

The Multichannel High Street: Winning the Retail Battle in 2015



In Partnership with

Introduction

Matthew Lewis, Partner, Squire Patton Boggs and
Bryan Roberts, Director of Retail Insights, Kantar Retail

We are pleased to be able to launch our latest report on the state of retailing in a digital age.

We launched our first report a little over a year ago, with the support of the retailTRUST, in the wake of the Portas Review. We wanted to understand from our retail clients and contacts and their customers what they thought worked in an increasingly multichannel high street. A year on, although the number of retailer failures has slowed, 2015 will be a challenging time for grocers. Reports also indicate a tough year ahead for retailers in general. Nevertheless, the British Retail Consortium has stated that many retailers expect sales to grow during 2015 and retailers will invest in more staff. An increasingly important element of any plan for growth is the retailer's omnichannel strategy. Once again, we have called on retailers and shoppers to let us know how they see the current multichannel experience, how this interacts with the physical presence and what investment is required to move towards a seamless and personalised service. We are delighted that TM Lewin and Pavers have provided case studies to support this report and thank them for their time in preparing these. We would also like to thank the BRC and Andy Street for their comment, and the retailTRUST for their continued support.

Foreword

Andy Street, John Lewis Partnership

John Lewis

It is now a well established fact that non-food retailing is going through a once in a generation change. The growth of online and the search for the 'omnichannel' utopia is now well documented.

This report sheds further light on the big issues. It also wisely argues, that after all, we are still simple retailers, and as such the pre-eminent task is to have a ruthless focus on what the customer wants. The winners will be those who correctly anticipate the changing nature of customer demands. Within that, there are now some big clues to the future. First, shops will be increasingly critical in the omnichannel race – but not just any shops. John Lewis has a huge advantage bestowed by earlier generations – we only have 42 shops, and for national leadership we think we need approximately 65, i.e. to be present in all key catchments. That is why we are building in Birmingham, Leeds and Oxford. We are following the customer who wants to be inspired, wants to be social, and wants to be advised in store.

Editing choice and providing impartial advice, either personally or virtually, will be even more crucial in these days of instant information and over provision. Our partner-led model in shops, in contact centres, or in fulfillment will remain a differentiator.

Similarly, the winners must embrace technology (no insight there!), but must do so selectively. No retailer can make acceptable long-term returns by doing everything. It is now clear that fads are of little value. Real value comes in assisting the customer to use their own increasingly mobile technology and perfect the core retail processes.

As ever, the winners will know when to say "no". Deciding when is the real test.

Foreword

Helen Dickinson, Director General, British Retail Consortium

The way we shop has been changing at an incredible pace recently, and that pace has been gathering even more rapidly in the last couple of years. The notion we can only shop on the high street or at a retail park store is as old-fashioned and outdated as fax machines and typewriters.

BRITISH **RETAIL** CONSORTIUM



As consumers we are accustomed to getting the range of products we want, at the best price, in a way that fits with our often hectic lives, and there is such an exciting range of options at our fingertips: order a product on a computer for home delivery; sort the weekly grocery shop on a smartphone and pick it up in store; or spot something online and then go to the high street, walk into the shop and try it on before you buy. Right now we can buy almost any product we want, when we want and where we want. The difference between this and the retail of Are You Being Served and Open All Hours couldn't be more stark.

The dramatic rise of Internet shopping has ushered in an era of great opportunity for retailers, creating more choice and competition than ever before which is good for customers. All these innovations present a real challenge for the retail industry; a challenge that Britain's retailers have risen to in fine fashion – they're among the best in the world at omnichannel innovation and those who don't invest in getting our shopping to us in the new ways that we all demand know they risk falling by the wayside.

Reports such as *Winning the Retail Battle in 2015* are vital to help businesses and customers understand the impact on the retail industry of the changes in technology and consumer behaviour. They are also a useful barometer for what's coming up in the future. Building this understanding is vitally important because it offers crucial insight for retailers into how they can continue to up their game. This report provides politicians and policymakers the evidence they need to make decisions that will support retailers and build the vitality of our critical industry. At a time of dramatic structural change, change which is re-shaping retailing in the UK, that support will be more welcome than ever.

Stores: An Asset or a Liability?

Much has been made, over the last few years, of the 'perfect storm' that has engulfed store-based retailing in the UK, leading to a raft of store closures, escalating vacancy rates and a great deal of hand-wringing over the wave of charity stores, discounters, payday lenders, fast feeders and bookmakers that have flooded the high street in the departing retailers' wake.

Stagnating demand from consumers, the structural shift from store-based retail to online, onerous business rates, misaligned parking charges and assorted tax loopholes have all been identified by a number of commentators as factors behind the challenging environment in which high street retailers find themselves.

While the economic environment from a consumer/shopper viewpoint is improving, the slight uptick in sentiment is not necessarily translating into a broadly-based retail recovery. We are a long way from the devastation of retail failures, mass store culls and job losses of 2008-11, but there is still a pervading sense of attrition amidst store-based retailing, with many retailers – such as electricals retailer Dixons and clothing empire Arcadia – preferring to let leases lapse as they attempt to right-size their store portfolios in the emergent multichannel retail environment.

Although this carnage was initially wrought on non-food retailers, there are growing signs that even the big supermarkets might not be bulletproof. Goldman Sachs opined in late 2014 that the Big 4 food retailers may need to close around 20% of their stores in order to remain profitable, while Sainsbury's hinted at some underlying issues with its store base: mothballing some developments; booking a significant impairment on some of its trading stores; and suggesting that around a quarter of its stores might be the wrong size and/or in the wrong place. The new CEO Dave Lewis has changes planned for Tesco in 2015/16, as it looks to get back to basics and ensure it has the right balance between convenience and larger stores and to maintain its dotcom development, where it has been a market leader.

Once seen as a sector impervious to economic woes, a combination of down-trading and structural shifts means that even food retailers have to seriously reassess their store portfolios. As discounters and premium retailers gain market share, and as the supermarkets self-cannibalise through online and convenience store expansion, major food retailers are being forced to reconsider the future of their larger outlets. Several are looking at sub-letting, concessions, food service and community space as a more beneficial use of what has become surplus sales area in some of their larger stores.

While this might be perceived as a defensive, tactical move for the grocers, it nonetheless represents a good opportunity for retailers and service providers such as Timpson, Mothercare and Jessops to open new space in locations with decent footfall.

Although a sense of gloom surrounds the physical retail sector in general, there are still pockets of growth. Discounters – both the German limited assortment grocers and their high street general merchandise counterparts – are still hungry for new stores, while the major food retailers continue to open hundreds of convenience stores a year. Sainsbury's, as an example, is planning to maintain its tempo of 100 new 'c-stores' per year, while general merchandise discounter B&M has recently reiterated a long-term plan to more than double its estate from 400 to 850.

Likewise, retailers at the discount or fast fashion end of the clothing spectrum are pursuing robust expansion programmes. We also see that department stores are still in the market for new anchor locations to increase accessibility for shoppers in certain parts of the country – for example, the new development underway in Leeds with John Lewis as the anchor store.

Whilst there is a very real sense that the UK is 'over-shopped', tangibly evidenced by empty properties on high streets and in retail parks and shopping centres across the length and breadth of the country, it remains the case that physical stores still play a pivotal role – both in the shopper's path to purchase and in retailers' strategies. Retailers might now need fewer, smaller or better stores, but they continue to be a crucial touch-point for most shoppers and most retailers.

Another key observation is the ongoing – and essential – convergence between retail, leisure and foodservice. The success of Westfield in London and the recent Trinity Leeds scheme are testament to the fact that a well curated mix of retail, restaurants and leisure can create a compelling destination for millions of shoppers across the country.

All of the retailers that we canvassed prior to the publication of our report regarded physical stores as an essential component of their offering. Where the retailers differed was in their point of view over the direction of travel for physical stores in the future: **46%** suggesting that they will need fewer stores in the future and **54%** asserting that the opening of more stores will figure in their strategies in the future.

It should be remembered that there is a steady queue of new and recent market entrants looking to expand their physical presence in UK high streets and shopping centres. There is an esoteric array of foreign retailers such as Tiger, Clas Ohlson and HEMA who are looking to expand their store bases in the UK, as well as established overseas brands like H&M and Zara who still have a long way to progress before attaining their desired level of coverage.

From a shopper perspective, stores remain important too. **Half** of the shoppers surveyed stated that they preferred to shop with online retailers who also operate physical stores. That said, there still appears some way to go in terms of incorporating stores into a seamless omnichannel experience: only around **10%** of shoppers feel that instore staff are well-informed about their own online service and less than half feel that instore staff deal with collection and return issues well. What is clear is that most shoppers incorporate stores into an elongated path to purchase, with nearly **80%** of shoppers noting that a visit to a physical store is usually preceded by some level of online research and browsing.



Shopper quote:

"I'd prefer a more personal instore experience to make it worth the effort of going into the store"

The Unstoppable March of Click & Collect

Even specialist online retailers are realising that physical locations might not be such a bad idea after all. This shift is being prompted by two main factors: the inherent inconvenience of home delivery and a mounting number of workplaces becoming weary of their role as last-mile fulfilment providers for the likes of ASOS and Amazon.

This means that other locations – such as drive-through pick-up sites, lockers and even good old-fashioned shops – are rising in importance as locations for the receipt or return of products ordered online, in addition to being seen as a good way of letting shoppers assess products prior to purchase.

This is why we are seeing online retailers put down physical footprints: eBay has begun rolling out product pick-up points within Argos' high street locations, and Amazon has begun establishing collection lockers in a number of its key global markets. European online fashion specialist Zalando has opened a small number of physical stores in Germany. While these are positioned as clearance outlets, it is becoming clear that online specialists can benefit from some form of physical presence, from both an operational and shopper perspective.

For more 'traditional' retailers, click & collect has become a fundamental expectation for shoppers and has at the same time become a sizeable and rapidly growing part of their businesses. Click & collect has been growing in excess of **60%** year-on-year for department store chain John Lewis, while Tesco has reported that – at key trading periods – over **70%** of general merchandise online orders have been collected within its supermarkets.

Asda is looking to lead the way with more than 600 click & collect locations at the end of 2014, including its own supermarkets, petrol stations, tube stations, lockers and business park sites. Tesco is also rapidly rolling out a similar array of sites, and even online specialist Ocado unveiled its first click & collect location in late 2014.



From the retailer perspective, click & collect makes a great deal of sense. With shoppers doing some of the hard work for them, a level of cost and complexity is removed from the multichannel transaction, with click & collect deemed to be considerably more profitable (or less lossmaking, depending on the retailer!) than home delivery. There is also the possible upside of shoppers completing further instore purchases when collecting their items. Indeed, several retailers have intimated that between **60-75%** of click & collect shoppers go on to purchase additional products while instore for item collection.

The extent to which click & collect has fast become the norm is borne out by the retailers we surveyed, with around **60%** of retailers already offering the service and many other retailers intending to launch the service in 2015.

Click & collect brings the worlds of online and instore together. Transitioning instore staff to deal adroitly with the challenges that this may bring has created issues for a number of retailers. Issues over stores not receiving sales credits for instore collections or being penalised for returns have been commonplace, and **40%** of retailers that we spoke to suggested that incentivising instore staff to support multichannel and click & collect has been a problem for them.



If we look at this in conjunction with the earlier statistic of only **10%** of shoppers having confidence in instore staff's understanding of the online offering, there is clearly still a lot of work to be done by retailers in this area.

Despite this, only **30%** of retailers surveyed have instigated training and development programmes to bring their instore colleagues up to speed in terms of facilitating multichannel, whilst just over a **quarter** of them have implemented new instore KPIs to motivate multichannel customer service. On a broadly positive note, over **half** of retailers surveyed noted that their staff supported the need to embrace multichannel as an essential component of the retailer's wider proposition to shoppers.

With retailers rapidly rolling out click & collect capabilities across their bricks and mortar stores, it is understandably becoming an increasingly important part of broader shopping repertoires. That said, only **40%** of shoppers frequently use click & collect for non-food purchases with a very modest **3%** using grocery click & collect on an ongoing basis. Nonetheless, we would expect these proportions to steadily increase over time as retailer capabilities improve, new technologies (like temperature-controlled locker pods) are introduced and as shoppers become more aware of, and comfortable with, these new fulfilment options.

A further boon will be provided from the opening of click & collect sites at more useful locations. Transport hubs are an obvious choice. As already discussed, this has been seen in grocery with Tesco and Asda opening sites at tube stations, but non-food retailers like John Lewis and Argos have also opened such facilities: a 'Click & Commute' shop in St Pancras station and a store in Cannon Street underground station, respectively.

A twist on the transport-based approach was provided by department store group House of Fraser and coffee shop chain Caffè Nero teaming up in late 2014 to launch a concept shop that merged foodservice and multichannel. The ground floor of the coffee shop in Cambridge features table-mounted House of Fraser tablet computers, enabling coffee drinkers to browse online ranges. On the House of Fraser first floor, meanwhile, customers are able to view products, order on terminals, collect e-commerce orders and try on items in a fitting room.

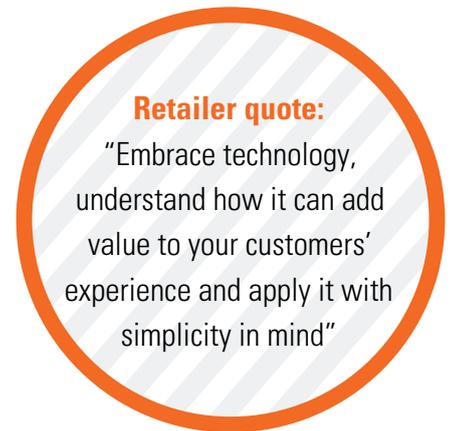
Instore Technology: Gimmick or Omnichannel Enabler?

As multichannel continues its relentless march through the British retail sector, there has been an accompanying proliferation of instore technologies designed to assist the shopper along the path to purchase. Our shopper survey shows that around a **third** of shoppers have used instore ordering for both home delivery and instore collection and it is noteworthy that retailers as diverse as Tesco, M&S, Argos, Asda, John Lewis and Debenhams are rolling out instore ordering kiosks and screens to enable shoppers to order from (often larger) ranges online.

This appears to be a broader trend, with over **60%** of the retailers consulted already using a variety of additional instore technologies to make their multichannel propositions more seamless from a shopper perspective. A further **quarter** of retailers are planning to start implementing additional technologies to support their multichannel endeavours.

In terms of technological enhancements, the most popular deployed or soon to be deployed by retailers include tech support for click & collect, free instore Wi-Fi to facilitate shoppers' access to online resources and the installation of touchscreens, PCs, tablets and kiosks to enable instore online ordering.

These initiatives can create both commercial and customer service opportunities: John Lewis has revealed that instore staff armed with tablets completed 10,000 transactions for customers during the course of a year, adding that the technology enables shoppers to view product availability and information without having to move to a fixed till.



Despite these best efforts, it seems as though these initiatives are being met with something of a lukewarm response from shoppers.



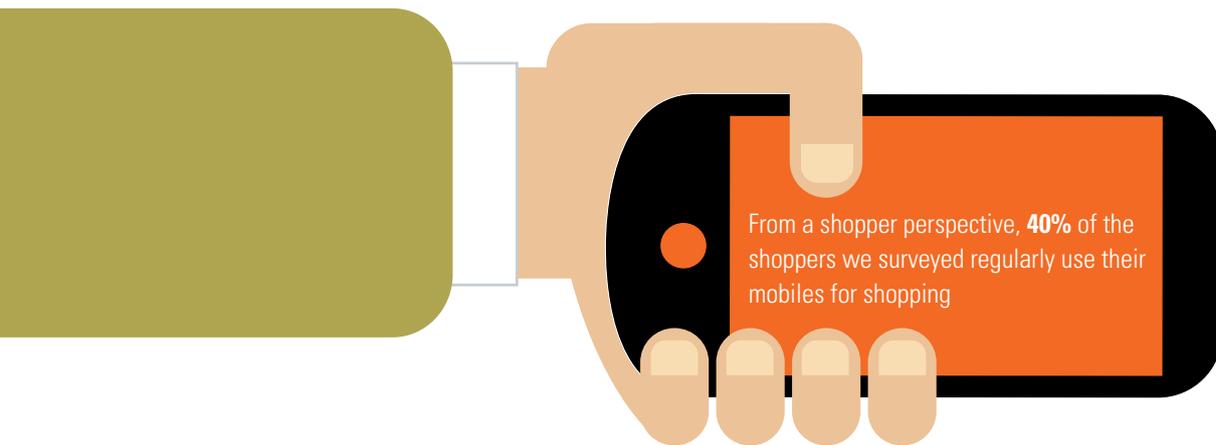
Around 12% of shoppers suspect that instore tech is a means to reducing labour costs



13% proclaim that they had not really noticed any uptick in the deployment of instore technology.

Either way, it seems as though further deployments might be met with a degree of indifference – only **14%** of shoppers want retailers to install instore ordering screens or kiosks and just **16%** would like to see more instore ordering capabilities implemented by the retailers that they frequent. This might hint at the observation that – in the age of the smartphone – ordering might not be the bottleneck that shoppers are most keen to see resolved. Instead, it is instore collections or home delivery and returns that are most valued by shoppers.

No mention of instore tech would be complete without referencing mobile, widely used by shoppers (both inside and outside of stores) to research, browse, compare, purchase and pay for products. Approximately **70%** of the retailers that we consulted have already enabled m-commerce for their customers and for the vast majority of these retailers it is their fastest growing channel, with growth rates in excess of **50%** year-on-year.



Although other research and usage statistics suggest that this percentage is growing consistently over time, only **16%** of shoppers told us that they frequently use their smartphone instore to access information about products and prices – suggesting that the spectre of so-called “show-rooming” is something of a phantom menace for most retailers.

Where mobiles might come into their own is through the use of beacon technology, together with retailer- or shopping centre-specific apps adopted by shoppers. The combination of app (backed up by transaction history) and beacon technology, should enable retailers to accurately communicate with individual shoppers. This will enable discounts or recommendations that are actually relevant to shoppers to be sent to them and – combined with the convergence of mobile and payment – might well see mobile become as useful instore (or at least, within shopping a centre) as it is out of store.

Personalisation & Contextualisation

Shoppers, armed with multiple devices and nearly ubiquitous connectivity, demand what they want, where they want, when they want. In this environment, new definitions of value are increasingly personalised and contextualised, with shoppers expecting a more tailored dialogue with retailers rather than the homogenous broadcast approach that so many businesses persist with or only have the ability to deliver.

The challenge for retailers in the future will be to drive personalisation without sacrificing scalability. Specifically, retailers must develop a robust understanding of their targeted shoppers across all touchpoints to drive personalised offers and increasingly curated shopper experiences.

As things stand, personalisation of communication and retail experience does not appear to be very high up the list of priorities for the retailers that we consulted, with just a **third** of those retailers claiming to have successfully personalised the retail experience for their customers. However, they are trying to remedy this, with a **third** of retailers reporting that technology and their CRM systems had enabled a greater level of personalisation and dialogue with shoppers.

While 'big data' essentially amounts to a buzz phrase at the moment, retailers are nonetheless attempting to convert shopper data into insights with which to personalise and contextualise the retail experience for shoppers. While a few retailers that we consulted were of the opinion that "we already have more data than we know what to do with," **half** of the retailers reported that they are investing in technology and/or capability to better use their data. One obstacle in this process acknowledged by retailers is the fact that relatively few shoppers are happy to provide personal data to them.

Whilst direct mail, texts and email account for the bulk of retailers' endeavours to deliver 'personalised' communications with shoppers, social media is being prioritised too. A **quarter** of retailers stated that social media has become embedded in the customer service function and over **half** noted that it has become established as an integral component of their broader consumer/shopper marketing endeavours.

That said, the return on investment of social media remains a little opaque, with only around **10%** of our retailers able to confidently state that social media has exerted a demonstrably positive impact on their businesses. In terms of who does a good job on social media, the only business that really stood out from the shopper perspective was online fashion retailer ASOS.

Retailer quote:

"Personalisation? We don't do it as well as we would like; although we do on some types of behaviour, such as sending people that have bought a particular type of shoe new shoe colours or outfits to go with their previous purchases.

We don't have the technology or resources to do it all the time though. We also get lots of sales from sending emails twice a week to the majority of the database: we still make a lot of money from blanket emails."



Shopper quote:

"I think social media is a fad for retailers, it never feels personal"

The issue of personalisation and contextualisation for shoppers is an altogether more complex landscape, with shoppers expressing a desire for a degree of dialogue and personalisation without crossing that fine line into handing over too much personal data or being spammed.

Over a **third** of shoppers appreciate being sent personalised offers in the post or by email, while just **15%** like receiving similar messages via text. This might change as retailers and brands work harder to make text messages more personally or geographically relevant.

The issue of relevance will be one of the key aspects of shopper dialogue in the future – shoppers want recommendations and promotions to be relevant to their lifestyles and purchase histories. However, just a **third** of shoppers say that they enjoy receiving recommendations based on products purchased in the past; many complaining that some items they buy are just a one-off purchase and therefore they need no further recommendations, while others express frustrations about targeted ads for something they have already bought 'following them around the Internet.'

The issue of data and information security is a huge concern, as evidenced by the brand and commercial damage caused by a data breach at major US retailer Target. This is a worry in the UK too, with around **45%** of shoppers expressing concerns about the security of their online personal and financial data hosted by retailers surveyed. There are also some lingering 'Big Brother' concerns of shoppers in the UK, with a **fifth** of shoppers of the opinion that some retailers already know enough about them. Conversely, **40%** said that they are willing to exchange even more personal data and information with shoppers if it means an improved, personalised service or reduced prices.

Shopper quote: "I get a LOT of money off promotions, I don't mind signing up to newsletters and giving out my email address if I get voucher codes for discounts - I'm not really interested in seeing what new products they have, as I will look for these as and when I want something, though occasional notifications can lead to an 'impulse buy'."

It is always worth remembering that stores still account for the vast majority of retail sales and, whilst online retailers certainly did very well in terms of plaudits for their personalisation efforts, a number of multichannel retailers also fared well, reflecting the fact that instore staff and loyalty card-based personalisation are by no means consigned to history.

This was reflected in the results when we asked shoppers which retailers did a good job of interacting with them on a personal level. Multichannel retailers like Sainsbury's, John Lewis, Boots and Tesco scored really well here, with their ability to communicate across channels through the use of CRM systems and technology.

Which retailer do you consider interacts best with you as a shopper and why?

Amazon

I use Amazon more frequently than most retailers and find them very interactive, always communicating on time, and keeping me informed of progress with regards to my purchases.

It's probably the only retailer that emails me with offers and discounts that are tailored and based on items that I've purchased before.

The online shopping experience is simple and easy to manoeuvre around, with a very wide range of products. Their personalisation has introduced me to new products and experiences; and communications are varied enough to be useful rather than annoying.

ASOS

I get daily emails about offers, they are always prevalent on social media and often ASOS adverts on other websites are tailored to what I have bought recently.

Boots

The advantage card system means they send personalised offers applicable to previous purchases, meaning I save on the items I want to save on, not just random items in the store.

John Lewis

Their online customer service is as good as instore. Furthermore, they do not bombard me with emails.

Sainsbury's

I suspect they know the most about my shopping habits after years of using them so it allows them to interact better with me.

Tesco

They often send me tailored money saving offers of products I frequently buy. They save my recent items in my basket each time and suggest similar products I might like.

Case Study – Stuart Paver

Managing Director, Pavers

Q: How has Pavers changed the way it does business as a result of technological advances over the last 15 years? Have your changes been driven by you seeing new opportunities, your competitors' behaviour or customer demand?

It's entirely been driven by opportunity and customer demand, many of our competitors have done things that we are glad we did not copy. The key change over the last 15 years is that the amount of data available is now huge and the ability to use it correctly offers huge competitive advantages. It is still impossible to use technology to buy better footwear: this is a business that can only be done by touching and feeling a product, hence the reason I am always on a plane. The ability to work anywhere at 95% of the efficiency of being in the office is a godsend. I am still amazed that I can be sat in the back of a car in Mumbai working on our UK servers or making video calls using 3G technology nearly as well as when I am in the office.

Q: How does your mail order capability compliment your online sales? How else have you embraced the omnichannel 'concept'?

Pavers are a bit different to most companies in that we launched digitally first and then added catalogues as our customers wanted them. We do not classify sales as online or offline; it's more instore or home shopping. Our home shopping division encompasses the Internet, catalogues, newspaper direct response ads, and of course our 24-hour shoe shopping channel on Sky. All our channels work in conjunction with each other. For example, for every pair we sell on TV we drive another two or three people to the store to buy them.

Q: How do you see the role of social media? Customer service or consumer marketing?

It's obviously a mixture and we encourage an open dialogue with our customers as it motivates us to continually improve our products and tailor them to our customers' needs. No company is perfect so sometimes we have to take comments on the chin and it is often the mark of a good company that it is happy to apologise when it gets things wrong. I am still not sure that Facebook will ever drive lots of customers to buy from us.

Q: How has the growth of multichannel challenged you as a retailer of a category that has a risk of high return rates?

Returns are a fact of life for home shopping companies, and most companies starting out in this arena don't factor this in. Our return rates are around 20% which is about half the current industry average as we focus very strongly on the fitting of our shoes. Our first Internet software 14 years ago did not even have a function for returns, or reverse logistics as it's now called.

Q: What steps have you taken to make sure that your instore staff are as supportive as possible of multichannel and how have they/the public responded to this?

It has always been difficult to get store staff to buy into omnichannel retail as they felt it may cost them their jobs as sales went online or they were doing work for the enemy when having to handle returns that they never sold. Over time, and through changing the way we allocated revenue four or five times, we have finally got to a position where everyone seems to be bought into the overall benefit of omnichannel to the company.

Q: Other retailers keep pushing the envelope in terms of the costs and timings of online delivery/collection. Is this sustainable from a financial perspective?

This costs a lot of money and it will not be a race we want to get into. At the moment there are a lot of retailers willing to be busy fools. Always remember turnover is vanity whilst profit is sanity, no new technology ever changes that in the long run.

Q: Which do you anticipate being your fastest growing sales channel over the next five years?

We will continue to grow at around 15% per annum for the next five years with 10% coming from stores and over 20% from home shopping. I am sure it will become ever more evident over this timescale that the best model is a mixture of stores and a fully integrated home shopping service.



Winning in the Future – What Will it Take?

There can be no doubt that retail is undergoing a bout of unprecedented change, much of it driven by technological advances as well as changing shopping behaviour.

This evolution is being accompanied by a surge in jargon, buzzwords and much hollow talk about 'big data'. As one major supermarket chain told us, however, *"take the fancy names away and we are still retailers. It's still about getting products to shoppers as simply as possible."*

As such, the basics of retailing (product, price, place) remain fundamentally unchanged. What is changing rapidly is the way that shoppers are choosing to interact with brands and retailers. Empowered by technology, the need to interact with consumers and shoppers at appropriate touch-points is paramount.

Consumer insight: With trends such as an ageing population, changing household structure, immigration and urbanisation, the very nature of consumers is changing. Understanding these shifts will enable retailers to prioritise the right product portfolios and channels strategies.

Shopper insight: As consumers and technologies evolve, the need to understand different shopper types and their paths to purchase is essential. The decision is moving further and further away from the shelf, meaning that communicating to the shopper at the point of decision rather than the point of purchase is essential.

Technological innovation: Clearly, the advance of online and mobile shopping is leading to new shopper behaviours and also heightened expectations of the retail experience. Part of a successful retailer's response will be to innovate ahead of the curve to facilitate the multichannel shopping experience.

Multichannel and omnichannel capabilities: Although there are some notable exceptions, the hallmark of a successful retailer will become the ability to serve shoppers seamlessly across different channels while speaking to them with a united voice across all platforms. Obviously, channels such as mobile will become more important over time.

Value: Often taken as a synonym for price, value is so much more than that. Value is offering appropriate prices, matched by appropriate levels of quality and service. Shoppers also prioritise economy of time and economy of angst, meaning that winning retailers will offer speed, clarity and consistency.

Personalisation and contextualisation: Gone are the days when a blanket, one size fits all approach to shoppers would suffice. Even big supermarkets are realising that they need to devolve ranging and merchandising to a regional, even city, level to ensure that shoppers are getting what they need. Taking it one stage further means personalising communications, pricing and service for individuals and understanding the complexities that holding and using shopper data can create.

Stores: Stores are still an essential component of the retail experience – both for shoppers and retailers themselves. Sure, we might need fewer of them in some instances, but those stores that remain need to be more efficient, more engaging, more interactive, more theatrical and more connected.

Empowering Staff: A significant leaning point is to ensure that staff buy-in and are incentivised to enhance the retailer's push for a truly integrated approach. Our case studies and survey indicate that there is a need for retailers to reassure staff that omnichannel does not mean job losses but instead can lead to improved sales.



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Company Profiles



Squire Patton Boggs

Squire Patton Boggs has more than 2,600 lawyers and support staff in 44 offices across 21 countries. Our strong local and regional positions in North America, Europe, Asia Pacific, the Middle East and Latin America, together with deep-rooted connections on the ground, mean we can focus on the needs of individual clients in all the countries and cities we call home.

Our retail team combines strong legal knowledge with commercial insight to deliver the best possible business and legal services to our clients. Our client portfolio includes supermarkets, department stores, fashion houses, independent retailers, manufacturers, distributors, logistics operators, property developers, landlords and online businesses. We are committed to the industry and are proud to be working closely with organisations such as retailTRUST, Kantar Retail and the British Retail Consortium.

The logo for Kantar Retail, consisting of the words "KANTAR RETAIL" in a bold, sans-serif font. "KANTAR" is in yellow and "RETAIL" is in blue. The text is set against a solid black rectangular background.

KANTAR RETAIL

Kantar Retail

We are the retail and shopper specialists. We are a leading retail and shopper insight, consulting and analytics and technology business, part of Kantar Group, the data investment management division of WPP. We work with leading brand manufacturers and retailers to help them sell more effectively and profitably. At Kantar Retail we track and forecast over 1000 retailers globally and have purchase data on over 200 million shoppers. Amongst our market leading reports are the annual PowerRanking® survey and the Digital Power Study. Kantar Retail works with over 400 clients and has 26 offices in 15 markets around the globe.

The logo for the British Retail Consortium, featuring the words "BRITISH RETAIL CONSORTIUM" in a bold, sans-serif font. A blue curved line is positioned below the word "RETAIL".

BRITISH RETAIL CONSORTIUM

The British Retail Consortium

The British Retail Consortium is the lead trade association for the entire retail industry. Diverse and exciting, our industry spans large multiples, independents, high streets and out of town, from online to bricks, selling goods across all sectors from clothing, footwear, food and homeware to electricals, health and beauty, jewellery and everything in between, to increasingly discerning consumers.

Our mission is to make a positive difference by advancing vibrant and consumer-focused retail. We stand for what is important to the industry and work in partnership with our members to shape debates and influence outcomes.

We work with Government to create the right conditions for growth and innovation, we champion great careers and we promote responsible retail's vital role in the community.



retailTRUST

The leading charity in the retail and support services sector supports all of the 4.5 million people involved, their dependants and retirees from the industry. It has a long heritage dating back to 1832 and is continually upgrading and updating its services to respond to the fast developing, dynamic needs of our sector.

It focuses on ensuring it supports all involved be it those

-from yesterday and now retired through its cottageHOMES division.
-from today and still working through its retailHUB helpline and retailEAP wellbeing services.
-and those seeking to be involved tomorrow, by sponsoring retailRIGHT youth programmes, retailCORE career progression programmes and back to work programmes.

It also provides support and services to smaller charities in the retail space.

It is currently the lead sponsor in developing the retailCURE credit union for retail.

For more information visit: www.retailtrust.org.uk



Introducing retailCURE

Over 2.2 million of the 4.5 million who work in the sector earn less than £10 per hour and the industry has come together to provide a mutually owned organisation in retailCURE to serve their Savings and Borrowing needs which often the mainstream financial service sector will not do.

As a Mutual it will be owned by its members for the benefit of its members and provide attractive savings rates for small and regular savers as well as larger ones but critically also provide their borrowing needs in a prudent and affordable way. It will challenge the need for unacceptably high cost short term lending.

It has significant support not only from within our industry but from political groups of all persuasion and government.

It has significant private support from key executives in the industry who are investing privately as well as via corporate investments.

It will launch in the first half of 2015 and has already secured investment from over 20 retailers.

For more information visit www.retailtrust.org.uk/retailCURE

