

THE FUTURE OF RETAIL



ESPECIALLY FOR YOU

The days of one-size-fits-all retail are dead. Today, shoppers want a bespoke experience. **Rob Brown** takes a bizarre ride to the far side of retail to find out what it means for retailers

Shopping doesn't get much weirder than this. Following in the footsteps of top execs from some of the UK's biggest retailers and manufacturers, I've come to a nondescript office in Spitalfields to get an insight into how people shop – and suffice to say, it's a surreal experience.

In a dimly-lit ante-chamber, a guide whispers that the 'shopkeeper' is watching my every move and that I need to choose one of three pills – which will allow her to track my gaze and monitor my heart rate and salivation as I journey through her 'shop'. Mystified and ever so slightly paranoid, I enter a strange, sunlit garden where trees seem to float in mid-air. Then it's down a black corridor to a mirror-lined tasting room – to sample such delicacies as Japanese yuzu, bergamot and sour Caspian cherries – and on to a 'decompression chamber' filled with a fragrant mist.

Welcome to the Sweet Shoppe, where Alice In Wonderland meets retail. Every decision I make – from my choice of drink on arrival to what I read while waiting in the garden – is being closely scrutinised by the shopkeeper, who'll use the information she gleans to develop a sweet tailored just for me. Sound like hokum? Well, Sainsbury's, John Lewis and Pernod Ricard don't think so. They all joined the shopkeeper last month to find out exactly what makes consumers tick online – with a view to applying those insights in-store.

"The future of bricks-and-mortar stores will rely on gleaning information from online and applying it to how you interact with people face-to-face," explains Philip Handford, director at retail design agency Campaign, which, along with trends forecasting agency The Future Laboratory, is responsible for all this weirdness.

Chris Sanderson, director at The Future Laboratory, goes further: "This is about the future of retail. Today, the people in control of our major retailers think of the internet as nothing more than a glorified Yellow Pages. They're on the wrong side of a digital divide. In short, they're too old."

The idea behind the Sweet Shoppe is to encourage them to bridge that divide and use shopper data in the same way as online retailers do – but in a physical store. The choices I make in the Sweet Shoppe are supposed to represent the decisions people make in cyberspace. There's a growing mass of information about us stored online, but it's largely going to waste, claims Sanderson. Log on to Amazon and you're offered products based on past purchases. They're tailored to you, so you're far more likely to buy. Walk around Tesco

and you're bombarded with offers – some will appeal, many won't. Amazon targets shoppers with a precision sniper rifle. The supermarkets use a blunderbuss.

This 'spray and pray' PoS is an anachronism, says Sanderson. "It's crucial that retailers understand that today the retail experience begins on the mobile phone or the laptop," he says. "Retailers need to know exactly when I've landed in store and interact with me as an individual. Consumers will no longer accept a one-size-fits-all approach. Retailers need to find new ways of speaking to ever-more niche groups."

And utilise new technology more effectively. Near Field Communication (NFC) technology, which enables contactless payments, could be used to detect when shoppers enter a store by reading loyalty cards or NFC enabled mobile phones, for instance. Shoppers could be notified of special offers and new products likely to appeal to them and guided to the parts of the supermarkets likely to be of most interest.

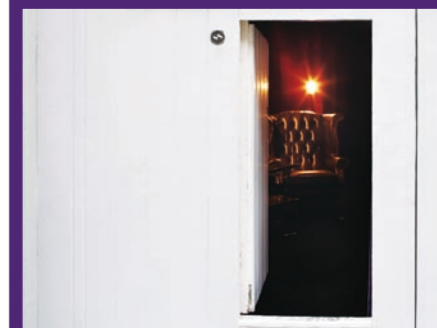
The theatre of the Sweet Shoppe is also deliberate. "Why are we going back to stores if we can buy cheaper online and the experience is dull and doesn't meet our needs?" asks Sanderson. "It all comes down to the experience. Apple is the best example of this. Their stores are less about sales and more about creating retail experience and that big 'wow' factor. Retail is no longer about sales per square foot – it's about wonders per square foot."

Wonders such as the face-scanning digital wall displays at a number of flagship Adidas stores that tailor the products on show depending on the age and sex of those looking at them. Sanderson expects the supermarkets to begin adopting similar technology. He also believes retailers should be making greater use of Facebook. "Any organisation that doesn't allow its workforce to engage with Facebook is on the wrong side of the digital divide," he argues. "We Facebook anyone that comes through our door. It's just a given. We Facebooked you before you came to us."

Indeed, the shopkeeper was weighing me up long before I ever set foot in her shop. As I leave, I'm given my shopper profile – apparently I like to shop quickly and efficiently, I shy away from mass-market goods and I like to know the stories behind the products I buy. I'm also given my tailor-made 'sweet', which is actually an atomiser filled with a spearmint, black pepper and bergamot rind flavoured spray – or 'confectionery in a cloud'.

It's disgusting, but disconcertingly – my profile is bang on. So consumers beware; the real shopkeepers' beady eyes will soon be watching what you do online too. ■

STORE OF THE FUTURE?



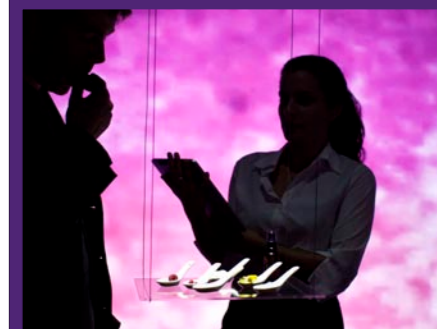
Step inside: Even before entering, the shopkeeper has analysed guests' social media pages to help find out who they are



Champagne? Tea? Juice? The choices begin. The shopkeeper's watching, forming a picture of exactly what makes her guests tick



James Martin? Charles Leadbeater? Enid Blyton? The choice of books in the garden, where surreal trees are suspended in mid-air



Curiouser & curiouser: visitors choose exotic ingredients under the shopkeeper's gaze before she mixes up a personalised sweet