GLOBAL CONSUMER REPORT 2019

Ebeltoft Group
International Retail Experts

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About Ebeltoft Group

Ebeltoft Group is a global alliance of retail consultants with members in 20 mature and emerging retail markets. We work closely with clients from around the world, to help transform their business and develop innovative and strategic retail solutions. Since 1990, we have helped retailers and suppliers remain competitive and achieve their goals by blending global retail expertise with our members' local insights. Ebeltoft Group serves 36 of the top 100 retailers and 29 of the top 50 manufacturers worldwide. Since its founding, Ebeltoft Group has been conducting annual global research and trend studies, in addition to analyzing global retail innovation trends. Since 2005, Ebeltoft Group has presented the annual publication, Global Retail Trends & Innovations, focused on emerging trends and innovative cases across the globe. The Ebeltoft Group Global Consumer Report 2019 adds another layer to the publication by investigating consumer behavior across member countries.

Our vision

Ebeltoft Group wants to change the future of retail. We plan to do so by working closely with our clients to better understand business models, disruptors, digital transformations, technologies and consumer demand to predict trends and changes for the future. Ebeltoft Group creates the vision, the inspiration, and the concepts while our local members help retailers put them into action and transform companies.

Our mission

Ebeltoft Group's mission is to help support and build the strongest local brands with a unique track record of delivering concept development, inspiration, insights and deep knowledge about the consumer and retail. We use the global insights provided by Ebeltoft Group in combination with strong local market know-how to develop market relevant expertise.

Ebeltoft Group Partner Network

Full members

Retail Doctor Group
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www.retaildoctor.com.au

Grupo GS& - Gouvêa de Souza
Ebeltoft Brazil
www.gsmd.com.br

J.C. Williams Group
Ebeltoft Canada
www.jcwg.com

Retail Institute Scandinavia
Ebeltoft Denmark
www.retailinstitute.dk

Diamart Group
Ebeltoft France
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Ebeltoft Italy
www.kikilab.it

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Ebeltoft The Netherlands
www.qanda.nl

Instituto de Marketing Research
Ebeltoft Portugal
www.imr.pt

Architected Business Solutions
Ebeltoft Romania
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RAMMS
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Ebeltoft Ireland
www.180.ie

About Ebeltoft Group global consumer report 2019

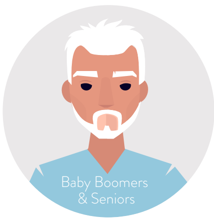
Purpose
Ebeltoft Group is continuously working to better understand consumers globally in order to provide leading retailers with the best advice and services. With the ever-increasing globalization and the related changes in consumers' global outlook, trends and tendencies emerge across borders. Our yearly publication of Global Retail Trends & Innovations highlights the current and emerging trends in today's retail environment. Our retail experts from around the world join forces to share insights from their local markets that inspire ideas to innovate and future-proof businesses. For the 2019 publication, we reviewed more than 140 innovative examples from 20 countries, revealing the four key trends of what's to come in retail. This year's trends are: Omniexperience, Smart Shopping, Engagement, and Activism.

The 2019 Global Consumer Report studies consumers in select markets to uncover their behaviors and attitudes and shares the insights across the world. This report links the four key trends to the innovation cases in Global Retail Trends & Innovations 2019. For more inspiration and innovative examples that bring these trends to life, get a copy of this year's Global Retail Trends & Innovations 2019 publication at www.ebeltoftgroup.com.

Methodology
The 2019 Global Consumer Report by the Ebeltoft Group surveyed 13,000 consumers in January 2019, covering 14 international markets and member countries, including Australia, Belgium, Brazil, Denmark, France, Germany, Netherlands, Norway, Poland, Romania, South Africa, Spain, UK and US.

Respondents and generations

13,000 consumers aged 18+ were surveyed across 14 countries.
Consumers were segmented into three generations:



1. Millennials
18-37 years old.
Born between 1982 and 2000.

2. Generation X
38-58 years old.
Born between 1961 and 1981.

3. Baby Boomers & Seniors:
59+ years old.

Throughout the report, the age groups will be referred to as the generations mentioned above, and graphically marked with the above illustrations.

Throughout the report, men and women will be graphically marked with the below illustrations.

Introduction

Understanding consumers and their behavior and preferences has become an increasingly difficult job for brands and retailers in a world dominated by rapid digital development and technological innovations. Consumer expectations of customer experience are higher than ever. Tech-savvy consumers are well-educated and expect seamless shopping experiences, making the customer journey more complicated than ever.

We are in a critical time where retailers must understand the macro trends driving consumer behavior at a global level. Consumers expect a unified, seamless experience across all channels, and in fact, we suggest getting rid of the channel all together in organizations (we do employ the term throughout this report for explanation and clarifying purposes). Consumers expect retailers and brands to deliver smart, fast and convenient experiences, while also delivering engaging, exciting, and social experiences. Consumer awareness is dominating purchase decisions all over the globe, and retailers who fail to act upon this will suffer at the hands of today's conscious consumers.

Report overview

In this report, we cover the four macro trends driving consumer behavior at a global level. We will share a detailed look at the global consumer across the globe through the trends Omniexperience, Smart Shopping, Engagement, and Activism.

Omniexperience

Seamless, integrated customer experiences

Everywhere commerce – digital & physical fusion - millennials

Retail is changing at a rapid rate. Retailers who have yet to adopt an omnichannel strategy will struggle to stay afloat. Today, omnichannel has established itself as the retail strategy best suited to accommodate consumer needs as it ensures connected, holistic and channel agnostic brand experiences across all touch points in the evermore complicated customer journey and allows customers to get inspiration, offers, services and buy regardless of how, when and where they might want to do this.

As several studies have determined time and time again, the physical store is still relevant, however retail must provide consumers access to all touchpoints and be up-to-date in today's technology-forward environment. The customer journey has been disrupted by innovative digital technology allowing consumers to shop anywhere, anytime, any way and whenever they prefer. Hence, in retail, the word channel has become irrelevant as customers do not distinguish between whether they are shopping online, in-store, from their smartphone, on the bus, via Alexa, ordering online and picking up in-store, or using one of the hundreds of other shopping options and mixes available – it is simply just retail.

The rapid development of new innovative services and technologies has put the customer in the driver's seat. The physical and digital universes have meshed forcing retailers to deliver a multi-faceted shopping experience that is seamlessly integrated across the entire journey to a final purchase – and after.

The Ebeltoft Group is focused on the customer experience, not individual channels. Therefore, channel has been replaced with experience to become omniexperience. Creating an omniexperience is defined by creating a unified experience that delivers a new level of convenience to the customer. Click & collect is the classic example of an omniexperience where customers can order online and pick up in-store at convenient locations within a few hours or less. For 68% of consumers in the countries surveyed, it is important that websites provide options to pick up their order at a store or another convenient physical location. Unsurprisingly, this stat is driven by the Millennial/digital-native generation, where 74% indicate that shopping online and having the choice to pick up their order at a convenient physical location is important. On average, over half (52%) of consumers have used click & collect services within the last 12 months, 65% of Millennials have done the same, and 36% of 59+ consumers have bought a product online and picked it up in a store within the last 12 months. Differences were observed by country: we found that more UK and Norwegian consumers have used click & collect services (70% and 63% respectively), and less German and Belgian consumers (37% and 35% respectively).

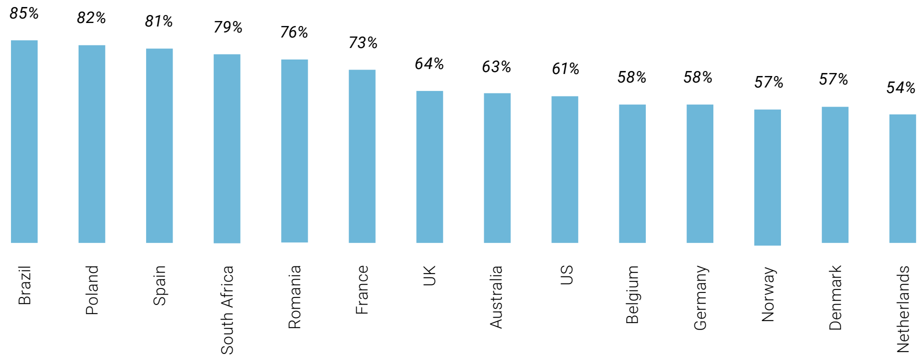
For 68% of consumers it is important that online stores provide options to pick up their order at a store or another convenient physical location.

Buy Online Pick Up In Store

Consumer behavior and attitudes towards click & collect

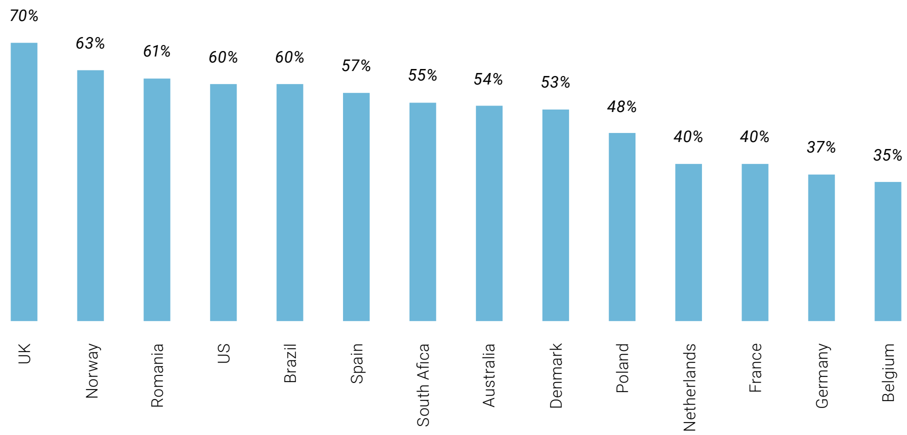
How important is it to you that online stores provide options to pick up your order at a store or another convenient physical location?

Answer: important + very important



74% 69% 59%

Yes, I have bought a product online and picked it up in a store (i.e. click and collect) in the last 12 months



Omniexperience also means being able to order online and return or exchange products in-store, being able to choose items online that you want to try in a physical store, or order and pay for meals on the go, that are ready when the customer arrives. Omniexperience means being able to interact digitally in-store to eliminate customer pain points: e.g. augmented reality assistants that lead you to the product, ordering out-of-stock items for home delivery, seeing customer reviews in-store, etc.

The global consumer is hyper-connected and leads a digitally-driven lifestyle. He/she engages on several digital platforms and touch points, for inspiration, information, reviews and advice from peers, before making a purchase decision. He/she also prefers engaging physically in-store, stressing the importance and need for retailers to incorporate digital elements in physical stores and the relevant roles stores still play in the customer experience. It is imperative for retailers and brands to meet customers on their own terms and understand their need for *physically* being able to interact *digitally.* The internet has educated consumers, they are well-informed, have constant access to information and they equally expect this high convenience level in stores. An example of offering a seamless *phygital* experience is interactive mirrors within fitting rooms. 51% of consumers noted they are interested in this digital solution to e.g. call for assistance or a different size, eliminating the classic pain point of having to wait for or even having trouble finding available staff to assist them. Looking at digital innovations in-store, we found the interest is driven primarily by younger consumers, Millennials, with percentages 10% above the total of the consumer average in the countries surveyed. The next few pages show the global interest in digital in-store services.

Omniexperience best in class:

HEMA by Alibaba

HEMA looks and feel just like a regular store, but it is also a fulfillment center for online shopping. At the store, customers shop through a mobile app, and data is collected to study shopping behavior and individual preferences. HEMA won this year's innovation prize in Global Retail Trends & Innovations 2019.

*For more information see **p. 14** in Global Retail Trends & Innovations 2019 by Ebeltoft Group.*

Consumer attitudes towards digital services in-store

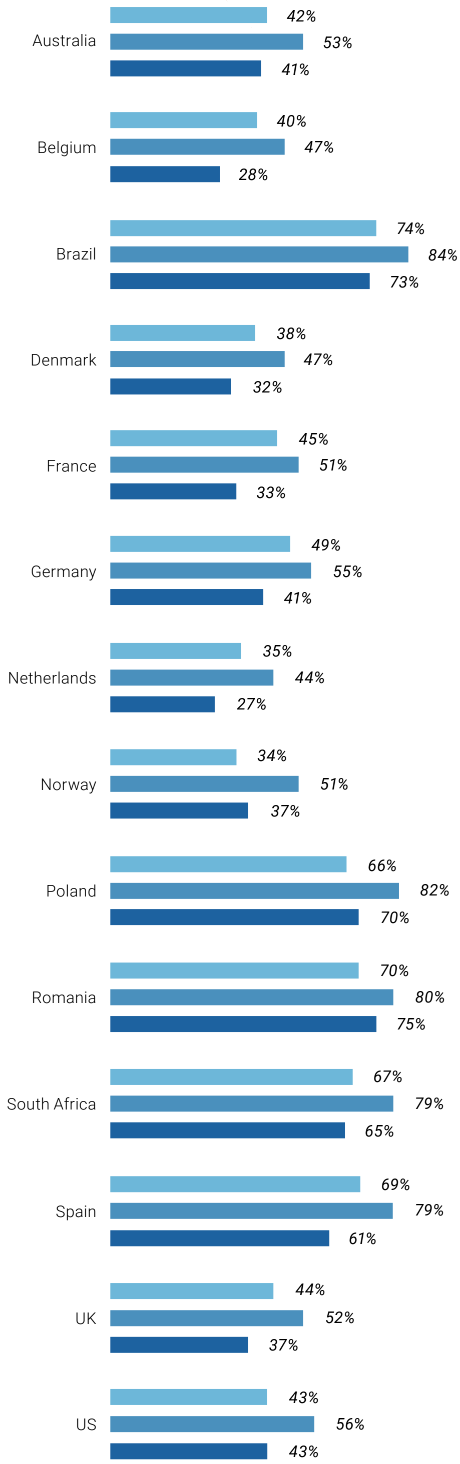
To what extent are you interested in:

Answer: very interested and interested

Interactive mirrors within fitting rooms (i.e. asking for assistance or a different size via a smart mirror)

Virtual reality or digital visualisation services (i.e. previewing through virtual imaging how, for example, furniture would fit in your home or clothes would fit you)

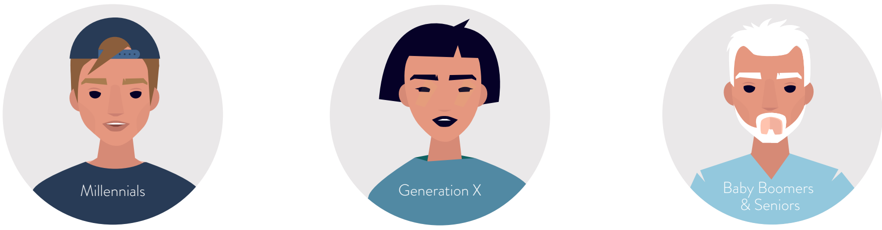
Virtual shopping walls (shopping or buying products via an interactive digital screen or wall in or outside a store)



The generations attitudes towards digital services in-store

To what extent are you interested in interactive mirrors within fitting rooms (i.e. asking for assistance or a different size via a smart mirror)

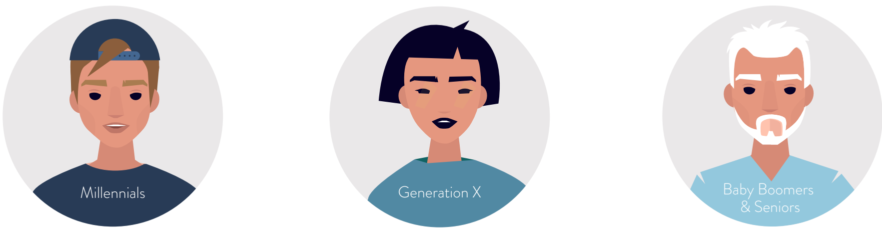
Answer: very interested and interested



Millennials	Generation X	Baby Boomers & Seniors
62%	50%	40%

To what extent are you interested in virtual reality or digital visualisation services (i.e. previewing through virtual imaging how, for example, furniture would fit in your home or clothes would fit on you)

Answer: very interested and interested



Millennials	Generation X	Baby Boomers & Seniors
70%	62%	52%

To what extent are you interested in virtual shopping walls (shopping or buying products via an interactive digital screen or wall in or outside a store)

Millennials	Generation X	Baby Boomers & Seniors
58%	48%	34%

Smart Shopping
Easy, fast and convenient experiences

Return on time, convenience, simplicity, services @retail

Customers engaging across channels and platforms emphasizes (and reinforces) their need and desire for convenience throughout the shopping journey. Modern and tech-savvy consumers are more demanding than ever since they have never felt more time-starved, and they are therefore looking for solutions and services that can either save them valuable time or offer a return on time in the shape of experiences.

This is especially true for the younger generations with 72% of Millennials indicating that it is important that stores offer time-saving shopping experiences. Across all age groups, the average is 63% and we only expect this number to rise as new consumers, who will be even more digitally oriented, enter the market. Smart Shopping promises consumers an easy, fast and an as convenient as possible experience, whether they are shopping online, in a store, or across a mix of different channels, devices and platforms.

Online shopping, technology and digital services play a major role in consumer lives by offering convenience, simplicity and instant gratification. Currently, there are approximately 2.5 billion smartphone users in the world, accustoming consumers to the ease and benefits of always being connected and having knowledge, information, inspiration, shopping opportunities, and even their friends and family right at hand. The smartphone has only increased impatience and consumers need for immediacy. It has penetrated our lives and has become a necessary everyday tool from which we cannot unplug in fear of missing out or being excluded as it has such an immense impact on all aspects of life.

The digital revolution has given rise to an on-demand economy, calling for brands and retailers to urgently take measures to cater to the "right now", impatient consumer. Offering services in-store to save time and elevate the service level to new heights often means connecting shopping digitally with online services (the omniexperience). This can, for example, be click & collect, navigating the store through an app or AI, allowing customers to take advantage of their connectedness and use their smart-phones to scan and pay for products, being able to quickly find information about products by e.g. scanning them, or self-service kiosks… the list goes on. More than half of consumers are interested in self check-out, and this is once again driven by Millennials of whom 66% indicate interest in self-check-out. For the US, even more Millennial consumers (75%) indicated interest, representing a growing segment.

1) Statista, 2018

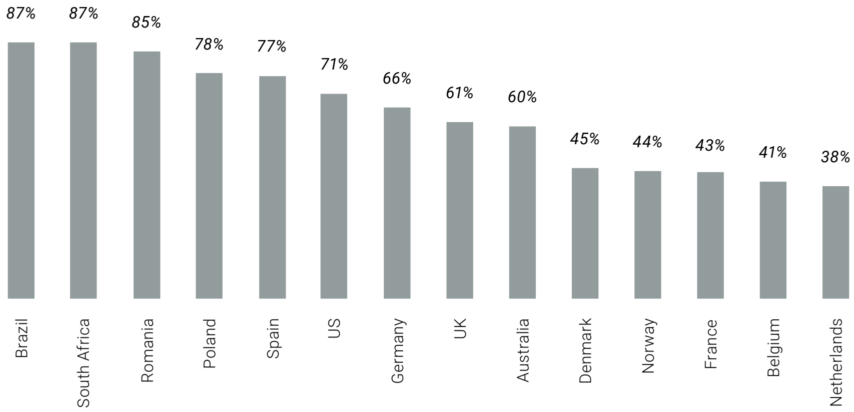
Time buying and time saving

72% of Millennial consumers indicate that it is important that stores offer them options to help save time while shopping

Consumer attitudes towards time saving experiences

How important is it to you that stores offer options that help you save time while shopping? (i.e. easy check out systems, easy navigation in store, delivery to my home)

Answer: very important and important



72% 65% 52%

To what extent are you interested in self-check-out (i.e. buying products in store via a digital screen and without the assistance of a cashier)

Answer: very interested and interested

66% 55% 42%

More than half of consumers are interested in self check-out, driven by Millennials of whom 66% indicate interest in self-check-out

Often Smart Shopping means not having to go to a store at all. According to Statista, the number of digital buyers worldwide has risen from 1.32 billion in 2014 to 1.79 billion in 2018, and it is estimated that 2.14 billion people will buy goods and services online in 2021[2]. New innovations are making it increasingly more convenient and timesaving to buy digitally, where voice controlled or IoT (Internet of Things) devices and automatization services allow customers to shop without hassle, and maybe without even noticing they are shopping at all. 31% of consumers are interested in purchasing products through a voice-controlled device like Amazon's Alexa (43% of Millennials), and 39 million Americans already own a voice-activated smart speaker.[3] Furthermore, 57% of Millennials express interest in purchasing groceries directly through a smart refrigerator that tells them when items inside have run out. 41% of all consumers surveyed are interested in this service, indicating a huge unexploited potential for smart devices. In general, male consumers are more interested than females in both voice-controlled shopping and smart refrigerators. This might be due to men being more digital-ready and/or interested in digital devices and gadgets as well as a general smaller interest in shopping and hence a bigger interest in hassle free solutions.

Smart Shopping – best in class:

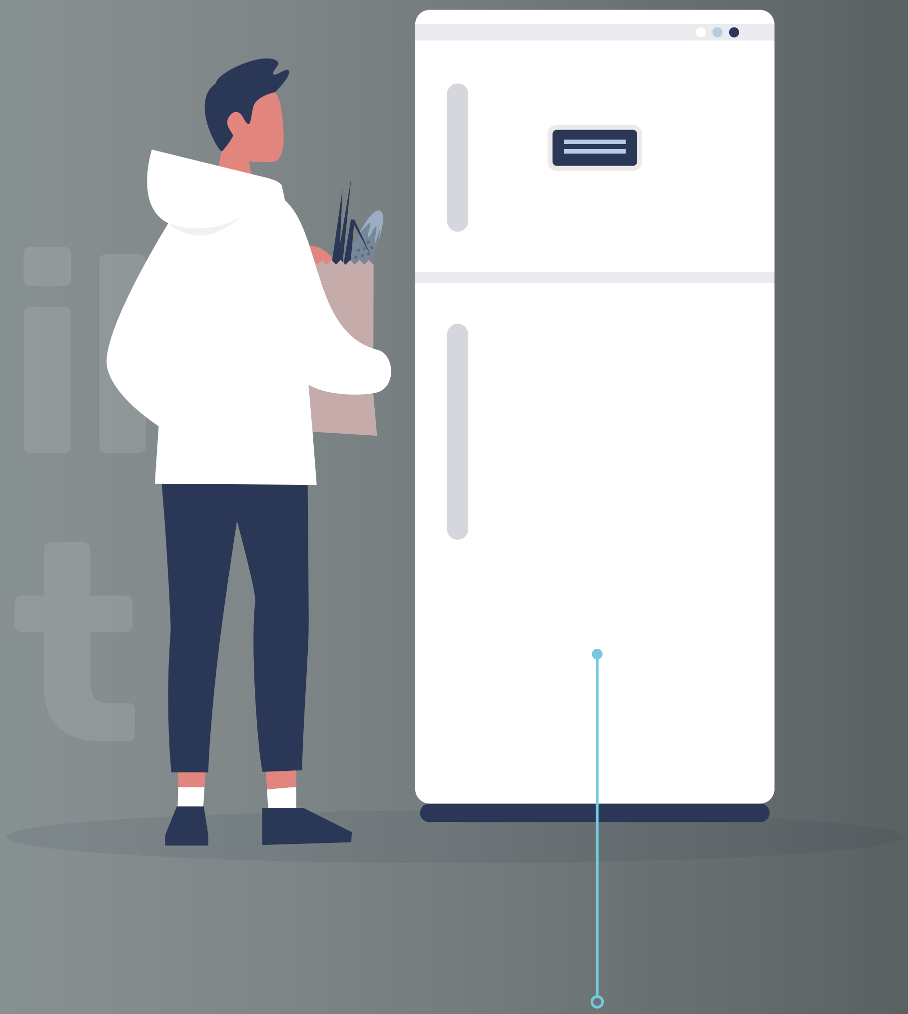
Nordstrom Local

In addition to click & collect and same-day delivery, Nordstrom Local offers numerous services, such as alterations for clothes, personal stylists, and shoe and handbag repair.

*For more information see **p. 62** in Global Retail Trends & Innovations 2019 by Ebeltoft Group.*

2) Statista, 2018
3) NPR & Edison Research, 2018

Time to chill out

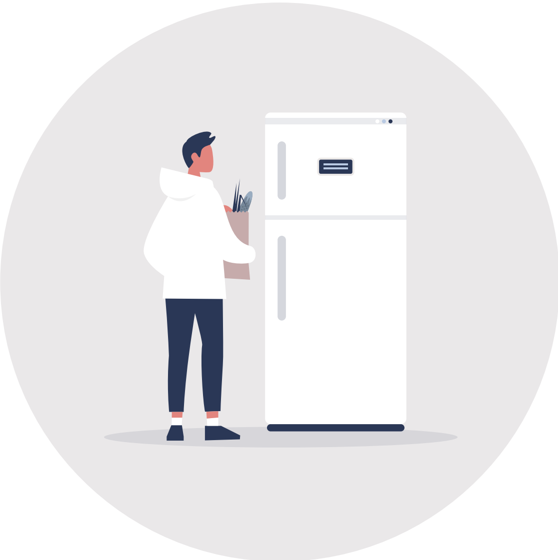


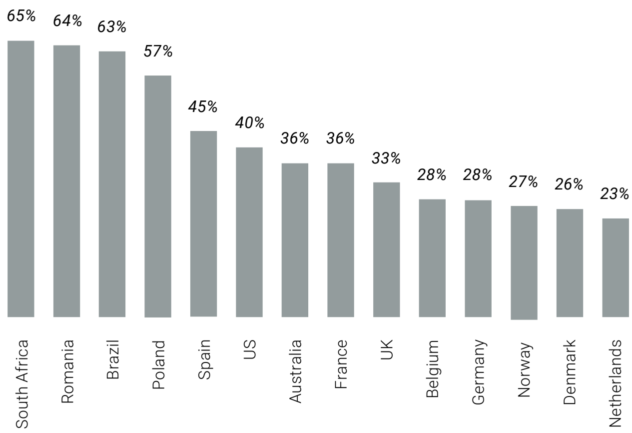
41% of consumers are interested in purchasing groceries directly through a smart refrigerator that tells them when items inside have run out

Consumer attitudes towards digital shopping experiences

To what extent are you interested in purchasing groceries directly through a smart refrigerator that tells you when items inside have run out?

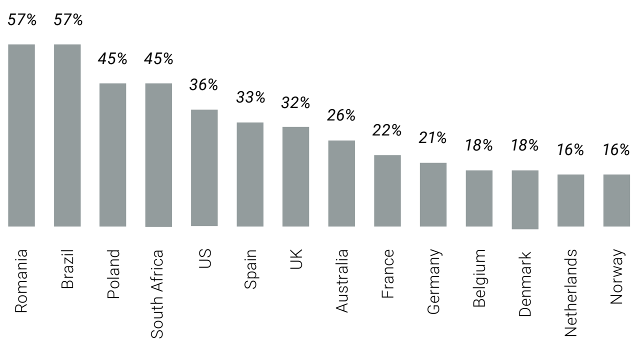
Answer: very interested and interested



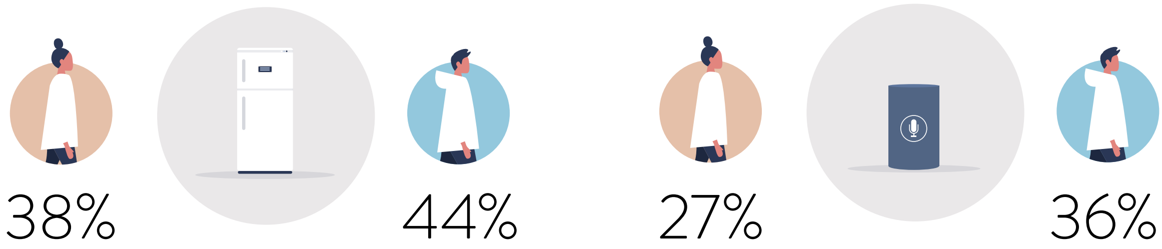


To what extent are you interested in purchasing products through a voice controlled device (e.g. ordering products by talking to a device like Amazon Alexa or Google Home)?

Answer: very interested + interested



Men’s and women’s **attitudes towards digital shopping experiences**



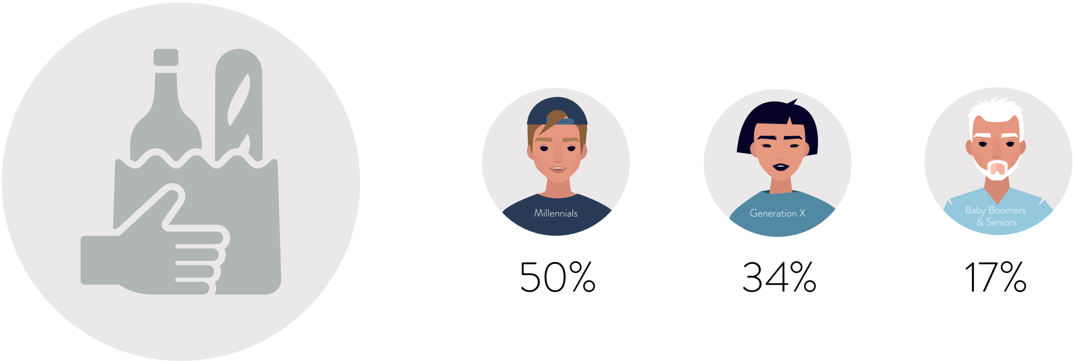
Focus on:
Subscription services

It has been a while since subscription services were limited to newspapers and phones. In recent years, we have witnessed the revolution of subscription-based services – there are no limits as to what consumers can subscribe to and seamlessly have delivered on regular basis for the purpose of either saving time or being pleasantly surprised with e.g. a monthly box of products tailored to the individual. Streaming services like Spotify and Netflix have been popular for years, but consumers are increasingly turning to subscriptions for goods. Subscriptions offer extreme convenience as they reduce complexity and require minimal effort for the consumer who does not have to worry about where or when to shop, or even to shop at all. At the same time, a great benefit for brands and retailers is that they quickly gain loyalty from customers. 40% of consumers surveyed have purchased a streaming subscription service within the last 12 months. The following pages break this down in regards to physical goods – the interest for subscription services on food/beverages, beauty/health and fashion products is high, especially among Millennials. However, the percentages for consumers who have actually bought a subscription on these products within the last 12 months is on average 50% lower than the interest, and Millennials are once again the consumer group subscribing most to physical goods within the last 12 months.

Consumer attitudes towards subscription services

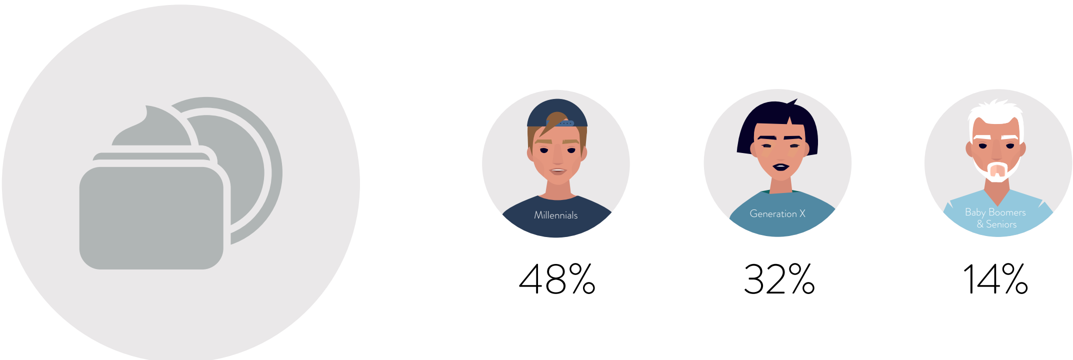
To what extent are you interested in subscription services for food and/or beverages (i.e. subscription for groceries, wine memberships, etc.)

Answer: very interested and interested



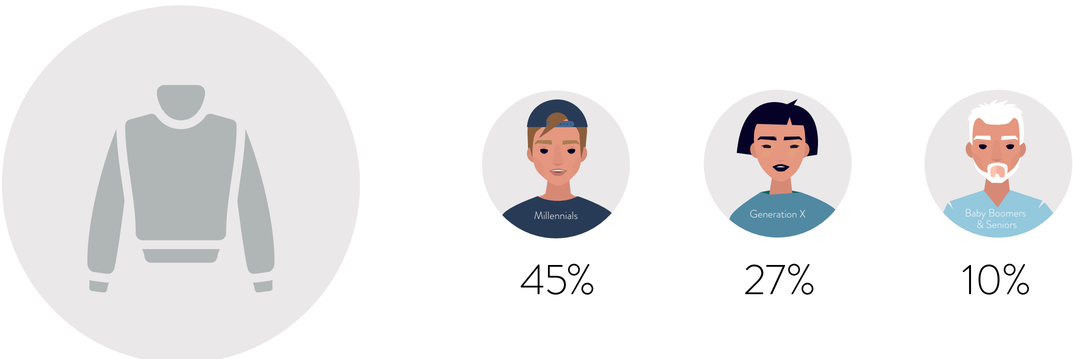
To what extent are you interested in subscription services for health and beauty products (i.e. subscription for a monthly box of products)

Answer: very interested + interested



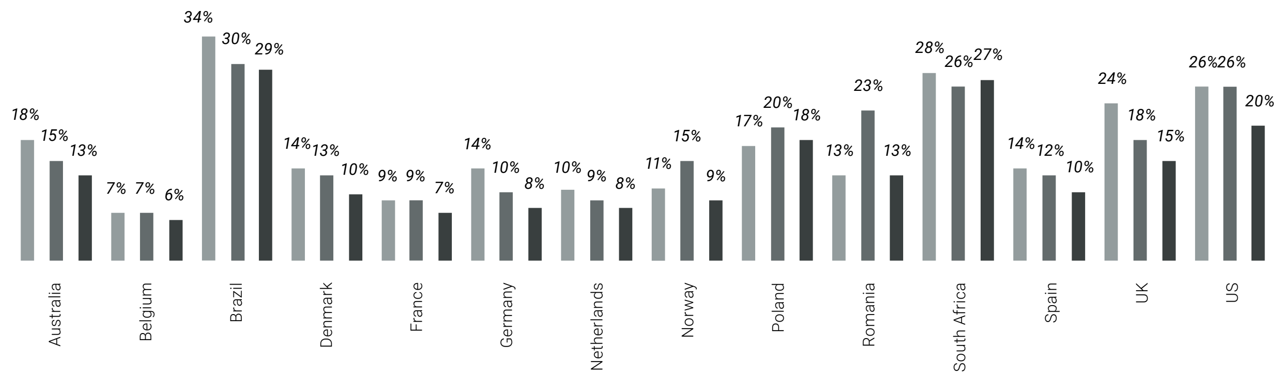
To what extent are you interested in subscription services for fashion products (i.e. subscription for a monthly box of products)

Answer: very interested and interested



21% of male global consumers have purchased a subscription for food and/or beverages within the last 12 months. 14 % of female consumers have done the same.

Consumer **behavior** around subscription services



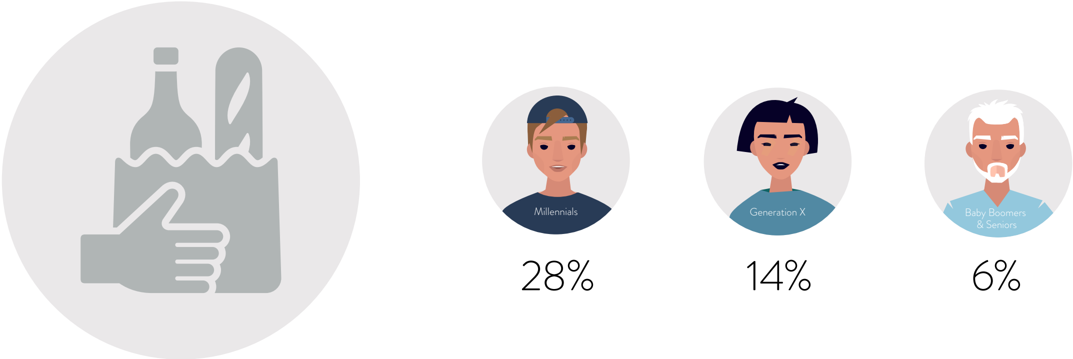
Yes, I have purchased a subscription for food and/or beverages (e.g. a wine subscription, a groceries subscription) within the last 12 months

Yes, I have purchased a subscription for health and/or beauty products (e.g. a beauty or grooming box) within the last 12 months

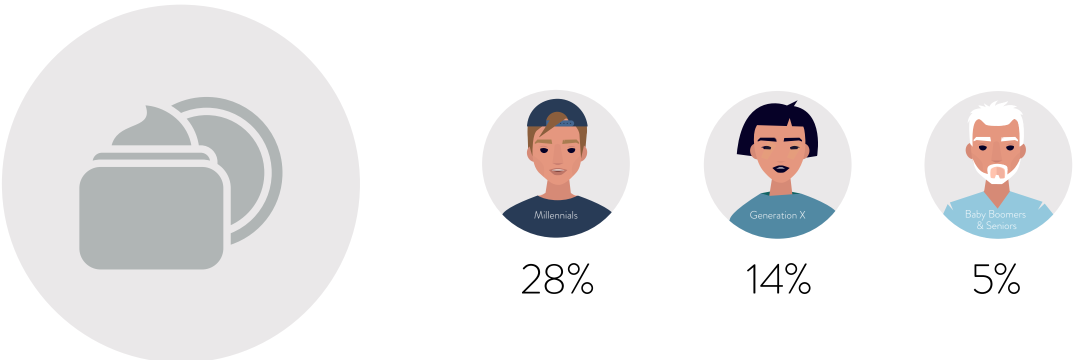
Yes, I have purchased a subscription for fashion products (e.g. for clothing, shoes, or accessories) within the last 12 months

Consumer behavior around subscription services

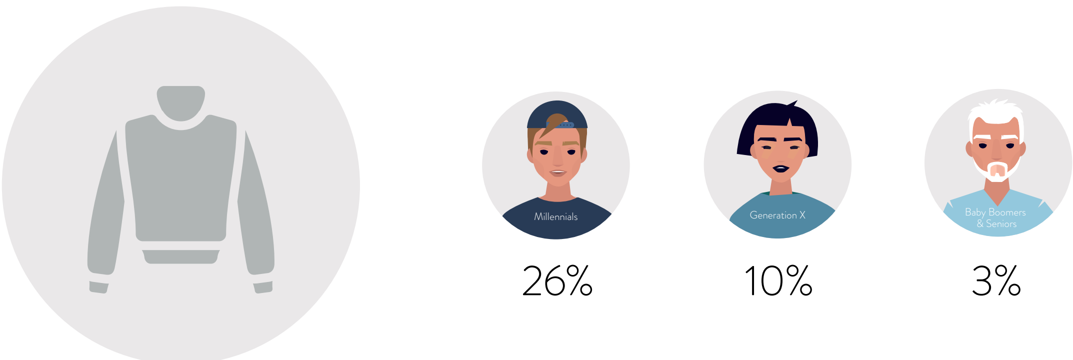
Yes, I have purchased a subscription for food and/or beverages (e.g. a wine subscription, a groceries subscription) within the last 12 months



Yes, I have purchased a subscription for health and/or beauty products (e.g. a beauty or grooming box) within the last 12 months



Yes, I have purchased a subscription for fashion products (e.g. for clothing, shoes, or accessories) within the last 12 months



Engagement

Meaningful relationships and engaging experiences

Experiences, personal, social, emotional

How retailers are delivering on consumer expectations for experiences in the store has long been the talk of the town. If retailers and brands neglect to offer time-saving experiences, they must drive foot traffic through engaging experiences. Engagement is driven by interaction with products, staff, and brand, allowing for more accurate identification of customer needs, relationship and loyalty building and personalization of the experience with the employees acting as educators, trainers, guides, or entertainers through their expertise.

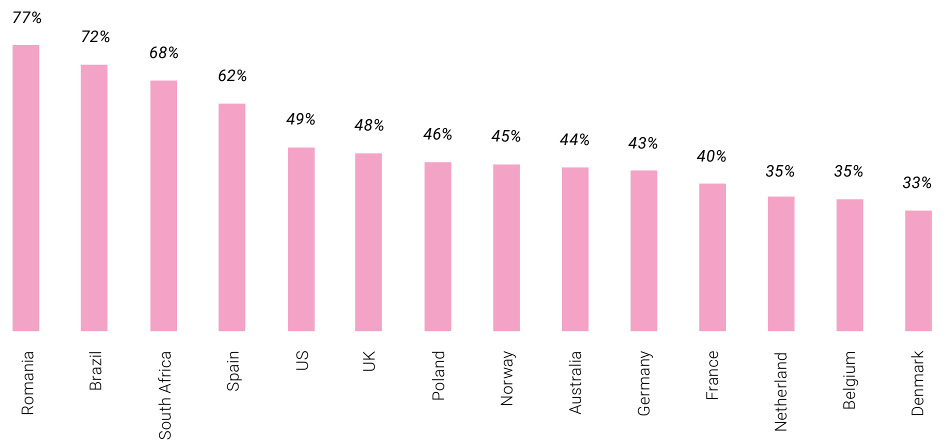
In a world full of choice, the personalized experience is crucial for gaining loyal customers, and catering to and understanding the individual customer's needs is paramount to stay relevant. This is not only due to the fact that consumers feel time deprived and don't have time to spare for irrelevant content, they also want to form meaningful relationships with brands and know that retailers and brands pay attention and care. For about 50% of consumers, it is important that retailers and brands personalize emails and other marketing information based on their choices and previous purchases – 57% of Millennials feel the same, and it is generally equally as important to men and women (51% and 49%). Data driven retail is becoming more essential to engage customers with relevant products and content, and brands and retailers should collect data on their customers and leverage it to create value for shoppers and drive loyalty. Leveraging data is also becoming more crucial in meeting customer expectations of a personalized, seamless (omni)experience.

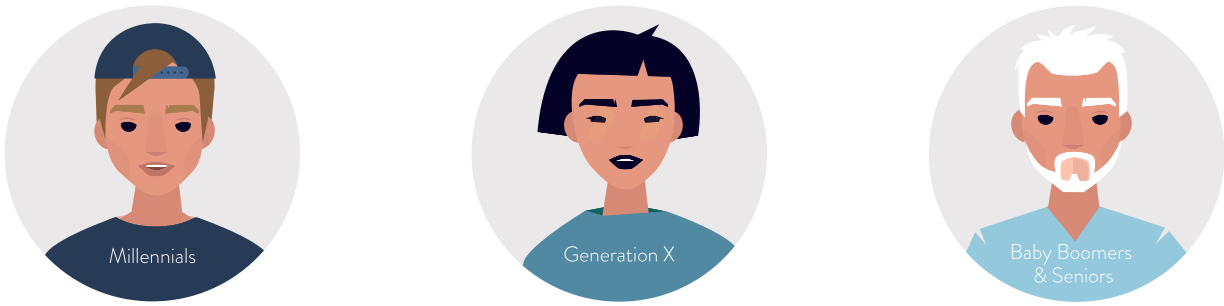
In physical stores, digital tools can play an important role in creating personalized experiences for customers, where data and artificial intelligence can assist staff with in-depth knowledge on individual customers to meet their needs. For example, employees can be equipped with a tablet on which they can obtain information about the specific customer's purchase history and preferences, tailoring the individual customer experience through data. At the same time, digital tools and technology can further be integrated in the physical store to create engaging and personal experiences, where in-store customization tools are on the rise. On average, more than half of consumers and 67% of Millennials express interest in personalizing products that they buy by e.g. selecting colors or creating design. Customized products are increasing in popularity because they offer customers unique and differentiated products and experiences from the masses. On the business side, personalization and customization strengthens customer and brand relationships, as customers will form emotional connections to personalized products.

Consumer attitudes towards personalized marketing

How important is it to you that retailers and brands personalize emails and other marketing information you receive based on your choices and previous purchases?

Answer: very important and important





57% 50% 42%

Millennials want social experiences with 66% indicating that they are interested in retail stores that organize customer events and activities.

Although more than half of consumers (55%) are interested in personalizing products, roughly only half of them have personalized a product in a retail store within the last 12 months (28%). As much as 43% of Millennials have used the possibility of personalizing products. Whereas this can be a difference between behavior and attitude, it can also mean a lack of personalization opportunities in stores. Overall, Millennials are driving both attitudes and behavior. Retailers and brands can also differentiate the store experience by adding a social dimension to it – not just through the interaction with employees and products, but also with other customers, family and friends. This is especially something that Millennials express interest in with 66% indicating that they are interested in retail stores that organize customer events and activities.

By establishing the store as a provider of social experiences, such as a community hub, where customers not only come to buy products, but to form social relationships, greater emotional ties can be formed with the brand as it will evoke memories of pleasant and joyful experiences. We have seen how supermarkets open in-store restaurants, fashion stores offer hairdressing services, or sports brands open experiential stores where customers can play soccer, basket-ball or even meet with a running club. The overall point is, that the store is designed with social experiences as the focal point rather than the direct sale. Although Millennials are driving the interest in store events and activities, more than half of Generation X and Baby Boomers & Seniors also express interest (57% and 43%, respectively).

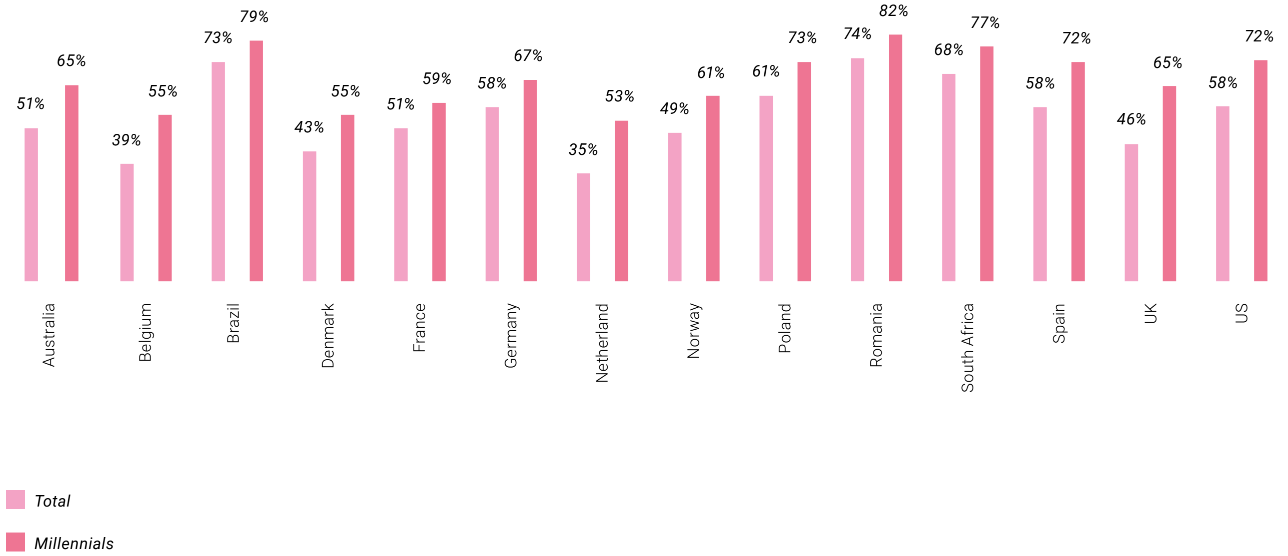
Engagement – best in class:

The Daily Edited Flagship Store.
This flagship store mirrors the apartment of a chic-savvy person with products relevant to each room, creating a shopping experience in a natural living environment. Customers are also able to order and get products made on the spot, offering more personalized and customized products.

For more information see ***p. 76*** *in Global Retail Trends & Innovations 2019 by Ebeltoft Group.*

Consumer behavior and attitudes towards personalization of products

To what extent are you insterested in personalizing the products that you buy
(e.g. selecting colors, creating designs, etc.)



Yes, I have personalized a product in a retail store
(e.g. by choosing the color or influencing the design) within the last 12 months

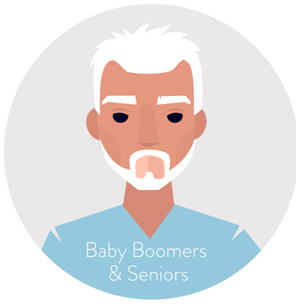
Consumer attitudes towards in-store events and activities

To what extent are you interested in retail stores that organize customer events and activities?

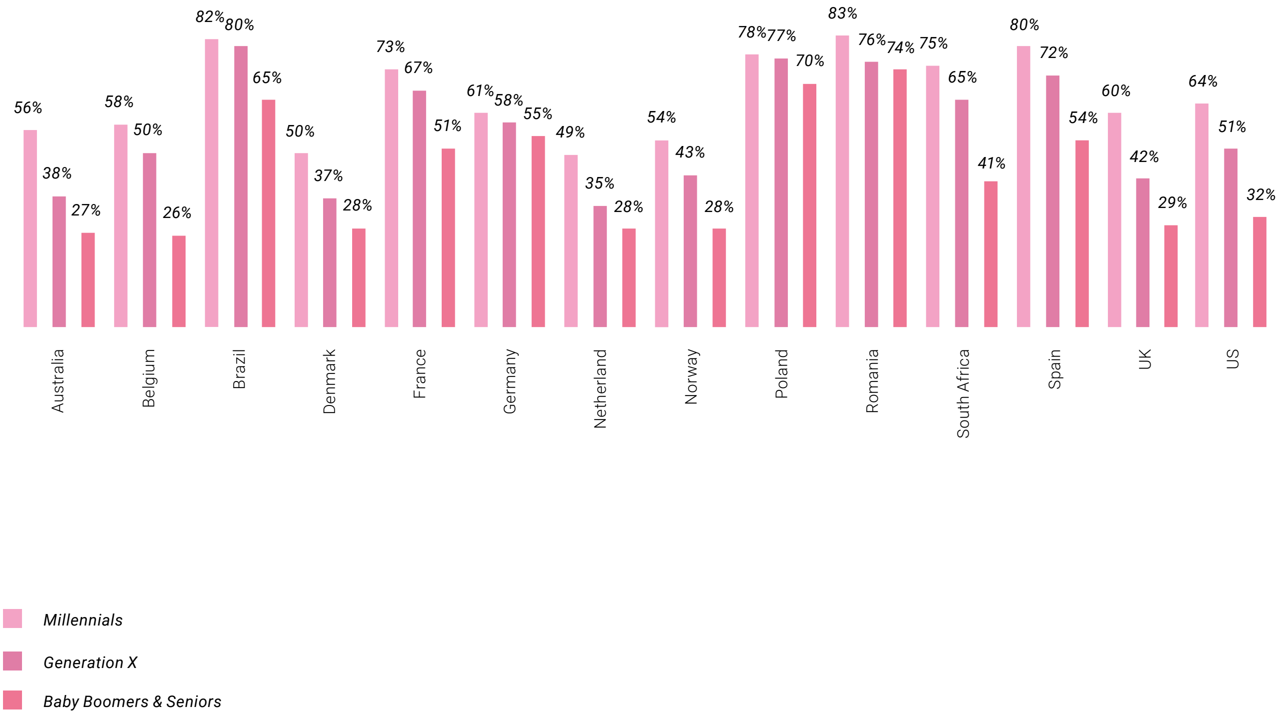
Answer: very interested and interested

66%

57%



43%



Activism

Transparent and meaningful experiences

Consciousness, purpose, responsibility

In recent years, we have seen an incredible surge in consumer consciousness. As the global economy is thriving, conscious and sustainable consumption has become a mainstream topic pervading all consumers' attitudes and behaviors. This consumption awareness is further spurred by the digital revolution, as consumers have access to more information on production methods, sustainability issues, ethics, and are able to spread news and opinions through social media. Consumers in 2019 are well-informed, and sustainability and social responsibility in all forms have climbed to the top of the modern consumer agenda, forcing brands and retailers to exercise responsibility through the entire value chain. Running your retail business responsibly and with transparency is no longer a choice, but a requirement. Consumers are increasingly looking to align with brands and retailers that share their values, and Activism is hence not only about sustainability and social responsibility when it comes to manufacturing, it is also about taking a stance on societal and political issues and being transparent on propositions with consumers. Hence the demonstration of responsibility goes through the entire value chain and far beyond brands' core products or services.

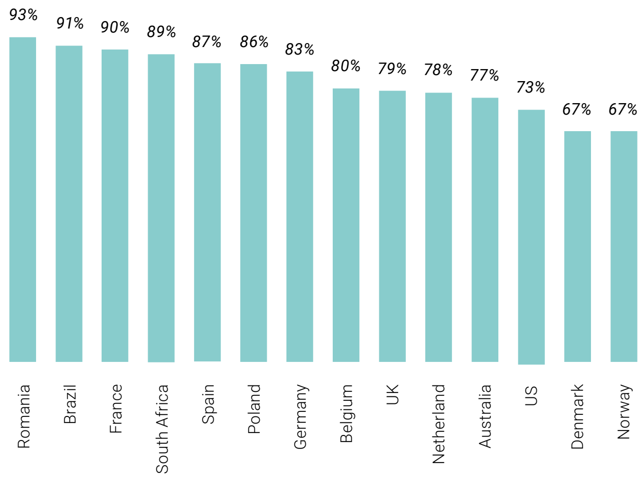
As we have seen in this report, many attitudes and behaviors are driven by Millennials. But when it comes to sustainability and social responsibility, Generation X and Baby Boomers & Seniors are just as conscious as the younger consumers. 81% of consumers feel it is important that retailers and brands employ social responsibility initiatives, and 84% also feel it is important that brands and retailers care about sustainability and offer services like recycling and re-use. The latter is important for 87% of Baby Boomers and Seniors with both Millennials and Generation X following closely with 82% and 84% respectively.

Running your retail business responsibly and with transparency is no longer a choice, but a requirement

Consumer attitudes towards responsibility

How important is it to you that retailers and brands employ social responsibility initiatives, e.g. good conditions for workers and donations to charities?

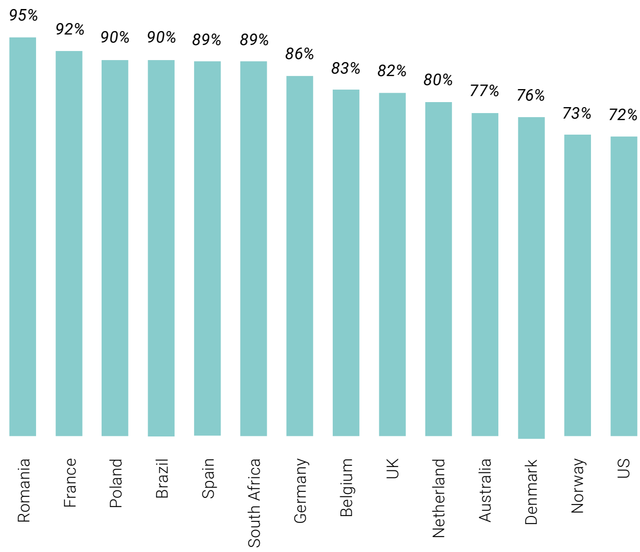
Answer: very important and important



84%   78%

How important is it to you that brands and retailers care about sustainability and offer services like recycling, re-use etc. and in general take care of the environment? (very important + important)

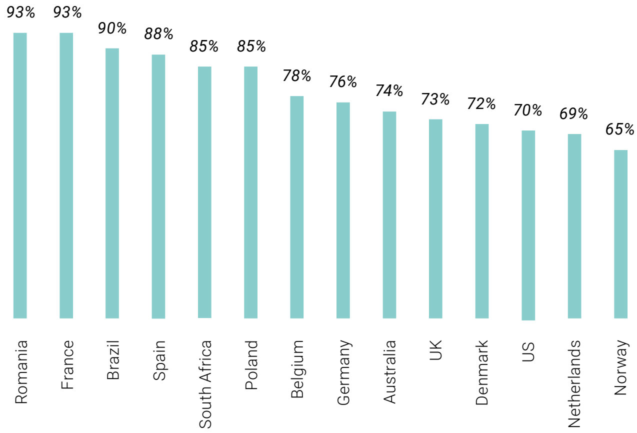
Answer: very important and important



87%   81%

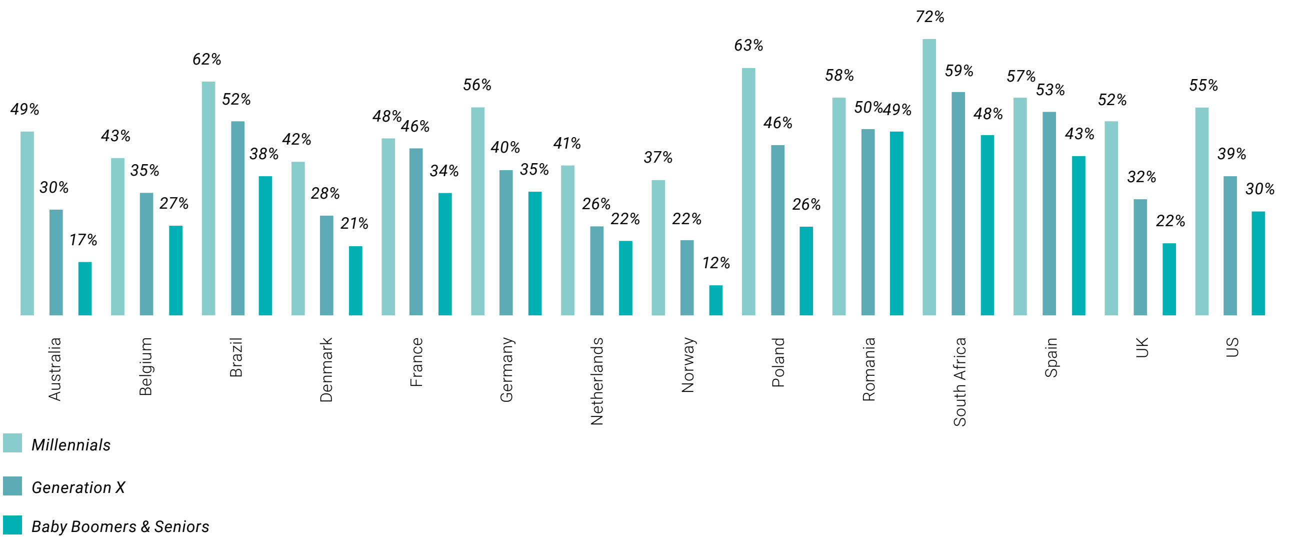
How important is it to you that retailers and brands give you access to information on how their products are manufactured?

Answer: very important and important



Consumer behavior around responsibility

Yes, I have chosen to purchase products from a brand/retailer because of that company's sustainability efforts rather than a competitor not known for addressing issues on sustainability within the last 12 months



For 81% of consumers in the countries surveyed, it is important that retailers and brands employ social responsibility initiatives

Overall, sustainability and social responsibility are very important issues, and generally more than 40% of consumers, and more than half of Millennials, have chosen to purchase products from a brand because of the company's sustainability efforts within the last 12 months. We found it to be that women are in general more conscious than their male counterparts, and in terms of following through on their attitudes, Millennials average higher than Generation X and Baby Boomers & Seniors.

Transparency throughout the value chain and product life cycle has become the norm for any retail business looking to gain consumers' trust. Consumers not only expect access to all information about the company, production methods, etc., but also that the information matches the responsible mindset they have, and that they are equipped with the tools to make informed purchase decisions. Total transparency builds trust and relationships with customers as they are assured that the company have their own, others and the environment's best interest at heart. 79% of consumers feel it is important for retailers and brands to provide access to information on how their products are manufactured. Brands and retailers thus need to find ways in which customers can access information in the purchase situation, when it really counts, and here technology again functions as an enabler: QR codes or NFC technology can enable customers to scan products with their smartphone and find the information that is relevant to them in the shopping moment. Retailers are increasingly taking advantage of customers' smartphones to help them obtain information, and blockchain to provide transparency throughout the value chain is on the rise.

Activism – best in class:

Everlane.
Everlane's brand promise is radical transparency. The brand ensures ethical production and that customers have direct access to information on product material, origin, and methods.

*For more information see **p. 116** in Global Retail Trends & Innovations 2019 by Ebeltoft Group.*

Focus on:
Sharing Economy

The conscious lifestyle has also created demand for ethical and sustainable business models. Consumers are gravitating towards sharing economy concepts as AirBnB and Uber, because they provide more sustainable and financially sensible services that otherwise may not have been possible. More and more retail concepts with this "lease-like" business model are gaining traction. When it comes to consumer products, 68% of consumers still prefer to own all their possessions compared to leasing, sharing or loaning them. However, 40% express interest in renting products from companies and 33% are interested in renting out their own belongings, with women averaging a bit lower than men. 17% of consumers have intentionally rented a product from a company instead of buying, and 13% have rented out their own belongings within the last 12 months. In general, Millennials are more interested in renting products from companies and renting out their own belongings, and young consumers have also done this the most within the last 12 months.

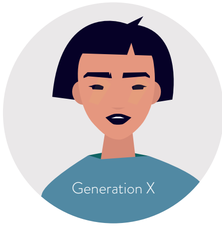
40% of consumers express interest in renting products from companies. 33% are interested in renting out their own belongings.

Consumer attitudes towards sharing economy concepts

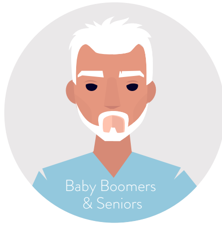
To what extent would you be interested in renting products from companies (e.g. clothes, household appliances, gardening tools, etc.) through an app, store or website?

Answer: very interested and interested

51%



42%

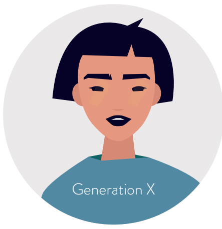


23%

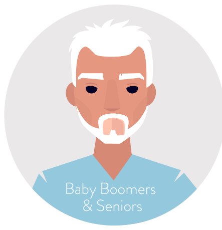
To what extent would you be interested in renting out some of your own stuff (e.g. clothes, household appliances, gardening tools, etc.) through an app, store or website?

Answer: very interested and interested

46%



33%



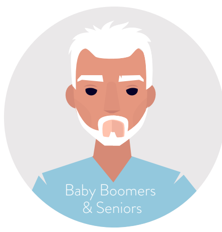
16%

How important is it to you personally to own all of your possessions outright compared to renting temporarily or financing (e.g. lease, share, loan)?

Answer: very important and important

67%

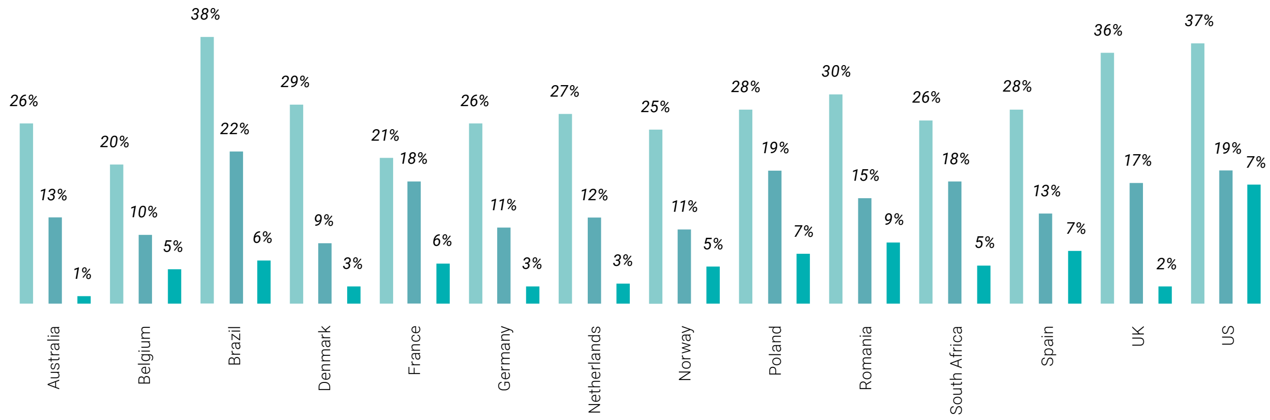
66%



70%

Consumer behavior around sharing economy concepts

Yes, I have intentionally rented a product from a company instead of purchasing it (e.g. clothes, household appliances, gardening tools, etc.) through an app, store or website



Millennials
Generation X
Baby Boomers & Seniors

13%

21%

Yes, I have rented out my own belongings (e.g. clothes, household appliances, gardening tools, etc.) through an app, store or website

Millennials
Generation X
Baby Boomers & Seniors

9%

17%

Conclusion

The four trends driving consumer behavior and shaping retail in 2019

Omniexperience

Goodbye channel retailing! Omniexperience is the future in a world where consumers expect a seamless shopping experience, and the ability to shop anywhere, at any time, and in any way. Services like click & collect are widely used, and consumers are interested in exploring the new and innovative digital solutions like interactive mirrors, virtual reality and shopping walls to reinvigorate the shopping experience.

Smart Shopping

Consumers are looking to automate their life where possible! It is important that stores offer consumers options to help save valuable time on the shopping journey. Tech-savvy consumers are impatient and are looking for immediacy and services that expedite the experience. Smart devices and subscription services promise extreme convenience, and across the globe, consumers, especially millennials, are demanding hassle-free solutions.

Engagement

Experiences are key! Consumers are social (media) creatures and are always on the lookout for shareable moments. As we shared in the report, consumers, especially Millennials, express interest in store events and activities. Engagement is driven by personalized experiences, and brands and retailers can drive higher engagement and loyalty through not only staff and their expertise, but also datadriven experiences that cater to the individual shopper.

Activism

Beware, awareness is on the rise! Social responsibility and sustainability are important issues across all age groups, and retailers and brands who fail to input these pillars into their business model will suffer at the hands of consumers. As we have seen in this report, transparency is key, and new business models are gaining traction with consumers renting products from companies as well as renting out their own belongings.

Best practice cases, Global Retail Trends & Innovations 2019

Get a quick overview of the global best practice innovations cases in Global Retail Trends & Innovations 2019. Get the book at www.ebeltoftgroup.com.

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1. Number of smartphone users worldwide from 2014 to 2020 (in billions). March 2019. Retrieved from: www.statista.com/statistics/330695/number-of-smartphone-users-worldwide/

2. Number of digital buyers worldwide from 2014 to 2021 (in billions). March 2019. Retrieved from: www.statista.com/statistics/251666/number-of-digital-buyers-worldwide/

3. 39 million Americans reportedly own a voice-activated smart speaker. March 2019. Retrieved from: www.theverge.com/2018/1/15/16892254/smart-speaker-ownership-google-amazon

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