

What to Expect: *Retail 2023*

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KOHL'S

MoëtHennessy

Walmart
Save money. Live better.

P&G

intel

target

J&J

NIKE

3M

CANVAS
WORLDWIDE

Microsoft

MATTEL

Retail's Focus In 2023

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- IMMERSIVE
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RETAIL TRENDS 2023

The Return of the Store

THE RETURN OF THE STORE

Reports of the death of the store are greatly exaggerated, as consumer sentiment reflects a desire for the discovery, trial and connection stores provide.

2/3!

More than two-thirds of consumers prefer shopping in stores for home furnishings and appliances as well as beauty and personal care products.

Meanwhile, only one-third prefers shopping online for apparel, shoes, and accessories.

go.morningconsult.com/State-of-Retail-and-E-Commerce-Report

81%

In the United States, 81% of Gen Z consumers prefer to shop in stores to discover new products, and more than 50% say in-store browsing is a way to disconnect from the digital world.

[The Future of Commerce 2022 Report by Shopify](#)

THE RETURN OF THE STORE

Local Curation

Retailers are reflecting their neighborhoods' vibes and residents' lifestyles via thought-through store design, targeted services and careful product curation. Embracing the strategy, brands appear as an integral part of the local community that supports the residents in their very own specific needs. Merging the trend with purpose-driven initiatives focused around the area, brands not only engage the communities with the personalized approach but also act as community advocates that sustain communal wellbeing.

Express Edit

NEW YORK

Express fashion stores opened in Flatiron and SoHo in 2022 feature a carefully curated assortment of items reflecting the style and character of their respective neighborhoods. To enhance stores' integrity with locals, Express Edits plans in-store activations and partnerships to support local communities.



LOCAL CURATION

Express Edit



LOCAL CURATION

NIKE

GLOBAL

The Nike 'RISE' store uses Sport Pulse, a digital platform that harnesses data from various Nike sources to generate localized messaging and marketing for customers on a two-story screen. Insights from Sports Pulse are be used across the store, like the Footwear Fast Lane, a digital footwear wall providing more personal product guidance.



THE RETURN OF THE STORE

Store As Club

Creating experiences around membership models, along with cultivating an “insider” culture, became a new strategy for leveling up the engagement. Either by appointment, invite-only or via paid subscription, brands provide consumers with unique experiences and access to exclusive benefits, at the same time strengthening their relationship and cultivating long-term loyalty.

Audemars Piguet

NEW YORK

The AP House concept celebrates the watchmaker's heritage, artistry and technological advancements in an intimate space, hoping to immerse the visitors in the brand experience. This intimate approach to shopping includes a library, museum, social meeting area and lounge.



STORE AS CLUB

Audemars Piguet



RH

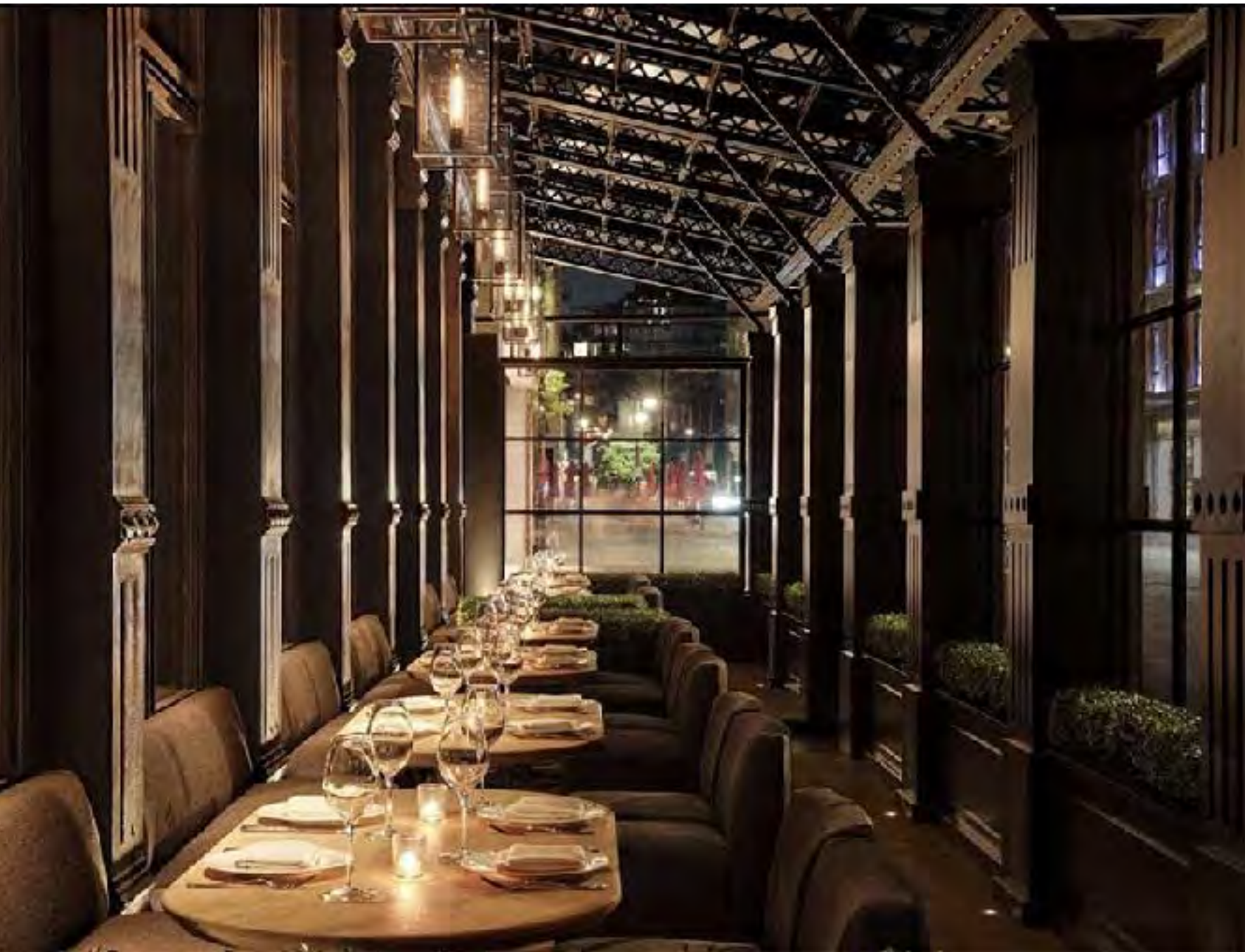
NEW YORK

Formerly Restoration Hardware, RH's guest house was designed through a lens of privacy and luxury, with features such as a "no social media" policy as well to ensure the privacy of all guests. Created by the internal design team, the building also has a private entrance, no lobby, no meetings or events and is home to six guest rooms, three guest suites and RH's CEO private residence, which will be available for booking from time to time.



STORE AS CLUB

RH



THE RETURN OF THE STORE

Sensory Experience

Provide shoppers with a space where they can be immersed in a brand's universe. Brands and retailers invite consumers to know them better and deepen their connection, thus strengthening the relationship and gaining preference.

Mugler

LONDON

A siren-like voice entices visitors into the space, which in turn was composed of a deconstructed sculpture of a reclined woman. The interiors are the same blue shade as the perfume bottle and there is a drop-like fountain. Furthermore, to engage the senses and invite visitors into the brand universe, there is a scent sculpture and a Synesthesia Chamber, that played with light, color, sound and fragrance.

Photo Credit: Random Studio



SENSORY EXPERIENCE

Mugler

Photo Credit: Random Studio



Immersive Playground

Retailers are championing the experience economy by adding play zones to their physical store locations. The imaginative experiences span demographics and age groups, and aim to increase loyalty and shopper ROI by adding an element of engaging fun to the shopping journey. Providing memories families and even adults can't wait to return to is one way brick-and-mortar can build an experiential moat and competitively differentiate against online commerce.

Camp & Disney

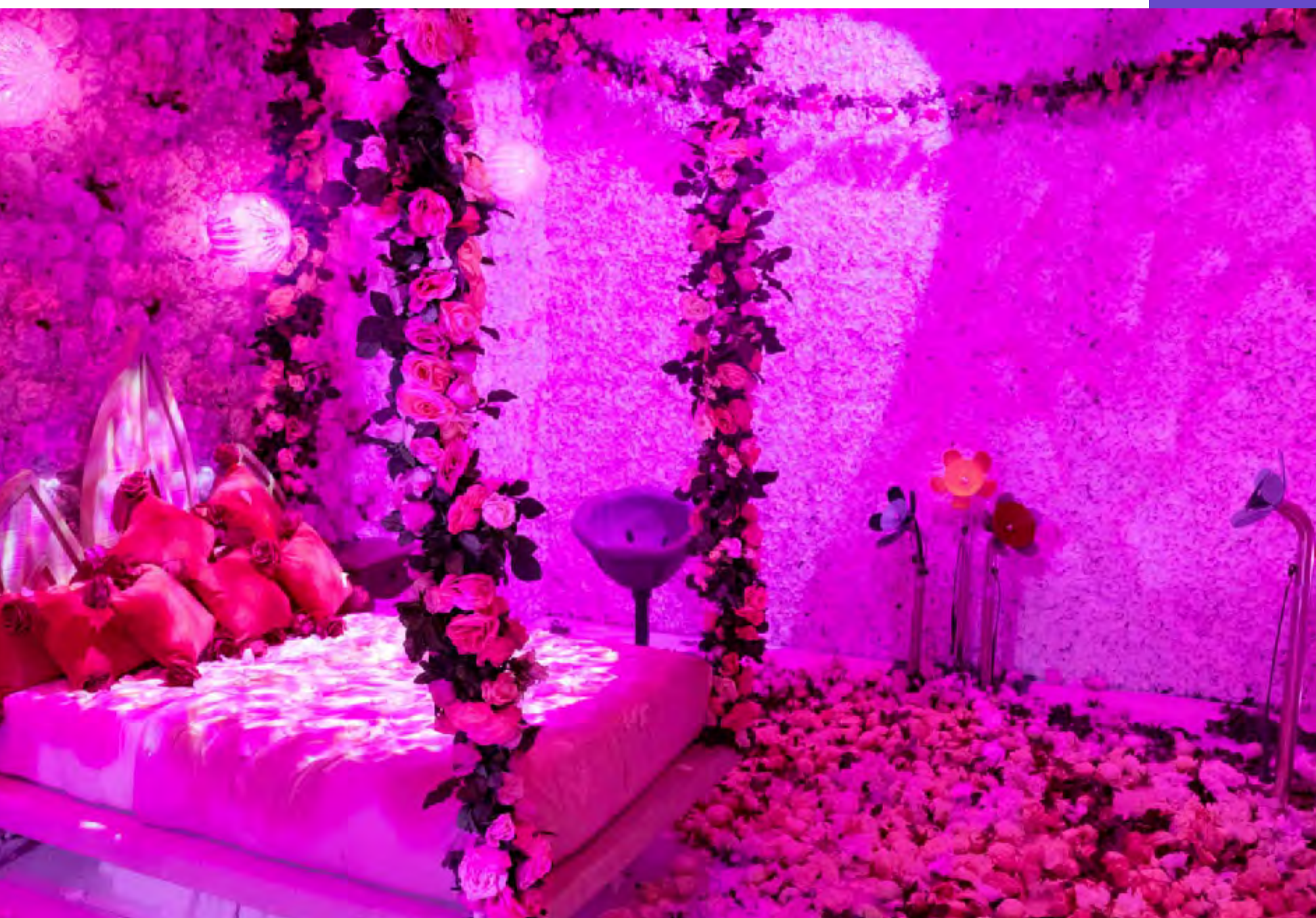
NEW YORK

A collaboration converting over 6,000-square feet of space into a 'Encanto' move experience. Camp carefully recreated the house of the animated Colombian family in real-life size, Antonio's rainforest, Isabela's flower-filled room and more. The area also features secret passages, surprises behind "magic doors" and interactive scenes, not only the ones inspired by the film but uniquely created for the Camp's Experience. On top of all that, Camp's merchants have prepared custom-made, exclusive goods inspired by the movie that can only be found at Camp.



IMMERSIVE PLAYGROUND

Camp & Disney



RETAIL TRENDS 2023

Smarter Marketing

SMARTER MARKETING

When comparing technology expectations to reality, consumers expect retailers and brands to provide greater experiences and personalization than they can currently offer.

3/4

Around three-quarters of consumers across all generations are craving more individualization from brands and rewarding those that have made that commitment.

[2022 Digital Consumer Trends by Age Group.](#)
[Cheetah Digital, 2022](#)

49%

49% of consumers depend on influencer recommendations when making a purchase, resulting in the estimate that influencer marketing will hit \$16.4B in 2022.

[fastcompany.com/whitelisting-at-scale-in-influencer-marketing-campaigns](https://www.fastcompany.com/whitelisting-at-scale-in-influencer-marketing-campaigns)

Connected Journey

Accustomed to the customization of immersive worlds and the unlimited information and product options available across digital storefronts, consumers now expect the same level of responsiveness from retail stores.

To meet these expectations, retailers are connecting consumers' profiles, allowing them to seamlessly save and share their preferences and details as they navigate from online to the store to an app, allowing for personalization regardless of the channel or location.

Maserati

NORTH AMERICA

North American consumers are able to start their process online at the “My Maserati Showroom” by making reservations at their local dealership and configuring their preferred model from home. Other tools like “My Maserati Expert” and “Remote Test Drive” enable consumers to book time with specialists online, and then set up a test drive experience IRL either at the showroom or at their home. When customers arrive in the showroom, for either a test drive or to make a final purchase, associates are outfitted with each customers’ details that had been shared in the Maserati portal.

MASERATI REMOTE TEST DRIVE

Test drive your favorite Maserati model from the convenience of your own home, or office. The choice is yours. Maserati offers Remote Test Drive at selected dealers throughout the nation. With Remote Test Drive, your dealer can drop off the vehicle of your interest at your preferred location. You can then proceed with remote unlocking the vehicle thanks to the Maserati Connect App and enjoy your test drive. You can then drop off the vehicle, lock it with the Maserati Connect App and contact your dealer for the vehicle retrieval.

Please watch the following video for more information on the Maserati Remote Test Drive.



Nano-Influencers

With anywhere from 100 to 10,000 followers. As community stakeholders and niche tastemakers, these micro and nano influencers are able to provide their community with curated recommendations specific to their interests, hobbies and style spanning verticals like fashion and beauty to personal finance and career development.

NANO-INFLUENCERS

Sally's

USA

Sally Insider is a new micro-influencer program from the retailer that will provide free products to 1,000 micro and nano influencers to be demonstrated, reviewed and shared amongst their followers and community. Influencers can be any beauty fan from “from beginners to expert DIYers.”



Store as Stage

Innovative brands are turning their retail stores and other branded environments into hybrid spaces that can simultaneously host live in-person and remote experiences. These mixed use spaces and content studios look to maximize audience size and experience while offering new types of engagement opportunities regardless of where someone is joining from. Along with equipment and space, brands are also providing the proper training and expertise to set their associates and select influencers up for success, while also amplifying their ability to reach a wider audience.

Beautycounter

USA

Connecting its online customers and in-store experts, clean beauty startup Beautycounter has designed its Los Angeles store to act as a virtual retail assistance and live stream studio. While the front of the store offers a traditional retail setting, there is a stage in the back equipped with professional lighting and audio equipment, where Beautycounter's employees are able to stream throughout the day. Customers watching from home can browse aisles with the assistance of an in-store expert, click on featured items to view a product page or checkout and ask for product application tips or recommendations. ([link](#) and [link](#))



Beautycounter

Chat

Ellie Hi from LA! You're glowing Meahgan <3

Sage Johnson So excited!

melissa hello from minneapolis! xo

Dalia 2 years!

Jeni Wertzberger Queen Creek, Arizona 🌱

Tracy Passmore Gateway Products -Dew Skin & Overnight Peel in Enrollment Kit

b Beautycounter HQ These are great ones Tracy ;)

Iars clive

Tonja Denver - love our store

Babusch I'm excited


Chloe Jones New Prague, MN


RECORDED


02:17


03:32 / 26:42


Shop

Counter+ All Bright C Serum

Counter+ Overnight Resurfacing Peel

Countertime Tetrapeptide Supreme Cream

Countermatch Adaptive Moisture Lotion

Dew Skin Tinted Moisturizer

Trust Through Transparency

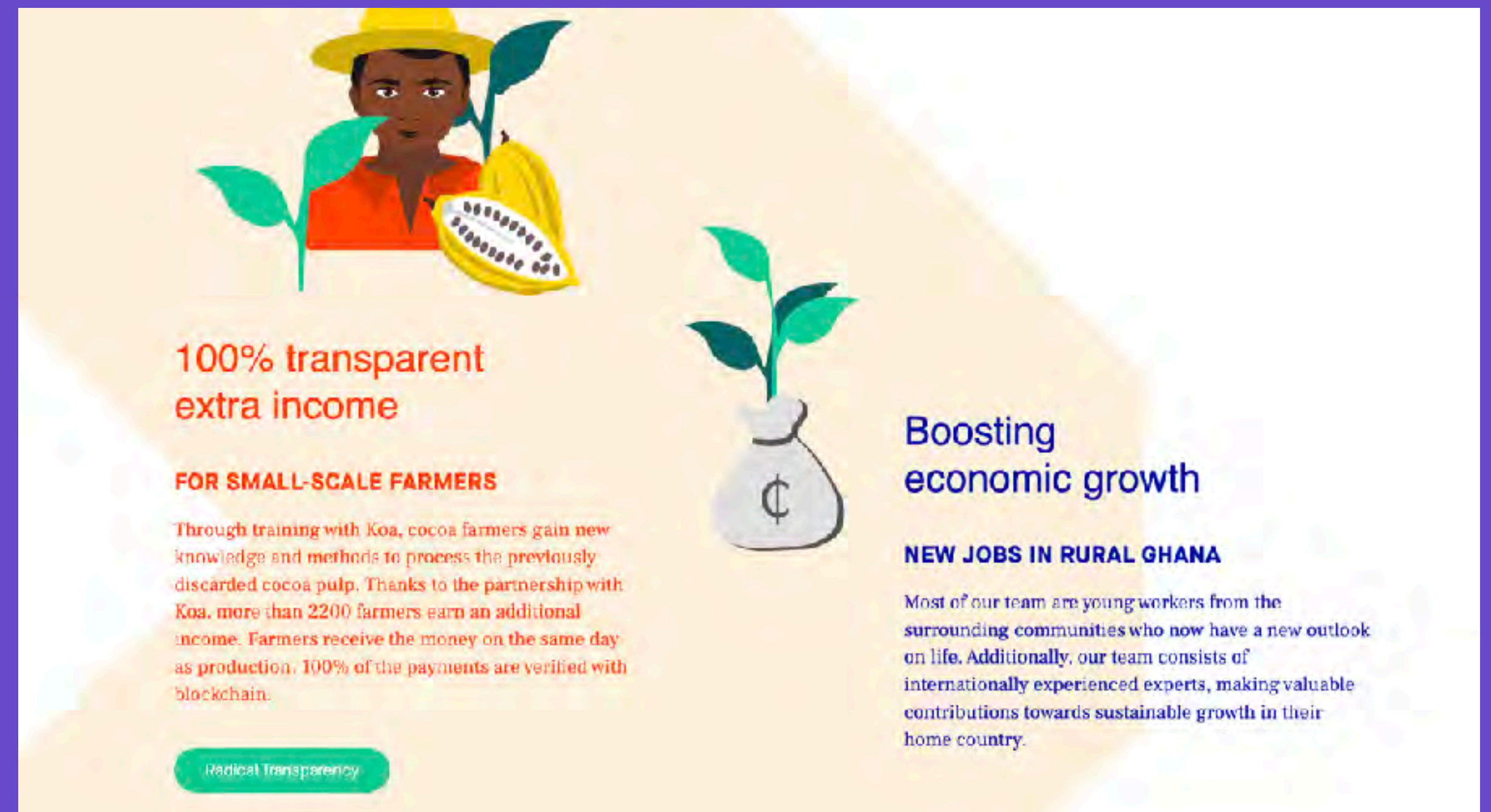
Blockchain can enable more transparent and accurate end-to-end tracking in the supply chain: Brands and retailers can digitize physical assets as NFTs and create a decentralized immutable record of all ‘transactions’, making it possible to track assets from production to the store to even use by the end-user. This opens up the opportunity for brand manufacturers to provide transparency to their customers particularly in terms of sustainable practices and labor policies.

TRUST THROUGH TRANSPARENCY

Koa

SWITZERLAND

Swiss chocolate maker is bringing openness to their brand values by showing exactly what they're paying specific farmers and collectives with transparent records on a blockchain log.



The infographic features a central illustration of a farmer in a yellow hat holding a cocoa pod, with a green plant growing from a money bag below. Text on the left highlights '100% transparent extra income' and 'FOR SMALL-SCALE FARMERS', explaining that farmers gain new knowledge and methods to process previously discarded cocoa pulp, earning an additional income verified on a blockchain. Text on the right states 'Boosting economic growth' and 'NEW JOBS IN RURAL GHANA', noting that the team consists of young workers from the surrounding communities and internationally experienced experts. A green button at the bottom left says 'Radical transparency'.

100% transparent extra income

FOR SMALL-SCALE FARMERS

Through training with Koa, cocoa farmers gain new knowledge and methods to process the previously discarded cocoa pulp. Thanks to the partnership with Koa, more than 2200 farmers earn an additional income. Farmers receive the money on the same day as production. 100% of the payments are verified with blockchain.

Boosting economic growth

NEW JOBS IN RURAL GHANA

Most of our team are young workers from the surrounding communities who now have a new outlook on life. Additionally, our team consists of internationally experienced experts, making valuable contributions towards sustainable growth in their home country.

Radical transparency



RETAIL TRENDS 2023

The Center of Community

THE CENTER OF COMMUNITY

Purpose-Driven Destinations

Many brands and retailers different values and principles that are not always communicated or explored. With pop-ups and take-over these qualities can be turned into actions and delved into from different angles, thus granting a different relationship with potential customers above the traditional buy-sell transaction.

Ring

LONDON

A pop-up coffee shop in the UK called NeighbourGood Cafe exchanges coffee free of charge for customers if they offer a helping hand to someone in their community.

When visiting the pop-up, customers were encouraged to write down their good deed idea and pin it to the "pledge board."



THE CENTER OF COMMUNITY

Representative Advisory

Retailers are actively ensuring that a diverse range of voices are being heard, from the top down by creating advisory councils, boards and positions within their own organizations or partnering with those outside of them.

CVS

USA

To help the retailer bring diversity to their beauty aisles and marketing campaigns, CVS chose beauty influencer Nyma Tang to be their first-ever Beauty Inclusivity Consultant. In the role, Tang will work directly with CVS executives on designing inclusive beauty aisles and campaigns, provide advice to the brand on assortment, and she will conduct monthly workshops to educate CVS team members around diversity initiatives.



THE CENTER OF COMMUNITY

Investing In The Community

Beyond offering products, there is a need across communities for retailers and brands to provide services at a local level that address personal growth as well as systemic change. Through these partnerships, retailers are able to not only meet real needs, but also ensure initiatives are sustainable and continue to grow.

TACO BELL

USA

The fast-food chain is teaming up with the University of Louisville to introduce the Taco Bell Business School, a franchisee training program it hopes will eliminate barriers to entrepreneurship for its employees.



Better Service

BETTER SERVICE

93%

93% of retailers expect an increase in the use of consumer mobile devices in stores by 2025 and 83% of retailers anticipate an increased amount of technology deployed in store.

[Connected Retail Experience Study, by Incisiv 2022](#)

BETTER SERVICE

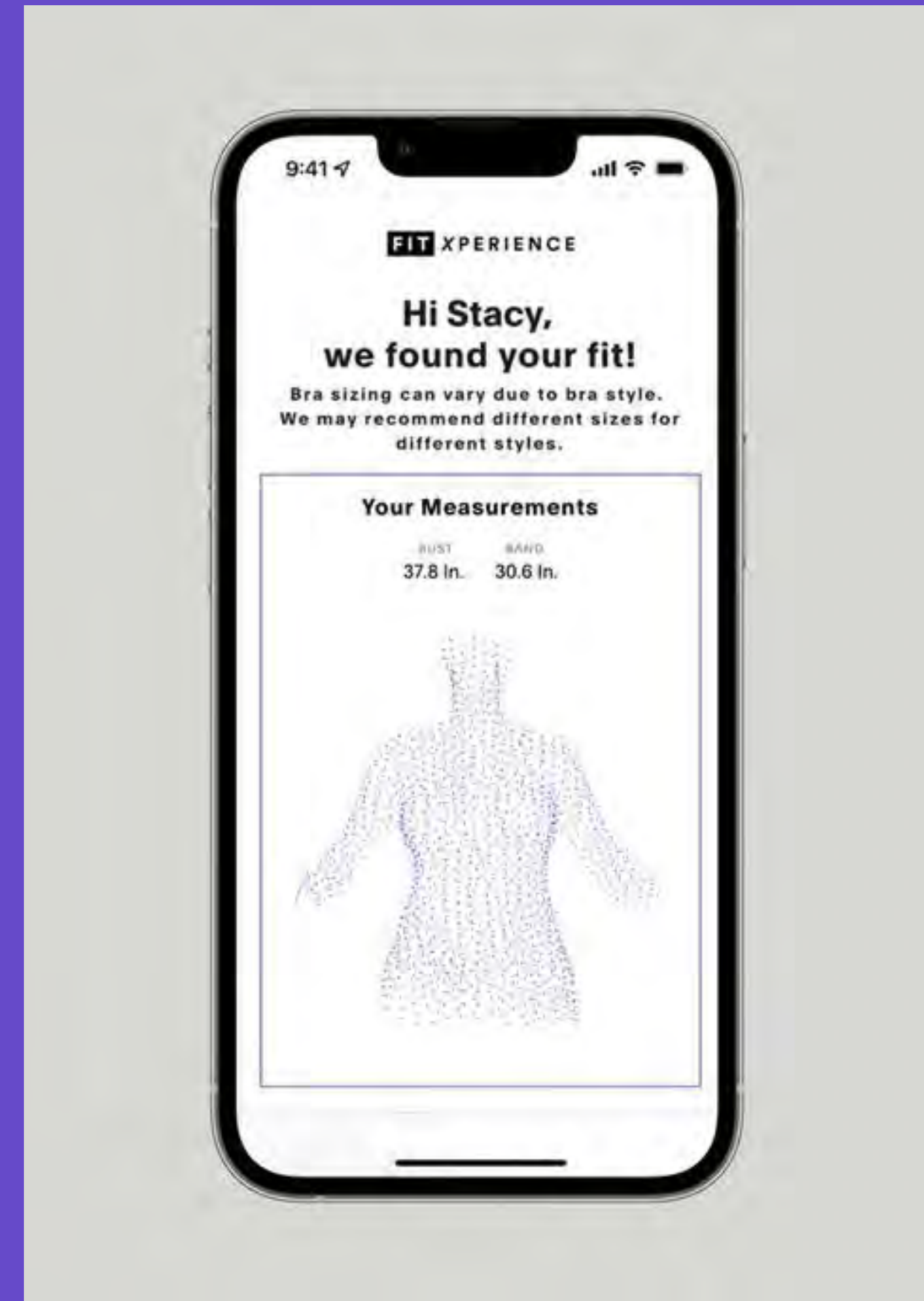
Tailored Product Fit

To create a better experience and provide more personalized recommendations, retailers are outfitting their stores and associates with tech-supported tools to help customers determine the optimal product selection.

Savage x Fenty

USA

Pop-singer Rihanna's underwear brand that focuses on inclusive sizing, is rolling out its first five brick-and-mortar stores and arming associates with mobile body-scanning technology from Fit:Match to help customers find the best fit. The brand's fitting room will also have the technology available, so scans can be done in private.



TAILORED PRODUCT FIT

Savage x Fenty



BETTER SERVICE

Contextual Clienteling

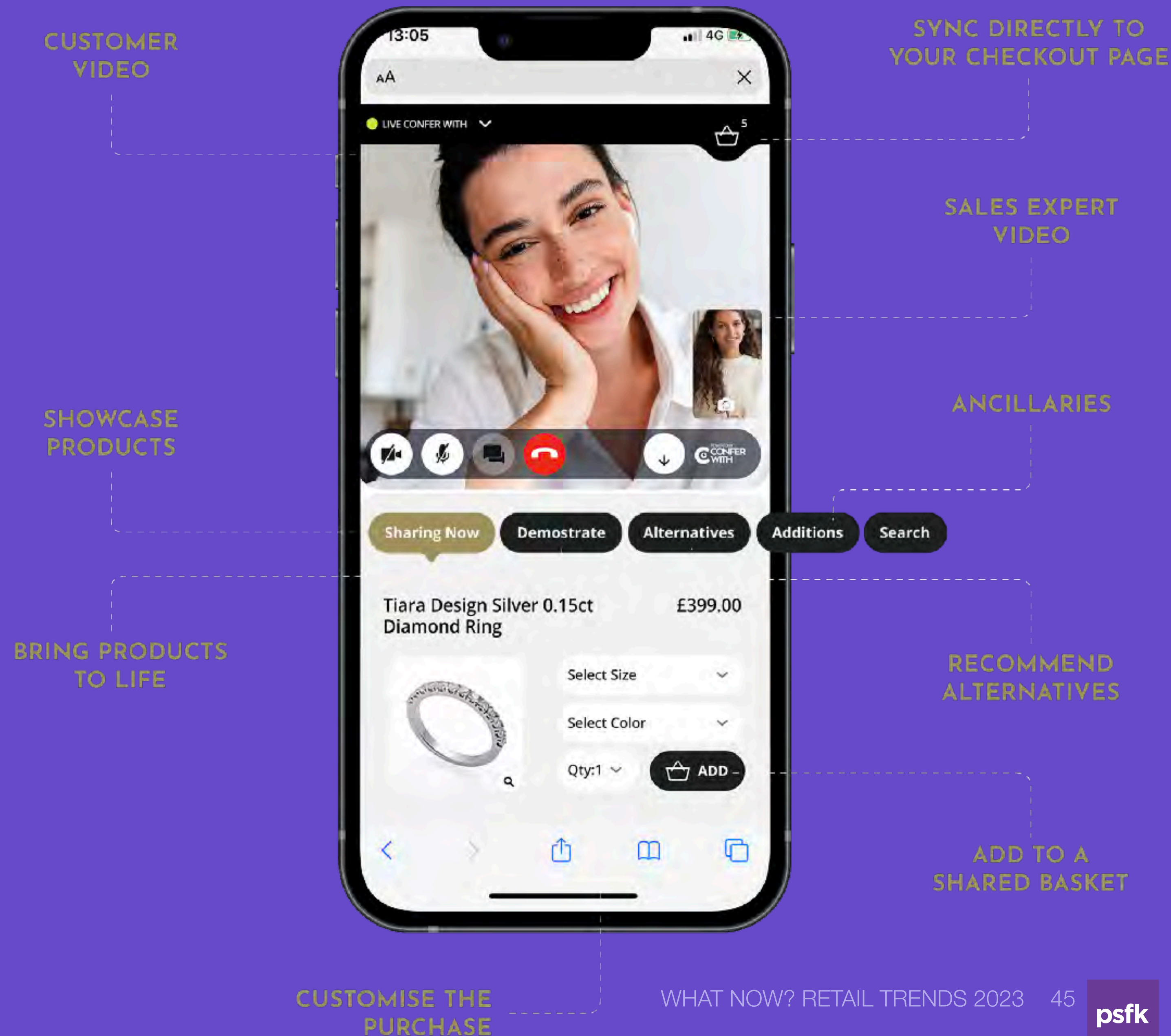
Spanning stores, websites, apps, social media, gaming and more, consumers are connecting to associates, content, products and experiences across a multitude of channels and platforms. To deliver against an expectation for real-time support at every touchpoint, brands and retailers are adopting AI and tech solutions to provide customers with 1:1 support throughout the product discovery and trial phase.

CONFERWITH

ConferWith is a video eCommerce solution that allows customers to connect with retailers via video and with the click of a button.

Once connected, a salesperson can share videos, product links and more with customers. Whilst the customers can complete transactions in real time as the sales associate helps them to populate their cart.

Confer also offer whitelabel call center optionality for customers, allowing for an always on experience and variable cost model for sale support.



Accessible Access

Retailers are increasing their efforts to ensure all customers have access to assistance when needed by preferable means, whether in-person assistance, video service or chat.

Depending on the platform or mean, brands empower individuals with direct, one-to-one support, guidance, simultaneous language translation and empathetic service. Savvy brands wanting to deliver exceptional on-demand assistance are leveraging cutting-edge AI-powered systems trained to be adaptive and intuitive to consumers' needs, serving not only consumers with disabilities but brands as well by reducing administrative workflows and addressing all clients' requests in an instant manner. As the increasing awareness around the spectrum of human needs has put a new focus on inclusive design, on-demand assistant services for consumers with special needs are becoming not a premium, but a regular service.

Starbucks

USA

Starbucks mobile service connects blind and low-vision people to trained visual interpreters who provide instant access to visual information through a smartphone app. This helps all types of consumers understand what's on the menu plus new seasonal options or exclusive in-store offers.



BETTER SERVICE

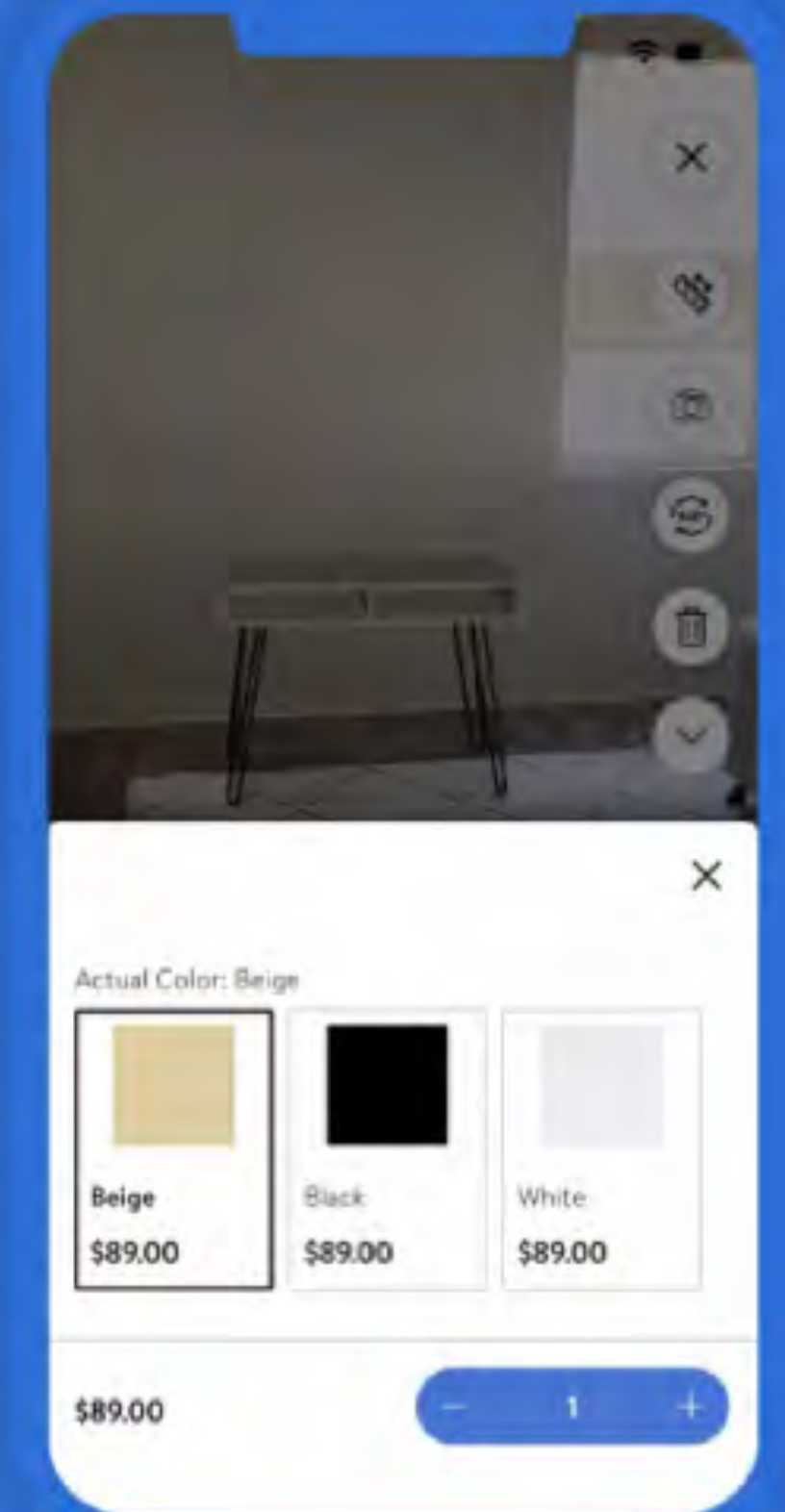
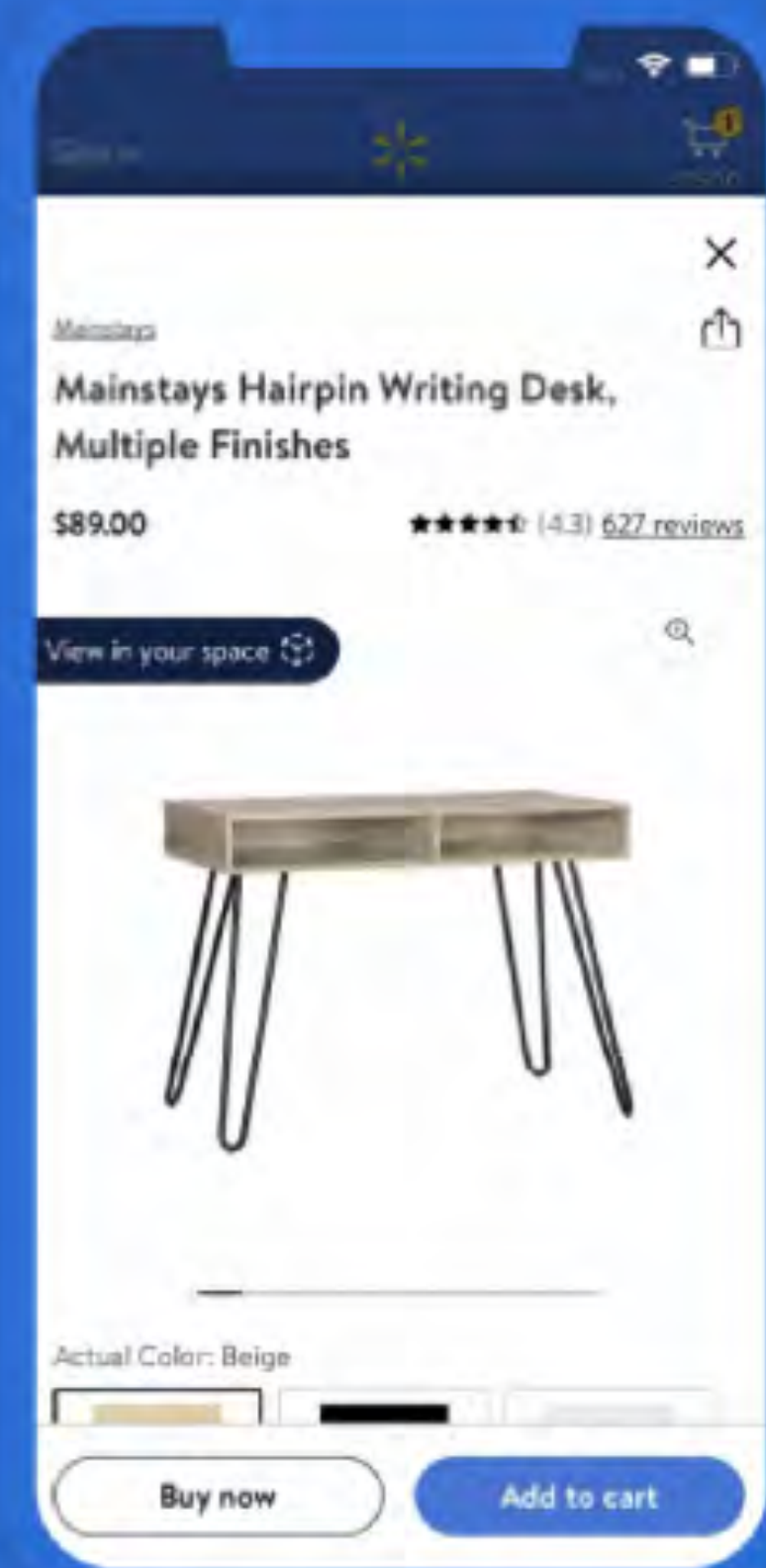
Digital Try Out

Growing adoption and applications of augmented reality technology paired with sophisticated image recognition capabilities have added a layer of digital information and interactivity onto the physical world.

WALMART

USA

Walmart has launched an AR tool allowing consumers to view how Walmart furniture and home decor items appear in their own homes. Using the phone's camera, consumers can see if the products fit in their spaces before attempting the purchase. While rolling out the tool, Walmart thought of accessibility and included several other features that will allow those with limited mobility to place an item in the spot and move it around with gesture controls instead of swiping. Consumers with visual impairments can use voice-based instructions and descriptions. Additionally, Walmart is working on another AR tool, allowing associates and consumers to point their mobile devices at store shelves using their cameras, elevating product information visibility.



Alt. Revenue Opportunities

Shared Operations

Acting in some way as logistics service providers, retailers are offering value-add services to consumer goods companies and other retailers. By strategically selling to other brands and companies, these retailers as platforms can also build out their own ecosystem and further differentiate themselves from competitors.

American Eagle

USA

American Eagle has acquired two supply chain businesses for hundreds of millions of dollars in order to build out a logistics platform it hopes its other retail and apparel peers will want to utilize, in what the retailer is calling an anti-Amazon, “frenemy network.”



Retail Media

Retailers to build their own media networks. Not only do they have more control over content, but they also glean far more insights about whether or not their advertising has been successful and are starting to get very creative about ways in which to reach their customers.

Kroger

USA

Retailers like Kroger the are selling media-time on their in-store networks and online channels. They provide brands with opportunity to advertise through touch points - plus they are able to show impact by sharing a feedback loop of smart attribution data.

Simple Truth® case study: **Digital Media and Targeted Direct Mail** amplify in-store sales **lift up to 103%**

Household penetration increased by 32% for Baby and 98% for Household Needs. Layering channels drove additional uplift for Baby, and total sales uplift of 22%. Household Needs sales uplift was 103%.



Thought Starters

1

USE STORE AS A
LOCATION TO
CREATE CONTENT
& CONNECT WITH
CUSTOMERS
REMOTELY

2

PROVIDE AN
INTERACTIVE &
IMMERSIVE
EXPERIENCE
OF BEING IN
THE STORE

3

OFFER TOOLS
THAT ALLOW
SHOPPERS TO
ACCESS
ASSOCIATES
WHILE ONLINE

4

INVEST IN
YOUR ROLE IN
THE COMMUNITY
& ENSURE
INCLUSION
BY ALL

5

CONSIDER
NEW WAYS
TO MONETIZE
YOUR ASSETS
& LOGISTICS

Why Now?

Despite current challenges, now may be the best time to embrace innovation and trial and error learning.



“If You’re on the Brand or Client Side of the Marketing Equation, my Recommendation Is To Put a Reasonable Innovation Budget to the Side and Play With It.”

Craig Brommers - CMO, American Eagle

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Our integrated approach to research, content, events and our network provides you with the knowledge and savvy you need to get ahead of the trends.

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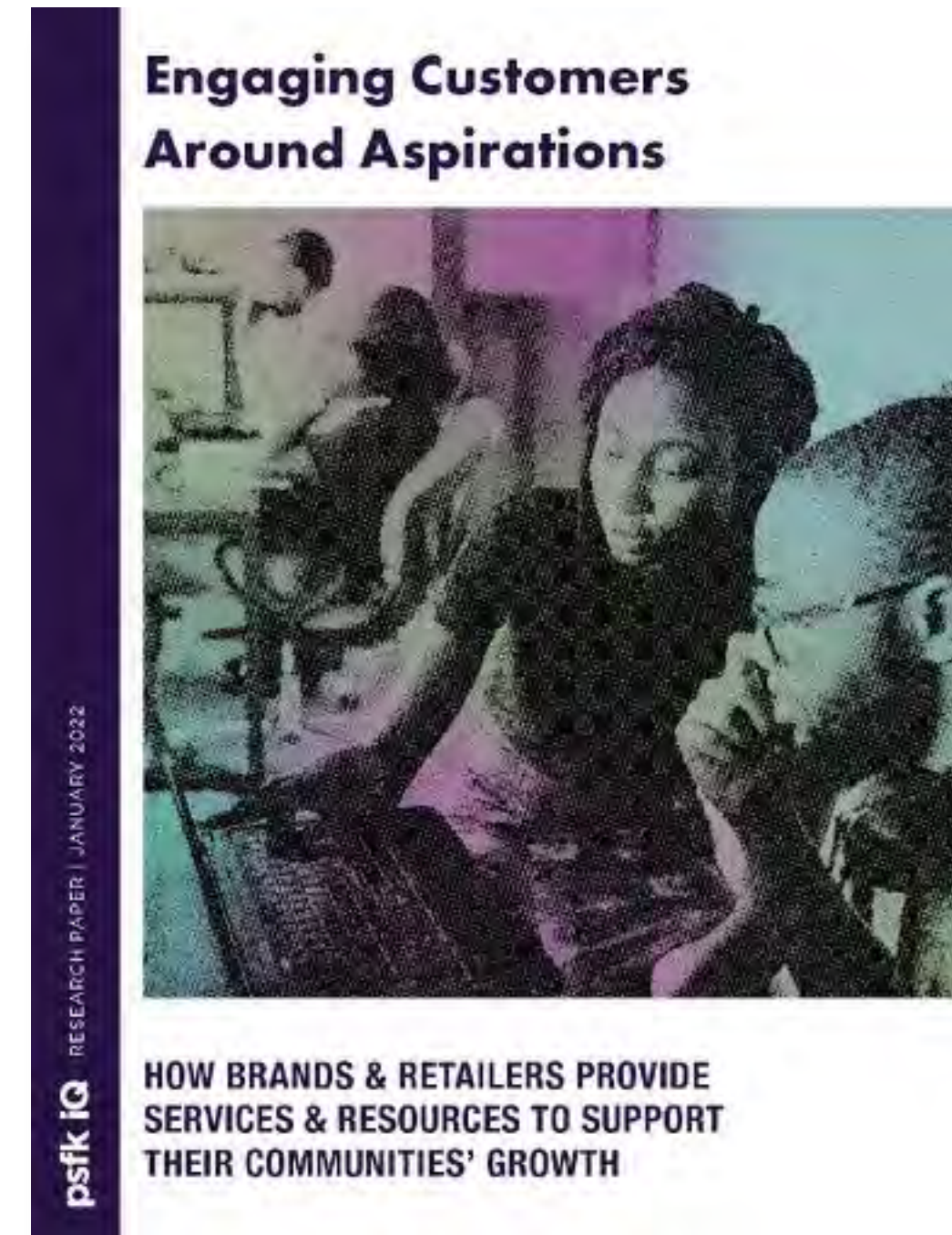
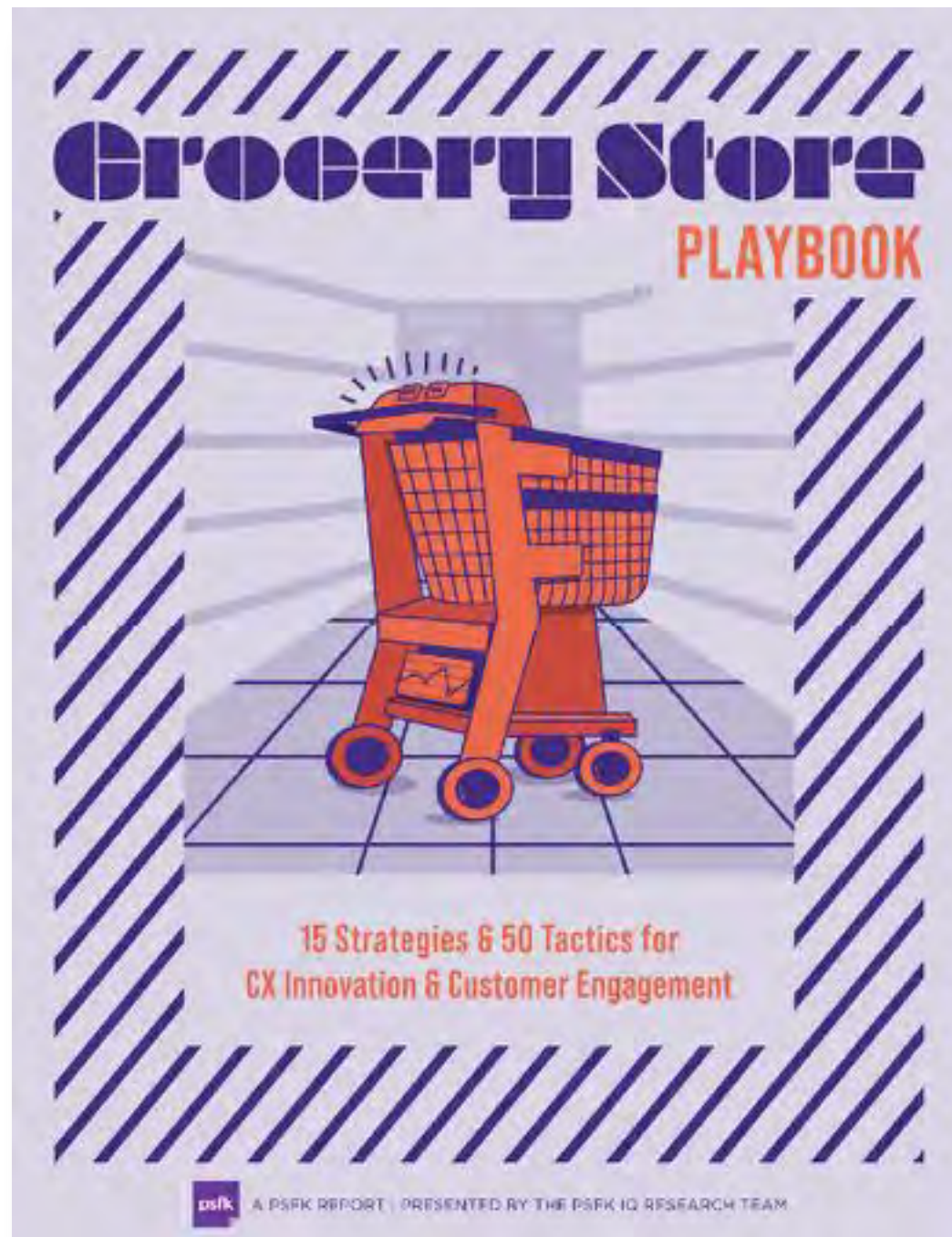
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