



RetailWeek[®]

RETAIL **HORIZON**
2023

Innovation Round-up

August 2023

L'Oréal unveils new beauty-tech innovations to enhance consumer wellbeing

What is it?

L'Oréal presented its new beauty-tech innovations at Viva Technology, Paris. Kérastase K-scan – an AI-powered scalp and hair smart camera – can scan, diagnose and track health conditions. Via its Maybelline brand, L'Oréal has also created 12 filters that Microsoft Teams users can choose to give themselves a digital makeover.

Why does this matter?

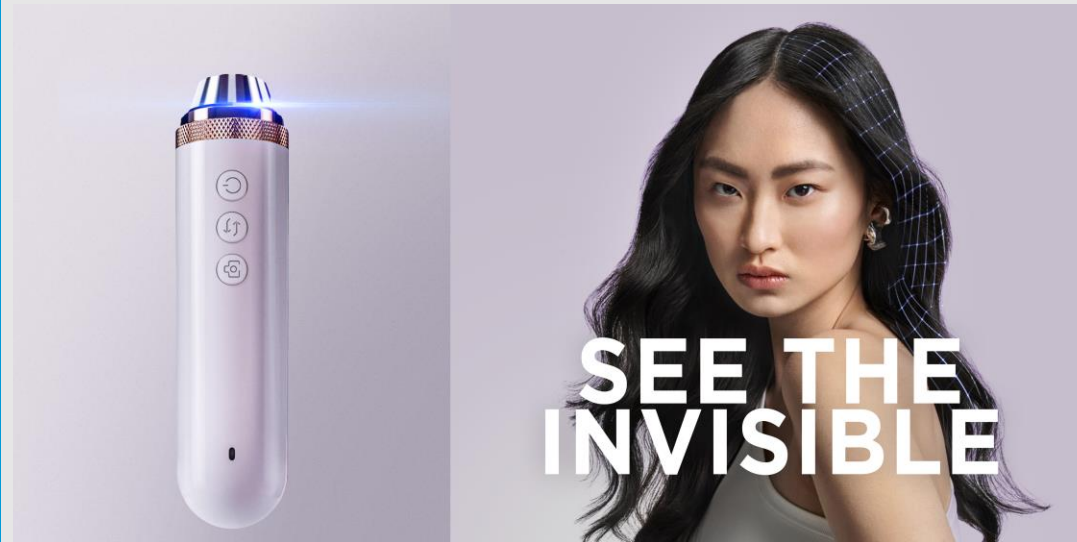
Consumers are seeking personalised solutions for their health and wellbeing.

Strategic implications:

Health and beauty retailers are responding to the individual needs of consumers through innovative tech. Investment remains key to stay ahead.

STEPIC drivers/winning strategies:

Innovation and ingenuity
Elevated brand experiences



L'ORÉAL
PARIS

"Through beauty tech, we connect with billions of consumers around the world. This allows us to understand their unique and evolving needs and augment people's infinite diversity with an unrivalled degree of precision and personalisation, in the real and the virtual world."

Asmita Dubey, chief digital and marketing officer, L'Oréal Group

Flannels leads roster of retailers in first Metaverse Beauty Week

What is it?

A six-day event hosted via online platforms Spatial, Decentraland and Roblox, as well as in-store elements at Flannels X, Oxford Street.

Lush, Flannels and several beauty brands have created immersive experiences, wearables and games to engage with consumers across the event.

Why does this matter?

Retailers are exploring the boundaries of the metaverse, attracting the digitally native Gen Z as well as other new consumers.

Strategic implications:

Those who build the metaverse into their digital strategies stand to advance faster technologically.

STEPIC drivers/winning strategies:

Innovation and ingenuity
Beyond-reality experiences



"We've worked with each brand to truly reimagine consumer experiences for web3 environments – with the intent to delight consumers and those experiencing their first time in the metaverse."

Bridey Rae-Lipscombe,
chief executive, Cult, and
co-founder, Metaverse
Beauty Week



Amazon leverages AI to detect damaged goods

What is it?

Amazon has introduced AI imaging stations to two fulfilment centres in the US to screen orders and prevent damaged items being shipped to customers.

The technology will roll out to 10 further sites in the US and Europe in the coming months.

Why does this matter?

AI is three times better than humans at detecting damaged items, according to Amazon, and improves accuracy. It also eliminates repetitive manual tasks for workers and improves the customer experience.

Strategic implications:

AI will increasingly be used to optimise efficiency and improve accuracy across the supply chain.

STEPIC drivers/winning strategies:

AI powers the next stage of retail



Amazon trained the AI using photos of damaged and undamaged items, helping it to identify when a product does not look perfect.

AI is three times better than humans at detecting damaged items, according to Amazon.

H&M invests in materials science company Kintra Fibers

What is it?

Kintra Fibers has developed a bio-based and biodegradable polyester designed to address the environmental impact caused by traditional polyester at every stage, from start to end of life.

Why does this matter?

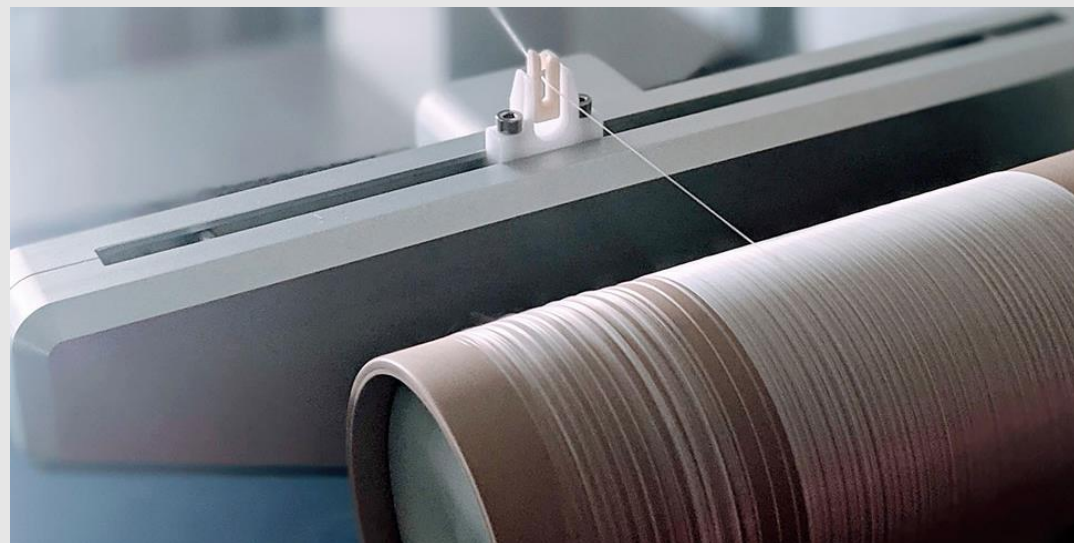
The fashion industry is focused on cutting emissions from its supply chains, with textiles being a key polluter.

Strategic implications:

Tech is being utilised to solve the climate crisis. Retailers will invest in start-ups to accelerate change.

STEPIC drivers/winning strategies:

Innovation and ingenuity
Innovative sustainable materials



Co-founders of Kintra Fibers Billy McCall and Alissa Baier-Lentz at its Brooklyn, NY, lab



"We are thrilled to have H&M Group as an investor in Kintra Fibers. With their support, we have the unique opportunity to combine our innovative materials technology with their extensive supply chain, deep industry expertise and market influence, enabling us to accelerate the adoption of sustainable fashion on a global scale."

Billy McCall, chief executive and co-founder, Kintra Fibers

Mango invests in Union Avatars as part of its StartUp Studio accelerator programme

What is it?

Mango has invested in Union Avatars, a digital identity and virtual avatar creation start-up. It will explore different pilot trials to create hyper-realistic avatars for use in different points of its value chain.

Why does this matter?

This is the fourth investment the accelerator has made since it launched in 2022, having invested in a sustainability start-up, an on-demand salary and flexible remuneration business, and a platform for renting clothing and accessories.

Strategic implications:

Retailers are driving innovation through investment in smaller start-ups and technology.

STEPIC drivers/winning strategies:

Digital transformation to maximise efficiency
Innovation and ingenuity



MANGO

Mango Start-Up Studio aims to promote innovation and detect new growth opportunities.

Technology and sustainability are two areas of priority interest for the accelerator, in addition to all the links in the value chain, from product creation and sourcing to distribution.

John Lewis pilots virtual try-on across clothing rental

What is it?

John Lewis has partnered with tech firm Zyler to bring virtual try-on (VTO) to its Fashion Rental platform, powered by Hurr. Customers input their height, dress size and bra size and upload a headshot to generate a virtual version of themselves, allowing a realistic view of how the garment may look before renting it.

Why does this matter?

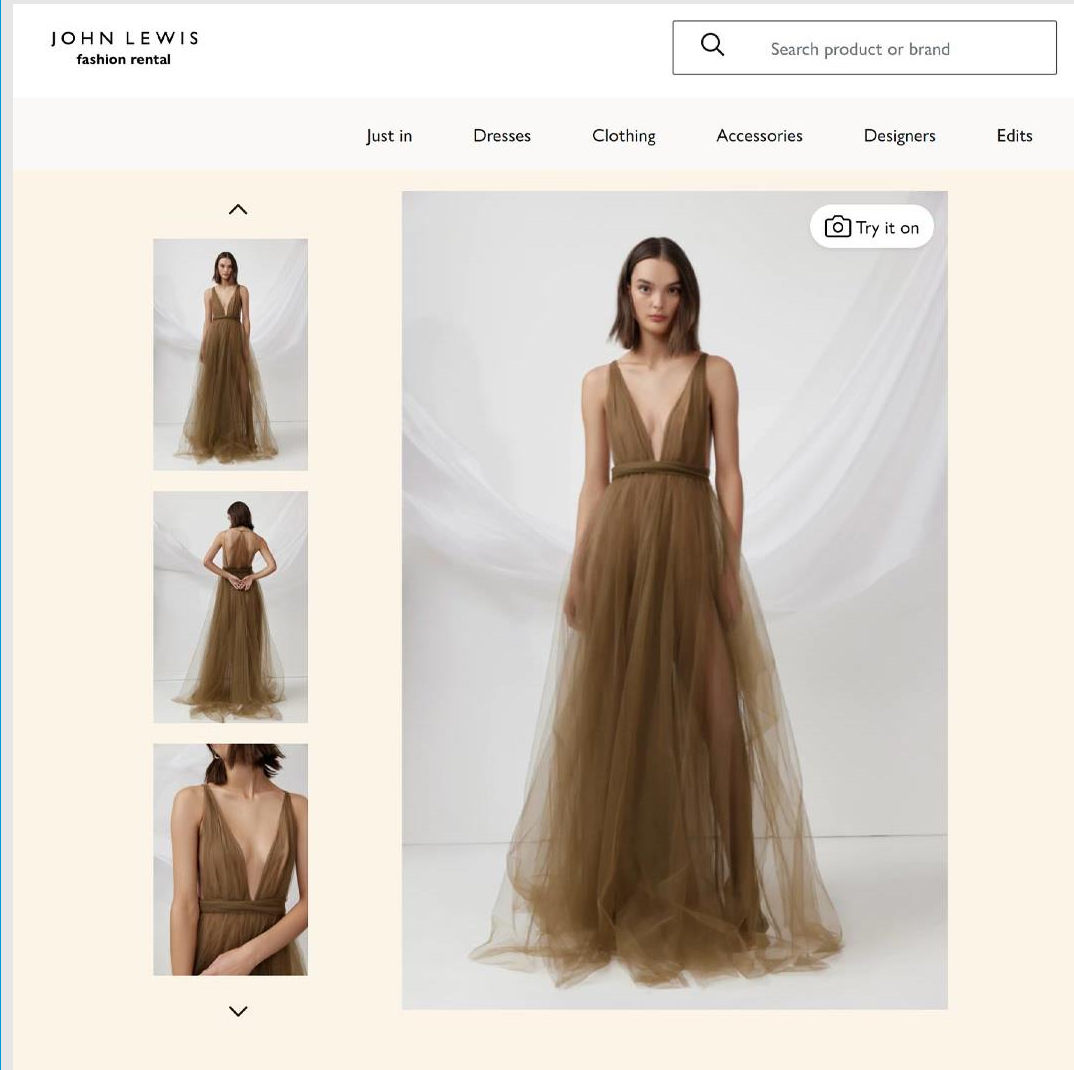
VTO will drive down returns by giving the customer a clear view of fit and length. In piloting it through its rental proposition, John Lewis is promoting circularity first.

Strategic implications:

Retailers are exploring ways to improve customer experience while driving down returns.

STEPIC drivers/winning strategies:

Beyond-reality experiences
Innovation and ingenuity



"We're extremely excited to be able to lead the way in rental innovation by partnering with Zyler on our new 'Try It On' function. It allows our customers to experiment with more styles, colours and lengths in products that they may not have tried before."

Danielle Gagola,
Innovation Lead, John
Lewis Partnership



McDonald's adds RFID-tagged reusable containers in France

What is it?

In July 2023, McDonald's France partnered with Checkpoint to install RFID hardware in its new reusable containers and software in more than 1,200 of its restaurants across the country.

Why does this matter?

The partnership helps McDonald's reduce waste by providing real-time visibility of its reusable tableware stock, delivering efficient inventory management and optimising replenishment.

Strategic implications:

Waste reduction is an ongoing challenge for retailers. Technology will increasingly be leveraged to enhance supply chain operations and improve visibility to address this issue. Alongside this, RFID tags are being used increasingly by retailers to reduce shrinkage and for frictionless self-checkout.

STEPIC drivers/winning strategies:

Digital transformation to maximise efficiency



McDonald's new containers are food-safe and heat- and water-resistant.

They can be automatically tracked through a database, with real-time data allowing restaurants to pinpoint the location of nearby containers to minimise the risk of shrink.

Currently they are being used in 1,200 restaurants.

Walmart partners for zero-waste carbon-capture pilot

What is it?

Walmart is partnering with Rubi Laboratories to capture carbon emissions from its supply chain and convert these into a garment prototype – with zero waste. The patent-pending process converts carbon emissions by spinning cellulose into carbon-negative, resource-neutral viscose, lyocell and rayon for clothing and other materials.

Why does this matter?

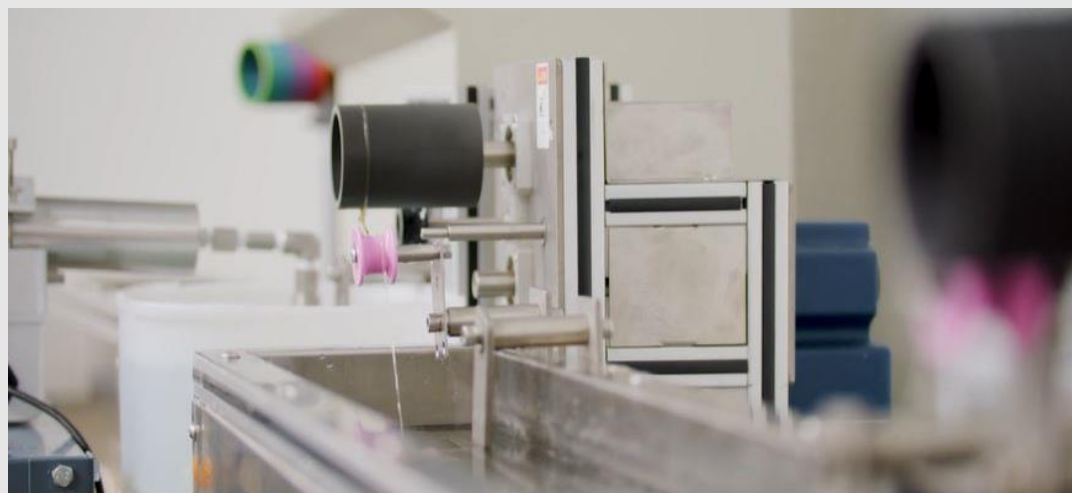
The pilot will determine how this technology could be integrated at a larger scale and test the textile's performance in a prototype garment.

Strategic implications:

Innovative, sustainable solutions will revolutionise the industry as retailers push towards net zero carbon goals.

STEPIC drivers/winning strategies:

Innovative sustainable materials
Innovation and ingenuity



"At Rubi, our goal is to ensure a thriving future by restoring Earth's ecological balance with reimagined supply chains. Walmart's ability to mobilise positive impact across its supply chain could be massively impactful."

Neeka Mashouf,
co-founder and
chief executive,
Rubi Laboratories

Home improvement retailers join up to tackle Scope 3 emissions

What is it?

In June 2023, home improvement retailers including B&Q, Screwfix, Bunnings and The Home Depot teamed up to form a global taskforce to help reduce Scope 3 emissions.

Why does this matter?

Scope 3 emissions account for more than 90% of overall carbon emissions and are the most difficult to address as they fall outside retailers' direct operational control.

Strategic implications:

The EDRA/GHIN taskforce aims to develop an industry standard to collect and report data across the supply chain. Co-operation and shared practices will accelerate the sector's progress towards net zero.

STEPIC drivers/winning strategies:

Climate emergency
Power in purpose



"While a number of members have been working on measuring and addressing their Scope 3 impacts in their own businesses, it is a highly complex area with many shared challenges. By coming together, hopefully we can find more consistent, simpler ways to drive down our emissions. I invite home improvement retailers from around the world to join us in this new taskforce."

Thierry Garnier, chief executive, Kingfisher Group, and president, EDRA/GHIN taskforce



Lululemon supports female athletes with Further initiative

What is it?

Lululemon is partnering with the Canadian Sport Institute Pacific and the brand's research network to conduct a series of research studies to better understand female endurance performance and human endurance performance in general.

Further culminates in a multi-day ultramarathon that begins on International Women's Day 2024.

Why does this matter?

Lululemon's target audience is predominantly female. Further allows it to use data from its research to build future product innovations.

Strategic implications:

Product design and synergy remain key factors for repeat purchases and building customer loyalty.

STEPIC drivers/winning strategies:

Customer obsession
Innovation and ingenuity



"Further is grounded in our purpose at Lululemon to unlock greater possibility and wellbeing for all, and we see it as an opportunity to better serve women, solving for their specific unmet needs."

Nikki Neuburger, chief brand officer, Lululemon



Revolution Beauty launches Fortnite collection

What is it?

The 27-piece collection spans cosmetics, skincare and accessories. It marks gaming platform Fortnite's first activation within the health and beauty market.

Why does this matter?

Fortnite has more than 500 million registered accounts worldwide. As retailers seek to attract the next generation of consumers, tie-ups with gaming platforms offer a lucrative opportunity.

Strategic implications:

Pop culture collaborations continue to attract new audiences to retailers. Those who execute ranges or in-store experiences successfully stand to gain.

STEPIC drivers/winning strategies:

Customer obsession
Elevated brand experiences



REVOLUTION
BEAUTY LONDON

"Pairing Revolution Beauty's competitively priced and high-quality products with this globally recognised game for their first-ever beauty collaboration, we are appreciative of the opportunity to engage with this incredible gaming community that also values creative freedom and colour play."

Sara Staniford,
president, Revolution
Beauty

Sephora opens second 'store of the future' in Shanghai

What is it?

Beauty brand Sephora's latest concept store boasts AI-generated make-up recommendations, skincare analysis and RFID sensors that quickly educate consumers on products, enabling them to access reviews.

The store also houses a Beauty Live Studio to host exclusive events and masterclasses.

Why does this matter?

Retailers are blending the best in technology to offer consumers hyper-personalised experiences.

Strategic implications:

Investment in technology remains a must for retailers to advance their store concepts and give consumers a reason to visit stores.

STEPIC drivers/winning strategies:

Invest for success
Elevated brand experiences



SEPHORA

"The store of the future in Shanghai showcases our obsession for experiential retail, where consumers get to enjoy a curated and on-trend beauty offer, tailored and personalised services and classes, as well as digital touchpoints used to unlock consumer journeys within the store."

Alia Gogi, president,
Sephora Asia

Amazon optimises local networks for delivery and returns

What is it?

Amazon Hub Delivery is recruiting 2,500 small business partners to assist with same-day deliveries to rural areas in the US. The recruitment drive is targeting hair salons, coffee shops and florists to allow business owners to earn additional revenue. In urban areas it is partnering with Staples, Whole Foods Market and Kohl's for packaging-free customer returns.

Why does this matter?

By localising its distribution and returns network, Amazon is able to lower overheads and increase speed and convenience for customers.

Strategic implications:

As customer needs evolve, retailers are striving to find nimble and efficient solutions for areas such as rural locations and densely populated cities.

STEPIC drivers/winning strategies:

Focused and lean
Innovation and ingenuity



"Partnering with Amazon has been a real blessing for myself, my family and my business. Delivering is easy and Amazon has a lot of tools to help partners along the way."

LaKeisha Palmer, owner,
CK Craft Supply in Saint
Robert, Missouri



John Lewis Partnership shares first look at build-to-rent proposal

What is it?

John Lewis Partnership (JLP) has submitted its first planning applications for its 'build-to-rent' sites at West Ealing and Bromley. The retailer says 35% of the properties will be affordable housing with a focus on provision for key workers.

A new flagship Waitrose shop and cafe are also included at each location.

Why does this matter?

The partnership is targeting 40% of its profits to come from outside retail by 2030, with build-to-rent key to its strategy.

Strategic implications:

JLP is deepening its customer relationships through services outside retail.

STEPIC drivers/winning strategies:

Lean in or branch out
Survive or thrive



"We've worked closely with local communities to understand their needs and we're now ready to submit planning applications. Working with our partner ABRDN, we want to bring much-needed new homes with a community feel to Bromley and West Ealing, which will include the full commitments to affordable housing."

Nina Bhatia, executive director for strategy and commercial development, John Lewis Partnership

July 2023



Estée Lauder Companies launches Responsible Store Design programme

What is it?

Estée Lauder worked with external sustainability consultants to design a framework for the assessment of new and existing retail stores and visual merchandising design. Stores are awarded points across a variety of areas including waste reduction, water and energy conservation, and responsible material sourcing.

Why does this matter?

As retailers race to meet their ESG targets, clear frameworks provide them with the necessary toolkit to drive lasting change.

Strategic implications:

Retailers must examine and address their full value chain if they are to meet their ESG goals.

STEPIC drivers/winning strategies:

Power in purpose
Agility and focus



ESTÉE
LAUDER
COMPANIES

"Sustainability has long been part of our corporate strategy and company culture, and our new Responsible Store Design programme is a creative and impactful way to showcase ELC's sustainability commitments to both our employees and our consumers."

Al Iannuzzi, vice-president of sustainability, Estée Lauder Companies



Lush's Shampoo Bar pop-up resonates with festivalgoers

What is it?

Lush partnered with Happy Place in Manchester, Womad in Wiltshire and Bluedot in Cheshire to bring essential beauty products and luxurious spa and hair treatments to summer festivalgoers.

The pop-ups ranged from massage stations to showers and hair treatments. Staff from Lush's stores were selected to work at the events.

Why does this matter?

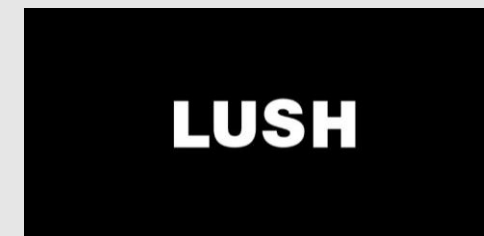
The return of festivals is driving huge footfall, presenting opportunities to engage with a captive audience.

Strategic implications:

Expect more partnerships and activations as brands look to capitalise on a growing opportunity.

STEPIC drivers/winning strategies:

Customer obsession
Elevated brand experiences



Pictured: The Shampoo Bar at Womad festival, Wiltshire, where hair appointments were fully booked for the entire four-day event.

Selfridges launches The Stock Market as part of its Worn Again circular initiative

What is it?

Inspired by the London Stock Exchange, this fun circular economy initiative encourages customers to value, exchange, repair or restore their items.

'Reselfridges' stockbrokers will connect customers to circular services such as tailoring and repairs, as well as upcycling workshops.

Why does this matter?

As retailers double down on their ESG targets, circular models will become key to achieving these goals.

Strategic implications:

The retailers that embed circular principles into their supply chains stand to win.

STEPIC drivers/winning strategies:

Power in purpose
More with less



SELFRIDGES&CO

Customers can have items such as handbags or footwear from their wardrobes valued by a team of authenticators, with the option to sell to Selfridges in exchange for store credit.



Patagonia launches 24-hour online garment repair portal

What is it?

Customers can register Patagonia-branded items online to be assessed for repair. Once confirmed, damaged items will be fixed within four to six weeks at one of its European repair centres.

Why does this matter?

Patagonia aims to increase repairs fourfold to 100,000 per year in the next five years. It plans to expand its European network of fixers, as well as increase repair tools and services in stores.

Strategic implications:

As retailers review emissions targets, circularity principles such as repair and reuse will be further embedded into their operating models.

STEPIC drivers/winning strategies:

Climate emergency
Taking responsibility



Repair is a radical act.

Because the best thing we can do for our planet is cut down on consumption and get more use out of stuff we already own – we're making it easier than ever before to fix your Patagonia gear.



"As individual consumers, the single best thing we can do for the planet is to keep our stuff in use longer. This simple act of extending the life of our garments through proper care and repair reduces the need to buy more over time, thereby avoiding the CO2 emissions, waste output and water usage required to build it."

Willem Swager, director of finance and operations for EMEA, Patagonia



Innovation of the Week is published every Monday

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Contact Nicola Harrison at nicola.harrison@retail-week.com