

*The impact of 2020 in the retail space is captured in two key words – **adaptation and safety**. Consumers on the one hand having to rethink the way they shop, and on the other retailers having to adapt to make shopping safer for consumers as well as their employees. Changing ways of doing things but also creating space for new retail solutions.*



CREATING SPACE FOR CONVENIENCE

Convenience Re-Invented

The need for social distancing provides opportunities for the convenience format to re-invent itself with the emerging trend of automated stores gaining traction. **While providing a contactless experience, these stores, mainly smartphone enabled, provide a safe and quick shopping experience, and allow retailers to expand operations and extend opening hours.**

Spar in the Netherlands for example is trialling a new 'Mini Spar' store format at its Head Office in Waalwijk. The concept is based on a mobile, one-person shop located in a converted container, with a self-scan checkout, and one staff member to manage both stock and store entry protocol. In France, Monoprix offer a one-person, contactless, cashless shop with no App required or cameras used to track shoppers. The fact that the system is GDPR-proof makes it an attractive option. While

these are largely urban based solutions, rural convenience concepts are emerging. In Sweden, the start-up Lifvs is using automated stores to make sure that outlying areas have access to essential goods. Some 500 products are currently on offer and it allows customers the convenience of not having to travel too far from their homes.

For all these solutions, assortment remains critical and should be optimized with one product per need curated to serve the end user and a mix of solutions for an efficient shopping trip. Take Private Brand for example, which continues to gain traction and preference amongst consumers. **Retailers should capitalise on this and keep on improving their Private Brand offer within this convenience space, to increase presence and relevance into these formats.**

‘Shop-in-Shop’

The notion of convenience and safety is also meaningful for hypermarkets with the concept of ‘shop-in-shop’ that allows retailers to incorporate complementary ranges from specialists into their offer, allowing them to benefit from their partners’ expertise. This too **reduces the burden and potential risk for shoppers** in terms of the number of shops they need to visit as shopping is offered under one roof and they can access specialist and curated offers.

As part of its ‘test-and-learn’ partnership strategy, Asda joined forces with specialists to answer a growing demand from shoppers, to allow for a one-stop-shop on a single trip. Their strategy of offering popular brands in-store started last year with jewellery and accessories through retailer Claire’s, recently expanding partnerships to include B&Q, musicMagpie, Per-Scent and The Entertainer.



In-Store @Home

When reviewing the 2020 retail landscape, e-commerce shows strong performances as consumers turned to online retail to ensure social distancing, with 51% of UK shoppers finding this the most convenient option*. However, the opportunity for digitalizing retail does not stop there. Back in 2016, Waitrose introduced ‘livestreaming’ to shoppers and retailers. This campaign gave visibility to farmers supplying Waitrose and demonstrated the retailer’s commitment to responsible sourcing to their consumer base. **Livestreaming offers an in-store experience from the comfort of home** and is a great platform to **allow for shopper engagement while overcoming barriers of purchase in a safe way.**

This type of experience is widely accepted in Asia with Alibaba but also gaining traction amongst brands in Western economies for example, Amazon and Media Markt in Belgium.



51%
of UK shoppers finds
online shopping the
most convenient
option.*



*50% of
UK shoppers
have spent
less time in
convenience
stores**

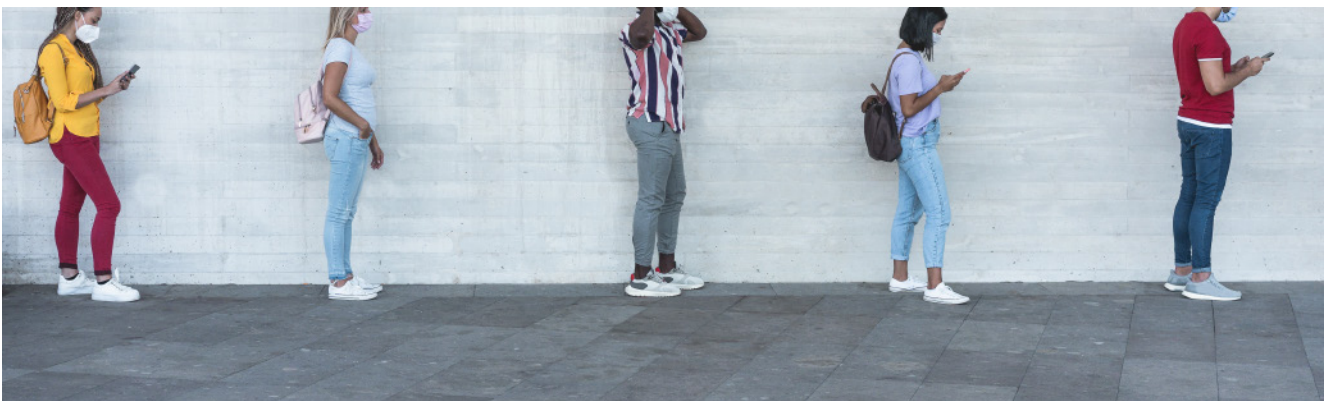


*and 45%
spent less
time in large
stores**

Moving with the Times

With change comes opportunity and 2020 is showing retailers how they can react and quickly adapt to new consumer needs. Social distancing is certainly a challenge as it implies limiting the access to stores, potentially impacting revenue, despite the realisation that a safe shopping experience is critical nowadays. Shoppers will value

alternative solutions to make the shopping trip efficient and safe. This is a key opportunity for Private Brand to become the most relevant solution for shoppers, combining quality and price. **Success lies in exploring the challenge. By re-inventing how one does business and identifying opportunities to leverage existing assets.**



Source: *IGD shopper vista May -July 2020

For more insights and recommendations for driving your private brand, contact: fdc@daymon.com