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WELCOME

Charlotte Hardie, editor-in-chief, Retail Week



As Retail Week turns 35, at a time when the industry is existing in something of a permacrisis, it's worth looking back at the very first issue and why this brand was created.

In 1988, it was a launch intended to unite and guide the industry at a time of unprecedented change. Created for a "dynamic, stylish and innovative" sector driven by "collective decisionmaking", its goal was to create content that "stimulated debate", taking a reflective view on long-term trends.

Those founding principles remain just as relevant today. The art of retailing has evolved beyond all recognition in terms of technological sophistication, supply chains and, of course, customer behaviour. However, the need for the sector to be informed, to unite, debate and innovate is just as vital today as 35 years ago.

Among those unprecedented changes back in 1988 was the sudden shift to 'big box' out-of-town retailing. A retail format commonplace today but game-changing back then, driven by customer demand for newness and convenience.

Since then, Retail Week has observed and analysed countless more macro shifts that have left an indelible impact. They include the explosion of

ecommerce, punctuated by Amazon's 1998 launch in the UK. Even as recently as 2006 – when Asos was in its relative infancy – online fashion in particular had its naysayers. Latest figures suggest UK online fashion is worth more than £30bn.

Equally fascinating have been various successful and myriad foiled attempts at international expansion as UK retail set its sights on global domination. Other major developments include the grocers' move into non-food and the birth of hypermarkets.

And Retail Week has keenly observed the lightning pace with which technology has become central to retailers' strategies. Back in 2003, chip and pin was considered revolutionary. Today, we're staring at the startling potential of AI, which could alleviate the most painful of retailing headaches – from rising costs to forecasting.

So, today, despite a post-pandemic backdrop of inflation, post-Brexit bureaucracy and supply chain volatility, retailers can be assured these challenges will pass. New ones will take their place, but Retail Week will still exist, providing essential insight and building the networks upon which retail thrives. Here's to the next 35 years. **RW**

Philip Hall, managing director, Europe, CommerceHub



Over the last two decades, the retail industry has undergone significant changes driven by the continuous advancement of technology, consumer demand and the evolution of ecommerce.

Technology continues to reshape the way we live, work and shop. It has empowered consumers, enabling them to explore options and make informed decisions from the comfort of their homes. It has also helped to raise consumer expectations sky-high in terms of product availability, flexible delivery options, free returns, sustainability credentials and competitive pricing.

Brands and retailers have had to adapt quickly to meet customer expectations, fend off ever-present competition and remain profitable. Traditional retail models have evolved and lines have blurred as brands and retailers look to capture new growth opportunities with unowned or "asset light" inventory models

including marketplace, drop-ship, e-concession and more. Priorities have evolved, as well, and growth at any cost is a thing of the past. Profitable growth is where it's at.

About CommerceHub

CommerceHub is one of the world's largest, most trusted commerce networks, connecting more than 40,000 retailers and brands globally to transact more than \$50bn in gross merchandise value annually.

Along with ChannelAdvisor, a CommerceHub company, its innovative ecommerce solutions help brands and retailers to reach and convert more shoppers, expand margin and enhance the online shopping experience through drop-ship, marketplace, digital advertising and delivery management efficiently and profitably. **RW**

RETAIL WEEK AT 35

Industry leaders: Retail Week's past editors

Retail Week's past editors reveal their tenure's biggest stories, the lessons they can teach today's leaders and how they see retail changing over the coming years

Baroness Patience Wheatcroft Founding editor of Retail Week 1988-1992



"The 'gap in the market' constitutes the holy grail for would-be entrepreneurs. When I suggested my publisher husband might come up with a paper for me to edit, he defined that gap as Retail Week.

"Specialist publications served sectors from bakers to clothing shops, newsagents to grocers but, in the late 1980s, retail professionals had shared interests irrespective of what they stocked.

"Technology was impacting fast, distribution systems were becoming increasingly sophisticated, property and design were evolving concerns. Surely a lively newspaper addressing those issues, and far more, would be welcomed, he reasoned.

"Ian McGarrigle, now chair of the World Retail Congress, assumed his crucial role as news editor after an interview with me and my recently arrived son. Bearing in mind that success depends on listening to the customer, we established an editorial advisory board whose input was invaluable. They were stars of the sector, including Terence Conran, Anita Roddick, Ian MacLaurin and Nigel Whittaker.

"Technology was impacting fast, distribution systems were becoming increasingly sophisticated"
Patience Wheatcroft

"The latter, then a director of Kingfisher, which owned brands including Woolworths and B&Q, played a key role in the campaign to liberalise Sunday trading laws. Newspapers thrive on campaigning and Retail Week became a vocal opponent of the 'Keep Sunday Special' brigade.

"The upsurge in modern shopping centres – Brent Cross, the first of its kind, only opened in 1976 – had given impetus to shopping as a leisure activity and our readers knew their customers wanted the freedom to indulge in it seven days a week. What they did not know, though, was that online shopping would become such a focus for the retail sector.

"It was only in 1989 that Tim Berners-Lee mooted the idea of the world wide web but, since then, the internet has influenced Retail Week as much as it has its readers.

"Yet the wish for personal experience remains. We launched the Retail Week Conference with a battalion of brilliant speakers, including Gerald Ratner of the eponymous jewellery chain. He mentioned that he sold a pair of earrings for less than a Marks & Spencer prawn sandwich, "but the sandwich will probably last longer". The audience laughed so he repeated the joke at the Institute of Directors' Conference, with disastrous results.

"Knowing your audience is always key."

Ian McGarrigle Chair of World Retail Congress and Editor of Retail Week 1992-96



"The retail landscape of 35 years ago into which Retail Week launched was an exciting turning point for the industry, driven by the emergence of the consumer economy. This was the era dominated by rapid growth of 'multiple retailers', which were reshaping high streets and town centres mostly at the expense of the independents. Names

such as Topshop, Debenhams, Dixons, Carphone Warehouse, Next, The Body Shop, B&Q, Sock Shop, Tie Rack and many more.

"New formats were constantly being rolled out and we broke stories about new store opening programmes that proudly proclaimed a retailer would be adding 20, 50 or 100 new stores. Mega shopping centres followed on from the Metrocentre to provide new, modern and exciting retail space.

"Grocery retail was also transforming rapidly throughout this period and Retail Week recorded the massive store opening programmes and format development such as the launch of hypermarkets and, with them, the launch of new, powerful, in-house brands that continue today such as George at Asda.

"The seemingly insatiable appetite for consumers to go shopping also led to a big but divisive campaign led by major retailers but backed by Retail Week for the reform of the Sunday trading laws. This was won and became law in 1994.

"Throughout this period, retail was dominated by some of the biggest and most colourful names including Terence Conran, George Davies, Anita Roddick, Ralph Halpern, Ian MacLaurin, Geoff Mulcahy and Gerald Ratner, to name just a few.

"Today, retailers continue to grapple with the legacy of that retail 'space race', which ecommerce helped call time on. But there remains the question of how to inject the excitement and innovation generated by shops from that period into today's stores.

"The biggest change today is that the consumer is now firmly in control. The big, powerful personalities of retail may have gone but the clever retail leaders are those who are completely focused on their customers. And of those industry-changing personalities, the one that remains most relevant is probably Anita Roddick who understood the importance of having a clear purpose at the heart of the brand. Something all retailers operating today are now thinking about."



RETAIL WEEK AT 35



Kate Oppenheim Co-organiser of Propel Coffee Conference and Editor of Retail Week 1996-98



"The late nineties was an exciting time in retail, reflected in our conference, which looked ahead with its 'Retailing in the New Millennium' theme. It included a most memorable talk from Allan Leighton, then chief executive of Asda, with his presentation spectacularly US in style – of course, he was to become president and chief executive of Walmart Europe in November 1999. Other notable events were the opening of Bluewater [which went on to officially open in 1999] and the first indicators of the growth in online retailing, with web addresses first appearing on ads and in marketing campaigns. In 1998, we made much of the launch of Amazon in the UK.

"With Amazon UK came more coverage of the erosion of the high street, along with the subsequent downfall of some big retail names at the time, including Comet, Jessops and HMV – which, of course, will be reopening its iconic Oxford Street store later this year.

"Other significant stories in 1997/98 included Marks & Spencer, which was the first retailer to record a profit of £1bn. It also began trialling internet retailing. There was the merger of retail giant Kingfisher's B&Q with French DIY chain Castorama and, of course, the birth of Arcadia.

"The brilliant news team were constantly breaking first-class, well-researched and exclusive stories that were picked up by the Sundays for the following weekend. With their nose for a scoop, we were regularly on the receiving end of what was known as an 'Exocet' from Philip Green – a call widely regarded as a badge of honour."

"Even by 2004, the jury was still out on whether online shopping would escape its niche"

Neill Denny

Neill Denny Joint editor of BookBrunch and Editor of Retail Week 1999-2004



"I arrived at Retail Week in mid-summer 1999, just after Walmart took over Asda, a deal that seemed enormously significant at the time but now looks surprisingly inconsequential. In food, the next compelling episode was Safeway, expertly fattened up for the market by Carlos Criado-Perez, but perhaps the real story of the period was the stealthy, steady expansion of Lidl and Aldi. Aldi had been in the UK since 1990 and had nearly 300 stores by 2004 with a wishlist for a further 360; Lidl was 350 stores strong by 2003.

"Away from food, undoubtedly the biggest takeover story of the time was Philip Green's abortive attempts to buy Marks & Spencer, perhaps best encapsulated by the roadside confrontation with Stuart Rose, reportedly involving lapel grabbing.

"Philip was a superstar of the high street, with an uncanny ability to buy long and sell cheap, but the best overall retailer of the era was undoubtedly his polar opposite, Terry Leahy.

"The other obvious big change was the rise of online shopping, but it was still pretty tiny in terms of overall retail spend, even by 2004, and the jury was still out on whether it would escape its niche.

"Fashion had seen the spectacular collapse of Boo.com and Ocado was struggling to make any money in food but Amazon was building steadily and, away from the spotlight, DIY.com was surging. Even Retail Week was caught up in the excitement, launching a website with daily news to run alongside the magazine – whatever next!

"Of more immediate concern to most retailers was the state of the high street. Out-of-town was sucking in the investment cash, and the high street, often with poor parking and a tatty streetscape, looked unloved and epitomised the 'clone towns' of the period. I always felt free, plentiful parking was key to out-of-town's success, as given the chance people would prefer to drive to the shops than walk or get the bus.

"Despite the noble efforts of Vittorio Radice at Selfridges, it was clear department stores, with no out-of-town offer, were in trouble with

Alders, Beales and House of Fraser all looking mildly moth-eaten.

"But the big picture, often lost in the hurly-burly of weekly and daily news, was that British retail was enjoying a golden era of innovation and growth, buoyed by an expanding economy, easy credit, buoyant house prices, low inflation and rising employment. Happy days."

Tim Danaher Partner and global co-head of consumer practice at Brunswick, non-executive director at Great Britain-China Centre and editor of Retail Week 2005-11



"It was an absolute privilege to edit Retail Week in the late 2000s and early 2010s, a period of big stories and big characters. Retail was in the thick of a private equity boom where companies were being bought and sold as much for the leverage you could raise against them as for their businesses and brands. It made some people very rich but couldn't last and stored up some big problems for the future.

"At the same time, retailers we thought would be around forever vanished. There was no bigger moment in my seven years in charge than the demise of Woolworths. A lot of jobs were lost and high streets holed out, but for many people the reaction was from the heart more than the head – that something which had been a constant in their lives since childhood was going for good.

"The case of Woolies is instructive. Various people said they were trying to replicate it, either physically or online. But in reality, who misses it now? Retail moves fast, and customers move fast. And what we also saw at that time was the ever-expanding supermarkets, emerging discount players and rapidly rising online pureplays thriving through better meeting customers' needs.

"Today some of those companies are the ones themselves struggling to adapt to today's retail environment. And that's the thing with retail.



The names change, but the dynamism and intensity doesn't. Take your eye off the ball for five minutes and there's a good chance you're history. It'll be those that stay close to the customer, like all the best retailers do, that will still be here in 35 years' time."

Chris Brook-Carter Chief executive of Retail Trust and editor- in-chief of Retail Week 2012-20



"It was a privilege to be part of Retail Week over a seminal decade. We oversaw a huge amount of change both internally with the brand and in the market.

"Technology-driven change reached a tipping point. 'Creative destruction' was a term that suited those years as old ways of doing business, value chains and systems imploded. It forced a pace of innovation that gave birth to new business models in organisations agile enough to adapt and led to a number of high-profile casualties (both leaders and brands) that simply couldn't. This was made more exciting by the swathe of new digital-only retailers challenging the status quo.

"At the same time, we were transforming Retail Week, moving away from the weekly magazine to a fully digital proposition supported by large-scale events designed to reflect the central role the brand played in bringing the ecosystem together.

"Pivotal stories, such as the demise of BHS and Comet, and the struggles of Debenhams and other department stores, were reflective of the massive impact online was having on traditional, physical retail.

"How we now view great leadership, the role of business in society, what customers and colleagues expect from the brands they buy from and work for were all formed in those years. There was almost a passing of the baton to a new generation of CEOs where the combative style, epitomised by the likes of Sir Philip Green, almost overnight looked at odds with a fast-changing world.

"Of all our internal achievements, I am most proud of the launch of Be Inspired, which was

"Creative destruction" forced a pace of innovations that gave birth to new business models in organisations agile enough to adapt and led to a number of high-profile casualties" **Chris Brook-Carter**

deeply influenced by the late Jacqueline Gold. Our goal was to create a network that empowered women in retail to realise their career aspirations and challenge a sector to face into its record on diversity and inclusion, while encouraging a new style of leadership that engaged and led on purpose.

"I learnt important lessons around the symbiotic nature of purpose and profit as we immersed ourselves in this programme and the amazing people it drew to it. These moments were pivotal to my decision to leave Retail Week a decade later to take up the role of chief executive of the Retail Trust, where our mission is to support a thriving retail industry by championing the hope, health and happiness of everyone working in retail.

"In the three years since I have left, the retail industry has faced a no less challenging time as we move from one crisis to the next. Successful businesses are now in a constant state of flux and manage change as part of their everyday existence.

"I believe the foundations of that strength were laid in the second decade of this century and by the extraordinary characters I had the pleasure of meeting, interviewing and reporting on in those years."

Luke Tugby Head of corporate communications and PR at Majestic Wine and editor of Retail Week 2020-22



"Retail Week has built an enviable reputation during its 35-year history for breaking exclusive stories that send shockwaves across the sector. I was fortunate enough to work on a number of them as a reporter, including the collapse of BHS in April 2016.

"A scoop of a very different nature that stands out from my three years as editor, though, is Amazon's shock appointment of Tesco lifer Tony Hoggett in July 2021. After more than 30 years at Tesco, Retail Week revealed that Hoggett was swapping Welwyn Garden City for Seattle, quitting his role as chief strategy and transformation officer at Britain's biggest grocer to become Amazon's senior vice-president of physical stores.

"It was a story that reverberated across the industry for a couple of reasons. Firstly, it symbolised the shifting sands of power in UK retail. Tesco, once responsible for one in every eight pounds spent in UK retail, had lost one of its key executives to the retail titan it had been nervously observing in its rearview mirror for so long.

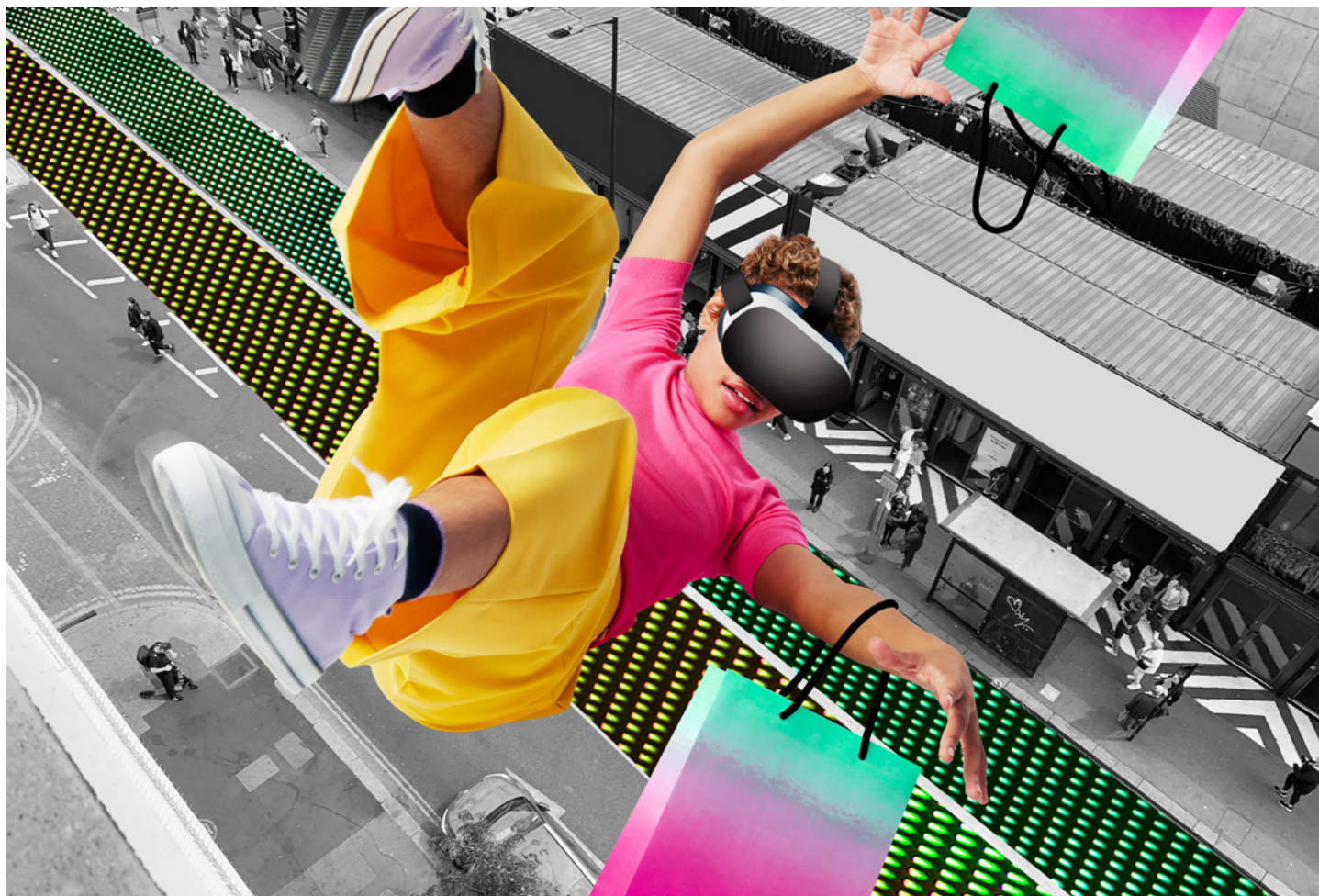
"Secondly, Hoggett's job title – SVP of physical stores – sent shivers down the spines of its rivals, reiterating Amazon's commitment to further disrupt bricks-and-mortar retailing following its acquisition of Whole Foods Market and the rollout of checkout-less Amazon Fresh stores.

"Amazon knew then something that has become increasingly clear over the past six months: the future of retail has to be multichannel.

"It's no surprise to see the likes of Gymshark founder Ben Francis pledging to open more shops, Sephora returning to the UK with a bang at Westfield London or HMV striking a deal to reopen its Oxford Street flagship. Particularly post-Covid, consumers value the sensory experiences that only a store can deliver.

"The most successful retailers of the future will be those that can seamlessly combine that physical environment with a complementary rather than competing digital proposition." **RW**

RETAIL WEEK AT 35



Future gazing: retail's next 35 years

Retail Week speaks to today's generation of retail leaders, who each gaze into their crystal ball and discuss how retail will look in the far future

Paul Marchant Chief executive, Primark

"I learnt early on in my career that retail must continually evolve. The UK retail landscape has changed dramatically over the past 35 years, yet our presence and commitment to the UK high street has been consistent.

"We continue to invest in the experience we offer



in our stores – and harnessing new technologies is a big part of this, but it enables our success rather than creates it. I believe shopping will always be both a social pastime and a necessity: people like to touch and try on in stores, and enjoy sharing this experience.

"Technology will support retailers behind the scenes in getting closer to customers and interpreting and predicting trends – and this is where AI, AR and big data are exciting. But at the end of the day, human connections and authenticity will be what determines success."

Jo Whitfield Chief executive, Matalan

"Retail's foundations are constant: provide customers with the right product, at the right quality, in the right place – all at the right price point. Yet, retail moves fast; 35 years ago, Matalan was pioneering out-of-town retail; now omnichannel is the norm.



"What will it take to succeed in 35 years? Look to our youngest consumers and talent. Along with expectations for retailers to deliver all the fundamentals, this demographic understandably wants to spend time and money with brands that demonstrate purpose and inclusiveness, aligned to evolved personal values and lifestyle expectations.

"Successful retailers will need to remain authentic and work relentlessly to reflect the diversity, strengths and needs of the world changing around us.

"I'm always curious to see 'the next big thing' in retail. I'm even more excited to see how our next generation harnesses fresh perspectives and innovation to forge an industry that truly delivers for consumers of the future."

James Bailey Executive director, Waitrose

"As Steve Jobs once said, 'AI will amplify human ability'. This means helping retailers to improve their forecasts, producers to improve their efficiency and logistic providers to optimise their routes – all of which ultimately benefit the customer.

"Technology will change the way we run our branches in ways we can't even imagine yet. Whether that is fully net-zero buildings or using AI to simplify or inspire customers' shopping experience, it's really exciting. That said, our customers have always valued service, quality and convenience – so our future stores will be designed to offer these in the most sustainable way.

"We'll also see customers get greater farm-to-fork visibility, holding retailers to account and forcing them to think more about where and how their produce is sourced. Given our high ethical and sustainability credentials, Waitrose is already on the front foot when it comes to this.

"While we'll see plenty of innovation online, especially in the foreseeable future, physical shops will be the focus for experiential retail as supermarkets look to add value beyond just the products on offer.

"Some customers will also still seek that human element to their shopping – like speaking to one of our experts on the best cut of meat for a specific dish – so we'll need to balance the best of technology and human capabilities."

Eve Williams Vice-president and general manager, eBay UK

"For nearly 30 years, eBay has pioneered a model of responsible retail and in a further 35 years I am optimistic this will still very much be the case. However, I do believe that the way we shop will shift to place more accountability for our choices on the consumer.

"In the shorter term, this may be more about how we choose to spend our money and the wider impact those choices make – for example, with even more of us choosing to buy second-hand or from enterprises that make a difference to their local communities.



"But in the longer term it may be that some of this choice is taken away from us, perhaps because technology will bring more tailored and personalised choices right in front of us or will make the process more automated.

"Either way, eBay will always be a marketplace that focuses on empowering economic opportunity for both buyers and sellers, and we are looking forward to the journey."

Sacha Newall Co-founder and chief executive, My Wardrobe HQ

"The retail landscape of the future is unlikely to resemble anything we see currently. For day-to-day living, it's apparent that most consumers will adopt an 'on-demand' approach to everyday consumables.

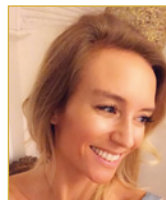
"I come from a car background and the future of the car market is predicated on self-driving cars; these change town planning in many ways and also remove any 'local shopping' requirement, since all goods can be mobile and available at your door, on-demand, within minutes of placing any order.

"Add to this drone delivery and other to-the-door logistics that are under development and it is unlikely that town centres will resemble what we know today in any way.

"Retail space will be destination-driven, with retail theatre and marketing at the heart of these destinations. We will see 'brand meccas' that are all about delivering a lifestyle rather than any shopping need. These destinations will be global with certain destinations appealing to specific audiences. The experience will go way beyond 'shopping centres'; rather they will be holiday destinations with hotels, restaurants, beach clubs, etc, all offering completely immersive brand experiences."

Michael Prince President and chief executive, USPA Global Licensing (U.S. Polo Assn.)

"It's truly hard to imagine what stores will actually look like in 35 years, but I do believe storefronts will still be a critical component of the consumer experience and a way for brands to



"The experience will go way beyond 'shopping centres'; rather they will be holiday destinations with immersive brand experiences"

Sacha Newall, My Wardrobe HQ

get closer to consumers. Whether it's through immersive experiences, virtual reality and other advanced technology that has yet to even be created, time will tell.

"Artificial intelligence is already influencing how consumers engage with brands and think about products, so we can only expect that influence to build.

"In the future, I anticipate we will have data that will allow us to market to the consumer even more precisely than we could imagine today. We can expect AI to influence the customer service experience on the front end as well as supply chain optimisation and inventory management on the back end.

"To be expected, AI and future technologies will not be without challenges and growing pains, which we will have to adapt to over time as retailers."

George Graham Chief executive, Wolf & Badger

"ChatGPT tells me that by 2058 retail will look startlingly different, featuring no end of technological evolutions, from virtual stores to AI-driven personal shoppers in 'smart stores' and robotic fulfilment centres to blockchain-enhanced supply chains.

"But I'm not quite so sure! While we will no doubt see technology continue to drive change, hopefully for the better, I think we will see a continued appreciation for 'real-world' shopping, engaging with friends and store staff to discover something exciting and just enjoying the fun of it, much like we have seen over the past 35 years.

"Online will grow, no doubt, but I like to think that the real change will come from more sustainable consumer behaviours, with an increased appreciation for ethically produced and locally sourced items, and with retailers doing all they can to keep pace with that demand. Here's hoping!"



Paul Hayes, Chief executive, Seasalt

"It's hard to predict exactly – after all, who would have foreseen events of the past three years – however, there are emerging trends that we see growing throughout the duration of this timescale.

"Firstly, retailers will need to continue to adapt their offering to win shoppers in the future. Sustainability has been a priority area for a while, but we can expect to see increased demand in this area – in particular growth in the repair, rewear and rental market, as more consumers adopt sustainable lifestyles.

"Physical store openings in the US in 2022 topped closures for the first time in three years, so while online will almost certainly dominate, we believe there's still a future for bricks and mortar. However, stores will be reimagined and represent not just a place to purchase, but a place where brands are brought to life and customer experiences enhanced.

"There will be increased importance on both physical and personalised retail experiences and brands will need to go over and above to grab consumers' attention.

RETAIL WEEK AT 35



Drone delivery is likely to play a big role in the supply chain of the future

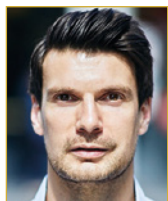
"It will be interesting to see how social shopping and AI develop. Social shopping is still in its infancy, but our reliance on social media indicates social commerce sales could surge here in the next decade, and there's lots for us to understand about the role of AI."

Andy Lightfoot Chief executive, Space NK

"If we look at the past 35 years as a guide, I suspect retail will change more slowly than other sectors."

"The evolution will see retail experience slowly blurring virtual and physical experiences as AR becomes commonplace."

"Customers will see tutorials and influencer content personalised to them, projected in physical stores. However, real human interaction will always be important, particularly in the mid-price sector."



Taymoor Atighetchi Founder and chief executive, Papier

"The past 35 years have really been about convenience – digital transformation has enabled customers to get what they want, faster than ever, which has



driven growth across online channels and Amazon winning a disproportionate share of total retail."

"AI will accelerate this convenience by enabling online retailers to deliver a personalised experience with an ever more curated product selection."

"However, as online adoption and ecommerce penetration rates mature, we will see increasing investment by brands and retailers in bricks and mortar. These spaces will need to deliver more than just a shopping experience and serve as spaces for community and entertainment."

"Department stores will see some of the strongest growth as they can deliver both on convenience ('one-stop shop') as well as a larger environment to provide meaningful offline experiences."

Gareth Pearson Chief operations officer, UK & Ireland, McDonald's

"Over the past 35 years, technology has fundamentally changed the way we operate as a business. It has transformed McDonald's from a restaurant that you could walk into or drive through and enabled us to provide 12 different ways customers can order, from delivery and table service, through to click and collect and the MyMcDonald's app – keeping pace with the way our customers interact with the world around them."

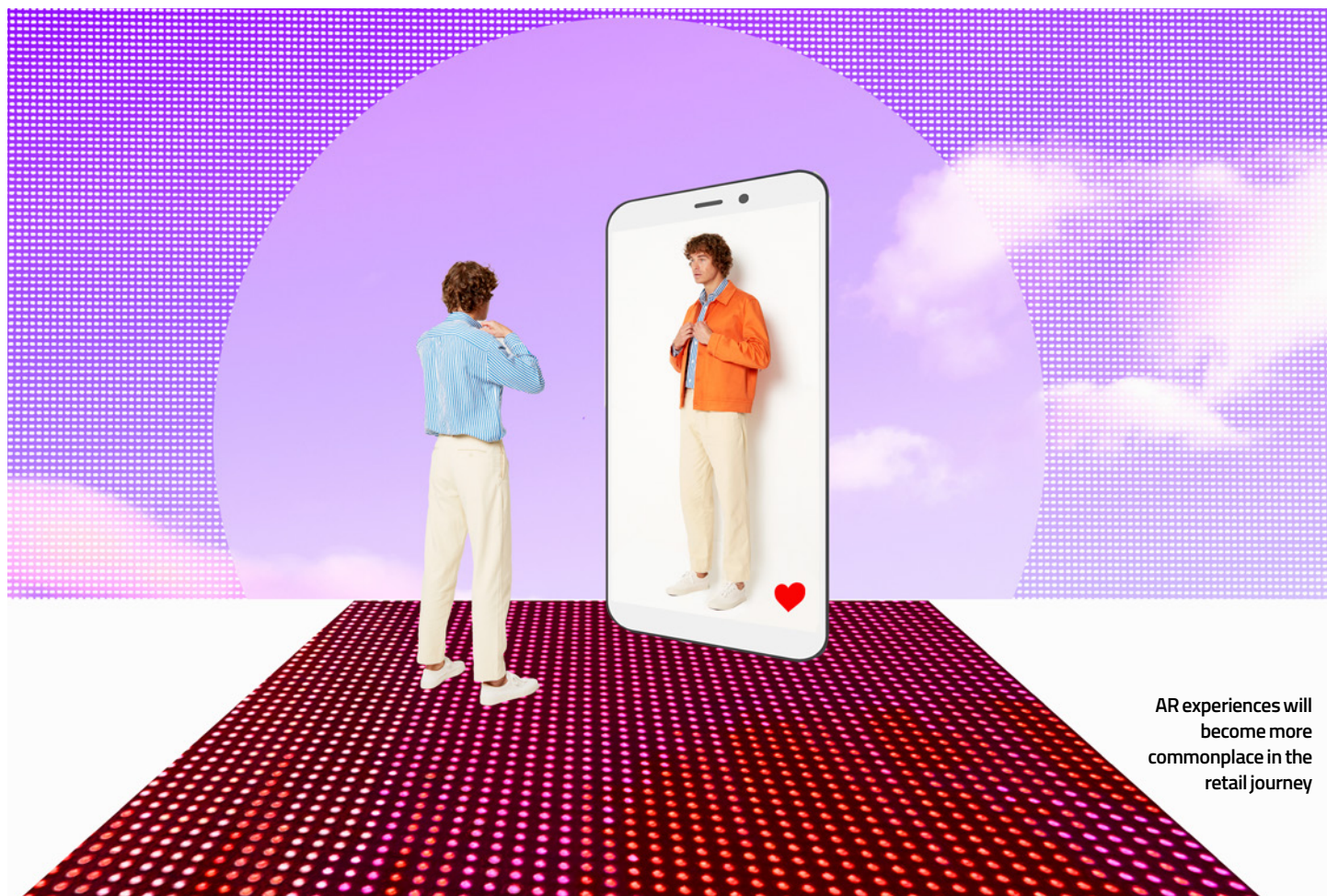


"However, some things have remained consistent. The quality of the product is still absolutely essential. We know customers are also increasingly considering other parts of the business when they assess quality. Standard of service, broader customer experience, sustainability credentials and being a good employer are all factored in. Our customers tell us they care that our ingredients are sourced locally, that our packaging is sustainable and that we treat our people well. In short, they care that we are doing the right thing."

"Looking forward, these factors will remain important. For us, as well as technology, the ever-increasing importance and expectations of convenience – people continuing to expect to be able to get what they want, how they want it and when they want it – will underpin our approach to being truly omnichannel, enabling our customers to enjoy McDonald's where they are on any given day."

"People will increasingly scrutinise businesses claiming to do the right thing. Our sustainability plan, Plan for Change, outlines our goals moving forward and will stand us in good stead to make sure we are meeting expectations when it comes to our responsibilities to our people, the environment and the communities our restaurants operate in."

"These expectations also play into how customers perceive value for money, which in itself will continue to be front of mind in an increasingly competitive sector."



AR experiences will become more commonplace in the retail journey

Peter Wood
Chief executive, AllSaints and John Varvatos

"06:00. Time to get up. The wind was howling again last night, but at least the power plant will have more supply now. 'Jarvis, transparent windows please.' I wander over and look out. I don't think I will ever get used to how beautiful Mars can be at sunrise.

"Krystyna is due back from Earth today; I can't wait to see her and hear how the grandkids are doing. I hope she's brought back some tomatoes – the Earth ones taste so much better than the ones I print here. But it's not the end of the world if she forgets. I can always nip down to A Taste of Andalusia in the third quadrant and pick some up there, along with a nice bottle of Martian blue.

"Jarvis, what's the latest from Retail Week? Is the President of Earth still taxing us tourists on what we buy? It was so much better for the Earth economy when we could reclaim the tax!"



superior and will create such a seamless journey for the customer.

"Obviously, AI and robotics will have more of a role in all industries and it is exciting to imagine how much more we'll be able to offer our customers. I haven't even been alive for 35 years yet and to think how technology has advanced since I was born is pretty crazy!"

Natasja Giezen-Smith
Managing director, Stitch Fix, UK

"Retail has changed so much over the past 35 years, with the introduction of new technologies and evolving consumer behaviours, but one thing has remained constant: personalising the shopping experience is central to success.

"Over the coming decades, we'll see advances in AI transform the scale and speed of personalisation in retail.

"We're already seeing this happen now with generative AI, which is providing retailers with valuable consumer insights, streamlining manual tasks and augmenting the human workforce – all contributing to more efficient operations and better client experiences."



Jon Reynolds
Chief executive, Trouva

"I see a world where the role of the independent shop is even more community-powered. They're already places to explore expert curation and personal style, thanks to the inspiring individuals who own these beautiful spaces.

"The need for real-life connections will be intensified for shoppers, and having connections with in-store owners and shopfloor hosts will be a welcome balance to the advances being made online. Our indie shops will transform into hubs of activity that go beyond events, bringing experiential and community focus to the curation process.

"Advancements in AI and social commerce will also remove the need for a basic ecommerce returns flow as we build more confidence in the online buying experience through personalised journeys based on what the customers want right down to how they like their clothing to fit"



Orlagh McCloskey and Henrietta Rix
Co-founders, Rixo

"Thirty-five years is a LONG time and I've no doubt new technologies will be introduced that will be far



Max Bittner
Chief executive, Vestiaire Collective

"In the next 35 years, I predict the retail landscape will undergo significant transformations. Physical



RETAIL WEEK AT 35



The path to purchase
will be paved with tech

stores will have to adapt to substantial changes, new consumer preferences and technological advancements.

"With the rise of online retailing, there will continue to be a radical shift in the way people shop. AI and robotics are expected to play a much greater role, revolutionising various aspects of the retail experience.

"For retailers like us who focus on second-hand products, the emphasis will continue to be on online marketplaces rather than physical spaces. Second-hand items, being unique and not available in multiple variations, are better suited for online platforms that provide ample space to showcase inventory.

"However, we recognise the importance of generating awareness and customer engagement, which is why we will continue to organise pop-up events to achieve these objectives effectively and connect with our community.

"As technology advances, concepts such as blockchain and NFTs are gaining attention in the industry. Brands, ourselves included with our recent partnership with Chloé, are exploring digital identification to ensure the authenticity of clothing items, enhancing the purchase process by providing a digital footprint with information on size, materials and more.

"While addressing counterfeit products, the challenge of ensuring accurate descriptions

regarding size, quality and other characteristics remains, and it may require different solutions beyond blockchain technology.

"Overall, my hope is that in 35 years' time, retail will likely witness a blend of online and physical retail experiences, with AI and robotics playing a prominent role in improving efficiency, personalisation and customer satisfaction, and allowing us to continuously learn and innovate."

Andy Torrance Chief executive, Angling Direct

"If I look back over my career in retail, it's incredible how much technology has changed the way we shop in that time. With the advent of AI and robotics, I think it is inevitable that this trend will only continue and accelerate over the next 35 years.

"What I think is interesting is what hasn't changed over the past 35 years, and that is the power of physical retail and the human element that comes with it.

"For our customers, our stores complement our digital presence: we have qualified angling coaches in all our stores and we design our processes for customers to experience a seamless transaction, while also enjoying the opportunity to interact with our colleagues.



"Looking ahead, we will continue to assess how we can best use AI and robotics to augment and complement our shopping experience. I think this will largely be in our digital offering, through our web-trading app and in fulfilment and processing in both our UK and EU warehouses."

Amy Heather Director of strategic accounts, Just Eat

"The future of retail will expand beyond the traditional bricks and mortar and online delivery that we experience today, as we see the rise in immediate on-demand delivery.

"This means that consumers will be using on-demand convenience shopping for a range of occasions – from daily grocery essentials and late-night treats to a must-have brand of pet food or medicine. Consumers will expect delivery within minutes whenever and wherever they live, whether that's in rural areas or larger cities.

"As grocery and retailers continue to shift towards online marketplaces, there will be the emergence of 'virtual high streets', where customers can effectively 'window shop' and easily compare options online.

"Therefore, both retailers and grocers will look towards marketplaces to offer meaningful data insights on how best to cater for this 'need it now'





Warehouse robotics are likely to become much more prevalent

consumer and remain competitive. As a data-driven tech company, we believe that this collaboration between retailers and marketplaces will be key in driving innovation and delivering exceptional experiences to customers and partners."

Nathan Williams
Chief executive,
Mamas & Papas

"As a brand that's been around since the 1980s, we've seen a revolution in the way shoppers shop and retailers retail. Almost every aspect has changed, driven predominantly by the adoption of online shopping, but also with the importance of brand purpose and behaviour.

"One important change is the role that the physical retail environment now plays when it comes to a brand's customer experience, engagement and loyalty, including the role of store colleagues.

"What's already clear is that the next 35 years will bring about even greater change.

"The advent and adoption of AI and VR offers huge potential in the digital space through even better automation and personalisation.

"But I also believe continued innovation in the retail experience, and the shift towards truly purpose-driven brands that connect at an emotional level with their customer communities, will define



the next few decades and separate out the winners and losers. Nowhere is that more true than in the nursery market, where our role is to guide and support new and expectant parents at their most important milestone. That's as much about people as it is technology."

Bridget Lea
Managing director
of commercial, BT

"Thirty-five years ago, the thought of buying something from a smartphone was inconceivable, and yet today a quarter of all retail sales happen online. We stand now on the cusp of another incredible transformation; new technology and heightened connectivity are blurring the lines between physical and digital to create a new generation of omnichannel retail experiences that will transform the way we engage with the brands we buy from.

"In another 35 years, it's quite possible that a quarter of retail sales will be made in entirely simulated shopping environments, or in physical retail spaces where customers are guided through virtual endless aisles. Whatever that future looks like, what matters most is that retailers never lose sight of the customer – their wants, their needs and their own unique lives – and always aim to deliver a truly



personalised shopping experience. Yes, the future of retail will be a captivating fusion of physical and digital worlds, providing extraordinary omnichannel experiences, but it will only work if that innovation answers a genuine human need."

Daniel O'Neill
Founder and chief
executive, ProCook

"Obviously, internet shopping will continue to grow and I see that growth impacting some segments more than others. In 35 years, I believe shopping for necessities will move fully online.

"Retail will become increasingly experiential and more of a leisure activity. Biometrics will be used for ID and payment, and AI will optimise operations, allowing retailers to focus on delivering creative and engaging experiences.

"Homewares and kitchenware will grow as people place greater importance on making their homes a retreat. Food is no longer the convenience issue of the past – whether it's for health and nutrition or bringing the family together, people find joy in everyday cooking, and they'll always need great tools to do it.

"Sustainability must become a cornerstone for every retailer. If brands aren't taking a stand customers will force their hand – brands will need to have the planet at the heart of everything they do to survive." RW



RETAIL WEEK AT 35



The evolving consumer

The way consumers shop has changed dramatically in the past 35 years.

Hugh Radojev assesses the differences and ponders what's next for retail

Since Retail Week was first published in 1988, almost everything about how consumers shop has evolved beyond recognition. In the late 1980s, the store was overwhelmingly the main channel through which people purchased items, supplemented by catalogues – which were in a sense a proto-e-commerce in that they allowed consumers to make purchases from their homes.

The internet was in its nascent stages, most phones were still landlines, traditional media marketing was the key to piquing customer interest and the big-box store was king.

Fast-forward to 2023: the world has changed and the rise of home computing and then smartphone technology has been the overriding driver of this change.

In terms of physical retailing, the UK high street is no longer as dominated by ubiquitous chain

retailers; famous department stores such as Debenhams and Woolworths have disappeared and the traditional big-four grocers have been displaced by the rise of the German discounters.

While the humble store still remains the predominant sales channel across categories,

Technological advances have made shopping infinitely simpler for consumers and more complex and costly for retailers

the purpose and function of stores has also been altered by technological advances and the rise of e-commerce.

Here Retail Week looks at some of the biggest evolutions in consumer behaviour over the past 35 years and how that evolutionary process is only just beginning.

Online all the time

It's hard to overstate just how much technological advancement there has been over the past 35 years, but also to quantify just how big a change it has driven in the way consumers think about shopping.

In short, technological advances have made shopping infinitely simpler for consumers and many magnitudes more complex and costly for retailers.

"Technology has just exponentially increased choice for the consumer over the last 35 years,"

says Deloitte consumer research manager Bryn Walton. "All of that means, ultimately, the consumer is more demanding than they've ever been."

"We've moved from the local store to the hypermarkets and department stores around town to now, when the consumer very literally has the world in their pocket. They now have access to brands around the world and can have those products shipped to them in a day."

This shift, which has massively accelerated over the past decade, has all but ended the old distinction between online and offline specialists. All but a very few specialist retailers need to be true masters of omnichannel retailing now to survive.

Stores do more

Technology has also fundamentally changed the function of the store. In an integrated, multichannel world, stores must serve their old purpose of being a physical point of sale while also now offering a range of services such as click and collect and, increasingly, experiences for customers.

Swedish giant Ikea, famous for its sprawling, out-of-town big boxes, has targeted smaller-format, more central locations. This year, Ikea opened its second UK plan-and-point format, which UK area manager Michael Parker says "allows customers to get inspiration and expert advice in convenient locations closer to where they live".

Retailers such as Boots and Nike are also using in-store technology to integrate customers' smartphones into the store experience – which is a fundamental shift in approach.

"In the past, if you saw a customer in a store

checking their phone, you'd think they were up to something suspect," says GlobalData retail research director Patrick O'Brien.

"Now it's a matter of course. Consumers will be checking prices with your competitor on their phones, and retailers are actively trying to get customers to engage with them on their phones, which is a real shift."

While the death of the high street at the hands of online has been overplayed, O'Brien does say ecommerce has "homogenised brands" and made people a lot more "savvy and ruthless with retailers in a way they weren't 30-plus years ago".

Sustainability and ethics

Another big shift in consumer behaviour, particularly over the past decade, is around sustainability – although the sales data shows that worries over the planet have yet to truly impact consumer behaviour.

"People talk a big game about sustainability. I think it's a lot of virtue signalling. And if you look at the data, we still love cheap stuff and a lot of it," says New York University Bear Stern School professor of marketing Scott Galloway.

Yet, as millennial and Gen Z consumers begin to mature into the most important consumer segments, retailers are taking the lead on this topic with an eye to the near future.

An example of this is Chinese fast-fashion giant Shein. The retailer has drawn huge criticism in recent years for its practices and allegations of poor working conditions.

However, Shein executive vice-chair Donald Tang says, moving forward, everything the retailer does

"The consumer is more demanding than they have ever been"

**Bryn Walton,
Deloitte**

over the next decade will be done with "sustainability and ESG in mind".

"Consumers are no longer just looking at price. In the next phase and decades, consumers will be more holistic. They will think about whether this is good for the planet or no," he explains.

Resale is also increasingly becoming a viable channel for retailers. In the past year, Swedish giant H&M launched its first 'pre-loved' store in the US. Decathlon has trialled its first UK rental scheme and apps such as Vinted and Depop have become big players.

Deloitte's Walton says the challenge in the future for retailers is to encourage consumers to make the ethical and sustainable choices without making them pay a premium.

"Particularly, given the cost-of-living crisis, asking consumers to pay a premium for sustainable products is incredibly hard to justify," he adds.

Shifting loyalties

The explosion of choice driven by technological advances has changed consumers' loyalty to brands. Also, the wealth of personal data generated by ecommerce has become retailers' most important tool and currency.

Walton says technology has changed consumer brand loyalty. "Modern loyalty is not 'I will only shop with you'; it's now 'I might shop more frequently with you than with someone else'."

"The point of loyalty now is to increase the frequency with which people shop and to get them ultimately to spend more with you than they are with someone else."

With the cost-of-living crisis still raging, retailers are shifting old membership schemes to offer more immediate rewards for customers on price while also fostering customer loyalty often across brands or categories.

In the past few months, John Lewis has appointed its first head of loyalty, Tesco and Sainsbury's have tweaked their Clubcard and Nectar Card schemes to offer more rewards, and Frasers Group has launched its own app with an eye to offering rewards for customers who shop across its stable of brands.

Frasers chief executive Michael Murray describes the app as "our own version of [Amazon] Prime", which will give the retailer "one lens for our consumers and keeps all of our data in a single place".

Despite all the shifts seen in retail over the past 35 years, one overriding rule hasn't changed: consumers still want the best products at the best prices. While that may never change, how retailers service that customer desire is only going to continue to morph and evolve. **RW**



RETAIL WEEK AT 35

The biggest tech innovations transforming modern retail

As the industry gets to grips with automation, virtual and augmented reality and artificial intelligence, **Megan Robinson** looks at what these technologies mean for the future of retail

Retail is characterised by constant evolution and innovation, but today it stands on the precipice of even greater change. The consumer's once linear retail journey is now kaleidoscopic in its variation, and retailers must be ready to meet shoppers whenever and wherever the customer may be.

To do this, retailers should prioritise a series of investments that will deliver both short-term and long-term growth.

Retail Week looks at the biggest tech innovations shaking up retail right now that show the greatest potential to drive up customer experience and deliver return on investment.

Automation: driving down cost, driving up experience

Automating different stages of retail – be that in stores with customer self-checkout, the use of robots or RFID to check and replenish stock on shelves, or robotics within warehouses to pick and pack orders – is transforming the way retailers do business.

The introduction of self-checkout across supermarkets in the early 2000s drove up customer experience when it comes to convenience, but also caused frustration as they often needed human assistance.

Years later, self-checkout is commonplace, now finding its way beyond grocery and into fashion stores such as Zara and H&M. A survey by Raydiant showed that 60% of consumers prefer self-

checkouts to store associates, while 85% believe self-checkouts are typically faster.

However, there is still work to do to make the experience seamless.

AlixPartners partner and managing director Brian Kalms is a critic of self-checkout machines because he believes using them is “still quite an unpleasant experience”.

He adds: “I think customers tend to feel that, while it's sometimes nice not to have any human interaction, it's a bit unreliable when scanning”.

Amazon has taken self-service a step further with its Amazon Fresh stores, creating the Just Walk Out experience where the technology can detect products taken from the store and the customer's Amazon account will be charged accordingly. Swedish grocery retailer Lifv's provides a similar experience and Tesco, Sainsbury's and Lidl have all invested in this type of technology.

The boom in automation has proliferated across supply chains and warehousing where it is dramatically reducing cost and increasing speed.

Drones have been incorporated into Ikea's supply chain to track inventory, grocers are using driverless vehicles for customer delivery and robotics are being implemented into Amazon's fulfilment centres.

In March 2023, 100 autonomous drones were incorporated into Ikea's supply chain to track inventory. The drones work out of hours to improve operational efficiency and accuracy, and have been deployed across seven countries in Europe.

Amazon has been working on robotics for several years and in 2022 the company unveiled Sparrow, a robotic arm that uses advanced AI to sort products and place them into the right boxes.

This forms part of Amazon's strategy to improve efficiency and increase supply chain productivity in a company that already integrates robots into 75% of its orders.

Ocado has also been a trailblazer when it comes to autonomous warehouses as it has been developing robots to sort groceries since 2015 as well as using driverless vehicles to deliver to customers. Its smart platform uses cloud-based tech to process and deploy orders with 99% accuracy and its Hatfield customer fulfilment centre handles around 20% of its weekly orders.

GlobalData thematic intelligence analyst Shabnam Pervaz says automation has transformed many aspects of retail, including the skills retailers now need their teams to have.

“Automation has made warehousing more efficient and cost-effective, transformed supply chains by improving logistics and transportation, made it easier for retailers to manage their online presence and provide a seamless customer experience, and made the in-store experience more personalised,” she says.

“However, it has also disrupted traditional retail jobs, requiring workers to adapt and acquire new skills to keep up with the changing demands of the industry.”

Currys' KettyBot robots use AI tech to help customers locate items in store



“By providing a unique and interactive shopping experience, retailers can differentiate themselves from competitors”

Shabnam Pervez,
GlobalData

Virtual and augmented reality: retail through a new lens

Often used in the gaming and entertainment industry, virtual and augmented reality (VR and AR) have started to find their footing in retail with Ikea, JD Sports and The Very Group some of the companies to try out this tech.

Sometimes this has been experimental. Over Christmas, JD Sports partnered with Snapchat to transform its Oxford Street store into a playable arcade game using an immersive AR filter to enhance the customer experience.

Meanwhile, The Very Group has taken this further by implementing AR in-app, which allows customers to virtually try out cosmetics from a range of brands such as Maybelline and NYX. The Very Group digital customer experience director Paul Hornby has said the launch led to “high customer engagement” and the AR technology could expand to include hair, nails and furniture products.

Alibaba has been ahead of the game through its use of 3D shopping, AR and VR try-ons, and digital avatars. In 2022, it launched an immersive shopping experience in the metaverse on its Tmall Luxury Pavilion platform. The platform features more than 200 luxury brands and at the time of launch meta passes were handed out to give shoppers priority digital access to products.

With many industries including retail looking to be part of the metaverse, McKinsey predicts it will reach a market value of \$5trn by 2030.

Pervez believes retailers should invest more in this innovative tech as it's important for them to “stay competitive and meet the evolving needs of their customers”.

She says: “Virtual and augmented reality and metaverse stores can create a more personalised and seamless customer experience.

“By providing customers with a unique and interactive shopping experience, retailers can increase engagement, build brand loyalty and differentiate themselves from competitors.

“Retailers who invest in innovative technology can gain a competitive advantage by offering unique

products or services that their competitors do not.”

Snap UK head of retail Ruth Arber says brands are leveraging Snap's AR capabilities to drive sales. “MAC Cosmetics used catalogue-powered shopping lenses to drive 1.3 million try-on experiences at a cost of 0.31 cents per product trial.

“It also secured 17 times higher lift in purchases among females, 2.4 times higher lift in brand awareness and nine times higher lift in purchase intent.”

Arber shared research that shows 75% of shoppers think AR is the future of shopping. By 2025, it is predicted that 75% of the population will be using AR.

The adoption of AR is growing, but it does seem most popular with Gen Z and those who have smartphones, so it may take a while for customers to get their head around such immersive tech. In Deloitte and Snap's consumer AR global report, it showed that Gen Z and millennials are 71% more likely to use AR frequently compared with older generations.

AR will have to be seamlessly integrated into the most popular global brands before it appeals to all customers.

Artificial intelligence: the game changer

One innovation that is perhaps the most controversial is the sudden boom of artificial intelligence (AI). The pros, cons, uses and dangers of AI are in the news every day as all industries are looking for ways to get the most out of this tech.

Research from marketing agency Savvy shows shoppers are sceptical about AI as only 37% believe it will “make the world a better place” and 58% said they are “worried about the speed of development in AI”.

However, adoption of AI is set to accelerate as GlobalData forecasts the market size in global retail is predicted to reach \$9.4bn by 2026, up from \$3.9bn in 2021.

AI is already being used in retail to analyse customer data such as purchase history and browsing behaviour to enhance personalisation and improve the customer experience and sales.

It's also used to optimise inventory management by analysing data on sales trends, stock levels and seasonality.

AI-powered chatbots can provide customers with quick and efficient support, reducing the need for human customer service representatives and improving the customer experience.

Kalms says “almost every retailer is quite well developed” with AI tools. “We think of AI as some sort of Frankenstein-type intervention, but actually a lot of what you see in terms of personalisation, replenishment, optimisation in store and decision-making is driven by artificial intelligence.

“In terms of generative AI like ChatGPT, it has the potential to make a huge difference in many areas. But it's not brilliant right now with judgement forming. I think that we haven't quite worked out the ideal use cases in retail for those sorts of generative AI tools”

In February, Carrefour was one of the first retailers to explore ChatGPT and generative AI to create a customer service video but others are using the tech for different purposes.

In a bid to enhance the in-store experience, Currys started trialling its KettyBot robots in its Birmingham store in January. These use AI technology to help customers locate items and navigate product ranges. The robot greets customers at the store's entrance and guides them to a product area once an item has been selected on the touchscreen.

The Very Group is transforming product discovery for customers by using AI, natural language processing, machine learning and data to provide consumers with faster and more personalised results.

In the longer term, Very will roll out more advanced elements such as a quiz that can help shoppers find the right products. There is no doubt that more and more retailers across grocery, fashion, beauty, health and other categories will continue to invest in AI and experiment with its features.

These innovations are reshaping retail as we know it and it'd be unwise to put a limit on just how far the technologies will take us. **RW**

