



# Retail Trend Monitor 2017

Trends, formats and technology  
development impact on retail

### General information

| Content   | Goal  |
|---|---|
| <p><b>1 Retail trends:</b> Expected current and future impact on the retail scene</p>                   | <p>To evaluate trends in the retail scene and to gain insights into retail formats, internet sales, and technology development on the basis of first-hand expert knowledge.</p> |
| <p><b>2 Retail formats:</b> Anticipated future success and life-cycle assessment</p>                    |   |
| <p><b>3 Internet sales:</b> Expectations for market shares</p>  |   |
| <p><b>4 Technology development:</b> Current impact and future investment focus with retail outcomes</p> |   |

Convenience remains the top trend in retail development, personalized marketing increasing relevance



### Convenience



Currently trend No. 1, followed by internet

### Mobile communication



On 3<sup>rd</sup> place currently, expected to be No. 1 trend in future

### Price competition



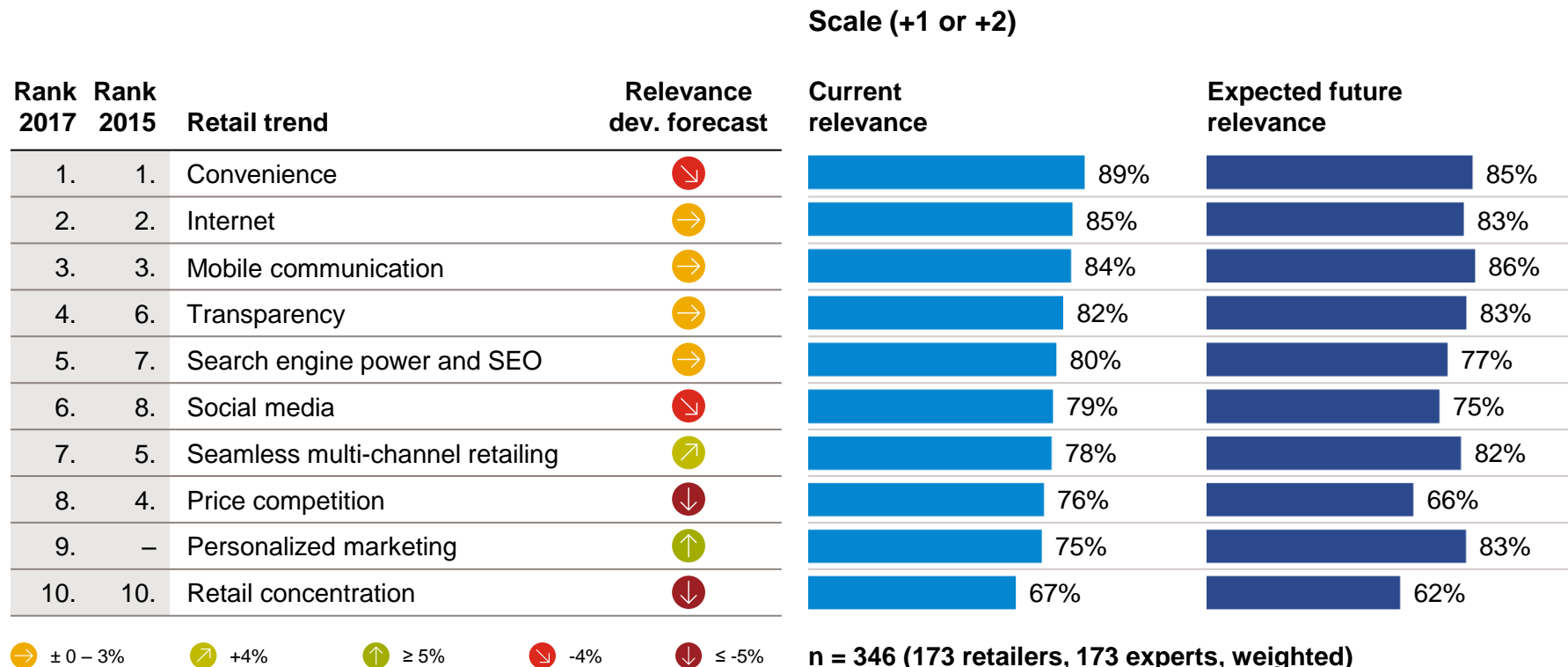
Significant now, expected to lose importance in future

### Personalized marketing



Increasing relevance expected in future

# Convenience, and mobile communication remain key, price becoming a hygiene factor, personalized marketing builds longer term loyalty



Que. A1a/b: To what extent do you expect the following trends to have an impact on developments in retail in your country, currently/in future?  
Please rate on a scale from -2 ("not at all") and +2 ("to a very high extent"). With the values in between you can grade your opinion

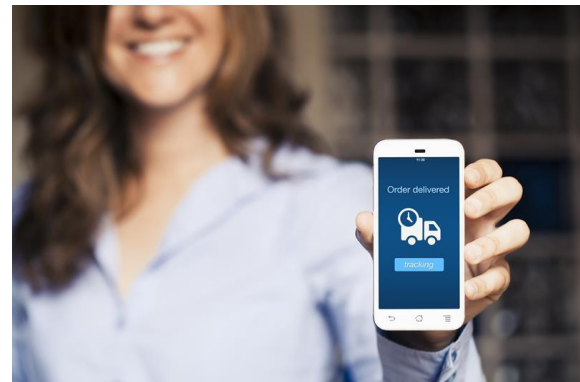
## Concepts developed around mobile devices most successful for future



Retail formats tailored to **mobile devices** expected to be most successful in future.

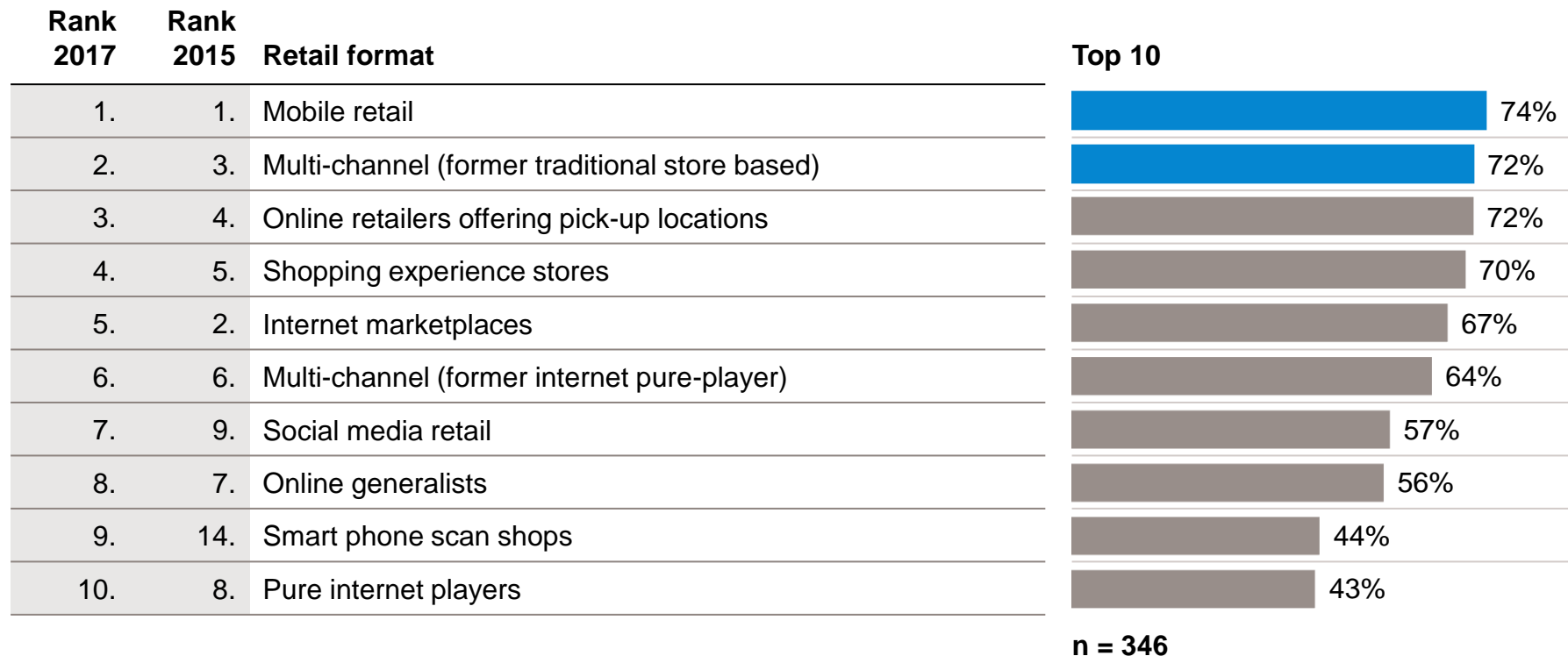


**Multi-channel retailers** (former pure traditional formats) who have developed physical store business into online channels rank 2<sup>nd</sup> for future success.



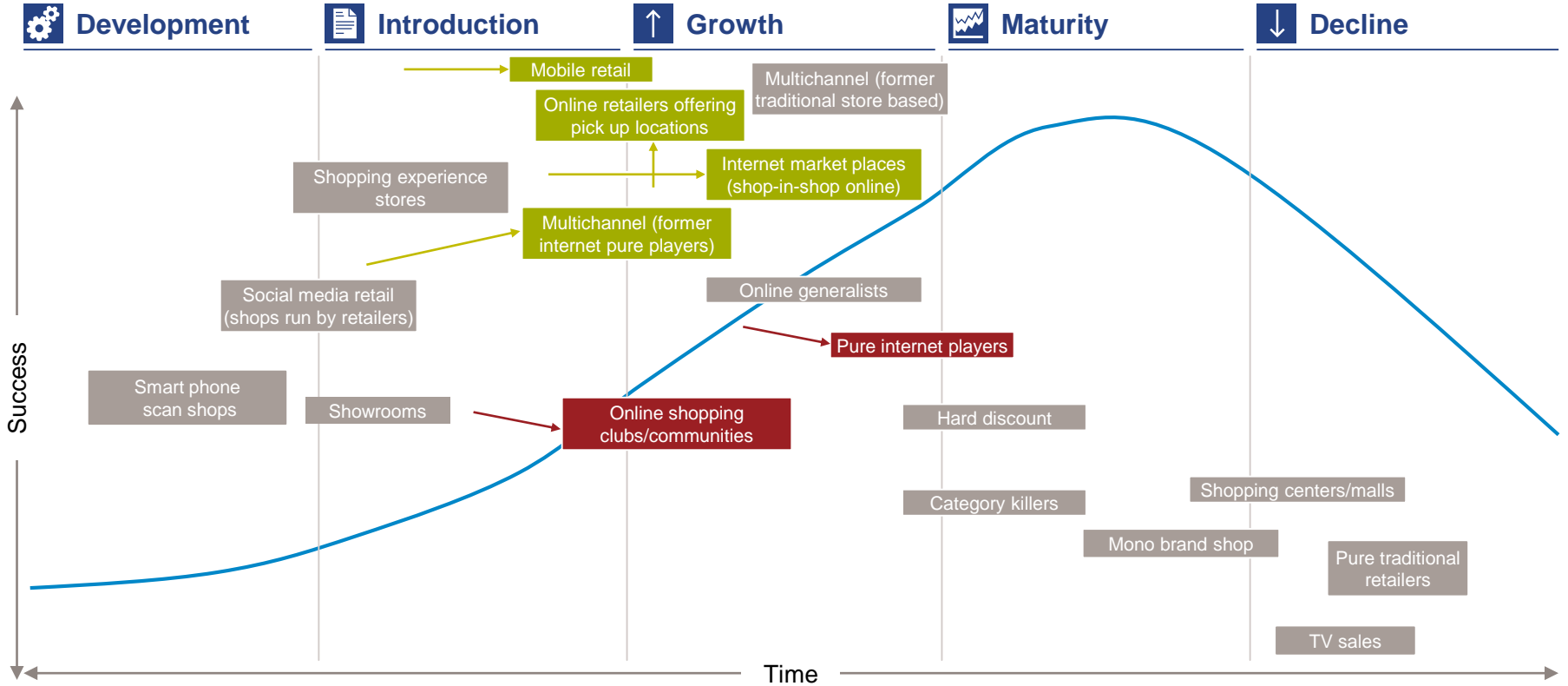
**Retailers offering flexible pick-up locations** score highly for future success.  
**Internet marketplaces** maintain a high success ranking.

# Concepts of mobile retail and retailers offering flexible use of channel purchase and delivery options expected to succeed



Que. B1b: Independently from life cycle stage, what future success do you expect for each format in your country?  
 For your answer, please use a scale from -2 ("future failure of format") to +2 ("very successful future of the format") | n = Weighted base

# Mobile retail matures, plus formats that allow consumer choice and flexibility in purchase mature and grow in expected success



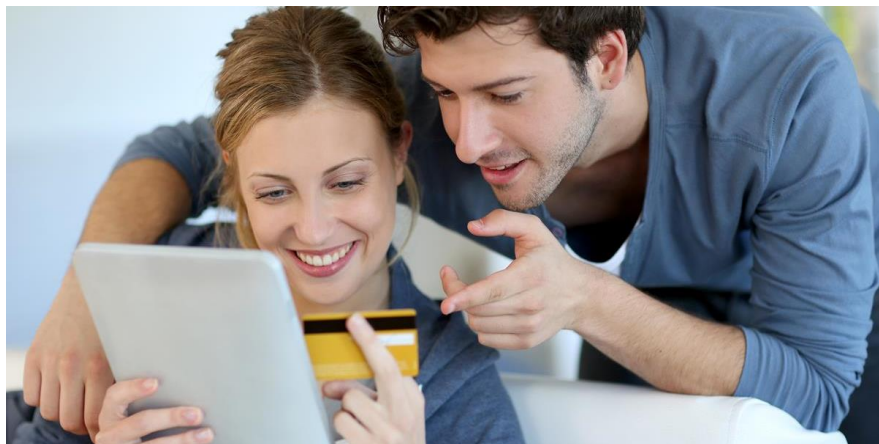
Que. B1a: Where would you position each format in terms of its stage in the life cycle? Que. B1b: What future success do you expect for each format in your country? Scale from -2 ("decreasing impact in the future") to +2 ("increasing impact in the future")



# Internet sales expectations for growth across TCG, downloads and fashion, mobile share growing strongest in downloads

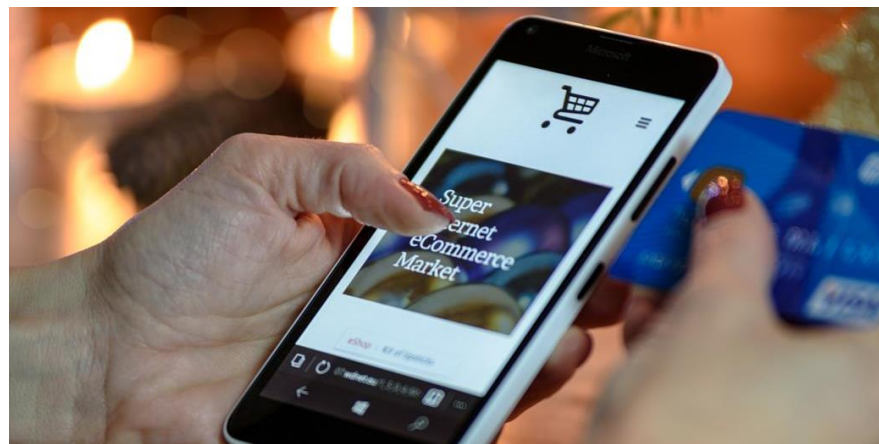


## Global share of internet sales



Online commerce expectations consistent with last study and expected to grow by c50% to 2020 in TCG, mobile commerce expectations grow since last survey wave across all areas.

## Estimated shares by 2030



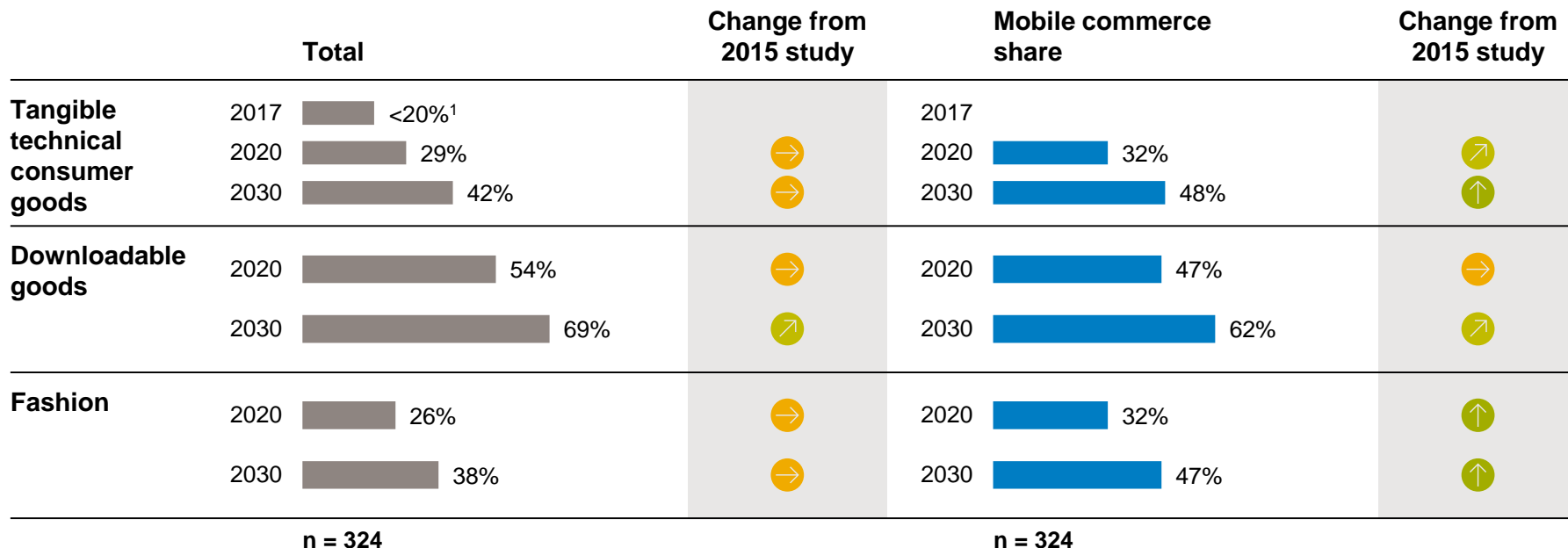
Downloads: >65% (mobile share >60%)

Technical consumer goods:  
>40% (mobile share >45%)

Fashion: >35% (mobile share >45%)



# Internet sales share consistent with last survey – TCG sales expected to grow by over 50% by 2020, mobile share expectations increase



→ ±0 – 3%

↗ +4%

↑ ≥ 5%

↘ -4%

↓ ≤ -5%

<sup>1</sup> Global estimate 2017 15 – 20% – based on POS tracking | 22 participants did not answer the question | n = Weighted base

Que. C1: Many discussions are going on about internet sales and its future development. For the area of technical consumer goods, the current internet share is roughly between 5% and 35% of total sales depending on the country and category (higher for software etc.). What is your expectation of the level of internet share for tangible technical consumer goods, for downloadable goods (software, music etc.) and for fashion in the years 2020 and 2030 in your country? Please enter a percentage between 0 and 100%. And regarding this internet share, which portion of it do you expect to be generated through mobile shopping? (As a share of the internet sales)

# Technology current impact and future investment focus on using customer data effectively, whilst understanding evolving areas



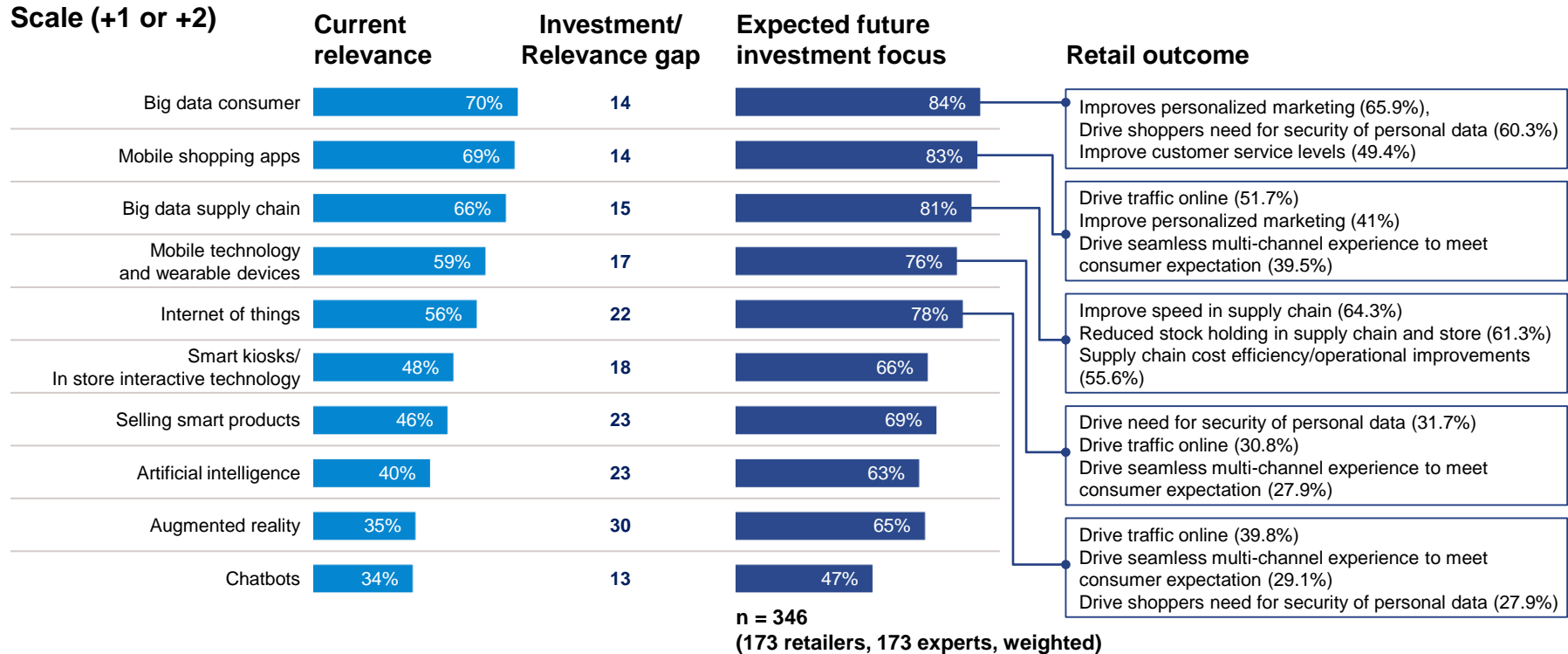
**Big data current and future top investment focus (84% respondents)**, improving marketing of tailored products and services to customers (66%), improving overall speed (64%) and efficiency in supply chain (61%).



**Checkout-less stores, augmented and virtual reality and facial recognition** allow customers to interact with the retailer in new ways. These cutting edge technologies are expected to see strongest increase in future investment focus versus current impact.



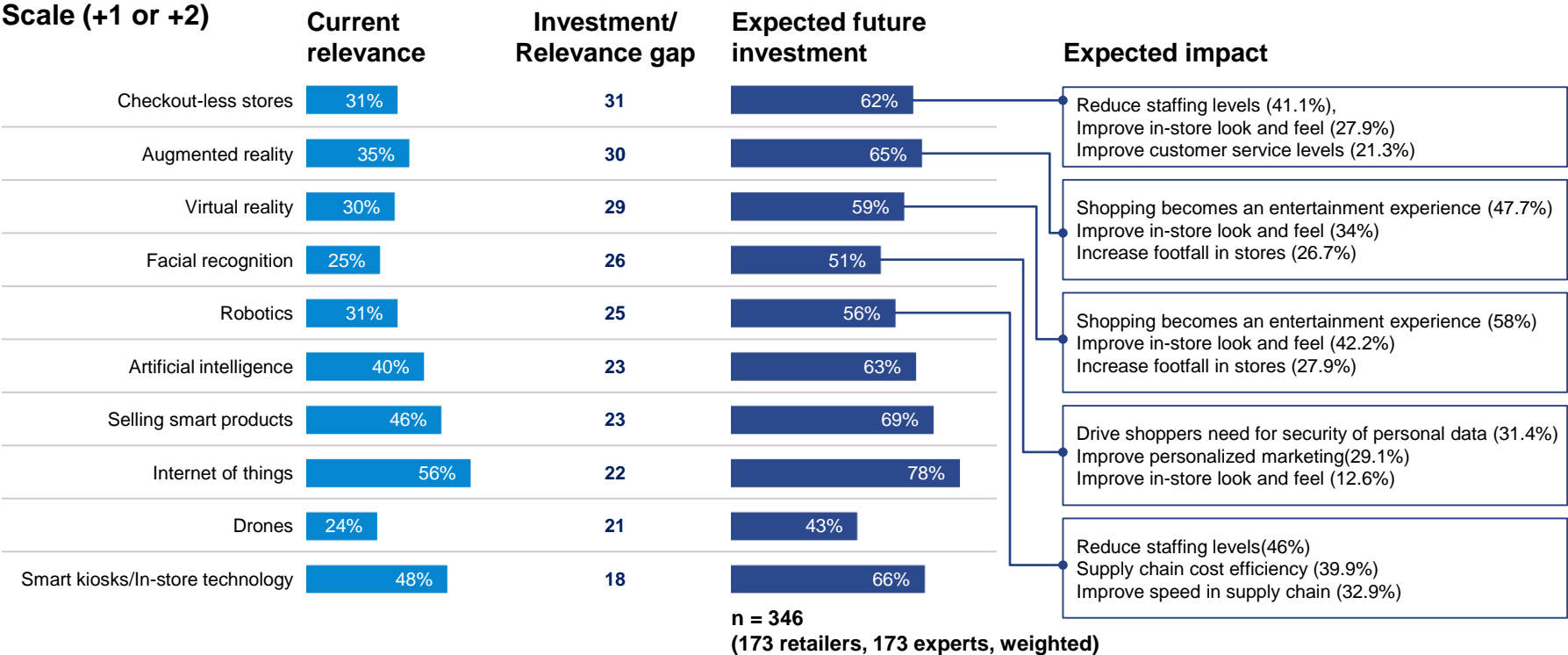
# Driving a truly tailored experience through effective use of customer data expected to be top focus of future technology investment



Que. D1a: To what extent do you think the developments listed below are impacting retail operation today, please use a scale of -2 ("Not At All") to +2 ("Very High Impact")  
 Que. D1b: Do you see future investment focus in these technologies (next 3 years) to drive future retail operation, please use a scale of -2 ("Not Likely Investment focus") to +2 ("Very High Focus for Investment")



# Innovative technologies such as checkout-less stores and augmented reality, have potential to transform shopping experience



Que. D1a: To what extent do you think the developments listed below are impacting retail operation today, please use a scale of -2 ("Not At All") to +2 ("Very High Impact")  
 Que. D1b: Do you see future investment focus in these technologies (next 3 years) to drive future retail operation, please use a scale of -2 ("Not Likely Investment focus") to +2 ("Very High Focus for Investment")

# GfK Retail Trend Monitor 2017

Interested in getting the full report? Feel free to contact us



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