

backslash

'FUTURE OF'
RETAIL

WELCOME TO 'FUTURE OF'

Welcome to 'Future Of,' a report that explores what will—and more importantly what should—come next in must-watch categories.

At Backslash, we believe that culture is the biggest opportunity and threat to businesses today. With support from over 300 Culture Spotters, we closely observe and analyze worldwide developments so that TBWA—and our clients—can better understand and anticipate cultural change.

The following report leverages cultural intelligence to unlock four opportunities for disruptive growth in retail. Opportunities that don't just impact how a brand communicates, but point to emerging sources of demand. Within each opportunity we've outlined specific ways for businesses to take action, whether that be through addressing untapped audiences, introducing new services, or investing in product innovation.

The transition from the now to the next is taking place every day. The businesses that play a role in shaping the future will be the ones to secure their place in it.

METHODOLOGY

This report was born from months of in-depth qualitative and quantitative research, strategic ideation, and collaboration among 31 of our Culture Spotters from 16 global TBWA offices. Our Spotters bring expertise from their work on some of the world's biggest retailers—from IKEA to Uniqlo to Albert Heijn.

EDGES SHAPING THE FUTURE OF RETAIL

What is an Edge?

Edge / 'ej / noun

A meaningful cultural shift that has the scale and longevity to propel a brand toward a greater share of the future.

See Appendix for complete Edge definitions.



RETAIL'S BIG RESET

A new chapter of retail is upon us. As we emerge from a difficult year, hopeful signs of what the World Economic Forum calls a ‘Great Reset’ of capitalism are coming to light around the world. A category marked by excess is refocusing on the essentials. Green space is replacing inventory-stuffed stores as shopping moves online. And shoppers are realizing that they have no choice but to buy less and buy better. “All the narratives are building around a new Roaring ‘20s, a hedonistic binge, taking revenge on the virus with our consumption. But I think a lot of us are going to feel uncomfortable and disquieted, to the point of despair, as we remember what the fully revved-up consumer culture looks like,” notes JB MacKinnon, author of *The Day the World Stops Shopping*.

Beyond the pressure to champion a healthier era of consumption, retailers are grappling with disruptive forces from every angle:

- Climate-conscious shoppers are calling for complete supply chain transparency.
- An onslaught of innovative DTC brands is driving consumers away from big-box stores.
- An ever-expanding network of shopping platforms is complicating consumer-brand relationships.
- Growing demand for digital goods is forcing retailers to find their footing in the virtual world.

As Backslash set out to define how these forces will transform retail, it became clear that the category’s sheer size would require a more focused approach. So rather than aiming to predict the future of a sector so vast and multifaceted, we zeroed in on the most urgent questions plaguing today’s largest retailers:

- How will the shift to e-commerce redefine the role of physical stores?
- To what extent should tech infiltrate the shopping experience?
- How can peer-to-peer platforms be leveraged as an ally, rather than a threat?
- How will shifting priorities alter long-held notions of luxury?

The four growth opportunities within this report answer the questions above—confronting the cultural tensions at play and offering tactical solutions for a better way forward. And though entirely new questions will undoubtedly arise, one thing will remain certain. Reverting back to our pre-pandemic consumption habits is not an option. It’s time to reset.

IN THIS REPORT WE EXPLORE HOW:

- **Retailers might rewild our cities**
- **E-commerce data will personalize in-store shopping**
- **A post-influencer world will demand educational brand advocates**
- **A product’s past life could become its biggest selling point**
- **And much more...**

RETAIL DISRUPTORS TO WATCH

Box by Posti

For creating the perfect place to pick up online orders

Posti, the Finnish postal service, has reimaged packaging centers for the online shopper. The chic and colorful collection point includes unboxing and reboxing areas, fitting rooms, and a packaging recycling station. Online retailers can also use the locations to pilot store ideas and set up seasonal shops.

Infarm

For expanding access to fresh, living produce

Infarm’s modular, IoT-powered vertical farming units can now be found in supermarket aisles across 10 countries, allowing shoppers to pick produce directly from the source. With a fresh \$100 million in funding, the startup will soon venture into new crops and new retail spaces.

Asket

For making hidden costs visible

The Swedish clothing label created the Impact Receipt to help customers understand the environmental cost of their purchase. Rather than just showing price, the Impact Receipt details the CO2 emissions, water, and energy that went into making each piece of clothing.

Trashaus

For creating a circular economy for plastic waste

The Beijing startup’s real-time tracing technology has helped brands create more than 45,000 recycled pieces from plastic waste. Their next mission is to build a network that connects clients using single-use plastic with other brands who can use it.

Genies

For monetizing the metaverse

Later this year, the avatar tech giant is teaming up with Dapper Labs to launch an NFT marketplace where consumers can buy, sell, and trade digital goods. As interactions go virtual, “high-fidelity, expressive avatars” will give us a whole other identity to buy for.

Industrie Africa

For giving African designers a global platform

The Tanzania-based company is advancing the African fashion narrative by connecting contemporary African designers with global buyers. Their platform is grounded in sustainability, showcases nuanced diversity, and includes thoughtful cultural commentary.

Crisp

For shaking up supply chains

The Dutch supermarket app sources directly from small, high-quality producers and only orders when their customers do, meaning there’s no unnecessary stock. With next-day deliveries and zero waste, it’s no wonder Crisp is one of the fastest-growing grocers in the Netherlands.

Galaxy

For being the first to combine resale with livestreaming

Through the Galaxy app, Gen Z “citizen seller-broadcasters” can showcase and sell their wardrobe directly to fans in real time. Sellers also have access to an auction tool, trivia-esque gamification features, and the ability to co-stream with other sellers—building peer-to-peer solidarity among creators.

CVS

For becoming a holistic one-stop health shop

The pharmacy chain is on a mission to make healthcare “local and simple” with the expansion of HealthHUB stores. The revamped locations offer prescription pickup, treatment for chronic conditions, nutritionist consultations, yoga classes, and most recently—therapy sessions.

Frubana

For bringing community back to food

The Bogota-based platform lets restaurants and small businesses source food directly from farmers—lowering prices for buyers while raising margins for suppliers. During the pandemic, it launched Frubana Fresco, a consumer grocery delivery service with a “community leader” feature that allows individuals to order and distribute bulk groceries in their neighborhood.

Mahali

For enabling e-commerce deliveries sans addresses

The majority of residents of Ivory Coast don’t have fixed addresses, making e-commerce deliveries extremely difficult. To solve the problem and boost Africa e-commerce, Mahali created software that lets buyers choose a delivery location based on nearby landmarks. Next, the startup is adding a payment system and expanding to other sub-Saharan countries.

FOUR GROWTH OPPORTUNITIES AT A GLANCE

1

FLEX RETAIL

...pg 7

A new era of retail requires that physical spaces serve a purpose beyond shopping. The stores of the future will revitalize cities, uplift local communities, and promote circularity.

2

RETAIL'S TECH TIGHTROPE

...pg 15

Next-gen retail technology will work behind the scenes to enable a seamless shopping experience. Explore a more meaningful way forward through phantom tech, intelligent ordering, and sensory stores.

3

NETWORKED COMMERCE

...pg 25

To survive increasingly communal commerce, brands will need to make everyone in their network an active player. Tomorrow's retailers will strengthen relationships by engaging in direct dialogue, pivoting from influencers to educators, and joining brand coalitions.

4

LIFECYCLE LUXURY

...pg 31

A richer kind of luxury will put product life cycles in center focus. Looking forward, upscale eco-materials, authenticity trackers, and functionality will define the new premium.



FLEX ***RETAIL***

FROM BASKETBALL COURTS TO
PERFORMANCE STAGES, RETAIL
SPACES ARE CHALLENGING
TRADITIONAL CONCEPTS OF STORE
DESIGN AND FUNCTIONALITY—
EXPLORING DEXTEROUS SPACES THAT
FOSTER A SENSE OF CULTURE AND
COMMUNITY AMONG CONSUMERS.

—— Stephanie Dorfer, Frame¹



A SURGE IN E-COMMERCE SPENDING IS FORCING RETAILERS TO RETHINK THE FUTURE OF PHYSICAL STORES.

E-COMMERCE EXPLOSION

By 2040, about 95% of purchases will be done through e-commerce.²

FROM IRL TO URL

Inditex, the world's biggest fashion group and owner of Zara, will invest \$1 billion in its e-commerce platform over the next three years. During this time, the company plans to close between 1,000 to 1,200 stores.³

THE POWER OF POP-UPS

A 2020 Vogue article declared that "short-term stores are set to thrive" as retailers look to save money and experiment with new formats coming out of COVID.⁴

BRICK & MORTAR, NO MORE

Microsoft is set to close all store locations as part of its post-pandemic retail strategy.⁵

DEATH OF THE DEPARTMENT STORE

Nearly 200 US department stores disappeared in 2020, and another 800—or about half the country's remaining mall-based locations—are expected to be shuttered by the end of 2025.⁶

HIGHER RETAIL STANDARDS WILL DEMAND THAT PHYSICAL STORES EXPAND THEIR ROLE.

LEANING LOCAL

74% of consumers are expecting retail to adapt to their locality—up from 69% in 2019.⁷

INVESTING IN EXPERIENTIAL

Nearly 40% of retailers claim to be expanding or creating new in-store experiences to engage and connect with customers.⁸

STAY-AWHILE STORES

The Uniqlo Park megastore in Yokohama is complete with an outdoor park, playground, and spacious rooftop garden. Visitors can shop, play, and relax while enjoying seaside views.

MALL TURNED LAGOON

An abandoned shopping center in Taiwan has been reimaged as an urban lagoon and park. The space reconnects the surrounding neighborhood with the nearby waterfront.

URBAN OVERHAUL

The move toward hyper-localization, such as the push to turn Paris into a “15-minute city,” will force retailers to rethink their role in creating healthier, vibrant, more sustainable communities.

**FUTURE STORES WILL NEED
TO SERVE A PURPOSE**

BEYOND SHOPPING.

WAY IN:

URBAN ATTRACTION



Retail could just be what breathes life back into our cities.

The world biggest and once-bustling cities are losing their allure. From New York to Nairobi to Paris, the pandemic has pushed millions of urban dwellers to trade large crowds and high living costs for a more remote way of life. "Rural demand is much stronger right now than urban demand, and that's a flip from where it's been for the longest time," noted Glenn Kelman, CEO of real estate brokerage firm Redfin. But as leaders and urban planners around the world begin to rethink the future of city life, retailers can play a central role in reshaping our shared spaces for the better.

Retailers' contributions to city planning becomes even more urgent when considering the recent rise in empty storefronts. "The pandemic added to the ranks of 'zombie' retailers, companies that have just enough cash coming in to stagger on without ever fully rebounding or shuttering. But without innovation, how long can these stores last?" asks Business of Fashion.⁹ In a time when all our shopping wishes can be conveniently fulfilled online, the pressure is on for retailers to make their physical presence worthwhile.

One starting point is the much-needed investment in healthier, greener cities. In Nottingham, England, the push to turn the already half-demolished Broadmarsh shopping center into wetlands, pocket woodlands, and a wildflower meadow points to a much larger urban rewilding trend. But with 71% of consumers saying they still prefer to purchase from physical stores, a complete eradication of IRL retail may not be the entire answer.⁸ An alternative solution is designing stores to help nature thrive. One example is the mall at Burwood Brickworks, home to Australia's first urban rooftop farm where weekly farming lessons are held. Or, a Tokyo Starbucks set inside a blooming greenhouse at Yomiuriland's Hana Biyori garden. In the future, plant-covered stores and sustainable open-air retail spaces could spur a greener kind of economic boost.

Another way to revitalize cities is through blended retail experiences. Per Raconteur, "By mid-decade, the conventional retail model of just hanging rows and rows of clothes on hangers and supplying a couple of changing rooms and a mirror will be on the way out." In its place will be rich spaces that merge retail, dining, and entertainment. The four-story Showfields in New York brings this very vision to life—combining pop-up shops with art exhibitions, theatrical experiences, community events and food-drink hospitality.

As shopping goes digital, we'll expect more from the stores that stick around. The retail spaces that survive will completely reshape our cities, inviting back nature and inviting us all to reconnect.

WHAT IF...

Retailers became leaders in rewilding? Combining commerce with conservation efforts.



WAY IN:

LOCAL UPLIFT

Making the big feel small with local flair.

A turbocharged de-globalization movement is reorienting the retail industry. According to Accenture, 56% of consumers are shopping in neighborhood stores or buying more locally sourced products, with 79% and 84% respectively planning to continue doing so long term.¹⁰ As the craving for community deepens, shoppers will gravitate toward retailers that reflect the needs and tastes of their neighborhood.

This shift toward small starts with the supply chain. Multinational CPG giant Unilever is localizing production with nano-factories—40-foot shipping containers designed to leverage local ingredients and more quickly respond to changes in demand in surrounding markets. How we grow and buy food is changing as well, thanks to sustainable startups like Vertical Field. The fast-expanding company recently partnered with four Israeli supermarkets to install indoor farms right on the premises, cutting food miles down to food feet.¹¹

Another manifestation of localized retail is shrunken store formats. Recognizing the move away from mass, big-box retailers like IKEA, Walmart, and Target are rolling out smaller-sized community stores fit to local preferences. Other major players are going one step further with stores that not only offer locally curated inventory, but foster community connection. One noteworthy example is the new global Nike Unite stores. In addition to store designs featuring hometown athletes and nearby landmarks, Nike Unite locations help support local schools and sports-related nonprofits, as well as train Nike store employees to be coaches.

Also key to incorporating local flavor is the retail employees themselves. After all, a localized supply chain and store layout will be meaningless if the sales associates are out of touch with their community. American outdoor retailer REI is emphasizing employee expertise

through their “Gateway Stores,” where staff give classes on outdoor pursuits like mountain biking and rock climbing. The spaces also include a bar-style “rentals and experiences” desk where visitors can chat to REI team members about upcoming excursions. On the pharmacy front, American drugstore Rite Aid is taking a similar approach. The retailer’s “Stores of the Future” will empower pharmacists to act as community health advocates—engaging with customers more holistically and regularly in between doctor visits.

As stores become community centers, the role of the retail employee will be elevated. Think incentives for in-store staff who provide input on what resonates with shoppers, or opportunities for store managers to spearhead partnerships with local creators. By leaning into the local spirit, even the biggest retailers can feel small again.

WHAT IF...

Retailers became active citizens in the communities they reside in? Supporting local creators, spearheading charity initiatives, and hosting educational events.



WAY IN: CYCLICAL CENTERS

The future store will be part of the upcycling solution, not the waste problem.

Historically, physical stores were the first stop in the customer shopping journey. But in the near future, they're likely to become the last. As more discovery and buying takes place online, massive stores stocked with wall-to-wall inventory will become a relic of retail's past. The rise of circular retail will allow physical spaces to fulfill more customized, climate-friendly purposes.

Every year, retailers end up with billions of pounds of unsold inventory that they're incinerating or sending straight to landfills. But tighter regulations and a more eco-conscious consumer mindset are set to turn things around. Just last year, France passed a landmark anti-waste law that bans companies from destroying unsold or returned items. Under the new bill, products ranging from designer clothes, to electrical items, to cosmetics must now be reused, redistributed, or recycled by 2023.

As throwaway culture comes to a close, brick-and-mortar spaces will transform into sustainability hubs. Imagine, for example, if stores became centers for up-close upcycling—where visitors could watch their trash take on a new form. Adidas is bringing this model to life with vending machines that accept old plastic bottles in return for a discount on new Stan Smiths made from partially recycled bottles. Fast-fashion giant H&M is also making their sustainability efforts more visible with the Looop machine, the world's first in-store upcycling system that turns old garments into new ones right before your eyes.

With click-and-collect becoming the norm, stores are also taking on a new role as logistical hubs. Research from Kibo Commerce found that consumers are buying products online and picking them up in stores at more than four times greater volume than pre-pandemic—a behavior that's expected to stick around.¹² So how can these stores serve a greater purpose

beyond deliveries, pickups, and returns? One solution is adding the option to swap. In Singapore, swap shops such as Refash, The Fashion Pulpit and Swapaholic allow customers to drop off "good as new" items for credits toward other items in-store. Other green store services include customizations and repairs. Retailers who offer to hem pants, for example, could prevent returns and save products from going to a landfill. Similarly, replacing a part on a kitchen appliance could extend its life by several years.

As climate concerns skyrocket, tangible displays of sustainability will soon become the expectation. It's time retailers take responsibility for the full lifecycle of their products.

WHAT IF...

Stores stopped selling new products altogether? Serving instead as destinations for upcycling, secondhand swaps, repairs, and more.



RETAIL'S TECH *TIGHTROPE*

“ THE DANGER WITH DIGITAL IS THAT
RETAILERS CAN EASILY GO TOO FAR OR
'MULTISENSORY MAD' AND FORGET
ABOUT THE FRAGILITY OF THEIR
CONNECTION WITH THE CONSUMER.
DIGITAL CAN BE CAPTIVATING, BUT IT
DOES NOT ADDRESS THE EMOTIONAL
NEEDS OF THE SHOPPER. ”



IN THE WAKE OF PANDEMIC PRESSURES, RETAILERS ARE RACING TO KEEP UP WITH THE ACCELERATED TECH TAKEOVER.

RAPID DIGITAL ADOPTION

Data shows that at the beginning of the pandemic, we vaulted five years forward in consumer and business digital adoption in a matter of around eight weeks.¹⁴

IOT TRANSFORMATION

The global smart retail market will be worth \$58.23 billion by 2025.¹⁵

VIRTUAL ESCAPES

In August 2020, Lancôme launched a virtual pop-up exclusively for Singapore. The online experience included a personality test, skin diagnosis through a virtual consultation, and livestreaming sessions with celebrities and beauty influencers.¹⁶

BURBERRY SOCIAL STORE

Burberry's first social retail store debuted in Shenzhen, China, in July 2020. Shoppers were rewarded for engaging with the brand both online and in-store via a WeChat mini-program.¹⁷

AUTOMATED GROCERY STORE

During the pandemic, startup Lifvs opened 19 unstaffed, digital supermarkets in remote areas of Sweden. The stores are keeping rural towns alive, as many have lost their local shops.

BLOCKCHAIN-BACKED MARKETPLACES

Dapper Labs (NBA Hot Shot, CryptoKitties) is set to partner with the celebrity avatar platform Genies to create a blockchain-based marketplace for virtual goods.¹⁸

BUT MOVING OUT OF QUARANTINE, CONSUMERS ARE RENEGOTIATING TECH'S ROLE IN THEIR LIVES.

STICKING WITH STORES

In a 2021 survey, 83% of Americans said they'd risk contracting COVID-19 to purchase something in-person rather than online, even when the product is available online and price and quality are equal.¹⁹

IRL'S ALL-AGES APPEAL

The desire to shop in person is trans-generational, with 62% of Baby Boomers and 58% of Gen Zers globally still preferring to buy in-store.²⁰

PRIVACY PLEASE

Over two-thirds of consumers (69%) say that privacy in a retail store is more important to them than an automated store.²¹

DESIRE FOR DIGITAL WELL-BEING

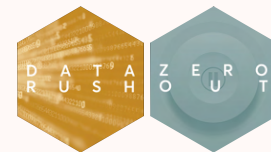
A six-country Google study found that 1 in 4 people have made changes to their technology use to gain a greater sense of digital well-being. The three most common changes include deleting apps, turning off notifications, and reducing screen time.²²

MINIMALIST TECH MOVEMENT

As tech gets bigger and more addictive, simplified devices are answering on our desire to zero out. Chinese mobile phone developer Unihertz has raised close to \$1 million Kickstarter for the Jelly 2 —the world's smallest 4G phone with Android 10.²³

NEXT-GEN RETAIL TECHNOLOGY WILL WORK
BEHIND THE SCENES
TO ENABLE A MORE INTUITIVE, INTELLIGENT,
AND SENSORIAL SHOPPING EXPERIENCE.

WAY IN: PHANTOM TECH



Invisible tech will empower a seamless shopping experience.

From digital detoxes to 'no phone zones,' people are desperate to unplug from a tech-dominated world. Yet despite the rising anti-tech sentiment, stores are only becoming more digitized. And in many cases, digitization doesn't necessarily bring greater customer convenience. Between required app downloads, scattered QR codes, and gamified experiences, phygital stores often complicate what should be a straightforward process. But there's a simpler way forward. Rather than retrofitting a store with clunky gadgetries, retailers can provide relief with invisible, intuitive tech.

A key starting point is using e-commerce data to improve inventory management. At the MAC Innovation Lab in New York, for example, visitors can virtually try on makeup looks created by MAC makeup artists based on what's trending near the store. Other companies are going one step further with real-time inventory upgrades. Last year, Swiss startup Advertima received €15 million in funding to build out a platform that lets retailers analyze how shoppers move through the store in real-time.²⁴ This "Human Data Layer" allows smart spaces to interact with customers in a seamless and discreet way—supporting features like smart inventory management and autonomous checkout.

An even more meaningful use of tech is using online data to enable personalized in-store interactions. Research from Capgemini found that 51% of consumers are skeptical of using automation technology within stores if there are no employees present.²¹ As tech gets more advanced, and in many cases more invasive, this kind of human touch will be key to easing shoppers into the digital transformation. A prominent leader in human-to-human personalization is international beauty retailer Sephora. Sephora sales associates can access customer profiles that detail someone's loyalty points, in-store purchases, online browsing and purchasing patterns, and even past interactions with salespeople.

Associates then use this information to make product recommendations and customize the in-store experience—an approach that's been proven to boost loyalty.

Customization will be even further enabled by a growing willingness to hand over personal data in exchange for a clear benefit. Recent research from PwC found that 57% of consumers would give their information to companies to allow for more personalized experiences.²⁵ And thanks to biometrics, these personalized experiences are set to become even more seamless—meaning no more distracting in-app notifications or screen-filled stores. Imagine walking through the door at your favorite fashion retailer and being greeted by an employee who guides you to the latest items in your size and style. Or, simply waving your palm over a scanner at the supermarket entrance to see a map of all the grocery items on your list. As more people look to shop screen-free, retailers who use unobtrusive tech to put people first will win big.

\ WHAT IF...

Sales associates were as informed as e-commerce databases?
Enabling personalized employee-to-shopper interactions.

WAY IN:

INTELLIGENT ORDERING



A smarter approach to supply could mark the end of excess inventory.

In today's world, endless e-commerce options, free return shipping, and a plethora of always-available fresh produce isn't extraordinary. It's the expectation. But our current era of convenience comes with a great deal of excess. As retailers reckon with the waste they've created, we'll see the rise of smart tech solutions that minimize returns and more closely match supply and demand.

A major side effect of the e-commerce explosion is returns. About 25% of items bought online are returned compared to just 8% for in-store purchases.²⁶ And not only do returns drain retailers' wallets, they also come at a massive environmental cost. In the US alone, 5 billion pounds of returned products are sent to landfills annually.²⁷

The retail category with the biggest return problem is fashion. And as anyone who has purchased clothes or shoes online can guess, lack of standardized sizing is a leading reason for send-backs. To tackle the sizing issue, savvy startups are enlisting the help of AI and 3D scanners. Presize.AI's Body Measurements Solution scans the shopper's body to suggest the perfect size. Companies like Xesto and Neatsy are using smartphones as a foot scanner to predict a comfortable sneaker fit. And in May 2021, Walmart acquired Zeekit—a platform that uses computer vision and AI to map clothing onto a picture of the customer's body, allowing online shoppers to see how outfits will look on them before they buy.

Another way to solve the fit problem is through bespoke clothing—a luxury that's no longer reserved for high-end labels. Last year, Amazon launched a clothing service called "Made for You" that lets customers create custom \$25 t-shirts based on their exact measurements. And just a few weeks prior, H&M rolled out in-store 3D scanners that take your measurements then deliver perfectly fitting jeans to your door in just a few weeks.

Experts believe this hyper-personalized approach is the future of fashion, especially considering the not-so-distant reality of at-home 3D printers. "When that time comes, instead of buying clothes from a store, we may be downloading digital files from retailers' apps to then print out garments at home," predicts Refinery29.²⁸ Such a process could eventually be the solution to fashion's overproduction problem.

A smarter approach to supply is emerging on the food front as well. Dutch supermarket app Crisp is leading the way with proprietary technology that makes the supply chain shorter and more transparent. Customers can order fresh fish in the evening, Crisp will pick up the fish from their supplier that same night, and it will be delivered to the customer the next day. And because Crisp only orders when customers do, there's no unnecessary stock. "We basically stay away from the standard supermarket proposition that everything is always there, and you manage long shelf life,"²⁹ says Crisp CEO Tom Peeters.

When it comes to minimizing returns and matching demand, intelligent ordering will help retailers get it right.

WHAT IF...

Made-to-order manufacturing went mass? Normalizing a slower, less wasteful consumption model.

WAY IN:

SENSORY STORES



Feel-good tech will bring magic back to retail.

The days of purely transactional retail are coming to a close. Stay-at-home orders spurred a wave of captivating virtual stores, challenging old ideas of what a shopping experience can be. Now, as shoppers begin stepping foot back into their favorite stores, they'll seek sensory spaces that blend the magic of virtual technology with the tactility of IRL retail.

The desire for sensory escapes is being fueled by a much larger cultural obsession with mood. From calming CBD drinks to mood-tracking wearables, we're analyzing and optimizing our emotions in entirely new ways. As retailers look to compete with the digital world, tapping into our feel-good desires may just be what sets them apart. "The most powerful competitive weapon at traditional retailers' disposal and one that e-commerce retailers cannot replicate is their ability to engage shoppers' human dimension through their five senses,"³⁰ writes Forbes contributor Pamela N. Danziger. Strong sensory engagement also translates to strong sales. Research shows that shoppers are not only more likely to recommend,³¹ revisit,³² and spend more time³³ in "all senses" stores, but they're also more likely to buy³² from them.

Sensory stores are especially worthwhile for retailers selling performance-led products. Canada Goose, maker of extreme weather outerwear, successfully executed a sensory try-before-you-buy approach in its Toronto concept called "The Journey." The location included a series of experiential rooms where visitors could learn the story behind the brand's iconic parkas before putting them to the test in a "cold room" complete with wind and snow. This kind of elevated, tech-enabled experience also works well for sportswear. Swiss brand On Running's New York flagship reimagined performance analysis with a 62-foot screen and ceiling sensors that analyze movement patterns as customers run the length of the store.

After their test run, visitors are given a detailed personal analysis and product recommendations.

Retailers who sell products purchased on the basis of emotion—rather than rational needs—could also benefit from an investment in multisensory stores. Take ice cream, everyone's favorite serotonin-boosting treat, as an example. Magnum played into the indulgence of their Ruby ice cream bars with the "Ruby room," a 2020 London pop-up that used color psychology, lights, infinity walls, and sounds to invigorate the senses. A similar approach could be employed with other mood-enhancing products, such as toys, video games, or self-care products.

Today's most elevated retail experiences typically show up in short-lived concept stores or pop-up PR activations. But as heightened e-commerce competition forces stores to innovate, it won't be long before feel-good tech becomes a brick-and-mortar norm.

WHAT IF...

Going to the store was as fun as going to the movies? Bringing escapism and storytelling to the brick-and-mortar retail experience.



NETWORKED COMMERCE

“ BRANDS CAN NO LONGER DEPEND ON TRADITIONAL MARKETING METHODS OF PUSHING MESSAGES OUT TO PASSIVE CONSUMERS. IN THE AGE OF EMPOWERED CONSUMERS, IT’S ACTUALLY SHARING EVEN MORE POWER —BY SHARING YOUR BRAND WITH CUSTOMERS, GIVING THEM A SAY IN ITS DEVELOPMENT, INVOLVING THEM ON AN ONGOING BASIS, GOING OUT OF YOUR WAY TO SHOW YOU’VE GOT THEIR BACKS, AND GEARING UP YOUR STAFF TO GIVE THEM THE BEST EXPERIENCE POSSIBLE. ”

—— Marie-Thérèse Cassidy, Executive Creative Director at FutureBrand¹³



AS CONSCIOUS SHOPPERS LOOK BEYOND THE LABEL, THE BIGGEST, MOST CONVENIENT RETAILERS ARE NO LONGER THE OBVIOUS CHOICE.

ANTI-BIG BRAND

Sites like “Not Amazon” and Bookshop.org—both of which connect consumers to small, independent businesses—have recently seen increased traffic as shoppers look to support local.

DESIRE FOR DIFFERENT

A desire for uniqueness is driving consumers to shop niche. Instagram has become a popular marketplace for vintage gold among people seeking one-of-a-kind secondhand jewelry.³⁴

IN-TOUCH EXECUTIVES

Nell Diamond, founder of Hill House Home and creator of the Nap Dress, is known for using Instagram to provide an honest behind-the-scenes look into her daily life. Her “strong voice, aesthetic, and authenticity”—as noted by Instagram’s head of fashion partnerships, Eva Chen—has helped her amass a cult following of 59K highly-engaged fans.³⁵

BUYING BETTER

77% of global consumers are interested in durable products, and 53% are interested in having brands reuse, repair, and recycle products they’ve bought.³⁶



A GROWING PEER-TO-PEER MARKETPLACE IS DISRUPTING THE TRADITIONAL BUYER-TO-SELLER RELATIONSHIP.

RESALE UPRISING

The resale market has the potential to be bigger than fast fashion by the end of the decade.³⁷

FACEBOOK MARKETPLACE

Facebook Marketplace now has 1B active users and businesses are sending 100m messages per day using the WhatsApp Business API.³⁸

LIVESTREAM SUCCESS

Chinese e-tailer Taobao's livestreaming arm Taobao Live is already experiencing a nearly 400% YOY growth in sales, towering over "traditional e-commerce."³⁹

TIKTOK R&D

A TikTok trend to share off-menu Starbucks recipes—dubbed "Appuccinos"—is disrupting the chain's rhythm and giving rise to new drink customizations.⁴⁰

ONLINE BARTERING

Online bartering boomed during lockdown. The cash-free trades take place over Facebook groups, where people post about the goods they want to swap, indicate what they want in return, and negotiate via the comments section.⁴¹

**TO SURVIVE INCREASINGLY COMMUNAL
COMMERCE, RETAILERS WILL NEED TO MAKE
EVERYONE IN THEIR NETWORK AN
*ACTIVE PLAYER.***

WAY IN: DIRECT DIALOGUE



Consumers are no longer just the end user.

Between social media, livestreams, customer service chatbots, and community boards, consumers have more direct access to brands than ever before. And gone are the days of one-way dialogue. Hyper-responsive DTC brands are raising the bar for retailers everywhere—forcing businesses to reconsider the role their customers play in R&D, marketing, and even production.

Today's shoppers take just as much interest in the people who make up a brand as they do in the product itself. According to Sprout Social, 70% of consumers feel more connected to brands with CEOs that are active on social, with the majority saying it makes it feel as though there are real people behind the brand.⁴² One leader successfully leveraging her social presence to connect with consumers is Ghia founder Melanie Masarin. To perfect her Mediterranean-inspired non-alcoholic apéritif, Masarin sent hundreds of samples to fans and friends with trusted taste buds.⁴³ She then openly posted their feedback—both positive and constructive—to her Instagram Stories, taking her followers along for the intensive product development journey.

Another way to gauge and react to consumer preference is by tapping into social chatter. When used strategically, social platforms act as a massive real-time focus group. Take American fast-casual restaurant chain Chipotle as an example. When a menu hack involving mixing sour cream and hot salsa went viral on TikTok, Chipotle acted fast. The company quickly released a promotional deal around the highly praised #DragonSauce trend—driving up the hashtag's now 16.8 million views.

Finally, there's the opportunity to bring consumers into the production process. In July 2020, Reebok's First Pitch platform gave sneakerheads a say in which shoes made it to production. How it worked was Reebok invited fans to view sneaker sketches online, and interested buyers would commit money to the design until the pledge reached retail price. The shoe would only get made if at least 500 people committed—taking the guesswork out of production while guaranteeing strong sales.

Just like you wouldn't remain friends with someone who never listens or responds to your messages, you're unlikely to stick with a brand that doesn't engage with you in a human way. One study found that 83% of consumers admit to paying as much attention to how brands treat them as they do to the products they sell.⁴⁴ In the age of the empowered consumer, brands that give people a role beyond buying will develop more personal—and therefore profitable—relationships.

WHAT IF...

The new loyalty program allowed dedicated customers to directly influence product development?

WAY IN: POST-INFLUENCE



We've reached peak influence. What's next?

Influencer culture is crumbling. After years of headlines tracking the rise and fall of influencers, it seems as though the pandemic has finally brought us to our breaking point. While the masses were stuck at home reckoning with job insecurity and health scares, the Instagram elite were breaking travel guidelines and flaunting their luxurious lifestyles. But this time, people weren't impressed. According to a survey by The Tab, 85% of young people have unfollowed influencers during the pandemic⁴⁵—citing disregard for COVID-19 rules, promotion of fast fashion, lack of original content, and promoting an unattainable lifestyle as key reasons.⁴⁶ This disillusion with influencers is affecting engagement as well, with some marketers reporting a consistent downward trend in conversion.⁴⁷ "Many consumers are beginning to realize that influencers aren't necessarily authentic product users; they are spokespeople who are paid to pitch products on social media instead of on TV," writes Forbes Councils Member Rebecca Kowalewicz.⁴⁸ But the backlash doesn't necessarily mean that all influencers are cancelled. The reality is, society will always put certain people on a pedestal. Who we look up to, and how brands leverage them, however, is set to change in a big way.

The quintessential wealthy, impossibly attractive influencer is facing competition from a new breed of social stars. Health professionals, educators, and activists are gaining fame across platforms—marking a meaningful shift from product sharing to knowledge sharing. Savvy digital creatives are capitalizing on this shift by launching cohort-based group courses. Topics range from online writing to mindfulness productivity, with the most popular courses selling out in 24 hours.⁴⁹ Brands can feed this hunger to learn by joining forces with educational influencers. Imagine, for example, if skin care brands partnered with chemists to break down ingredient benefits. Or, if successful brand executives became influencers in their

own right by sharing entrepreneurship secrets on Clubhouse. By going beyond the surface, brands can champion a smarter kind of influencer strategy.

In addition to rethinking who they partner with, retailers also have an opportunity to rethink how they leverage influencers. Rather than just paying them to push products, businesses should be bringing their fans further into the fold. Adidas successfully took this approach when it tasked 40 Depop sellers with customizing a pair of eco-friendly Stan Smith sneakers.⁵⁰ As part of the collab, three other Depop creatives worked with upcycling designer Paolina Russo, track athlete Laviai Nielsen and British alternative R&B band Easy Life to rework items of Adidas apparel, resulting in a one-of-a-kind collection that complemented the Stan Smith shoes. By bringing influencers into the creative process, Adidas was able to appeal to Gen Z's desire for unique, thrifted pieces.

As consumers call out phony product endorsements, retailers will be forced to reconsider the kind of influence they want to spread.

WHAT IF...

Brands used informed advocates to educate rather than influence?

WAY IN: BRAND COALITIONS



The future brand collab is bigger than business.

Businesses have been battling with eroding brand loyalty for several years—with the growth of national retailers, private labeling, everyday low pricing, and convenient e-commerce options all contributing to the decline. A 2016 Forbes article by Kathleen Kusek also attributed waning loyalty to a much larger cultural desire for constant change: “Over the last three generations, major trends in marriage, religion, and politics have reframed expectations for surviving and thriving in this world. The consistent theme is that change is not something to be feared or avoided. Change is inherently good. And the hankering for change is increasing at an accelerated rate.”⁵¹ Fast forward to 2021, and COVID has only supercharged the rate of change across behaviors and buying habits.

Some brands are leaning into the harsh loyalty reality through their content. Emerging skin care brand Isla Beauty frequently shows their products alongside a lineup of complimentary competitor offerings. And another skin care favorite, Youth to the People, shared an April Instagram post that read “These are our competitors. Here’s why you should buy them.” The post went on to explain that the featured brands were chosen for their commitment to produce only planet-friendly packaging by the end of 2025.

It turns out that Youth to the People’s unusual move is grounded in a sound strategy. A 2020 report from Capgemini found that 79% of consumers are changing their purchase preferences based on social responsibility, inclusiveness, or environmental impact.⁵² As personal values move up the list of purchase drivers, competitors who join forces for the greater good can regain consumer loyalty.

The recent 12-month partnership between Adidas and Allbirds is another prime example. The footwear competitors teamed up to create the lowest-carbon-footprint sneaker ever,

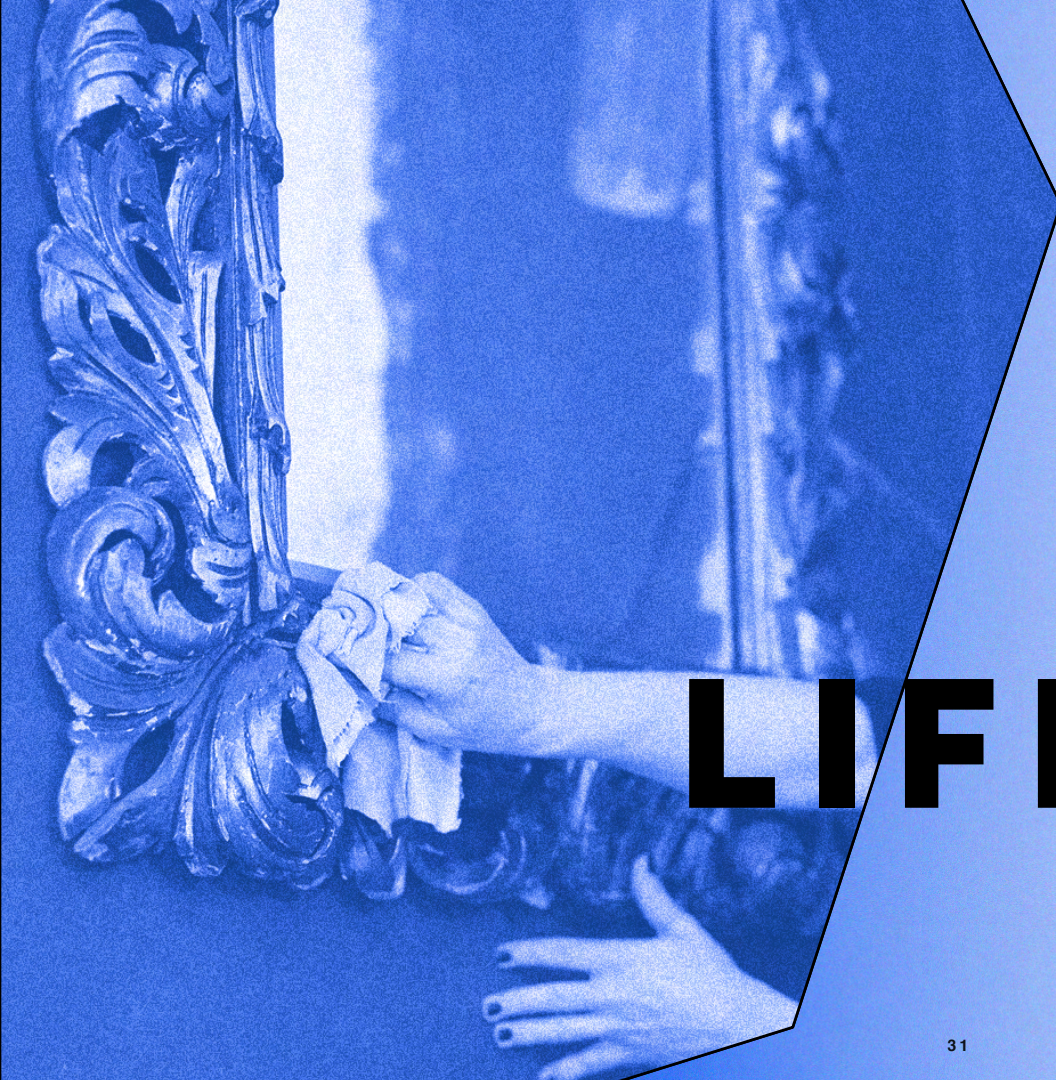
raising the bar for shoemakers everywhere. “Maybe our industry is focused on the wrong race,” says Allbirds VP of innovation and sustainability, Jad Finck. “Wouldn’t it be wild if we did what they say not to do, try a collaboration with a competitor?”⁵³

Another way to stay on shoppers’ good side is by investing in industry-wide change. In July, nine major brands including Microsoft, Nike, Unilever, and Starbucks launched the Transform to Net Zero initiative to help other companies achieve net-zero emissions. And earlier this year, global snack company Mondelez recruited the Upcycled Food Association to its Snack Futures incubator, where it provides mentorship for startups experimenting with repurposed ingredients. Besides being the right thing to do, this collaborative approach also aligns with consumer expectations: 89% of people think companies, brands, countries and individuals should all work together to tackle sustainability issues.⁵⁴

Today’s challenges are bigger than business. A new era of transparent teamwork and open-sourced intelligence awaits.

WHAT IF...

Competitors formed alliances based on shared values?



LIFECYCLE *LUXURY*

HOW MIGHT A LOWER-CONSUMING SOCIETY LOOK? BRANDS PRODUCE FEWER BUT BETTER-QUALITY GOODS, WHILE GOVERNMENTS BAN PLANNED OBSOLESCENCE, STICK 'DURABILITY' LABELS ON ITEMS SO SHOPPERS CAN BE ASSURED OF LONGEVITY, AND INTRODUCE TAX SUBSIDIES SO IT'S CHEAPER TO REPAIR SOMETHING THAN TO BIN IT AND BUY A NEW VERSION.

——— Jamie Waters, *The Guardian*⁵⁵

A WASTE-NOT WORLD IS TURNING ITS BACK ON RAPID AND UNETHICAL CONSUMERISM.

LUXE GUILT

A recent study found that consumers are more likely to feel guilty about purchasing an unsustainable luxury product than a fast-fashion item, due to higher expectations of their credentials.⁵⁶

LET'S GET POLITICAL

64% of consumers will buy or boycott a brand solely because of its position on a social or political issue.⁵⁹

TREND-PROOF PURCHASES

Consumers cite newness as one of the least important attributes when purchasing clothing.⁵⁷

HYPOCRISY CALLOUTS

Lululemon has faced criticism for promoting a workshop on how to "resist capitalism" when the company sells high-priced activewear and has a \$45 billion market valuation.⁶⁰

SECONDHAND SURGE

34% of True-Luxury consumers—consumers that averaged \$44,000 in total luxury spending—sell secondhand products, while 26% buy pre-owned goods.⁵⁸

SUSTAINABLE MATERIALS AND MANUFACTURING PROCESSES ARE REDEFINING RETAIL ASPIRATIONS.

ECO PREMIUM

The majority of global consumers are willing to pay more for eco-friendly products, with MEA (67%), APAC (64%) and Latin America (63%) showing the strongest willingness.⁶¹

HOME-GROWN ADVANTAGE

A Forager survey found that over three-quarters of respondents are willing to pay up to 20% more for local food.⁶²

FARM-TO-CLOSET FASHION

Patagonia, Gucci, and Timberland are among a growing list of fashion brands investing in regenerative farming—an agricultural practice that works to improve the land by rebuilding organic matter in soil and restoring biodiversity.⁶³

CONFLICT-FREE GEMS

Pandora, the world's largest jeweler, is switching exclusively to lab-grown diamonds.⁶⁴

MAKE-YOUR-OWN

Socially conscious fashion brand ADIFF developed an open source "fashion cookbook" with step-by-step "recipes" that empower people to make their own clothes from items they already have at home.⁶⁵

EVERLASTING PACKAGING

Izzy Zero Waste Beauty is raising sustainability standards with a mascara bottle that can be refilled over 10,000 times.⁶⁶

**A RICHER KIND OF LUXURY
WILL PUT PRODUCT
LIFE CYCLES
INTO CENTER FOCUS.**



WAY IN:

UPSCALE ECO-MATERIALS

Low-impact materials are giving luxury a fresh look.

Retail has a massive materials problem. Around 80% of a fashion brand's footprint is attributable to the raw materials it chooses,⁶⁷ and 92 million tons of that material ends up in landfill every year.⁶⁸ But as climate concerns grow, the leathers and furs that once signaled luxury will be traded for a more ethical look. From carbon-positive cotton to bio-based plastics, eco-friendly materials are defining a new kind of premium.

Luxury's appeal has long been rooted in an element of exclusivity. And with many sustainable materials still in the experimental phase, their uniqueness is set to be a major selling point. Prada's MiuMiu label is tapping into the allure with "Upcycled by MiuMiu," a collection of one-off and numbered designs created by customizing vintage finds from the '30s to the '80s. Meanwhile, award-winning furniture designer Tom Robinson is elevating recycled materials with the Evolve Chair, a unique piece produced using 100% recycled plastic from e-waste. Per Stylus, the plastic "has an unexpected, organic quality that adds value and character to a material typically regarded as artificial and throwaway."⁶⁹ With 24% of consumers willing to pay more for recycled clothing or home textiles,⁷⁰ the future of green design looks lucrative.

Living textiles represent another emerging high-end retail trend. Enter: wearable algae. Through project Biogarmentry, designer Roya Aghighi has created the first living and photosynthesizing textile that actively purifies the air around it.⁷¹ And though it may sound like a distant reality, the algae-based fabric could be commercially viable in five to seven years⁷² thanks to support from athletic apparel brand Lululemon.

What products are made of is only one element of the waste equation. The packaging they come in is a separate, oversized issue. Only 14% of global plastic packaging is currently recycled, while somewhere between 8m and 20m tons of plastic ends up in the oceans every year.⁷³ And with 43% of global consumers saying they would pay more for a product with environmentally friendly packaging⁷⁴, brands are beginning to innovate accordingly. British non-alcoholic spirits brand Seedlip offers a gift pack that comes in a compostable box made of biomass and mycelium, the root structure of mushrooms. In LATAM, Uber Eats is partnering with Peruvian company Qaya to use 100% biodegradable packaging made from avocado, corn, wheat and sugarcane. And personal-care brand PLUS's body wash comes in a sachet made of wood pulp that will completely dissolve down the shower drain after use.

Tomorrow's luxury buyers take pride in purchases that do good. The move toward Earth-friendly materials signals a long overdue shift in what we deem worthy of showing off.

WHAT IF...

Luxury brands committed to only using textiles that could return to the Earth at the end of their life?

WAY IN:

AUTHENTICITY TRACKER



A product's past life is becoming its biggest selling point.

In 2018, Burberry incinerated £26.8 million of clothes and cosmetics to "protect its brand."⁷⁵ And though the practice has since stopped, Burberry was certainly not the only luxury label destroying goods to prevent them from being resold for a fraction of their in-store price. Fast-forward to 2021, and stricter government regulations combined with a global emphasis on sustainability are turning things around. With the luxury secondhand market growing four times faster than the primary luxury market,⁷⁶ brands are finally learning to lean into the resale boom, rather than resist it.

From partnerships with high-end consignment platforms to building their own resale infrastructure, luxury brands are experimenting with a wide range of resale strategies. But with this new world comes new complexities. "The resale market is no longer characterized as a place for hand-me-downs and surreptitiously purchased discounted goods, but rather a world that takes a level of insider knowledge to navigate,"⁷⁷ notes WAX Insurance. With the right systems in place, luxury brands can help provide that insider knowledge while also upholding the integrity of their products. Luxury powerhouses LVMH, Prada Group, and Cartier are getting ahead of the game with the Aura Blockchain Consortium.

The authenticity-tracing blockchain will assign each product a unique digital code that will be recorded on the Aura ledger. When customers make a purchase, they'll be given login details to a platform that will provide the history of the product, including its origin, components, environmental and ethical information, proof of ownership, a warranty, and care instructions. "The luxury industry creates timeless pieces and must ensure that these rigorous standards will endure and remain in trustworthy hands," says Cartier's chief executive, Cyrille Vigneron.

Not only will innovations like the Aura Blockchain Consortium help combat counterfeits, but they'll also add a priceless level of depth to the luxury category at large. The more luxury items change hands, the richer the stories surrounding them, and the greater their worth. Brands who lean into long product lifestyles—touting durability and timeless appeal—will reframe passed-down products as a 21st-century premium.

Finally, the benefits of blockchain also present exciting opportunities for reselling digital goods. Between Gucci's digital-only sneakers and everything turning into an NFT, virtual product ownership is no longer niche. But what happens when you're done showing off your digital fashion on social media? Down the road, authenticity-tracking tech will allow intangible goods to live multiple lives. The new heritage brands will be those that can prove their provenance.

WHAT IF...

Blockchain allowed owners to learn about a product's history?
Giving new depth to secondhand stories.

WAY IN: FUNCTIONAL LUXE

In the future of luxury, function comes first.

Luxury's past was marked by ostentation and eye-catching aesthetics. But as societal values shift, so too will our notions of premium. With the personal luxury goods market falling 23% year over year in 2020, the first decline since 2009,⁷⁸ the old luxury playbook is being thrown out the window. We're moving away from vain, pretentious luxury, toward a refreshing new intersection of function and fancy.

Shifting perceptions of luxury are partially due to a pandemic-driven return to basics. As people learned to cut consumption and embrace the essentials, improved well-being and fulfilling experiences became top priority. And affluent consumers are willing to pay up for products that deliver on those promises. "A consumer who loves hiking will allocate their budget for a great pair of hiking boots and forego the Gucci shoes that were a priority in another time," notes Forbes contributor Richard Kestenbaum. "Luxury is now about what the products say to the consumer about themselves, what they are committed to, and not just about what it says to other people when it's worn."⁷⁹ Apparently aware of this mindset shift, Gucci was wise to collaborate with The North Face on a 2021 capsule collection. The highly hyped collection includes tents and sleeping bags alongside outdoor apparel for the fashion-forward explorer.

The growth of premium-priced outdoor products points to a larger shift in what we deem aspirational. Klarna's 2020 Holiday Retail Report confirmed this shift, finding that 79% of its customers would rather be healthy than wealthy.⁸⁰ In this new world where personal well-being comes first, old-school status symbols will be replaced with more purposeful purchases. For proof, look how high-end outdoor brands like Arc'teryx continue to experience strong growth in the midst of a global luxury decline.



As consumers question which products are really worth the investment, they'll expect brands to justify their high price tags. The businesses that withstand the test of time will be those that feed our appetite for upscale essentials—delivering high-quality materials, sophisticated design, and most importantly, superior functionality. For a peek into the future, look to ADIFF's upcycled jacket that can turn into a tent (base and poles sold separately). The \$350 solution-based apparel is sold on a buy-one-give-one model. For every jacket purchased, another is given to a displaced person in need.

As the premium market gets a dose of practicality, high-end basics will become their own form of indulgence. Luxury is no longer just for looks. It's meant to be lived in.

WHAT IF...

Luxury brands pivoted to multipurpose products? Allowing shoppers to get more out of their high-end purchases.

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APPENDIX

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EDGES SHAPING THE FUTURE OF RETAIL



Human emotions are being analyzed and optimized in entirely new ways. As feelings turn scientific, a modern wave of mood-boosting products are promising to make us calmer, happier, or even euphoric. Serotonin supplements can cure your sadness. CBD bath bombs relieve stress. And emotion-monitoring wearables help you make sense of how you feel. The market for mood modulation is booming.



Makeshift solutions are earning their time in the spotlight. As resources become increasingly scarce and COVID-19 proves the importance of pivoting quickly, we're finding a new appreciation for frugal, low-tech solutions to everyday issues. When automation loses its allure, human ingenuity will elevate and endure. Step aside, Silicon Valley. Innovation can come from anywhere.



Globalization's fall from grace is allowing us to rediscover our roots. While being worldly was once a point of pride, we're now turning inward and getting in touch with our local and national heritage—gaining new appreciation for the people, land, and traditions that came before us. To know who we are, we must start by celebrating where we came from.



The doom boom is upon us. Political instability, climate change, and a global health crisis are fueling the multimillion-dollar disaster prep industry. Emergency kits and wildfire insurance offer peace of mind for the everyday, while intensified interest in private islands and extreme survival fitness courses point to a growing prepper mentality. As we face our dystopian future, we'll look to brands that help us beat the odds.



From the always-on to the “Time of Off,” welcome to the reflective era. We've overstimulated and overstuffed our lives, and now we're collectively hitting the pause button to reconnect to ourselves. Nothingness is our new ideology, and it's reshaping our values, our systems, and our consumption. Absence is the antidote.

EDGES SHAPING THE FUTURE OF RETAIL



AI is getting personal. What started as a mass movement to make over entire industries is transforming into a tool for individual improvement. A new wave of AI innovations are promising to make us smarter, strengthen our relationships, and guide our daily decisions. But as ethical concerns push us to audit the role of algorithms in our lives, we'll start separating the practical applications from the emotional. It's time to hold AI accountable.



The data rush is underway—and corporate giants and consumers are in fierce competition to get their share. Savvy users are starting to trade their data for currency. And tech giants are banking on data mining as the path to prosperity. As data becomes a prized asset, we'll see the end of unchecked data grabs and vague permissions, and the start of a more formal data exchange economy.



Showing you care is the latest form of self-expression. From hashtag takeovers to pop culture-inspired protests, today's youth are finding purpose and belonging in communities dedicated to creating change. Brands that amplify their voice and provide a platform for their POV will earn their support. In the empathy age, being an activist is the ultimate badge of honor.



Learning is no longer reserved for the classroom. The pandemic put the education system to the test, upending the old ways of exchanging knowledge. School curriculums are moving outdoors and onto TikTok. Peer-to-peer learning platforms are disrupting the instructor-student hierarchy. And adults are aspiring to be more self-sufficient—using their time in lockdown to boost professional skills and personal passions. The new school system knows no bounds.

EDGES SHAPING THE FUTURE OF RETAIL



An economy built on “me,” “more,” and “now” is turning a new page. As consumers wake up to the fact that one-click commands come at a cost, they’ll start thinking twice before sacrificing sustainability for speed, or workers’ rights for savings. Ethical shopping apps are helping people use their purchasing power wisely. And businesses are cutting overproduction by bringing made-to-order from premium to mass. The convenience economy is growing a conscience.



An uptight world is ready to loosen up. Society is turning its back on impossible standards around one-note beauty, buttoned-up professionalism, and picture-perfect lifestyles— ushering in a new, unapologetic attitude. We’re breaking free of unrealistic expectations by shamelessly indulging in life’s pleasures and flaunting our flaws. Aspiring to perfection is outdated.



Health and wellness are converging. A once-sterile healthcare industry is taking cues from the pleasurable parts of wellness, ushering in a more holistic and hyper-personalized approach to medical care. From hospitals that feel like luxury hotels, to at-home test kits that offer exciting insights into our biology, healthcare is going from dreaded to embraced. Who says the journey to better health can’t be enjoyable?

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It's time to welcome back the wild. Science is waking us up to the fact that restoring biodiversity is essential to our survival, and we all have a role to play. Governments are expanding green spaces. Individuals are keeping backyard beehives and learning to forage for food. And global players are working to reintroduce lost species. We're letting nature reclaim its place in our world.



The pressure to gain climate cred is on. With wallets as their weapon, individuals and businesses are taking action. Sustainability is the springboard for innovation and investment in the boardroom. And across the globe, the growth of green banks, ESG, carbon capture companies, and bio-inspired technologies are all evidence of the burgeoning business of climate action. Capitalism is getting a new spin. Welcome to the climate change economy.



A waste-not world is giving physical spaces a second life. COVID-19 has emptied offices and storefronts, accelerating the transformation of urban environments. Think co-living communities that combine work, school, and family life; sharing services that make the most of vacant spaces; and hotels that double as virtual schooling hubs. As we rethink the role of physical space, businesses will remix their real estate for round-the-clock purpose and profit.



True inclusivity isn't a checkbox, it's a form of design thinking. As expectations around inclusivity reach new heights, hyper-critical consumers will sniff out tokenism and expose empty brand promises. Genuine inclusion requires an entirely new blueprint—building systems, spaces, and products to be accessible and representative from the bottom up. New inclusivity-driven disruptors are stepping up and setting a gold standard.