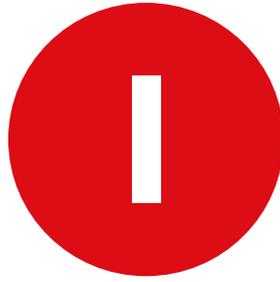
Welcome to WBC's review of retail trends shaping 2018. In partnership with merchandising consultants The Metamorphosis Group, this season's forecast will highlight some of the key consumer issues we believe will have a major impact on the retail industry over the coming 12 months.

Covering topics including the importance of personalisation, service and connection, transparency, omni-channel marketing and demographic shifts, it is our hope that this paper does more than just give you a glimpse into the behavioural mindset of today's shoppers; your customers, but we hope it offers you practical ways to equip you with the forward-thinking knowledge needed to remain competitive in the years ahead. Each trend will conclude with relevant discussion points and next steps.

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The 'Vigilante Consumer'

*If I'm happy, I won't tell you.
If I'm unhappy, I'll tell the world!*

That's the mantra of today's consumer. Retailers would do well to take heed and make peace with that upfront. Consumers are mad as hell. They want the promise that 'the customer is ALWAYS right', to reign once again supreme.

In recent years, we've seen a huge backlash against brands pushing too hard or coming across unethically. With the rise of social media, consumers have a voice like never before, one that won't be silenced anytime soon. The term 'Vigilante Consumer' was coined by Faith Popcorn in her bestselling book, *The Popcorn Reports* referring to the activism of consumers towards marketing scandals, shams, trickeries and false claims.

Dannon's popular Activia brand yoghurt, lured consumers into paying more for its purported nutritional benefits, when in fact they were pretty much the same as every other kind of yoghurt. Having falsely touted the "clinically" and "scientifically" proven nutritional benefits of its product, a class action settlement last year forced Dannon to pay up to \$45 million in damages to consumers that filed the lawsuit and others who said they'd been bamboozled.

Dior recently signed up 25 year old Cara Delevingne as the new face of its anti-ageing products. The cosmetic company no doubt soon regretted it though, having grandly announcing the news via social media to mixed reviews. An onslaught of confused comments and twitter reactions ensued - including one of our favourites:

"Nothing against Cara but really Dior, c'mon???" one wrote. "Don't think I'll be wasting my money on this product line since you clearly don't have much confidence in its abilities."

Ouch....

NEXT STEPS...

Remember, you are visible. Think about the social platforms your business is currently on. Are you equipped? Properly staff trained? Ready to respond to your customer base at all times; to the good the bad and the ugly?

Free social sites like Facebook are great ways to communicate with customers, and they praise businesses that are active and responsive with added benefits, so make sure that's you. For example, responding to 90% of messages within 15 minutes will enable you to display a free trader badge on your facebook webpage. Fall below this and your badge will be removed.



Traceability is King

Customers are consuming less and they're sick of waste! 2018 is seeing a huge wave of customers looking for slightly better quality and more buying justification based on product 'roots' and 'value'.

On the 24th April 2013 disaster struck when the eight-storey Rana Plaza factory complex collapsed on the outskirts of Dhaka. It crumbled like a house of cards killing 1,127 workers, it was the worst industrial accident in Bangladesh history. The fashion myth that we can have whatever we want, at speed, in bulk and at unprecedentedly "affordable" prices, also collapsed that day.

Since then there have been a string of fresh tragedies to the world's garment districts, usually through a factory fire, a bridge collapse or industrial action of some kind. And each year that these horrific tragedies occur, new increased demands for the retail industry to show consumers just what they are doing to make things right also grows in strength.

Today we have 'sweatshop-free' clothing brands, the return of neighbourhood retailing and anti super-market sentiments. And in 2018, we'll see that there is so much more of that to come.

Traceability can be defined as an unbroken record of documentation; the supply chain under a microscope. On the one hand traceability is concerned with safety and public health - tracing the origins of products within the supply chain of any manufacturer, giving us a quick way to recall products, track production and match replacement parts.

But for the consumer in 2018, traceability stands for so much more than that. We see traceability and safety as interlinked with quality. And the consumer is looking for brands that have a commitment to all three.

We are starting to see customers interrogating brands online and scanning products in supermarkets with mobile phones to check on the ethical policy of brands. You can already do this in Japan.

In 2018, ethically based retail concepts will grow (think Body Shop or fair trade coffee), although it's pertinent to acknowledge that the customers' willingness to pay high prices or suffer inconvenience, will naturally limit growth in this area - but it's certainly one to watch.

Consumers are now actively interested in retailers 'DNA', demanding that the people they purchase from, know their suppliers and/or factories inside out. They will want to know content information that's previously been the exclusive domain of the buyer or product tech teams. How much do materials cost? Who are the makers and how much were they paid?

They'll want transparency over factory conditions and where their product was manufactured.



© Everlane

Retailers like [Everlane](#), are a really good indicator of what we have to come. They believe they can 'make a difference'.

Their way: Exceptional quality. Ethical Factories, Radical Transparency.

This becomes their foremost USP, woven into the very fabric of their brand consciousness and marketing strategies.

NEXT STEPS...

1. When you're buying and sourcing your product, begin to question and see beyond the product itself, to the maker and their circumstances. Do this until it becomes second nature. Some products are beautiful; but not at the expense of another person. It may be that it's time to review your supply chain.
2. So you've investigated your product's origin and story and the story behind the story; and you're proud of it. Now it's time to make sure your staff know about it too; and then more importantly, your customers!!
3. Communication is everything, so think about your signage, ticketing and communication. Make sure your customers know that you're conscious about what you're offering them.

FURTHER READING:

CIPS Knowledge - [Ethical Purchasing Practices](#)



Specialism will thrive

There's no denying it, today's consumers have evolved into retail experts. Having taken full advantage of all the technology available to them, today's shoppers have a tremendous personal knowledge and infinite access to more, at their fingertips like never before.

From online search engines, wiki product information, google pictures, google ads, comparative websites, customer review and recommendation channels, access to smart-phone barcode scanners, you name it, they have it, and they use it.

We live in an over-stimulated world that gives us instant access to information about pretty much every product we consume. We expect everything NOW and that makes us as consumers, vastly impatient. The inherent irony of course is that while we have access to all this, we're also sick of 'having to make' so many decisions in the first place. Consumers wanted choice, and they got it.

Consequently, retailers were taught to cover all their bases, offering more than just their speciality. They became 'jack of all trades', while masters of none. And it worked. It fed customers with more and more, and stopped them from leaving to find that 'more' somewhere else.

But all that's changing. For the first time in decades, speciality is leading the way. Take mono food businesses for example, which are thriving. Be it pizzas, burgers, fishmongers, even grains; mono food concepts are making their way to the top, often starting out as pop-up food vans before turning into bricks and mortar stores. These small businesses are thriving in a complicated world where consumers fed up with being surrounded by too much choice.

It's simple.

If we like how you look, if we understand 'clearly' what you do, if you're nice and you smile and can do 'your one thing' very very well. Then you win. We will be attracted to you. We will spend with you. And most likely we'll return to you again and again.

NEXT STEPS...

1. Think about what you do best and how you can do it better?
2. Are there ways you can specialise in providing a product or service that focuses on specific client group's needs, which cannot or are not addressed in such detail by mainstream providers.
3. What do you offer that others on the high street don't? Don't forget excellent customer service is definitely one of these.

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It's all about the 'connection'

Consumers are increasingly looking to retailers to offer them a lifestyle and identity, to give them something they can believe in and can become part of. A true connection.

Consumers are happy to invest in a brand they believe in. That relational 'tie-in' can be something as simple as sharing your story and values with the chance that they may resonate and create a natural connection and bond.

Savvy brands build small but highly engaged social communities where they can learn more about what their customer wants, needs and desires. That enables them to ensure they are selling the right products, that store layouts work, and that they are placing their products effectively, offering the level of curation or customisation that their customers require.

Chapel Down, the UK's leading wine producer, 15 years ago embarked on a journey to transform people's opinions about English wine. To do so, they needed money and support - shareholders. Today they have over 2000 shareholders invested in their success, all actively passionate about the wine they produce and receiving great benefits as a reward.

Humble Grape, named 'Notable Newcomer' by the Financial Times, is another fast growing wine brand. They import over 400 artisan wines from 11 countries, and offer them direct to customers in wine bars, shops and online. Because they import directly from the vineyard, they avoid markups from agents and distributors.



© Humble Grape

In a bid to launch two new sites in London this year, Humble Grape looked to crowdfunding as a means of raising capital. In a shrewd move, they saw that by offering customers an opportunity to further invest both financially and emotionally in their expansion, they were able to build a deeper connection with their brand as a whole. They allowed customers that already believe in the brand to be part of its growth, and financially share in its success. You can't beat that kind of loyalty in the long term.

Differentiation is about being being brave; but also about being smart. Consumers love originality and personality led businesses, so long as they continue to serve their needs.

Hillbilly Hotties, a US based bikini themed coffee company, was recently sued over the cities dress code.

Whatever you might personally think of the idea of 'bikini clad baristas', the idea of using staff attire or similar factors to differentiate your business and create a unique experience for your customer, is something a lot of businesses can relate to. So while curbing crime is certainly a noble goal for any city, doing so at the expense of business and workers' rights might not always prove to be the solution.

The lawsuit states, "*Just like Starbucks with green aprons, UPS with brown trucks and outfits, and Hooter's with short-orange shorts, the Hillbilly baristas' attire evokes a message at work.*"

Perhaps a nice apron is the way forward?

NEXT STEPS...

1. What things about your business would be useful to know from your customers? List them as questions. They could be feedback on product, customer service, a new process or a new website for example. Remember, if you ask, be prepared to accept and possibly act upon the answers that come back.
2. Are you looking to expand this year? Do you need raise capital? Would you be happy to let customers invest? If yes, read up on 'How to set up a crowdfunding campaign'.
3. You have lots of great opportunities in which to actively involve customers in your business. Be it a social gathering, customer forums, tasting evening for new product sourcing and of course social platforms which are great for spreading a message. What could you start or set up in 2018 that would allow you to learn more about your customers needs and desires?

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Designing new ways for your customers to get 'hands on' with product

To offset an increasingly de-personalised society, consumers are craving recognition of their individuality. A one size fits all marketing approach just won't cut it anymore. We're seeing a definitive shift away from the era of mass and cheap, into the age of luxury and 'made for me'.

Consumers now require a more personalised in-store shopping experience, which is why today's retailers need to start implementing solutions to personalise each customer's experience if they hope to stay in the game.

While stores like Amazon and other eCommerce sites have been doing this for years through tailored landing pages, offers and recommendations, increasingly bricks and mortar stores will get in on the fun this year.

How?

There are many ways of personalising the shopping experience but in terms of stock and product ranges, 2018 will see an increase in limited edition collections, limited run product offerings, seasonal and event led lines right through to on the spot printing and personalisation like Nike's in-store customisation bar.



© hellohero.eu Nike store

English draper, Merchant and Mills business model is built on 'you as the 'maker'. Offering everything from dress patterns to iron on stickers, you buy a kit to make a product that you can then personalise yourself, becoming your own garment creator.

For those willing to pay, this means bespoke (tailor-made) products sold in brand experience stores with a concierge level service. Like Floris Perfumers, founded in 1730, Floris has been providing uncompromising fragrances for stylish generations, with Marilyn, Lady Diana and Winston Churchill just a few of its loyal patrons. They have a lab at the base of their store, in Jermyn Street, London, where guests can enjoy a 2 hour appointment to create their very own scent.

Blends for Friends, an online tea producer will for a mere £30 personally hand blend an individual gift of the finest teas/herbs for any occasion. Customers provide character details of the recipient, and Blends For Friends use their tea tasting and blending knowledge to blend a highly personalised custom gift with bespoke labelling and beautiful packaging.

Moleskin are another company that now allow their customers to create their own sketchbook and photo albums which they can have beautifully printed and bound in true Moleskin style.

Technology will be key in this over the coming years and with the advent of 3D printer technology the world is your oyster. We will see this grow as we watch the consumer become the designer.

NEXT STEPS...

There are two opportunities you can quickly and easily implement this year, and you should see them as opportunity, not as laborious tasks but rather a chance to provide the kind of service that builds loyalty.

1. The opportunity to personalise your customer's experience. Remember, this can be as simple as a gift shop offering a personal gift wrapping service. What services will set you apart from everyone doing what you do?
2. Encouraging your customers to become more 'hands on' with your product will pay dividends. The shops at Bluewater Shopping Centre in Kent last christmas offering 'experience over product' were winning hands down (e.g Nespresso encourage customers to make themselves a coffee, literally allowing them to try before they buy, the same goes for Apple stores up and down the country - not a fake iPhone on display!) Could you offer more in terms of 'interactive' visual merchandising, tasters and demonstrations this year?

FURTHER READING:

WBC Blog - [What is a 'concept store' and why is everybody doing it?](#)



It's time to celebrate!

In a world of social agitation, environmental devastation and political turmoil, we are desperately looking for a bit of light relief.

In 2018 celebrations will get bigger and better. Are you ready for them? Retailers were forecasted to enjoy a £330m boost from an event once known as All Hallows Eve, up 3.5% on last year according to analysts at Planet Retail.

“It represents remarkable growth when compared to the £12m value of the UK Halloween goods market in 2001” the analysts’ report said.

The event, which has grown in popularity in the UK thanks to the influence of American films and sitcoms, now easily accounts for more spending than Bonfire Night.

Waitrose said shoppers were gearing up earlier than ever for Halloween, with sales of seasonal decorations and confectionery up 10% year-on-year, a fortnight before the event.

Sainsbury’s expects customers to buy almost 1.5 million pumpkins, with just over 1 million likely to be sold in the week running up to Halloween. Supermarket Asda said last week it had sold 20% more pumpkins than this time last year – 266,000 in total.

This year almost two-thirds of people in Britain are expected to celebrate Halloween in some way, according to research by analysts Conlumino.

NEXT STEPS...

Commercially, ‘celebrations’ could be great for you.

1. Celebrations can take the form of something simple like in-store product focuses, showcases or hot-spots, or taken further by way of special event or occasion. This is where National Awareness Days can be a great source of content inspiration.
2. Are there ways in which you can increase your sales by better gifting, clever and well thought out group merchandising and display?
3. Is there a local celebration you could get on board with? National events like Small Business Saturday are a great way to spread the financial and time burden between local businesses while increasing sales impact. After all, any excuse to gather the crowds and fuel them with love, discounts and wine will always result in sales!



Quality at a good price

You're browsing through a little store, and spot something really lovely. With your interest piqued, you grab it and check the sales tag only to gasp in surprise. Why on earth is it so much? Is it Gold-lined? Kissed by angels?

Why does it always seem like the price tag on that 'perceived' low-ticket item is always one or two digits more than you'd expected to see? Unfortunately, the real reason behind your sticker shock, is much less exciting.

Production costs and the long chains involved in getting today's consumer products to market, is growing exponentially. The complex number of supply chains that they go through before they hit our shelves, has reached mind-boggling numbers. And every element of that supply chain, wants a piece of the profit. In order to turn a profit, brands need to mark pieces high enough to cover their overhead fees, be it rent, shipping, staff, you name it. But today's consumers are more demanding than ever, wanting quality, but at an attractive price.

In order to cater for this seemingly unreasonable nail in the coffin for many retailers, we are now seeing more and more businesses cutting back on some of those extra costs - the middle men!

Swoon Editions was founded with a rebellious spirit and a lofty ambition: to offer beautifully hand-crafted furniture at fair prices. Swoon saw that well-made furniture was too expensive and it turned out there was a simple solution. The furniture industry has overheads that constantly threaten to push prices skyward – shops, warehouses and...you guessed it, middlemen. They scrapped the waste and created Swoon Editions as an alternative.

NEXT STEPS...

1. Think of different ways to hit your target. How can you continue to offer your customers a good quality product and service but address any waste issues?
2. What physical ways can you help to display the value of your products better? Educating your customers through effective store signage and ticketing, and visual merchandising will help you do just that.
3. Are you clearly displaying product information like origin, provenance, staff favourites, product of the month, who is the maker? What's the inspiration behind it? Product benefits and credentials like organic material, fair trade etc? Showing a products function or story, adds value and helps to 'justify' its price tag.



Let customers shop anywhere; on their terms

In the 1900's, people slept approximately 9 hours a night. Now it's just 6.9 hours! We're human cats with '99 LIVES', lived fast-paced with far too little time.

Our increasingly hectic lives are leading a significant amount of us to question our own personal/career satisfaction and goals. Ultimately many of today's consumers and certainly many 'millennials' are opting for (or at the very least dreaming about) simpler ways of living.

This is having an impact on the way we shop. It's driving trends like home dining (see Deliveroo and Uber Eats), mobile banking and reducing our need for out-of-town shopping, which take up too much of our valuable time.

Today's consumers are looking for ways they can shop with ultimate ease. The knock on effect of that, is that retailers will need to give customers the ability to interact and complete transactions on their terms.

In other words, if a customer wants to view an item online, purchase it using their smartphone, and then return it by dropping at the local drop off point at the end of their street, they need to be able to do so in a smooth and seamless way.

Retailers must understand the new role of physical channels in the world of all-channel (or omni-channel) commerce and that may mean adjusting store sizes, layouts, assortments, fixture arrangement and "entertainment" factors accordingly to deliver the best brand experience.

NEXT STEPS...

1. If I were to shop with you, would I get the same great service and experience both in-store and online? Think about how your shoppers want to shop with you, are you delivering that?
2. Is your website mobile compatible? Can I buy from your facebook or pinterest page. Is your instagram page optimised in a way that allows customers to purchase directly from within the instagram app?
3. Start the year by taking the measure of your business as a whole to see what opportunities you have to ensure your customer experience is 100%. Particularly look at how you can blend 'on' and 'off' line together seamlessly.

9

Companies that ‘give back’ will thrive

Giving is good, but it’s about to get a whole lot better...

In a world full of ‘stuff’ we really don’t need, consumers are having to justify their spending to themselves like never before. One thing that can easily (and comfortably) saw into our purse is the thought of doing ‘good’.

A £50 bottle of Olive Oil can seem excessive, until you see that it’s made by the less fortunate and that 20% goes back to them. All the justification you needed. Boom!

Retailers like Merci in Paris are naturally tapping into this trend since it opened in 2009. In the heart of the historic district of Haut-Marais, this heavenly place actually has a philanthropic vocation. Merci is a commercial enterprise "like any other company" founded by shareholders "unlike any other shareholders". The founders decided that the proceeds of this investment would serve to fund an endowment paying for educational projects and development in south-west Madagascar.



Bernard and Marie France Cohen wanted to say ‘MERCI to life’, ‘MERCI to the talents and designers who made their success possible’. It is this success which makes their generosity possible. In 2013, Marie-France Cohen passed on the torch to the current Merci team who have kept up the commitment and the founders’ original dream by contributing year on year to the foundation. And it’s “thanks to our clients who make this project possible”.

Merci have naturally attracted famous creators/designers, like Annick Goutal and her fountain of perfume alongside Stella McCartney and Yves St Laurent, not just supporting their goals but actually foregoing their profit margins to support the venture. In fact, shoppers can get as much as 30% off these famous names and leave the store feeling good whilst doing good.

So what are the benefits for retailers?

It's a complete win/win. The customer is able to 'justify' their spend... 'sometimes spending much more than they normally would e.g Gwyneth Paltrow and Adele both designed Fendi bags for charity and retailers got to wear their hearts on their sleeves, making their personal connection to charitable causes part of their public lives.

BE warned; customers aren't fools. Giving back needs to be genuine - consumers will spot a fake story a mile off.

SOMETHING TO THINK ABOUT...

Putting aside the fact that it makes good moral sense for businesses to give back, it also makes good business sense too.

Social action work, philanthropy or social awareness programs can expose your business to whole new audiences if you get it right. You'll gain loyalty through the inevitable emotional tie in. BUT it must be authentic for it to work and from a PR perspective, entirely counter productive if you don't get it right.

10

Demographics have shifted

Did you know that somewhere in the world it's somebody's 50th birthday every 8 seconds? Yet, still so many retailers are obsessively focused on young people.

A recent study found that in the US there are 7,700 clothing chains selling to the teen market (theoretical sales being \$5.8m per store) but only 1,800 (theoretical sales being \$19.2m per store) stores targeting baby boomers (people born during the demographic Post-World War II baby boom between the years 1946 and 1964).

As we are down aging, we are seeing a new ageless society that are having a huge impact on the music, fashion and the retail landscape. Clever retailers are tapping into this as a big opportunity.

Daphne Selfe famously became the face of TK Maxx at the fabulous age of 86!! Companies such as B&Q have been the market leaders in employing older staff. And with a change in demographics and habits, we as consumers are making purchasing decisions heavily reflecting the lifestyles we lead.

Women are the biggest market on earth but they are largely ignored - because most of the world is run by men. The simple fact is that women make up 80% of all purchasing decisions. They are 'brand loyalists', so understanding how to market to them is key.

Festivals are changing the taste of the young. Millennials today are more likely to attend a food, fitness or wellness festival than an all night rave.



© Saint Magazine

Events company, Eventbrite surveyed over one thousand young people to find that millennials are more 'clean-living', turning their noses up at overindulging at a bar - because it's the kind of thing their parents did.

This younger generation are leading the way in shaping lots of new food trends. They eat later. They experiment with veganism, plant based diets, root-to-stem eating, non-traditional superfoods etc. They are health conscious, even though their food choices might at times suggest otherwise. Food needs to be practical, and because they need to be connected, they will share all this on social networks as a daily way of life.

If you want to flourish, you need to consider the implications of these two demographic shifts. To be able to shop with you, your customers need to feel that they are relevant and comfortable. You'll need to design a store and offering that works for them and make it easy for them to shop with you.

This may mean:

- Redesigning your packaging
- Rethinking your fixtures & fittings
- Revising your opening hours to suit the working women
- Creating bigger changing rooms - for pushchairs too or introducing play areas
- Even thinking about the size of the text you use; the elderly appreciate larger fonts*

NEXT STEPS...

1. As a business you **MUST** strive to be customer led and you can only do this if you know your customer inside out.
2. Remember, we are 'human' first; then customers.
3. Recognise your customers emotions, what makes them tick, what are their worries, cares and concerns. Actively 'walk in their shoes'.
4. Keeping ahead of rising trends and responding quickly to changes in the market can make a huge difference to your business.

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