The global retail agency

Global retail futures journal

Issue #2

Content

Editor's notes

Welcome to the second edition of the Global Retail Futures Journal. The response back from our first journal was fantastic and we are delighted to be able to bring you this second edition with more insights into the research we conducted plus a focus on technology and how it is transforming the industry.

Since our last issue, the cost of living crisis has deepened and with fuel costs having risen in October the UK Government is looking at different ways it can ease the burden on the consumer. The Bank of England have all but said recession is inevitable, even predicting that it could last for up to two years. Consumers are going to be feeling the pinch with costs of products increasing, wages not matching the sharp rise in costs, and day-to-day life feeling more of a struggle than it did previously. Retailers and brands need to be aware of these additional pressures and start to adapt their marketing to be sensitive to the market.

Technology in the retail sector has a transformative quality that changes the way that brands interact with consumers. This was one of the major themes in our research, with both brands and marketing agencies focusing on technology that supports the customer experience from the moment they enter the store, through every touchpoint and transaction, right through to the moment they leave. Since the start of the Covid pandemic, consumers have been seeking different ways to engage with brands but also different ways to shop. As the high street has now largely returned to normal, these technologies are being used to offer consumers a more complete picture of the brands they are buying from or to make point of purchase a faster and more seamless process.

One thing is certain, the need for technology is not going to disappear and in certain sectors it will continue to gain traction. Brands and retailers need to be ready for the ongoing digital transformation of the retail sector and work out the most effective way of engaging with and retaining the loyalty of their consumers.

Dan Williams - MD 100% Group

Research Highlights

Technology in retail – what our survey told us

At the end of last year, we carried out an extensive piece of research into the retail sector that, as part of its focus, looked at how technology is influencing and changing the face of the industry. It was interesting to do this against the backdrop of a sector that had been hugely impacted on by Covid and the subsequent lockdowns that we experienced. Technology then became the greatest ally to the sector, enabling customers to still interact with brands despite not being able physically access stores. But as we are now in much more normal circumstances, how much of that innovation will remain? Do customers still want to have a more direct, personal relationship with the brands they choose or will the technological advances that were made during this time slowly fade back into the background?

When we asked our respondents about the most common types of technology being used in store to engage with customers, here were the responses:

52% contactless shopping & payments

42% QR Codes

23% touch free technology using motion or gesture

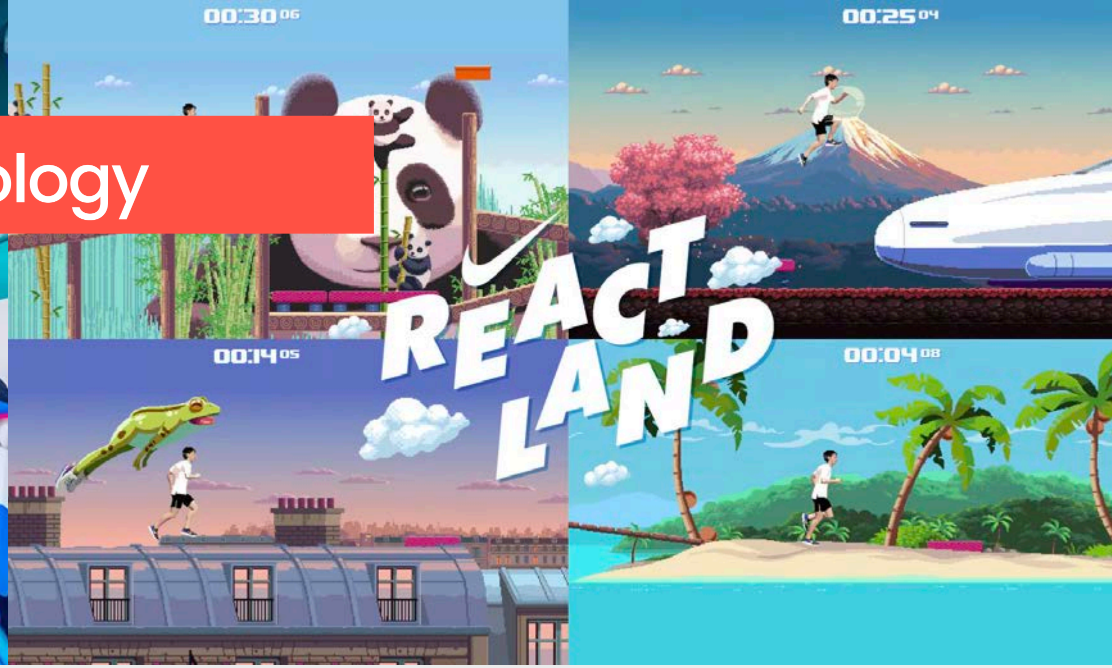
21% virtual fitting rooms

It's interesting to note that QR codes have had somewhat of a renaissance since the start of Covid. In the UK it became the universally accepted way of 'checking in' at various locations so a technology that was once considered to be quite cumbersome by consumers found its feet in an era where touchless traceability was key. What is also surprising is that the number of consumer goods brands investing in Augmented Reality or Virtual Reality is just under a quarter at just 23%. This type of technology was once considered to be the future of retail but it would seem that a prolonged break from the physical side of retail has made consumers yearn for the ability to actually interact with the products in person rather than virtually through a screen.

Window displays will still be crucial to sales though and 54% of respondents believe they will become increasingly interactive with the use of QR codes and other technology which will enable shoppers to see more detail before entering the store. 48% of respondents also believe that touch screen technology will have an increasing role to play in retail, although touchless may take over as we consider ways in which we can future proof against another global pandemic.

What is clear is that the industry is embracing technology and at its heart it is all about making the purchasing decision and process simpler for the shopper. A future where physical retail can be seamlessly integrated with technology will pave the way for a customer focused retail experience that will benefit both retailers and brands alike.

Industry trends #1 - retail technology



Is it time to step up your in-store technology?

In-store technology takes many different forms across many different retail environments. In our first GRF Journal, we touched on the technologies that are currently being widely used in-store, with the pandemic largely contributing to a boost in contactless payment and QR codes to allow customers to use their own handsets to explore additional product or brand information. However, with the dawn of the metaverse and more brands experimenting with immersive and unique digital in-store experiences, you may be wondering whether it's time to go bigger and bolder with your retail technology.

'Gamifying' brand interaction

In our recent research, when we asked retail brands and marketing agencies how they expect retail experiences to change in future, 47% said that they'll become almost wholly digital with very little in the way of physical products in the store, while 32% said it would become a more immersive experience, and 29% said that they'd become bigger, and more elaborative and interactive.

We're increasingly seeing more brands thinking outside of the box with their technology and the experiences they use to engage customers in-store, with many fashion and luxury brands experimenting with 'gamification' to appeal to younger generations of shoppers. Brands like Louis Vuitton, Burberry, Nike, and Balenciaga have all developed their own gaming experiences to encourage customers to have fun, memorable and meaningful interactions with the brand. Often based around treasure hunts or missions to collect or earn rewards, the games offer opportunities to achieve, be rewarded, socialise, and engage, quickly encouraging participants to become invested and fight for a particular prize or cause, closely aligned with the brand's products or values.

Louis Vuitton's 'Louis the Game' for example, follows a character on her mission to collect 200 candles (in celebration of the brand's birthday) and advance through different worlds. Players can customise their character with different Louis Vuitton prints and styles and collect NFTs along the way. The game, launched last year, also offers players the opportunity to learn about the brand's history by collecting postcards and memorabilia, encouraging players to foster a close alliance to the brand.

Nike is another trailblazer in the space with the creation of its virtual environment, 'Reactland', in 2018 to celebrate the launch of its new 'React' shoe. In-store, players could try on the shoe and have their picture taken and create their own digital avatar, which they could guide through different simulated environments, running along roads and jumping off buildings to trial the light, bouncy shoe. The 'in-store trial' experience was incredibly effective, with 48% of players going on to purchase the product.

Brands outside of the luxury goods space are also dipping their toe in the water. Last Christmas, Nespresso debuted its 'Gifts of the Forest' festive window display campaign, designed in collaboration with Columbian fashion designer and artist, Johanna Ortiz, and powered by AR and sound technology. The campaign was rolled out across 650 of its boutique stores worldwide and allowed shoppers to view the AR display by scanning a QR code in the window, simultaneously activating an interactive competition.

With the rise of the metaverse, and QR codes coming into their own, it's likely that we'll see even more brands experimenting with gamification through alternative and virtual realities, or even creating products for people's avatars rather than the consumer themselves!

Keeping it customer-centric

Yet, while this route has clearly paid off for these brands, it's not on the roadmap for everyone. In fact, there still appears to be a widespread demand for the simpler concepts on the whole. In our research, when we asked respondents what innovations brands would be investing in in the future, contactless shopping and payment (34%) and QR codes (29%) still topped the list after sustainability and social responsibility innovations (37%). Interestingly, the likes of AR/VR powered shopping experiences came much further down the list at just 16%.

While gamification and the metaverse are absolutely where some brands need to be – and are thriving – it's certainly not a 'one size fits all'. There's no point investing in virtual realities and gamification if it's not going to appeal to and engage your customers. And while these unique and innovative experiences are performing well with generation Z and some millennials, it may not have the same appeal for older generations.

To develop a memorable and engaging in-store experience for your customers, your customers need to be front and centre. Many brands are still finding success and opening up new possibilities through the likes of contactless payment and the humble QR code, creating intuitive, seamless experiences for the customer that incentivise them to come back into the store time and again.

However, a key final consideration, regardless of what sort of tech you do have in your store, is to make sure it's working as it's supposed to and well-maintained. Any frustrating or disappointing experiences can be a big turn off for your customers and can cause them to lose confidence in the brand or products. Or, at the very least, make them feel as though it's not worth making the trip back into store. Keeping your retail technology customer centric – and fully functioning – is paramount.

Industry trends #2 - Health and wellbeing

How will the delayed HFSS guidelines affect POP and grocery?

In July last year, the government announced plans to introduce promotional and locational restrictions on high fat, salt, and sugar (HFSS) products in stores with the aim of tackling the increasing problem of obesity and improving the overall health and wellbeing of the UK population. Despite plans for the new regulations to come into force from October 2022, the government recently announced that only the restrictions on the placement of products would go ahead as planned, while the restrictions around the promotion of HFSS items would be pushed back to October 2023 to relieve some of the pressure caused by rising inflation and the ongoing cost of living crisis. But what impact is this likely to have on POP and the grocery sector?

The locational guidelines that are still on target to be introduced this October are going to have a huge impact on what brands can display and how it's displayed. Brands and retailers cannot afford to delay their preparations and need to consider the associated risks and opportunities now.

What's happened in the sector so far?

The big supermarkets have taken various stances on the government's U-turn. Tesco, Waitrose, and Sainsbury's are going ahead with the promotional restrictions and aiming to ban 'buy one get one free' (BOGOF) or '3 for 2' offers on the likes of biscuits, crisps, and sugary cereals, by the original deadline to help customers eat a healthier diet. Morrisons however, will continue to use volume-led offers on HFSS products until the new October 2023 deadline to help customers in the face of the rising cost of living crisis.

These different stances highlight arguments for both sides – causing many stores to weigh up whether they should take a stand for customers' health and wellbeing, or whether affordable food and offers should remain the priority for now.

What do the regulations mean now?

Regardless of whether brands are pressing ahead with promotional offers until the new deadline, aiming to ban them by this October, or phase them out over a longer period, there are lots of considerations that should be taken into account now.

The locational restrictions outline the store lobby, entrance, gondola ends, side frames, queuing zones and checkouts as areas that will be banned from promoting 'non-compliant' HFSS products. However, this presents challenges for both 'compliant' and 'non-compliant' brands (the products that are exempt and included in the regulations, determined through nutritional profiling). While compliant brands have the opportunity to take over more display, maintaining share of aisle space could be difficult as non-compliant competitors try to argue for more space to satisfy promotional demand, predicts the Commonwealth Handling Equipment Pool (CHEP). Meanwhile, non-compliant brands need to be looking at how they can minimise sales loss and find new strategies when off fixture display opportunities and promotions are restricted.

How can brands and retailers prepare?

As it stands, it's difficult to say for sure what brands and retailers should be doing to prepare, and how they can minimise the negative impact the HFSS locational restrictions may have on sales. However, non-compliant brands will need to consider how they can offer customers healthier choices, rather than relying on offers and impulse buys. As a result, it's likely that we'll see more non-compliant brands introducing healthier products to fall into the compliant category.

Although the HFSS regulations will undoubtedly present challenges, it's also an opportunity to get more creative with display, especially for the non-compliant brands that need to make the most of in-aisle space and branded displays.

It's likely that we'll see more branders bays, digital signage, or interactive experiences to capture customer attention. But, for now, the most important thing that brands and retailers can do is to take time to understand what the changes will mean for them, and to consider the different or exciting ways they could use display to ensure they still have an influential impact in stores.

Jargon buster - the world of carbon

The majority of people are aware of the relation between carbon emissions and climate change: Carbon dioxide and other gases trap heat in the earth's atmosphere rather than allowing it to disperse thereby leading to a rise in global temperatures. Carbon dioxide can remain in the atmosphere for hundreds of years and whilst other greenhouse gases such as methane only hang around for around 20 years, during that time they are many times more insulating than CO2.

Therefore it has been clearly laid out by scientists that we need to drastically reduce the amount of GHG emissions over the next 25+ years to avoid global warming reaching levels that would be catastrophically damaging for life on earth and to mitigate those emissions that are made by avoidance and removal measures.

This leads us to the need for businesses to measure what their GHG emissions, or their carbon footprints are and to plan to make reductions and take mitigating steps. This part is relatively straightforward, however the terminology used can be quite confusing, so this is an attempt to help explain some of the most common terms and one or two more which you may come across and find less than obvious.

The aim is to know what to measure, what targets to set and what these and the commitments that go along with these actually mean.

• Carbon footprint

The calculation of the carbon emissions of a business from all its activities, either directly or indirectly, ideally calculated according to recognised standards such as the Greenhouse Gas(GHG) Protocol and accounting for all GHG's, not just CO2, ideally across Scopes 1, 2 & 3 emissions and measured in Carbon Dioxide Equivalent (CO2e). Measuring Scopes 1 & 2 is essential and the easiest to do, but it is important to recognise that 75-90% of a company's emissions are usually Scope 3.

• Scope 1

All Direct Emissions from the activities of an organisation or under their control resulting from combusting fuels on site such as gas boilers, petrol and diesel in fleet vehicles as well as fugitive emissions from air-conditioning and cooling systems.

• Scope 2

Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation. Technically also emissions from purchased steam, community heating and cooling, but in reality this is rare for most businesses.

• Scope 3

All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water, basically your entire value chain, both upstream and downstream.

* CompareYourFootprint

• Net Zero

A longer term global and corporate goal to reduce all Scope 1,2 and 3 emissions to as close to absolute zero versus a pre-2020 base level (usually to less than 10% of the original level) and to remove any residual carbon emissions that cannot be avoided – summarised from the Science-Based Targets Initiative.

• Carbon Neutral

When a business has calculated its scope 1 & 2 emissions, is actively working to reduce them and has offset the equivalent of their Scope 1 & 2 emissions with equivalent carbon sinks, credits or removals. It is also encouraged to do the same for Scope 3 emissions – summarised from The Carbon Trust.

• Carbon Negative

When a business offsets more emissions via removal than the level of emissions it produces. Edie.net. There is no set definition determining by how much more a company needs to offset its emissions, or whether it has to include any Scope 3 emissions or only Scope 1 & 2, but some organisations would say it requires double the level of offsets to emissions. The key is to declare exactly what your company has done eg. “We have Offset 200% of our Scope 1,2 & 3 emissions”.

• Carbon positive & Climate positive

The same as carbon negative.

• Carbon balanced

Similar to carbon neutral, this term tends to be used in relation to particular products rather than to a company as a whole and it tends to relate to all carbon emissions including Scope 3, rather than only scope 1 & 2. For example, if all the emissions related to the production of a product or the delivery of a service are offset by carbon reductions and removals certified by a recognised body then that product might be said to be carbon balanced.

• Carbon offsetting

Investing in a scheme or activity which offsets a company’s emissions by reducing the same amount of emissions either by means of avoidance or removal of those emissions. An example of the former might be protecting forest land at risk or helping people replace wood-burning cookstoves with gas stoves. Removal might include tree-planting schemes or direct air carbon capture.

• Carbon insetting

Similar to carbon offsetting, carbon insetting involves investing in projects “within the sphere of influence” of the company, in other words within it’s own value chain. Examples quoted usually involve businesses who have agriculture or forestry within their supply chain. However, technically it may be any activity by the company or it’s value chain that reduces emissions and requires investment.

• Carbon credits

Certificates attesting to the avoidance or removal of carbon which can be traded by companies to balance their own emissions. The certificates are issued by recognised bodies to give assurance that the carbon reductions have happened.

• Carbon removal

Also referred to as carbon offsets, but specifically carbon removal projects must remove carbon emissions from the atmosphere. The most popular way for this to happen is by planting trees which naturally absorb carbon dioxide, but there are also mechanical means of removing CO2 from the atmosphere and converting it into carbon which can then be used for alternative means or stored back underground.

Expert opinion - Neil Russell-Bates

About Neil

Neil Russell-Bates is a sustainability consultant with over 30 years' experience, having worked in a variety of director and senior level commercial roles in retail marketing companies and FMCG brands. Having cut his teeth working for Coca-Cola and then Walkers Snackfoods, his agency work took him to more than 40 countries, building up a wealth of knowledge about the industry and, ultimately, its impact on the planet. He currently advises a range of businesses on their sustainability strategies, carbon footprint measurement and reduction, and accreditation.

? How is sustainability going to impact the world of retail?

Sustainability in retail can be too narrowly defined. It can end up becoming about a single focus within a much bigger picture - think about the focus on single use plastics or the drive towards refill stations or even the backlash against fast fashion, for example. In isolation none of these define sustainability although they will all play a part in a company making strides towards being more sustainable. In reality there is a cascading chain of pressures on retailers and retail brands. There is some upward pressure from us, the consumer, and a lot of downward pressure coming from government, banks, and investors. The latter know that a business that's not addressing ESG and sustainability is a risk and significantly less investable. ESG requires retailers and brands to rethink the way that they do things. It affects the entire supply chain and is about so much more than use of plastic or carbon footprints. The UN SDGs are a good framework for looking at this – for example, the retail industry needs to look at the supply chain from an ethical point of view with things like 'No Poverty' still being number one on the SDGs.But it's a complex issue and businesses need to apply systems thinking.

It's not the responsibility of the individual to spend their time worrying about all these things. What they want to know is, 'am I buying something that's sustainable and ethical and affordable?' This can be what causes businesses to develop tunnel vision on issues such as single use plastic or carbon footprints. They are areas that are highly visible for consumers but are not the only things for the business to aim for.

? Do you think we will get to a place where they'll legislate on this because it's too difficult to get companies to do it voluntarily?

In short yes, but how far it will ever go is questionable. Big businesses still have a huge sway over governments and although consumers hear the noise of the minority groups such as Extinction Rebellion, in the corridors of power the voice of the big corporate entities is much louder. It's a very difficult line for global governments to toe.

How do you think the overall landscape of retail will change as we move to a more sustainable society?

I think the landscape of retail is going to be affected in more ways than we perhaps perceive at the moment. We all know that we are going to have to lower our carbon footprint. You see more solar panels on top of supermarkets, there's more recycling stations around, there's refill stations in some, but that's it. Yet, behind the scenes there's going to be a lot more going on, which will eventually feed through to the consumer experience. For example, sustainability means a more diverse range of people working in a retail store and, hopefully, that will make the shopping experience more interesting and more rewarding for the people going in there. And if there's a good gender balance with good pay and all those things, it will make retail a virtuous circle rather than a than a vicious one.

In practical terms though it's going to mean some big changes. For example, at a big out-of-town shopping centre like the Trafford Centre in Manchester, there are 11,500 parking spaces but there are currently only around 20 electric vehicle charging points. In the next 15 years, as more of us switch to electric vehicles, this will need to change but it could also start to alter people's shopping habits.

Can we get to a point where what is convenient is also sustainable?

For convenience and sustainability to harmoniously exist we need to get to a cost point that works. Convenience often means take away, dispose, individually packaged or wrapped. There will be a transition away from this approach and sustainability will become 'we have to' rather than 'we could'. An example of the start of this process can be seen at Burger King where they are trialing the use of reusable containers. In this trial the disposable option is still being offered to consumers whilst the returnable option requires a deposit and in that situation disposable will always be the popular option that people choose for convenience. If, however, you either reward people for being more sustainable or make the sustainable option cheaper than the non-sustainable option, it gives consumers a reason to make better choices. Brands need to have a strategy that rewards sustainable choices. But this will only work if it is a full system approach – Burger King, KFC, McDonalds and all the other fast-food operations would have to do this to make it work. Collaboration will be the key, then action will happen quickly, and behaviour change will be significant.

Is plastic the right battle to fight in terms of sustainability?

Plastic comes in so many different forms and we have tarred it all with the same brush. We now, as consumers, believe that all plastic is bad but in reality, it's not. It's simpler to make the argument that plastic is bad and that glass, as an alternative, is good. When you look at this more closely it's not so black and white. Glass is typically heavier, more likely to break, is more carbon intensive and costly to produce, but it is infinitely recyclable.

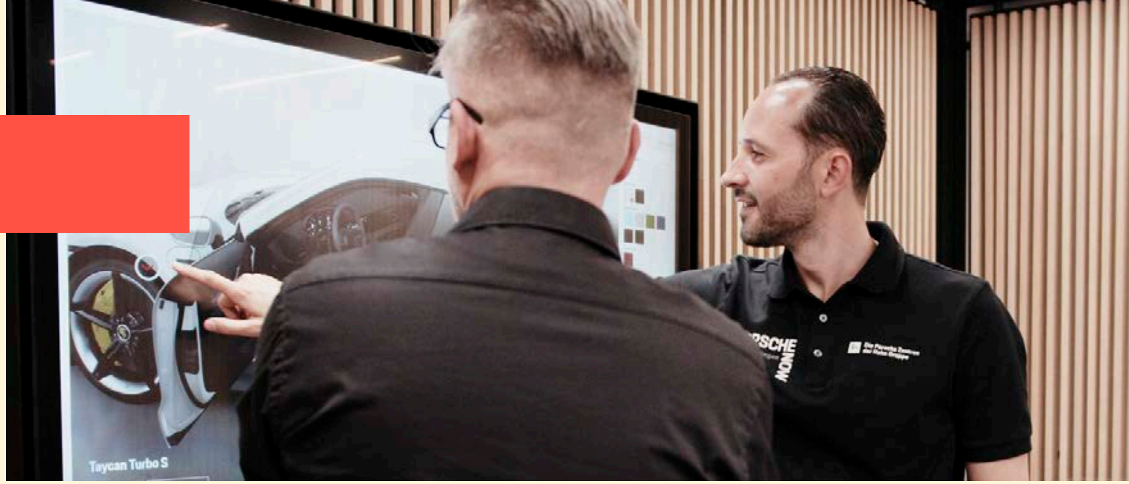
PET, however, is also very recyclable (for three to four uses) but it is also lighter and cheaper to produce. So, in many cases, PET can be a much better option than glass. Consumer psyche doesn't match this. The average consumer believes glass is premium, better quality, and more sustainable, while plastic is cheap, lower quality, and harmful to the environment.

Not all plastic is equal – some is OK whereas other types are much more damaging to the environment. Plastic that improves the lifespan of a product is more acceptable because it helps to reduce waste. The plastic that is used simply for convenience (for example, wrapping a napkin and fork together) is pointless and unnecessary and has no place in a sustainable future.

Do all major brands and retailers have someone responsible for sustainability or ESG?

Yes, they do, however, the skill set in this area is very variable and therefore many people are learning as they go. The hard thing for a consumer to know is whether sustainability is front and centre for a brand or retailer or whether it is a box ticking exercise. What the consumer sees is not necessarily the full story. The ASA (Advertising Standards Authority) are clamping down on green washing but at the moment it is still difficult to know what is genuine. The B-Corp certification is still one of the only ways for consumers to know that a company takes an equal interest in people, planet, and profit.

Experiential Retail - automotive



Car manufacturers increasingly drive traffic to vacant shopping centre retail space

During your last trip to your local shopping centre, you may have noticed that a significant number of retail units still remain empty – an unfortunate consequence of the boom in online shopping and pandemic lockdowns and restrictions. Last year, The Guardian reported that more than 30 shopping centres were at least half empty, including five with more than 80% of their shops vacant and a further 34 with between 40%-50% of their shops vacant.

Although Covid lockdowns are now hopefully behind us, this vacant space remains a key concern for shopping centres as they struggle to operate as profitably as before, with soaring inflation and the rising cost of living adding further strain. However, we are noticing an increase in the number of brands temporarily taking up this space with pop-up shops, particularly in the automotive sector. Manufacturers, including the likes of Mercedes Benz and Volvo, are increasingly using the retail model to showcase new vehicles and concepts, creating a memorable experience that engages customers and helps them to truly experience the brand and products. And, it's proving an effective strategy. With cars especially, customers want to physically see, experience and test drive them before committing to a purchase. The spacious setting allows manufacturers to showcase new models and experiment with interesting features, digital concepts and experiences, as well as capitalise on footfall. Shopping centres are usually relaxed settings that shoppers visit to browse leisurely, shop, and eat – shoppers are in the right space and frame of mind to engage with pop up experiences and automotive brands they may not have otherwise visited intentionally at a dealership at the edge of a town.

Cupra trialled this concept earlier this year, opening a pop-up in Leeds Trinity Shopping Centre to showcase new models, sell accessories, and encouraging shoppers to engage with specialists and learn more about the model range and brand.

Although car pop ups aren't a new concept, we're noticing that they're increasingly becoming more immersive and experiential in line with growing demand. Research by Keyloop found that, in showroom environments, customers would like to see the offer of digital signature capabilities (78%) and personalised digital sales solutions (74%).

Porsche is just one example of a brand capitalising on this demand with its Porsche NOW pop-up centres, combining the power of tech and experiential retail. Alongside the models on show, customers can shop for brand merchandise and accessories and engage with Porsche Exclusive Manufaktur: an opportunity to experiment with options for aesthetic and technical personalisation with the help of a professional. With the assistance of virtual reality apps and the private configuration lounge, buyers can design their vehicle the way they want it, right in front of them. By targeting high-end, urban shopping environments, Porsche is bringing the product to the customer, rather than the other way around. The Porsche NOW pop-ups have been successful enough to justify significant expansion across the globe.

Our own research reinforces the potential of the pop up, with 89% of respondents saying they'd like to see an increase in the number of pop-ups in the retail industry: 48% citing them as a good way to test a high street solution, 46% saying they provide short term visibility to support a brand goal, and 37% agreeing that they help to drive traffic around key buying periods. With this in mind, it's likely that we'll see this growth in pop-ups concepts – across all sectors - as retail continues to make its recovery.

Technology in travel retail

New in-store tech comes to fore as travel retail picks up

The ability to travel abroad (almost) freely once again is a welcome opportunity for travel enthusiasts and holiday goers alike, with increased footfall in airports almost resembling the pre-Covid era. However, it hasn't quite been the straightforward return to normality that many of us hoped for, with a lack of staff in airports causing disruption and many flights being cancelled. Although, what this turbulent start has led to is many travellers arriving at airports much earlier than needed, often passing through customs faster than anticipated, and having longer to browse the shops or enjoy the bars and restaurants before they catch their flight.

As a result, travel retail has undoubtedly picked up. Despite reporting a £19m loss last year, WHSmith recently reported a return to profit, making £14m pre-tax profit in its first half, with sales in stores across railways, stations and airports soaring. And, as the sector continues to make its recovery, we've noticed that in-store tech appears to be playing more of a central role to keep pace with consumer expectations and capitalise on the busy holiday season to give a much-needed boost to revenue streams.

Increasingly varied and creative concepts

InMotion is one brand that's pioneering the use of tech in-store. WHSmith recently opened its flagship, and its largest globally, InMotion store in Heathrow's Terminal 5. It features an experiential zone where customers can trial products, interactive LED screens, and a pop-up events space for product launches, competitions, and live product demos. The concept aims to make it easy for people to experience the latest tech and access the support and advice they need to help them choose the 'perfect product for their journey'.

Another, more futuristic, example is Puig's experiential campaign for Paco Rabanne's fragrance, Phantom, at Heathrow's Terminal 2. On display until the end of last year, the 'first connected' fragrance for men offered shoppers the opportunity to experience the 'Phantom universe' while charging their device. Shoppers could challenge the Phantom robot to a dance off and unlock an exclusive social media filter for the chance to receive a gift. And, our research suggests that we'll see more touchless and motion-based technology being used in stores, with 34% of respondents using it currently, and 23% saying they'll be investing in it in future.

The use of omnichannel

Another key development we identified in our research was the role of omnichannel. When asked what impact they think omnichannel will have on retail, 46% of respondents said it will allow brands to target different consumers with the same product across different platforms, 44% said it will help to keep the high street alive by driving people to the physical store as well as engaging online, and 40% said it will allow brands to be more creative in their execution in-store.

It's safe to say that omnichannel is going to become more of a consideration across the board in retail but especially in travel, as customers shopping in airports or stations are usually browsing and don't want to take the product with them there and then. Customers can browse and experience products in store, and then using the humble QR code, easily purchase the product online and arrange delivery to their home address.

This proven concept is demonstrated by the success that Situ Live is enjoying. Its 'discovery playhouse' allows shoppers to discover, experience and demo new products in live settings ('lifestyle theatres') before buying online via a QR code. One well-debated topic in the retail space is whether in-store tech is tripping itself up by trying to be too clever, too quickly.

In a travel retail environment, keeping the experience customer-centric is key. Shoppers are browsing as they're waiting for transport, and don't necessarily want to be fully immersed in a display or concept for hours on end. They need to be able to dip in and out accordingly, getting something valuable from the experience without dedicating significant amounts of time or focus to one thing.

That's why QR-enabled omnichannel shopping, and examples like Paco Robanne's 'Phantom' experience where customers can sample the fragrance, play quick and entertaining games, and charge their devices on-the-go, are such successful travel retail concepts. Following a semi-normal and successful summer for travel retail, we expect to see more brands and retailers innovating and diversifying their in-store tech offerings.

The world around us

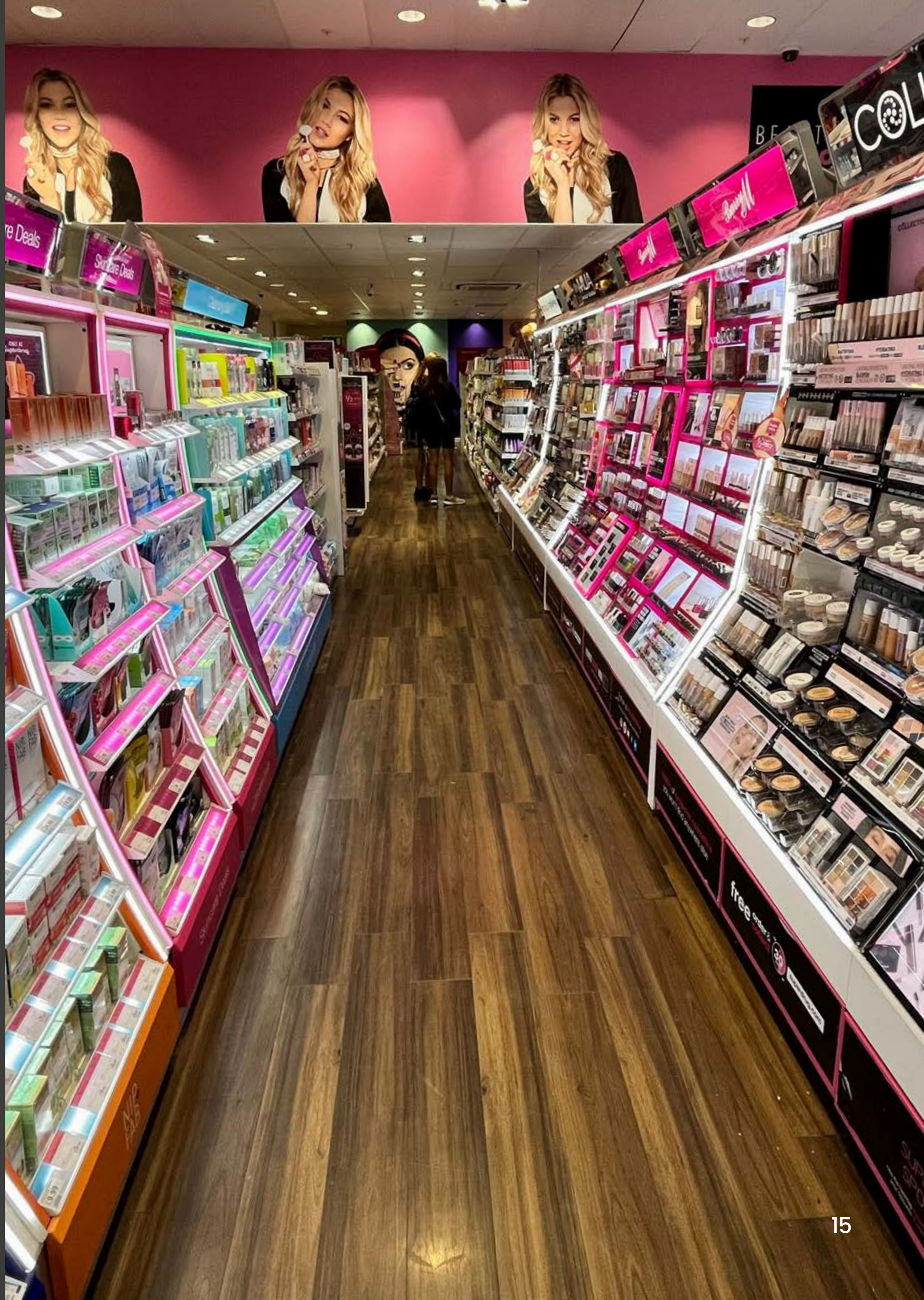
Brands and retailers remain resilient despite ongoing cost of living crisis

Our look at 'the world around us' in our first GRF journal was very much focused on the ongoing cost of living crisis, and in that respect, it might not feel like too much has changed! Rising inflation and the ongoing financial pressures continue to dominate the headlines and business and personal agendas everywhere. And, the bad news is that the crisis is set to worsen, with food prices rising at the fastest rate since the financial crash and the energy price cap rising once again.

In response, we've seen many retailers taking measures to mitigate rising grocery costs for their customers, keeping costs low for everyday products. Tesco has added products to its Low Everyday Prices range and Sainsburys has upped its Aldi Price Match selection, while Asda has introduced a 'Just Essentials' range. And it's not just the grocery sector taking action. Elsewhere, Boots and Superdrug have introduced price freezes to keep personal care and healthcare products affordable, while both GiffGaff and Tesco Mobile have fixed prices for 2022.

While it's great to see so many brands and retailers taking steps to help household budgets go further, it undoubtedly raises the question – shouldn't the onus be on the government to do more? It's a challenge we've not heard the last of, and one that may yet get worse before it gets better.

Yet, while rising inflation and the cost of living crisis is a really uncertain time for brands, retailers and consumers alike, it's promising to see such an resounding focus on sustainability across the sector, with new plans and initiatives also taking a share of the headlines. Recent announcements include M&S' collaboration with innovation and investment firm, True, to launch an innovation challenge for start-ups in the environmental sustainability space as it looks to work with tech partners to help meet its net zero goal by 2040. The return of reality dating show, Love Island, this summer also made a strong statement



for sustainable fashion, with the show partnering with eBay to promote its 'Pre-Loved Fashion' marketplace instead of the usual fast fashion brands. Elsewhere, PrettyLittleThing has made a move away from its fast fashion roots with the launch of its resale marketplace app. And, with a fifth of Brits saying they buy more second-hand fashion compared to two years ago, it's a movement that's only likely to gain more traction.

More ethical and sustainable purchasing behaviours are filtering down into fashion for the youngest Brits too, with Mamas and Papas partnering with Oxfam to launch a clothing take-back scheme, introducing collection points in stores. If the item cannot be resold, the materials are instead repurposed to create another product, or broken down and disposed of responsibly. Elsewhere, Mulberry has announced a partnership with online circular fashion marketplace, Hurr, to offer bag rentals, while Clarks is entering the resale market via circular peer-to-peer marketplace Dotte, encouraging parents to sell outgrown children's clothing and accessories to extend the lifecycle of unwanted items while making some money back on them.

It's great to see so many different brands rising to the challenge, prioritising affordability for customers and refusing to let ESG take a backseat. With so many brands and retailers entering the pre-loved and rental market, it allows fashion-conscious, cash-strapped Brits to source and enjoy the things they love through a more feasible – and sustainable - model.