THE FIVE TRENDS: SUMMARY

ANTI PRESCRIPTION

THE TREND: ANTI-PRESCRIPTION: WELCOME TO THE AGE OF ANTI-PRESCRIPTION. FRUSTRATED SHOPPERS REJECT INACCURATE PRESCRIPTIVE RETAIL EXPERIENCES THAT RESTRICT CHOICE, IN FAVOUR OF FREE-RANGE BROWSING AND IMPULSE SHOPPING.

SUB-TREND: DIGITAL BRICKS: IN LINE WITH THE ANTI-PRESCRIPTION TREND, DIGITAL-ONLY BRANDS PLANNING TO OPEN PHYSICAL STORES SHOULD USE THEIR RETAIL SPACE TO CREATE MORE RANDOM, SERENDIPITOUS BRAND ENCOUNTERS.

German shoppers are frustrated when it comes to prescribed retail experiences. Over half of all German shoppers are frustrated with inaccurate online recommendations, exceeding the European average and nearly half favour whole collections rather than curated edits. The vast majority of German shoppers enjoy the vibe of real-world shopping and more than two-thirds of them get pleasure from browsing for fun – free-range browsing. When they do shop in physical stores, over two-thirds of German shoppers and those from Berlin will buy on impulse.

	GER	BERLIN
FRUSTRATION WITH INACCURATE ONLINE RECOMMENDATIONS	59%	59%
PREFER WHOLE COLLECTIONS TO EDITED SELECTIONS	48%	47%
BROWSE FOR FUN IN PHYSICAL STORES	68%	65%
BUY ON IMPULSE IN PHYSICAL STORES	73%	67%

UPSIDE-DOWN RETAIL

UPSIDE-DOWN RETAIL: THE ENTIRE RETAIL MODEL IS ABOUT TO TURN UPSIDE-DOWN. 2025 IS THE TIPPING POINT YEAR WHEN MORE THAN HALF OF RETAIL SQUARE FOOTAGE WILL BE DEDICATED TO EXPERIENCES RATHER THAN PRODUCT.

The majority of German shoppers and those from Berlin believe that the retail tipping point will happen by 2025. Indeed, more than half of all German shoppers and nearly two-thirds of shoppers from Berlin believe the majority of retail floorspace will be focused on experiences by this time. Already, Germans think that over a third of the floorspace should be dedicated to this, broadly in line with the European average. Creative-based experiences are the most desired by German shoppers, exceeding the average, followed by health-based experiences like meditation classes and gaming experiences, such as VR gaming, particularly for shoppers from Berlin. As well as providing more experiences instore, Germans also want the products sold in these spaces to be more magical and surprising. For example, over half of shoppers from Berlin want products that can mend themselves and over 40% of Germans want products that make the experience more entertaining, such as bowling balls that give feedback on the quality of gameplay.

	GER	BERLIN
BY 2025, STORES WILL DEDICATE MORE SPACE TO EXPERIENCES THAN PRODUCT	58%	61%
AMOUNT OF SPACE A STORE SHOULD TODAY DEDICATE TO OFFERING EXPERIENCES	38%	44%
DESIRE CREATIVE EXPERIENCES	36%	40%
WANT PRODUCTS THAT MEND THEMSELVES	48%	54%

SELF-SUSTAINING STORES: RETAILERS WILL REIMAGINE THEIR BUSINESS MODELS FROM THE BOTTOM UP, TO CREATE FACTORY STORES THAT ARE 100% SELF-SUSTAINING. THE WHOLE SUPPLY CHAIN WILL COLLAPSE DOWN TO THE POINT OF SALE. **SUB-TREND: RENTAL LIVING:** RENTING WILL BECOME A WAY OF LIFE, RATHER THAN JUST AN OCCASIONAL LIFESTYLE CHOICE. SHOPPERS OF TOMORROW WILL RENT ITEMS ON AN ONGOING BASIS, NOT JUST SPORADICALLY.

SELF SUSTAINING STORES

German shoppers are progressive in terms of demanding that retailers prioritise being self-sufficient, with more than three-quarters of them championing this and even more shoppers from Berlin want retailers to do this. Almost as many believe that stores should do more to address environmental concerns, broadly in line with the European average and they are particularly keen for retailers to prioritise banning single-use plastic and sell more sustainable products. Food sustainability is a particular focus for German shoppers with over half of them wanting food pick-up points for produce delivered directly from farms and nearly as many wanting pick-your-own allotments in retail environments. More than a quarter of shoppers from Berlin also believe that retailers should prioritise rooftop allotments or farms. Minimising the airmiles used in distribution is also a particular priority for shoppers in Berlin, exceed the European city average. Over a third of German and nearly half of Berlin shoppers want stores to make products in-store and on-demand as one solution to sustainability issues. Renting rather than owning products is another option and one that German shoppers are keen on, particularly those from Berlin. They are also keen on renting items on an ongoing basis, especially items for their home, with nearly three-quarters of shoppers saying they are keen this. Over a quarter of German shoppers are also interested in renting fashion and beauty. Indeed, fashion rental living is worth around 18 Bn euros a year in France, Germany and Italy collectively.[1]

	GER	BERLIN
DEMAND THAT THE STORES OF THE FUTURES PRIORITISE BEING SELF-SUFFICIENT (EITHER BY HAVING EVERYTHING UNDER ONE ROOF OR BY IMPORTING THE MATERIALS THEY NEED)	74%	80%
STORES SHOULD DO MORE TO ADDRESS ENVIRONMENTAL CONCERNS	74%	75%
PRODUCTS SHOULD BE PRE-MADE OR MADE-TO-ORDER INSTORE	55%	65%
WOULD RATHER RENT THAN OWN SOME PRODUCTS	43%	52%

[1] More than 50% of Italian, French and German shoppers spend over £50 per month - £600 per year – on clothes. Source: Drapers and Amazon Pay 'Anticipating tomorrow's demand across Europe' report, Sept 2017. Shopper population data as per footnote 2. Shopper population of France 56, 270, 829.7 of which 30% are willing to rent fashion = 16,881,248.9 fashion retail population. Shopper population of Germany is 71,033,109 of which 27% willing to rent fashion = 19,178,989.4 fashion rental population. Shopper population of Italy = 50,895,133.8 of which 31% will rent fashion = 15,777,491.5 fashion rental population. The total fashion rental population of these three markets is 51,837,679.8. Half of this fashion rental population, 25, 918,839.4, spend £50+ on fashion each month (£600 per year) 25,918,839.4 x £600 = £15, 551,303,904. Currency converted, this equals around 18 billion euros.

RETAIL SURGERY

RETAIL SURGERY: FORGET RETAIL THERAPY. THE FUTURE IS RETAIL SURGERY. CREATING A MARKET THAT COULD BE WORTH UP TO €4 TN PER YEAR[2] IN THE FUTURE, RETAIL OUTLETS WILL BECOME MORE LIKE DOCTORS' SURGERIES, DIAGNOSING OUR PRECISE NEEDS BASED ON FACT, NOT PRESUMPTION.

There is keen interest in Retail Surgery amongst German shoppers, particularly in Berlin. Half of shoppers there want personal retailer consultations to identify the perfect products for them. There is also appetite amongst these shoppers for these retailers to provide DNA testing or use other health measures in order to provide better recommendations, including diet and health solutions. Indeed, a third of shoppers from Berlin and more than a quarter of German shoppers are interested in this. Shoppers from Berlin are also nearly twice as likely than other German shoppers to be interested in using data such as saliva tests to create personalised 3D-printed food to fit their health requirements, with nearly a third expressing interest in this.

	GER	BERLIN
WANT FUTURE RETAIL ENVIRONMENTS TO OFFER PERSONAL CONSULTATIONS TO IDENTIFY THE PERFECT PRODUCTS FOR THEM	42%	50%
HAPPY TO SHARE MY DNA OR HAVE MY HEALTH ACCURATELY MEASURED TO GET BETTER PRODUCT OR SERVICE RECOMMENDATIONS	21%	29%
INTERESTED IN DNA ANAYLSIS TO CREATE SOLUTIONS LIKE PERSONALISED DIET AND HEALTH WARNINGS	27%	33%
WOULD WELCOME RETAILERS USING DATA SUCH AS SALIVIA TESTS TO CREATE PERSONALISED 3D-PRINTED FOOD TO FIT THEIR HEALTH REQUIREMENTS	18%	31%

LOCALLY-MORPHED

LOCALLY-MORPHED: RETAIL SPACES WILL MORPH TO FIT THEIR LOCAL ENVIRONMENT AND COMMUNITY, PROVIDING EVERYTHING FROM LOCAL BRANDS TO NOSTALGIC COMMUNITY EXPERIENCES.

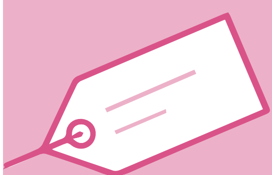
Nearly two-thirds of German shoppers and shoppers from Berlin want future retail environments to morph to fit the people who live in the local area. Germans are extremely supportive of local brands, with more than half of all these shoppers, including those from Berlin, preferring to have local brands over well-known ones in their ideal retail environment. Germany is one of the most progressive markets in this respect and Berlin is ranked third in terms of European cities wanting this. And the desire for retailers to be locally-morphed also extends to the kinds of experiences they want, with over a third of German shoppers asking for nostalgic social clubs and over a quarter of shoppers from Berlin wanting more community experiences, like book clubs.

	GER	BERLIN
WANT FUTURE RETAIL ENVIRONMENTS TO ADAPT TO REFLECT THE PEOPLE WHO LIVE IN THE LOCAL AREA	61%	62%
WOULD PREFER LOCAL TO WELL-KNOWN BRANDS	57%	54%
WANT RETAIL ENVIRONMENTS TO OFFER MORE COMMUNITY EXPERIENCES	21%	27%
WANT RETAILERS TO OFFER NOSTALGIC SOCIAL CLUBS	37%	45%

HOT-TO-WATCH DIGITAL BRICKS BRANDS

GERMANY

WISH
OTTO
ABOUT YOU
STEAM
TINDER
BOL
BONPRIX
N26
ALLEGRO
YOUTUBE



OTHER **INTERESTING** FACTS

SELF-SUSTAINING STORES

48% OF GERMANS AND **43%** OF SHOPPERS IN BERLIN WANT PICK-YOUR-OWN ALLOTMENTS AT FOOD RETAILERS

51% OF GERMANS AND **46%** OF SHOPPERS IN BERLIN WANT PICK UP POINTS FOR FOOD DELIVERED FROM FARMS WITHIN THEIR IDEAL RETAIL ENVIRONMENT AN ONGOING BASIS

ANTI-PRESCRIPTION

83% OF GERMANS AND **74%** OF SHOPPERS FROM BERLIN LIKE THE OVERALL VIBE OF SHOPPING IN A PHYSICAL STORE

UPSIDE-DOWN RETAIL

41% OF GERMANS WANT TECH PRODUCTS THAT MAKE THE WHOLE EXPERIENCE MORE ENTERTAINING, LIKE BOWLING BALLS THAT GIVE FEEDBACK ON THE QUALITY OF THEIR GAMEPLAY

RENTAL LIVING

72% OF GERMAN AND **71%** OF BERLIN SHOPPERS WANT TO RENT ITEMS FOR THEIR HOME ON AN ONGOING BASIS

[2] Total retail spend in the second quarter of 2019 within the European Union was 2,022,368.50 million euros. Source: Trading Economics. Therefore, spend per month is 674,122 million euros. 51% of European shoppers want retailers to offer personal consultations to provide them with the perfect product (Source: Westfield How We Shop, 2020). Therefore, up to 51% of this spend (343,802.645 million euros per month) could be spent on personal consultations, equalling 4.1 trillion euros a years. Source: Unibail-Rodamco-Westfield, 2019.