

The New Retail Reality

A Vision Of The Future Of Retail
by Out Of Office



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1 Introduction

The retail industry in smaller cities and villages of the Netherlands is declining due to many factors: the increase of online shopping, aging of the population, the economic and financial crisis, to name a few. Municipalities are looking for answers and inspiration to keep alive the soul of the local shopping street.

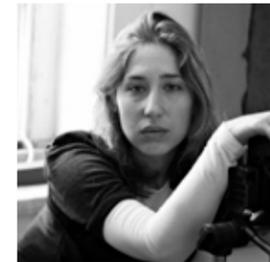
These are some of the reasons why Trendbureau Overijssel asked Out Of Office and our 404 Network the following question:

What are the most interesting global retail trends that can be used as inspiration for, or applied to, our local province's retail streets? To assure business that it's not the end of retail as such – but the beginning of a new era of re-organizing retail.

This report seeks to inspire the province of Overijssel and its retailers with new ideas on successful retail initiatives, branding, consumer needs, business models, innovation and future retail direction. With this businesses in Overijssel are enabled, using key information

about the changing world to anticipate the context of tomorrow.

Out Of Office (OOO) and our collaborative team of experts is excited to present "The New Retail Reality" an inspiring document that captures a vision and provides examples of the changing retail landscape within the world as a whole and the province of Overijssel in particular. Einstein himself proposed that vision is more important than knowledge, and Out Of Office sees a horizon with dynamic new realities in retail. As an international, creative and highly adaptable research, branding and design studio, Out Of Office knows that inspiration sparks the desire to both create and embrace new opportunities.



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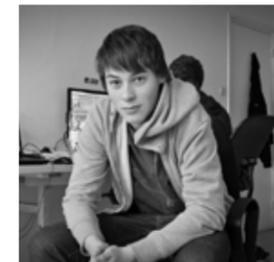
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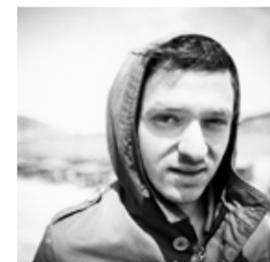
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Gilles Uzan - researcher and photographer Paris



Julia Yu - researcher and photographer based in Shanghai, China

Out Of Office work philosophy is to select the best team of experts dedicated and customized per project. Above is an overview of the 404-ers we interviewed. Retail, Experience, Technology and Online, Design Experts in our Global 404 future focused network (www.outofoffice.cc/category/404-network/).



Out Of Office brainstorm session with Lucy McCrea, Erwin van den Zande (Bright Magazine) and Mada van Gaans (Fashion Designer) amongst others - photo By Maurice Mikkers

HOW DO WE DO IT?

We've spent the last month developing as 21st century shopaholics and immersing ourselves in our 404 Network of experts, a mixed team of talented, entrepreneurial, multi-disciplinary, visionary, and future positive people including MBAs, grad students, designers, architects, bloggers, artists, writers, hackers, digital natives and producers. All of these thinkers celebrate imagination.

OUR METHODOLOGY

- Performing research by digging through the Internet, data, books, reports, statistics and the latest developments in retail.
- Gathering inspiration and insights while speaking with our global 404 Network in London, the Netherlands, Scandinavia, Portugal, Beijing, Los Angeles and New York.
- Surveying international photographers and documentary filmmakers in New York, Istanbul, Shanghai and Paris.
- Conducting expert interviews with architects, future policy makers, Inline strategists and Internet experts.

Of note, Out Of Office would like to highlight a few sections that move above and beyond simple statistical analysis. OOO opened our inspiration toolkit to create and share case studies using imagery from our researchers and photographers. We explored custom made documentaries to bring Overijssel the emerging story from the new collaborative communities. Readers will note our OOOverijssel Alerts, which

aren't just cool little icons, but functional highlights that call attention to specific items that are important to Overijssel's future retail strategy.

After a visionary explanation on The New Retail Reality in chapter three, OOO will introduce the three most important trends: Instant Inline, ReUse and ReBalance. These major trends are illustrated with the most interesting and relevant examples from around the globe and are connected to sites via hyperlink (just click and collect). The reader should also keep an eye open for our video icon. 

In our last chapter, OOO brings it all together. After looking at retail from virtually every angle, we have analyzed trends in online and offline retail and anticipated where the future opportunities are likely to lie for Overijssel. It is critical to remember that revitalizing the retail landscape is not a one-step, one size fits all formula. In each situation retailers must look at approaches that best suit consumers, according to the latest changes in their environment.

In the end, OOO intends for this report to offer the impulse and inspiration necessary to make "The New Retail Reality" not just a catchphrase, but also the smart shop-owner's thriving world.

Kirsten van Dam + Sam Colijn
Out Of Office

2 Overijssel In Context

Even though Out Of Office is not an Overijssel expert, we were intrigued to understand the current retail structure in Overijssel.



Carnaval Raalte, Overijssel



Zwolle Satellite

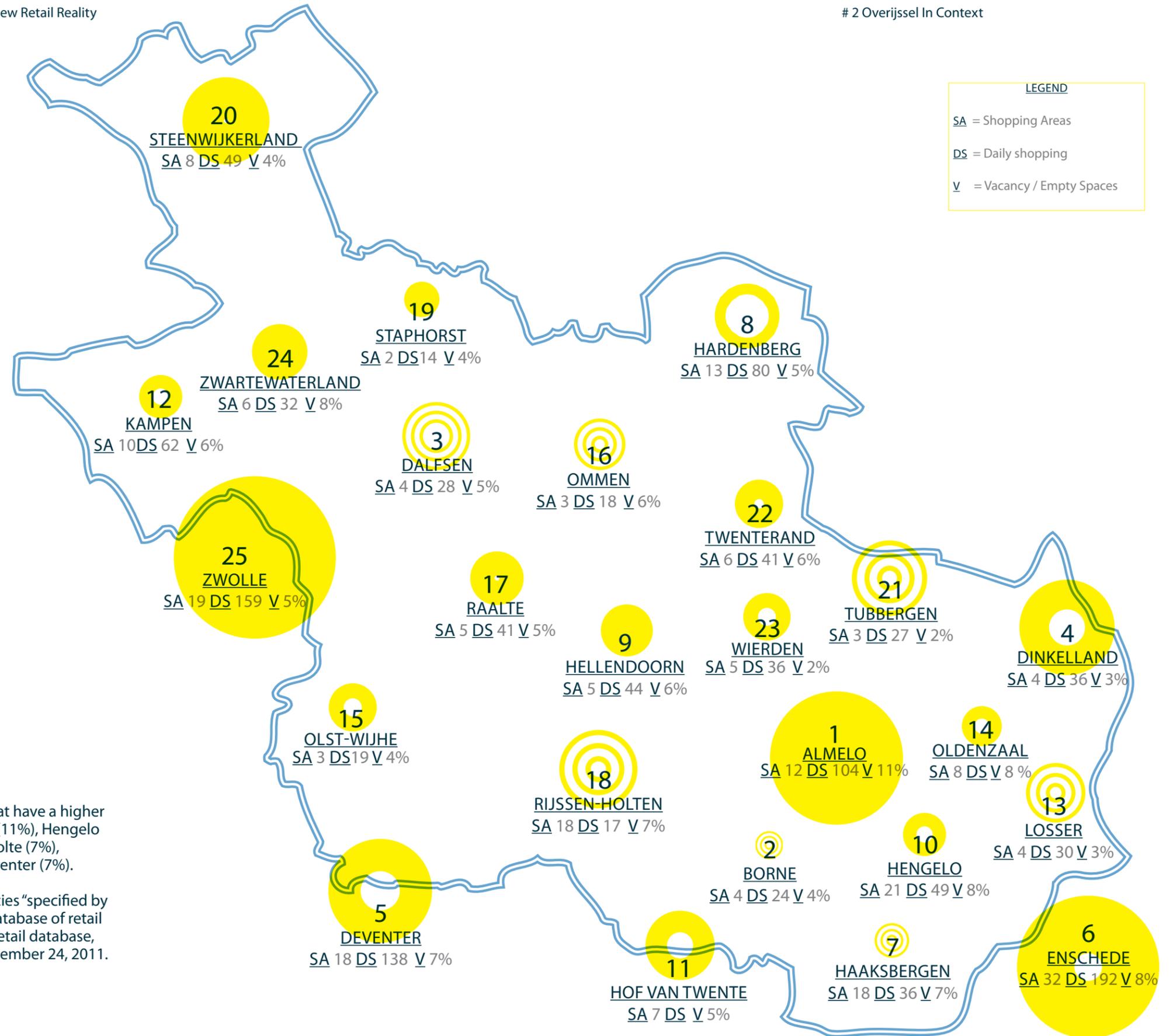


'Living Statue' Borne, Overijssel

Shopping Areas + Daily Shopping + Vacancy

LEGEND

SA = Shopping Areas
 DS = Daily shopping
 V = Vacancy / Empty Spaces



Firstly, we looked at the number of Shopping Areas (SA) per municipality where we can see that Staphorst (19) has only one supermarket and one small central shopping centre (SA=2).

We checked the number of contact points for daily shopping (DS) - this includes food and personal care per district, as well as an overview of the percentage of empty spaces for each municipality (V).

Some interesting insights so far:
 The average vacancy in the Netherlands is 6%, whereas Overijssel has an average vacancy of

7%. Overijssel has 5 districts that have a higher than average vacancy: Almelo (11%), Hengelo (8%), Enschede (8%), Rijssen-Holte (7%), Zwartewaterland (8%) and Deventer (7%).

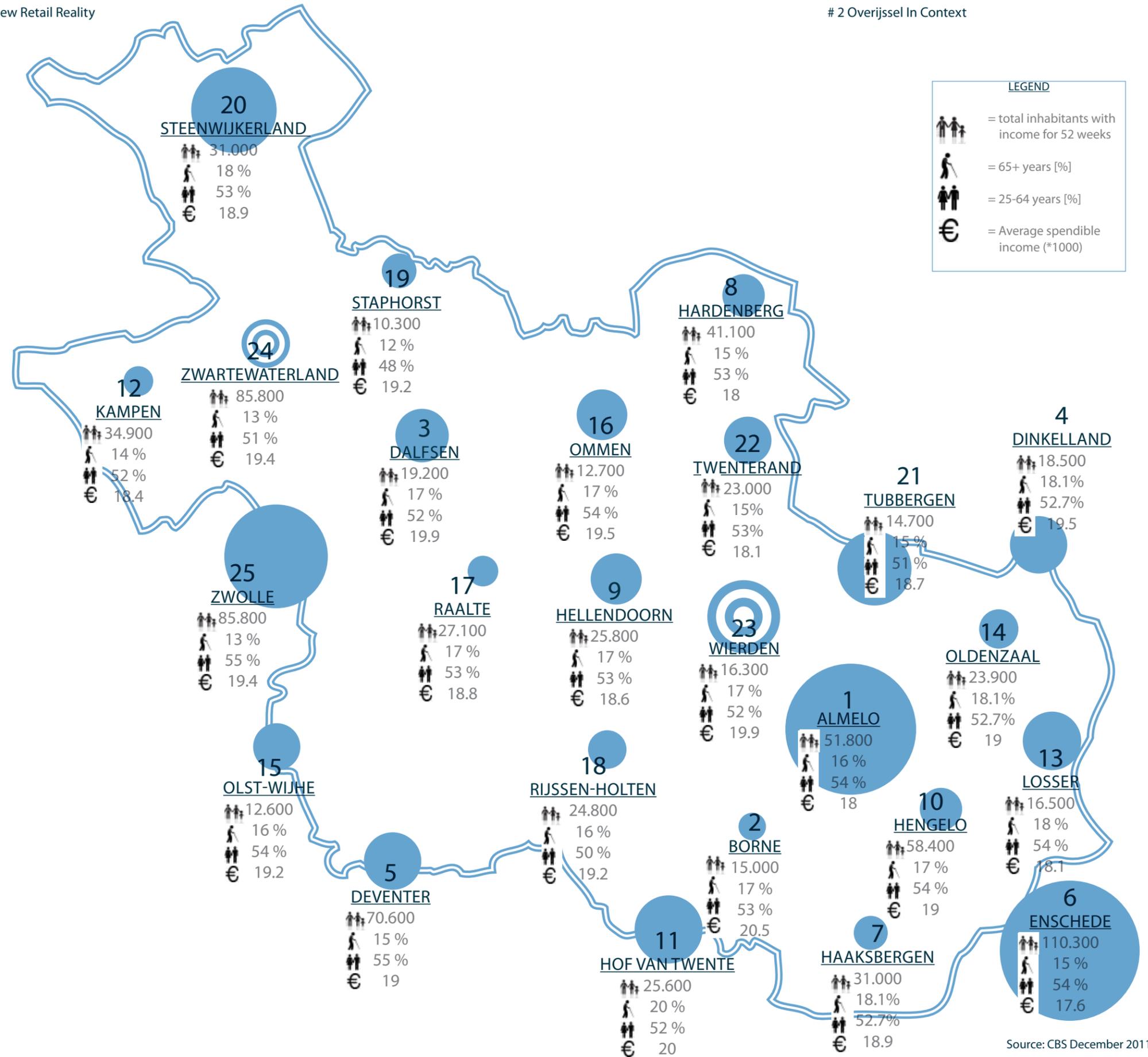
Note: all information on vacancies "specified by town shops" comes from the database of retail in the Netherlands of Locatus retail database, which was last updated on December 24, 2011.

Source: Locatus retail database, December 2011

Elderly (65+) Youngsters + Money To Spend

LEGEND

- = total inhabitants with income for 52 weeks
- = 65+ years [%]
- = 25-64 years [%]
- = Average spendable income (*1000)

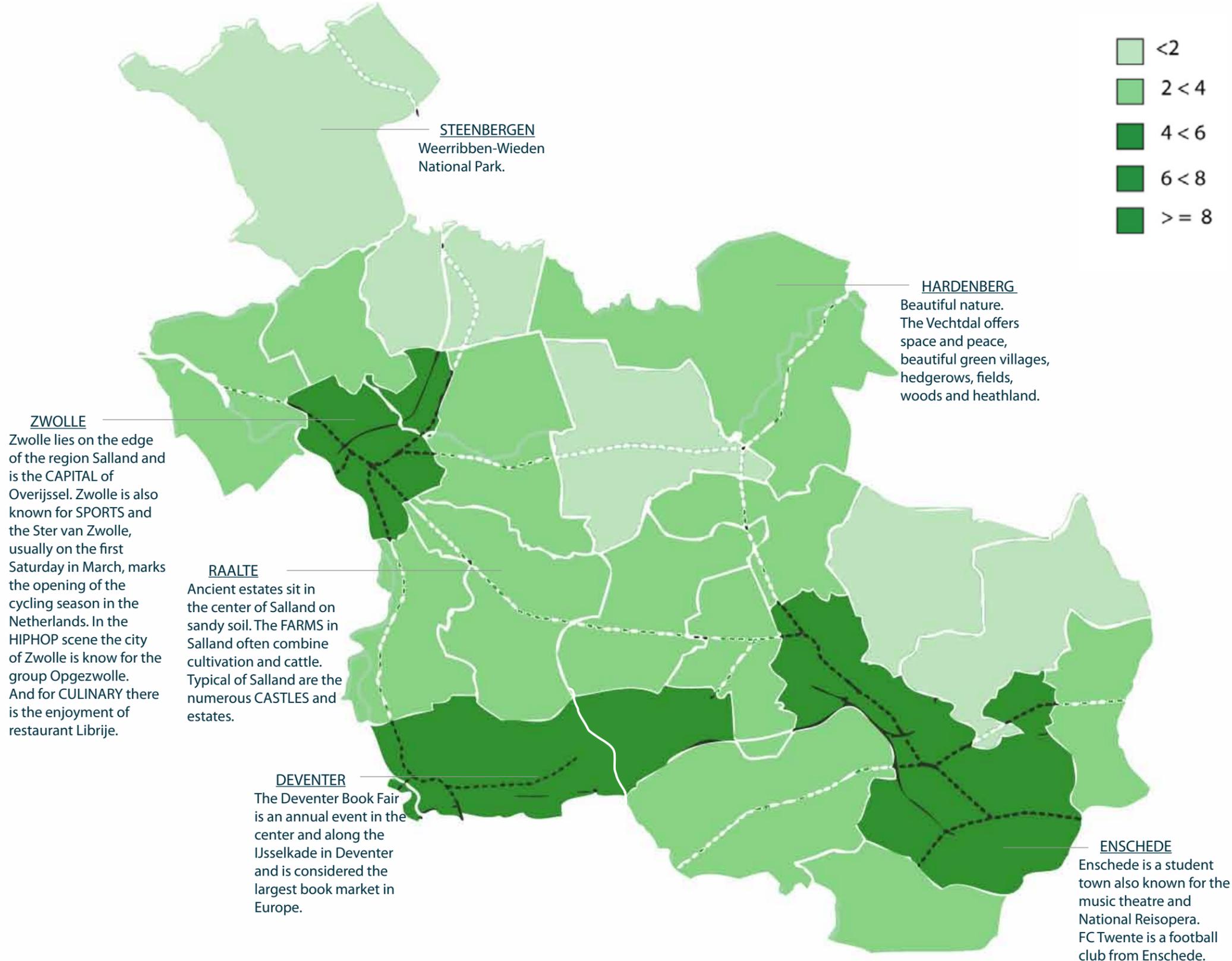


Secondly, we looked at the total number of inhabitants in every municipality, including inhabitants older than 65 years and those between 25- 64 years. We looked into the average spendable budget per municipality.

Some interesting insights so far: Enschede (Overijssel's biggest city) has the lowest average spendable budget, whereas Borne is the richest municipality. We can see that Hof Van Twente, with 20% of its habitants over 65, shall soon have a lot of Silver Surfers to service.

Source: CBS December 2011

Density + Icons Of Overijssel



Lastly, we looked into the density of the regions in Overijssel and some (iconic) characteristics per city and district, for retailers to use to translate The New Retail Reality into niche brand concepts. Every district in Overijssel has a local opportunity.

How can you use the iconic farms of Raalte when we see a huge trend of local food rising with consumers? Or how can we connect an event as the Deventer Book Fair to position the brand identity and attract more people?

3 The New Retail Reality

Society is changing faster than it ever has before. Mike Myatt, leadership advisor to CEOs and large corporations phrases it well:

“If the world is constantly changing, if the marketplace is always evolving, if the minds of others are continuously developing, how can you attempt to be unchanging and still be relevant?”

We cannot remain relevant, and neither will retail. This means that the way we experience retail and its structure in the near future must change rapidly, as well. Retailers today need to open their minds to the new possibilities available to retail, be it new retail experiences, retail structures, or both.

From big cities to remote villages, the retailer’s goal for the next two to three years is to re-balance supply and demand by adapting to and navigating through what Out Of Office calls: “The New Retail Reality.”

As trend researchers we often hear, “This trend is not for me. It will not change that rapidly. We still have time.” In fact, the rate of change

is accelerating, and in the next two to three years retail will be radically affected by four key movements: The rise of constant internet access worldwide and the educated consumer, the global economical crisis, the aging of our population and the shifting mindset of the consumer who’s no longer seeking to accumulate possessions.

The coming retail environment is something businesses have never seen before. The consumer has come to expect instant convenience, and the retail model is adapting to remain relevant. It is neither simply online or offline, but Inline, marked by the confluence of web and “bricks and mortar.”



Banksy, London 2011

The main trends in the future of retail include:

1. Instant Inline Retail

Previously, the computer remained in the home and the customer went to the shop. Now with smart devices, the customer is online WHILE shopping. S/he is conducting research on the product in virtual while handling the product in actual. This “click and collect” behaviour presents new opportunities for retailers to explore and exploit.

2. ReUse

Cost pressure, resource scarcity and new economies are driving the way consumers think about both retail space and products. Retail is seeing a revitalization of co-operative schemes and, as disposability becomes less desirable, a rise in repair, exchange and second-hand models.

3. ReBalance

Changing macroeconomic factors also influence the cost of business. The aging of the population in particular presents new gaps to fill in the market. In addition, the shrinking size of households and increased migration to urban centers means a reconsideration of retail thinking.

Lets start with “why” these three main trends are influencing your retail business...



Image by Jos Sentell

Interactive clothing hangers By Team Lab, image via www.technabob.com/blog/2011/10/18/rfid-clothing-hangers/

1. Instant Inline

The emergence of constant Internet access worldwide is fertile soil for any trend related to online behaviour. This has critical offline consequences, and vice versa. From now on, the Inline (the convergence of online and offline) habitat will see constant innovation, accelerating much faster than we could ever have imagined. For example, Eindhoven will soon introduce a Wi-Fi connection throughout the city. According to the BBC, touch-less smart phones and TVs are predicted to go on sale as soon as 2012. Visual recognition, like Digimark.com, will soon become gesture recognition software. New generations of mobiles will read your moves and execute appropriate commands, without any need for buttons. This ensures that the consumer can always be unconsciously and instantly Inline.

HYPER-PERSONAL CONVENIENCE

What does this all mean? The consumer today is in control and in demand 24/7. He is designing his environment as conveniently and personally as possible, with the best value for money options. Consumers like to think that they are unique and deserve their own unique lifestyle, whether they talk about interior decorating, shopping at times that are most convenient, or using apps that gather information about specific interests. This has proven to be highly successful with consumers. Further, niche products and services will have more chance to reach customers, because online has a greater consumer bandwidth and is significantly more effective in connecting niche audiences.

CLICK AND COLLECT

Consumers will expect an "Instant Inline" connection and a "click and collect" retail structure to act accordingly. Cities, brands, retailers, coffeehouses, electronics, everyone and everything will soon be connected to the Internet with the sole purpose of contributing to and servicing the consumer-convenience infrastructure. Chris Webster, head of retail consulting at Capgemini concludes that the increase in sales via click and collect and mobile methods "shows that customers do want options when it comes to the online shopping experience." We see many examples of existing business, like HEMA and V&D, introducing a "collect service" for clients to purchase products online and then collect at a service centre offline.

"Online retail in the Netherlands is expected to have a turnover of 9 billion euro this year. That is 10% of the total retail turnover in the Netherlands"

[WIJNANDJONGEN, DIRECTOR THUISWINKEL.ORG](http://WIJNANDJONGEN.DIRECTORTHUISWINKEL.ORG)

REASONS WHY
PEOPLE BUY ONLINE:

- 36 %
I can shop whenever I want
- 33 %
It is easy
- 25 %
Prices and products can quickly be compared
- 18 %
Low prices
- 15 %
Good offers
- 14 %
Simplicity to find and select what I need
- 12 %
I can buy products that are not available in the store
- 12 %
Wide range of products
- 10 %
Time efficient
- 6 %
Good service
- 5 %
Detailed product information
- 4 %
Quick delivery
- 2 %
Low shipping costs

SOURCE: MITEX



Apple Store Grand Central Station NYC

“The Apple store is mostly a service provider. Most people buy through our online store, and the staff functions as the expert and service provider.”

SANDER, APPLE STAFF, STORE IN AMSTERDAM

MULTICHANNEL

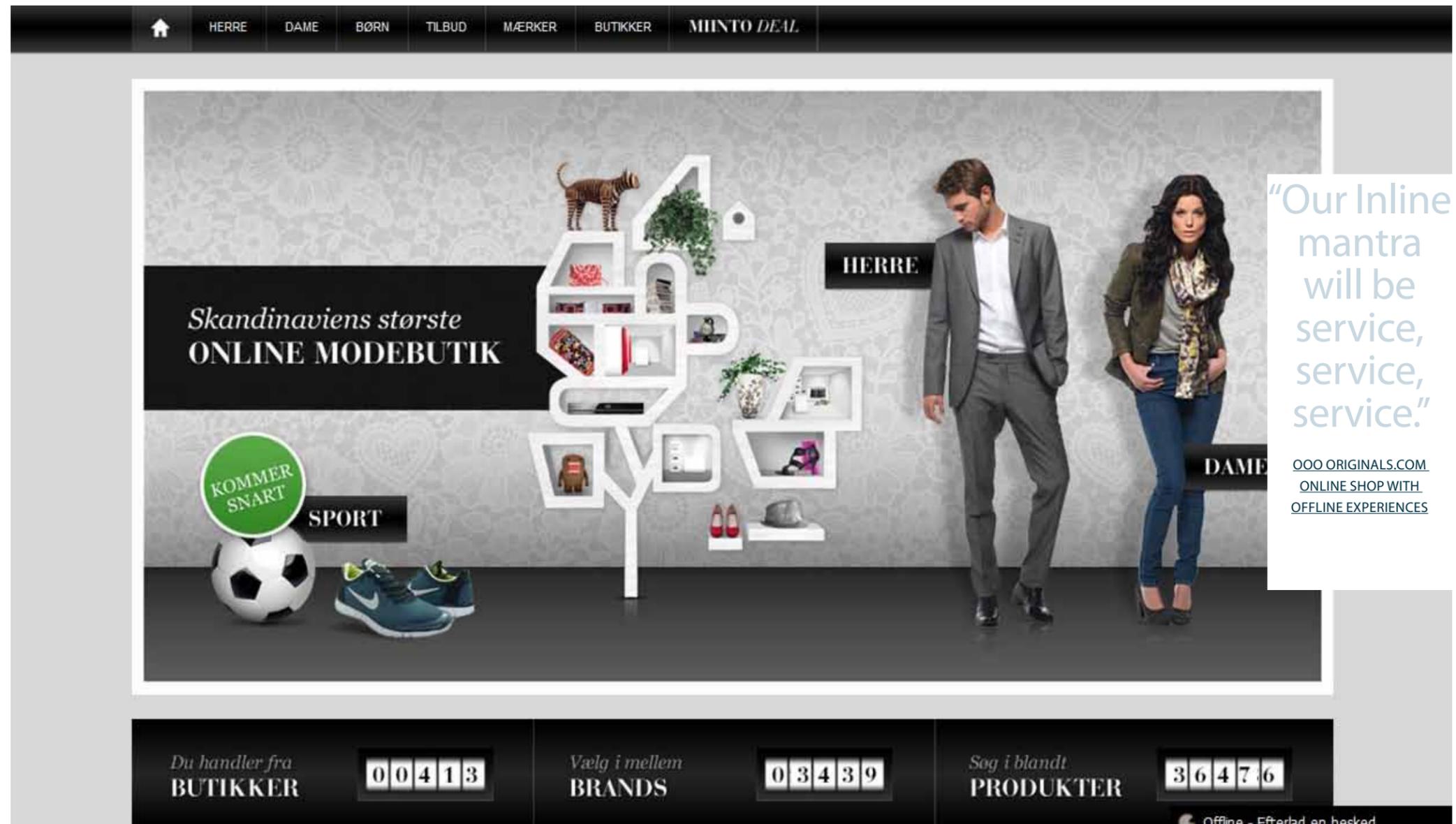
Consequently the traditional retailer must think about integrating new and unique multichannel, 24/7 "Service-Sales-Distribution-Delivery" formulas to be able to effectively compete in managing and selling products and services to the consumer intelligently, quickly and at an effective cost.

Imagine 10% online shopping turnover growing to 25% or 50% in the next ten years. Here the Internet becomes a facilitator and supporter of the 24/7 economy as the consumer scouts, edits and then purchases. This will mean a decline in physical, bricks-and-mortar, shops. And while the total number of consumers will grow, your total in-person visitors will decline. This calls into question the entire structure of the retailer, from fixed assets to supply chain to inventory to customer service. It raises the question, "How many storefronts do you need to manage your business effectively in The New Retail Reality?"

If we look at the bigger firms like de Bijenkorf and international retailers and brands including Hema, H&M, MediaMarkt, Nike, and Albert Heijn, we see that they are in the process of aligning and implementing multichannel techniques. These players are successful and profitable because they have the money and can invest in Inline expertise and create an Inline shopping experience that meets today's Inline expectations and standards.

For smaller retailers and brands the challenge will be to create the right partnerships and platforms to stay small and niche, but at the same time deliver to Inline expectations. Companies like Miinto (miinto.dk), one of Scandinavia's biggest e-commerce sites for clothes, is tapping right into small business needs. Miinto has gathered over 250 independent fashion retailers and aggregated them to capture the scalability of the big brands (discussed further in the report). Closer to home, Beslist.nl has more than 3.800 connected shops which makes Beslist.nl is the largest online shopping mall in the Netherlands. Beslist.nl functions like a marketplace (marktplaats.nl) for shops. It allows retailers to join forces, and Beslist.nl finds the best price for every product for you within their collection of shops.

Key Words Instant Inline:
Instant Hyper-Personal Convenience + Click and Collect + Multi Channel



"Our Inline mantra will be service, service, service."

[OOO ORIGINALS.COM](http://OOO.ORIGINALS.COM)
[ONLINE SHOP WITH OFFLINE EXPERIENCES](#)

www.miinto.dk

ONLINE BEHAVIOUR BY THE NUMBERS

- #1
INTERNET PENETRATION

In a short period of time (20 years), Internet penetration in the Netherlands has risen from 0.3% to almost 90% (The World Bank).
- #2
DAILY ONLINE

In 2010, 70% of Dutch people are online on a daily basis (TNS NIPO).
- #3
NEW INTERNET BEHAVIOUR

In 2010, Dutch people spend an average of 65 minutes on the "classical" Internet – i.e. e-mail and surfing, and 28 minutes on the "New Internet, i.e. social media. Over the last 2 years New Internet behaviour has risen by 30%, while classical Internet behaviour has fallen (SPOT).
- #4
MOBILE CONTRACTS

In 2009 the Netherlands surpassed 20 million mobile phone contracts, 1.26 contracts per person (World Bank, ITU).
- #5
MOBILE INTERNET

At the end of 2010, 41% of mobile contracts included Internet access, and projections show that number will rise to approximately 60% by 2015 (TNS NIPO).
- #6
MOBILE BEHAVIOUR

Worldwide, on average, people with mobile Internet access tend to spend 3.1 hours on new Internet behaviour. The Netherlands averaged 2.1 hours in 2010 (TNS NIPO).
- #7
FACEBOOK USERS

Regarding the rate of penetration, social networking site Facebook, was hardly known in 2005. More than 350 million active users currently access Facebook through their mobile devices (Facebook).
- #8
IPAD MANIA

Expectations are that the iPad will be the most common device for users, more common than the DVD player is now (NPD Group).

THE EDUCATED CONSUMER

A SUMMARY ON THE EDUCATED CONSUMER BY OUT OF OFFICE

“Consumers are the integrators. They dictate how they want to communicate with you.”

JIM SEAN, PRODUCER, RTL NEDERLAND



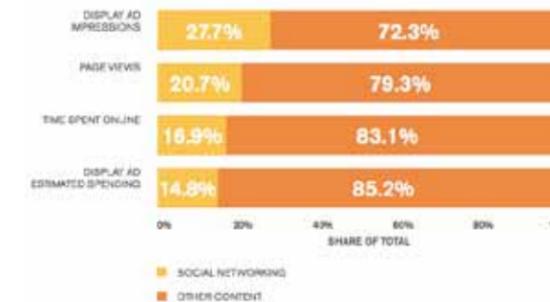
KIRSTEN VAN DAM - OWNER
OUT OF OFFICE

SAM COLIJN - OWNER
OUT OF OFFICE

The Internet has opened access to information and has put power in the hands both of the consumer and business. The big difference is that the easy access to “free” information has made the world more and more transparent than ever. “Power through knowledge,” some may call it. The consumer is better informed and educated than ever before.

INSTANT INFORMATION

All information, communication tools and programs available are changing the reason why consumers buy the products they do and where they do this. In addition, smart devices have fundamentally changed how people interact with the world, and shifted how consumers react with brands online and in retail stores. When brand interactions change, it is a sign that advertising is going to change as well. That shift has started to take place and social media advertising is one of the key areas where it is occurring.



Social Networking Share of Key Metrics. Source: comScore Ad Metrix and Media Metrix, U.S., October 2011

TRANSPARENCY

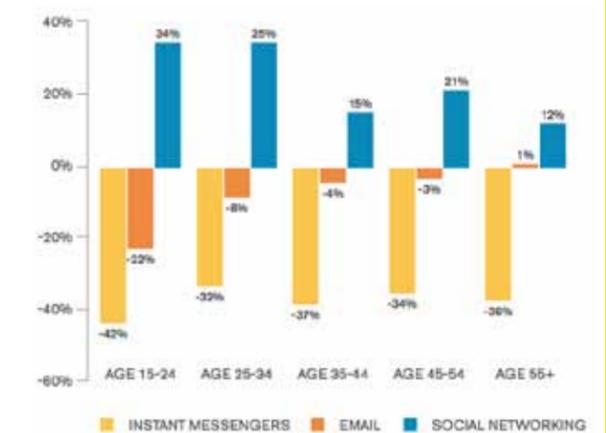
Social Networks, like Facebook, have dominant positions in people’s daily lives. According to ComScore, social networking sites reach 82% of the world’s online user population. In addition, in 2011, social networking accounts for 19% of all time spent online while in 2007 it was only 6%. Social media is now an integral part of the global online experience and has taken market share from e-mail, instant messaging and search.

The customer is constantly aware of who is doing what and why, and regularly comments

on their own consumer behaviour to provide the why, what and when. At the same time, he has the ability to turn the lens back on those who are monitoring and controlling the information.

Despite its dominance (see statistics in the fact box on the next page), Facebook does not lead in every country, but is the category leader in 36 of 43 countries. The seven markets where Facebook doesn’t dominate are Brazil, China, Japan, Poland, Russia, South Korea and Vietnam (www.business2community.com).

Teenagers of today have grown up with computers and the Internet as part of their DNA. It isn’t surprising to find that 15-24 year olds use social media as the de facto means to communicate, leading to diminished use of instant messaging and email. It is possible that social networking communications could become the most important communication channel across all age groups over time.



Change In Average Time Spent with Content Category by Age Segment Source: comScore Media Metrix, Worldwide, October 2011 vs July 2010

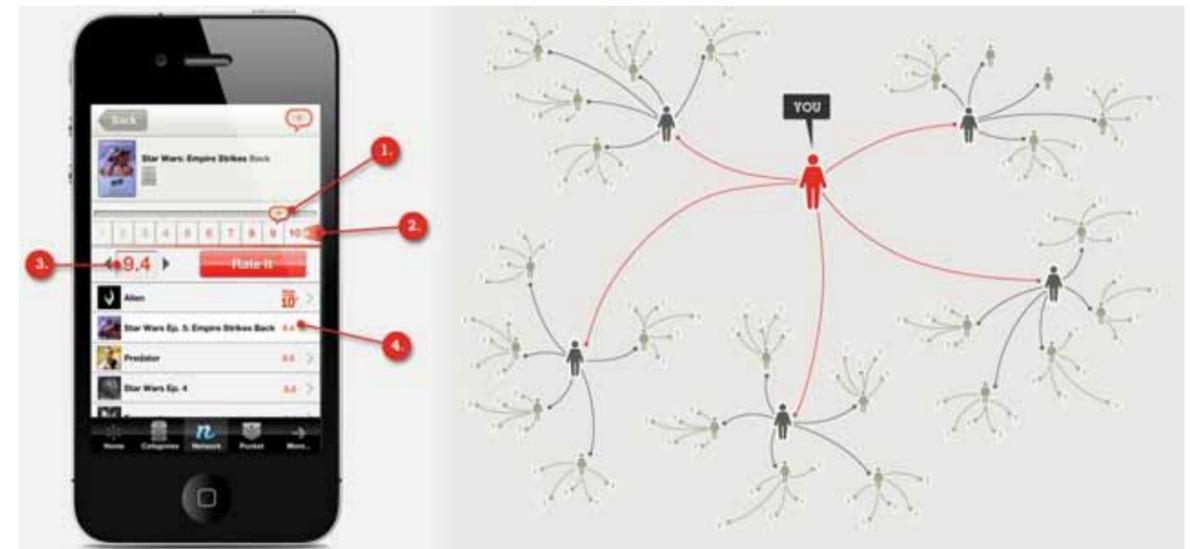


#FACT
FACEBOOK INFLUENCE
BY THE NUMBERS

To fully understand Facebook's significance within the social networking segment consider this:

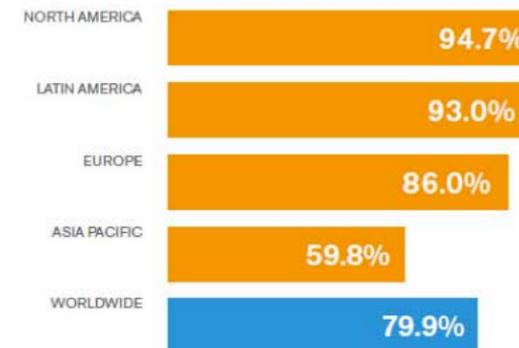
- Facebook is the third largest tech property behind Google and Microsoft
- It has reached 55% of the world's global audience
- It accounts for 3 of every 4 minutes spent on social networking sites
- One in every seven minutes spent online is on Facebook

Image via Flickr.com



www.vineloop.com

In addition, if we look at stats from ComScore (check: www.comscore.com) we see that the older generation's use of social networks has grown, and users age 55 and older comprise the fastest growing segment in social networking usage.



Social Networking Penetration Amongst Users 55+
Source: comScore Media Metrix, October 2011
www.business2community.com

SEGMENTATION

However, much like radio and TV have certain demographic segmentation, social platforms will too. The segmentation won't be based entirely on the demographics we think of for TV or radio, rather it will be as much about how groups consume information. It will be about how frequently they share it and how much time is spent on the platform. Video will become the content medium of choice.

THE TRUST LINE

The reviews, feedback, tips, advice and inspiration people exchange on new social platforms regarding products, services and events are becoming the reason why people buy products, and why brands and retailers are producing and selling the products they do.

These factors combine powerfully with data mining technology that targets and services consumers both more emotionally and precisely according to the information they freely provide on social networks. These data allow brands to provide services that are tailored to customer's lives, as with KLM's recent "surprise" campaign that aims to bring random surprises and happiness to the boring wait for flights. For instance: "Frank, a lover of sports and of running in particular, tweeted about flying to Vienna to visit a customer. While he was waiting to board the aircraft, we sprinted to the departure gate to surprise him with a pair of running socks!" (see video www.surprise.klm.com).

Formerly, the retail sector invested in media campaigns to communicate the brand and product experience and to activate customers. Increasingly the retailer will see reviews and mouth-to-mouth marketing techniques initiated by, and working in harmony with the consumer. This effectively changes the meaning of ROI. Where businesses once measured Return On Investment, The New Retail Reality will seek to gain Return On Influence!

CONSUMERS AS YOUR BRAND AMBASSADORS

This social interactivity will ultimately become the main driver of sales. The new Inline retail formulas will demand promotion processes and marketing communication while using the helping hand of your consumers to provide insight. According to Vineloop, a network that functions on the concept of a Trust Line (www.vineloop.com) 90% of consumers trust recommendations from people they know more than any other form of advertising.

Compared with a traditional advertising trust rate of 14%, this advantage is monumental. With this in mind, the retailer must consider how to make it easy for customers to recommend the businesses in the social context.

As a result of the growth of personal reputation services such as PeerIndex (to understand your online social capital) and Klout, consumers are beginning to measure influence and reputation in greater detail, and those who possess significant influence online are starting to see value attributed to it. This will give rise to a personal reputation economy, where an influential personality can earn cash by marketing their reputation to brands.

Services like Empire Avenue are already applying the game model to reputation measurement by letting people watch their share price rise and fall on a "social stock market" (www.research-live.com/features/the-personal-information-economy/4006540.article).

MOBILITY

We hear and read over and over again that in the future consumers will expect to engage with local businesses through their mobile devices.

People on the go rely on their smart phones for information, and nothing is more fundamental to consumers than how they spend their money. Brands and retailers have come to understand that the way users interact with their digital fronts is now being done from smart devices.

Innovative mobile campaigns can drive engagement across the user base and place a brand property in every pocket of the vast swath of the consumer landscape.



#QUESTIONS
 a retailer should ask himself in 2012:

1. WHAT IS MY MOBILE ADVERTISING STRATEGY FOR 2012?
2. AM I PLANNING TO MONETIZE MY APP THROUGH ADS?
3. AM I TRYING TO INCREASE FOOT TRAFFIC THROUGH MOBILE?

ACCORDING TO GOOGLE:

79%

of consumers use their smartphones to help with shopping, from comparing prices to finding more product info to locating a retailer

70%

use their smart phones while in a store

77%

have contacted a business via mobile, with 61% calling and 59% visiting the local business

Future of Mobile www.prada.com



#EXPECTATION
ECONOMIC SLOWDOWN

Macroeconomic events cause stresses on retail profit margins and volume of turnover. In 2012 the economic slow-down will result in decreased consumer activity because of inflation and weak wage growth combined with government cuts in childcare and medical support (CBS).

Image via Flickr.com

2. ReUse

While the Inline world seems to have endless opportunities, the physical world seems to be more finite!

COST PRESSURE

The global financial crises in combination with the growth rate of our global population (surpassing seven billion in October 2011), combined with the rising middle-class in the BRIC (Brazil, Russia, India and China) and emerging MIST (Mexico, Indonesia, South Korea and Turkey) countries has been pushing prices higher for raw materials, commodity goods and finished products. This also affects billions of people by creating scarcity in food, energy, water and arable land.

In relation to the pressures on costs, the mindset of the consumer is changing. Following the gluttony of the boom years, it seems consumers finally have had enough and are no longer seeking to accumulate possessions.

ALTERNATE ECONOMIES

We see a rising number of food cooperatives, worker or consumer owned businesses that provide grocery items of the highest quality and best value to their members, in exchange for member labour. This is in combination with a growing number of second-hand and charity stores. Across all segments (food, non-food) consumers are increasingly price-sensitive and seeking best buys. Online add-on services like camelcamelcamel.com, a free Amazon price tracker that alerts consumers to falling prices, are on the rise.

But even more interestingly, in reaction to volatile global politics, economies and social uncertainty, the retail environment is seeing groups of people collaborate on initiatives and engage with each other to reuse existing spaces, products and services. They are powerfully linked via peer-to-peer business models based on smart, social and sharable thinking.

“Raw material prices have increased. Cotton prices, for example, almost doubled in 2010, and our profit margins were squeezed.”

KARL-JOHAN PERSSON, CHAIRMAN, H&M

The social shopping revolution allows people to “create value out of shared and open resources in ways that balance personal self-interest with the good of the larger local community,” according to theorist Rachel Botsman. Here, access to services becomes more important than the ownership of goods as collaborative lifestyles replace hyper-consumption. For example, people will pay for access to mobility, but no longer to own a car, as seen in the rise of Zipcar in the U.S or mywheels.nl in the Netherlands.

“The pleasure of life lies in access, not in possession”

ARISTOTLE

As a result, people are revaluing their communities to rediscover, recreate, repurpose, reuse what is already there. This means that consumers overall will shop more consciously and precisely, and will be both price conscious and socially aware.

Repairing products, exchanging goods, buying second-hand; collectively owning a (food) shop, retail space, work space, housing block or farmland is all about combining talents, resources, data and space to build an initiative that can offer quality products and services, but with an efficient business model. For retail, this means that the content of retail shops will shift, from selling new products each season to offering more varied options driven by the community of buyers. For the local retailer, this means a much broader and from a customer's point of view (more useful, range of services). Think about a multifunctional retail concept, where you as a consumer can do your laundry, drink coffee and shop for food at the same time (see page 106).

BRAND VALUE

At the same time we see that, from the supply side, the “brand image” becomes even more important. Consumers will buy more and more brand names instead of products. In today's highly competitive world where many products are identical, it's the “Why,” the belief a brand stands for, that creates differentiation. Why do consumers buy certain brands in particular? Because they like to associate with

the brand beliefs. We see retail brands such as H&M and Filippa K opening second-hand shops for their own products, while others such as Phillips are also buying-up stock to sell in brand-owned discount stores to special VIP consumers. This is known as the closed buying group model. The idea is that a brand will protect its value, by controlling its own sales (instead of their products ending up in low-budget locations).

Though it will still have traditional food and fashion shops, the future retail streets will generally be less “new” orientated, with a greater emphasis on repair-oriented, second-hand and collectively-owned shops, often in combination with education, culture and the arts. The retail shop will be more community inspired. Imagine, for example, laptop repair techs rubbing shoulders with art gallery patrons. And bike shops, brassieres and beauticians may all share the same floor with complementary services.

Key Words ReUse:

Cost Pressure + Alternate Economies + Brand Value

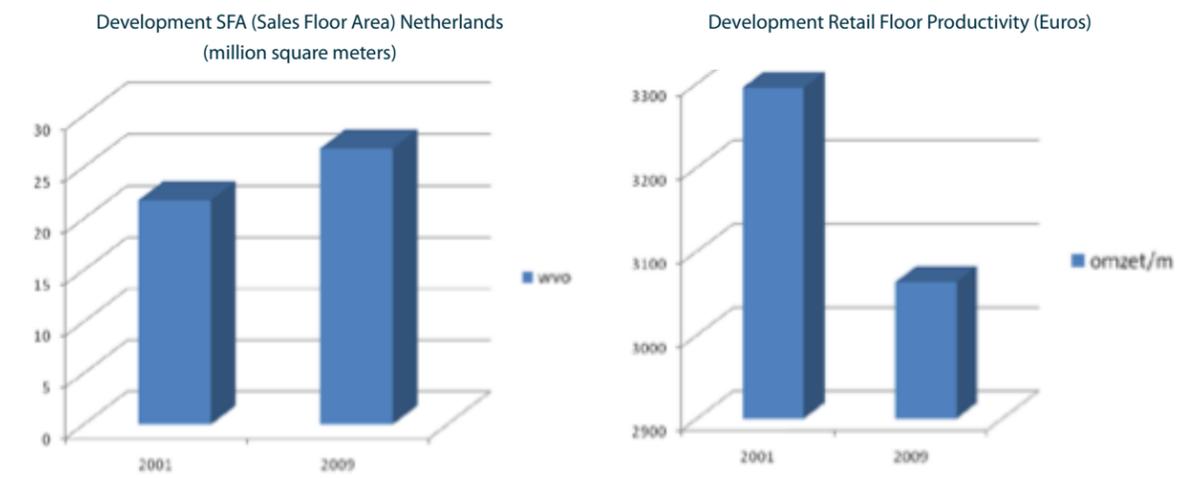


Source: Rachel Botsman

#FACT

CLOSED BUYING GROUP MODEL

Amazon.com is creating a closed buying group model, based on the idea that there is always a “last season” of old stock. The closed buying group model allows brands to sell their unsold stock for sales prices, but within a closed VIP system. Their most loyal consumers can shop last season's products with big discounts. In this way sales means getting rid of your unsold stock without losing brand face. Often unsold stock goes directly to discount stores. But via such a route brands lose control over their brand image (their brand image could be easily associated with low-end and cheap products).



ENDLESS SPACE - THE NETHERLANDS HAS AN OVER-SUPPLY OF RETAIL SPACE, SHOWN IN THE FIGURES ABOVE (DTNP)

“We’ve all become traders. We all have something to sell, so the whole basis of consumption and process of consumer activity has changed.”

CHRIS SANDERSON, THE FUTURE LABORATORY



Image via Jos Sentell



#FACT

AGING

According to the United Nations (UN.org) the young-old balance is shifting throughout the World. According to the Sociaal Cultureel Planbureau (SCP), the Netherlands will have 17 million inhabitants by 2020 with 10 million between 20 and 65 years old, and non-Western Dutch people will comprise 80% of the growth (SCP).

Image by PLAZA magazine

3. ReBalance

SHIFTING AGE GROUPS

From 2010 and 2020 there will be 3,3 million people over the age of 65. The aging population in the Netherlands will create a greater demand for more health care services. However, this doesn't mean that seniors are going to behave like "old people."

Today's and tomorrow's elderly feel mentally younger than previous generations. They are more mobile, do not like to move to elderly homes and like to continue living without the "I need care" stigma. They are increasingly sporty and enjoy trendy products, such as iPads, laptops, high-tech bikes, luxury coffee machines, and luxury spas. However, they do need physical services that will tap into changing needs, like slower systems, bigger price tags and stylishly ergonomic chairs.

SHIFTING HOUSEHOLDS

In addition, in the Netherlands we will see more single households between 2010 and 2020, a growth rate of 7% according to CBS. There will be significantly more single people over age 65 up, and younger people will remain single longer. This can influence the overall product portfolio with smaller sizes (whether we talk about furniture for small living spaces, servings for meals, or shampoo bottles.)

URBANISATION

In the last 20 years almost 85% of Dutch people live in a city or suburb. Remote areas will show a further decline in inhabitants over the

next ten years (CBS). For retail, this means that the number of physical shops will decline as well, with Inline infrastructure filling that gap.

Aligned with the click and collect and multi channel trends discussed before, the future village and city dwelling consumer will see a rise in (virtual) showroom retail concepts with offline collection points. No longer will local retailers manage unsold stock for one particular area. Overall, stock will be controlled by the product brands themselves and distributed countrywide. In the showroom model the point of purchase will exist elsewhere, most commonly Inline.

NEW INFRASTRUCTURE

Infrastructure will change according to function, connecting groups of people around a product or service while existing retailers provide new services in addition to products. The products and services offered must include lifestyle elements. For example, consider the coffee bar merging with the laundry centre. "Have a cappuccino while doing your whites and even meet a friend."

Applying this coffee bar formula means creating a more profound connection with the customers. One creates a community around a brand or service with specific lifestyle components instead of offering a single basic service.

The New Retail Reality is about realigning the retail landscape with the way people live now and in the future. Traditional business models risk a mismatch between service and customer expectations, as well as an ability to see emerging opportunities. In The New Retail Reality, businesses must remain flexible and adaptable and be able to rethink traditional models of living, business, money-streams, service, consumption, leadership, planning. In a word, retailers must be prepared to engage reality.

Key Words ReBalance:
Shifting Age Groups + Shifting Households + Urbanisation + New Infrastructure

“Now that we can do anything, what will we do?”

BRUCE MAU, MASSIVE CHANGE



“If you don't come to my shop, the shop will come to you.”

Nivea.com

4 Trends



European map of Flickr and Twitter locations, by Eric Fische

Trend 1: Instant Inline

How

IS THE TREND DEVELOPING?

4.1



Instant Inline

“We really live in a time where we cannot understand the world in which we live by looking at it. We have to go into it, try to create something, and as we change the world in which we live, we start to understand it by the way it reacts to us. The only way you can do this is by creating environments of experimentation.”

YANNICK, 22, STUDENT, EINDHOVEN UNIVERSITY OF TECHNOLOGY

DEMAND SIDE:

The consumer is in control and in demand 24/7. This means the consumer can buy goods and services at any time and place that is convenient.

The Inline consumer's shopping pattern can be for anything from daily groceries to super exclusive once-in-a-lifetime expenses. This creates a "fun and run" style of shopping.

Through social media and review sites, the consumer is an educated, well-informed expert and is able to find the best value for money option. He is able to give opinions, seek feedback from like-minded peers, share information with a personal network, connect more thoroughly than ever before and find access to products very quickly.

Increased social connectivity has further moved the retail market from a local to global perspective.

4.1 Instant Inline - How is the Trend Developing?

SUPPLY SIDE:

Instant Inline taps into the opportunities online has to offer over offline by itself. The future of retail is not just one or the other, but by merging the two, Inline retail offers new, "multi-dynamic" and "multi-channel" formulas.

The tendency for customers to order goods online and then collect them at a store – known as "click and collect" – has grown strongly as a proportion of overall e-commerce sales.

Social media can be used as an effective, low-cost, easily accessible and highly scalable branding tool by small businesses and the every day user. This increases the branding power of small businesses like never before.

Your brand alignment via social media is becoming ever more crucial, but is also becoming increasingly complex, so it is important to manage intelligently.

Social media is a service to promote and complement the end product, but it cannot replace the end product or compensate for a faulty end product.

The user's app world is a personalized selection of applications to gather information according to the user's needs as efficiently as possible. This development effectively challenges the domination of search technology such as Google.

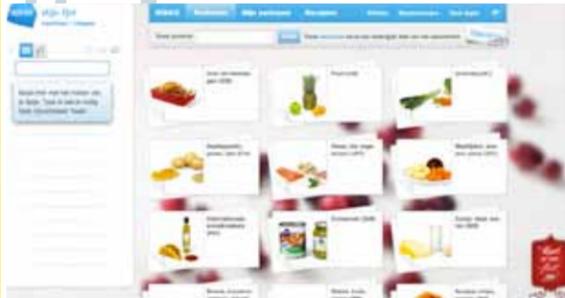
With real-time data mining via advanced technology programs, retailers and brands can tap into and anticipate on consumer needs, thereby predicting and creating needs.

Technology is becoming so ingrained into life and users often forget where one ends and the other begins. More and more (consumer) products and services will be increasingly connected to the Inline model (via refrigerators, sound-systems, TVs, cars airplanes busses) to support the convenience and efficiency expected by the modern consumer.

Future technology will add a more human, social and holistic experience to Inline shopping. For example, Digimarc will soon be incorporating gesture recognition software, in addition to their watermarking technology (discussed later).

#1

COLLECT SERVICE



ALBERT HEIJN NEVER STOPS WITH DRIVE-THROUGH

WHY: 1,5 million over-scheduled drivers a day in the Netherlands still need to eat.

HOW: Tapping into the hyper-efficient collection trend, the customer can order online and pickup groceries via drive-through service, like fast-food chains in the U.S.

OOOVERIJSSSEL ALERT: Instant highway pickup for groceries is an example of meeting your consumer in his daily pattern, rather than waiting passively for the customer to arrive at the, often inconvenient, shopping district.

www.levensmiddelenkrant.nl/6997/ah-denkt-aan-afhaalpunten-langs-snelweg

#2

INTERACTIVE VIDEO, BRAND EXPERIENCE, SERVICE, IN-STORE MERCHANDIZING



INTEL'S VIRTUAL FOOTWEAR WALL FOR ADIDAS TURNS BOUTIQUES INTO A SHOETOPIA

WHY: The future of retail lies in bringing together the best of digital media, interactivity and product presentation to offer extraordinary retail experiences and drive sales.

HOW: The wall renders products in 3-D, and allows a shopper to spin and zoom in on the shoes while reviewing product specs all from a touch-screen display. Hot models like the company's F50 soccer shoe have accompanying video and trivia that stimulates purchase. (For example, stating that F50s scored 44 goals in the most recent World Cup).

OOOVERIJSSSEL ALERT: A magical spinning interactive Adiverse Virtual Footwear Wall puts upwards of 8.000 shoes at the shopper's fingertips in a futuristic e-commerce touch-screen wall. This radically changes the face of retailing and the way in which consumers interact with and purchase retail brands and products. What if home products were presented via a virtual wall at a Blokker of the future, via a standardized software and display package? This innovation would provide all the product experiences a consumer needs in the retail district, while stock would be stored off site in less expensive industrial districts.

www.fastcompany.com

#3

SERVICE, SUBSCRIPTION, CUSTOMER RETENTION



24/7 OFFLINE DELIVERY

WHY: It's an answer for 24/7 delivery services so businesses can deliver whenever it suits them best: day, evening, night. Consumers can pick up their products whenever it's most convenient.

HOW: It functions as a personal storage centre one can rent for a specific amount per year.

OOOVERIJSSSEL ALERT: Sometimes solutions are that simple. It's a super method to deliver to consumers in remote areas and in cities.

www.deburen.nl

4.1 Instant Inline - Trend Examples

#5

LOGISTICS, INFRASTRUCTURE, CLICK AND DELIVER



TESCO LAUNCHES KOREAN VIRTUAL STORES WITH MOBILE QR

WHY: The Tesco Homeplus initiative drives sales by opening fewer physical stores and allowing the virtual shops to come to the people in the busy Korean subway. This makes for less waiting and shopping time, and also allows the function of a retail space without the added overhead expenses.

HOW: By displaying the virtual shop in subway stations, people can order groceries via QR code and have them delivered at home offline, all in the process of the commute. In a densely networked country such as the Netherlands, most urban or rural grocery retailers can implement this technology.

OOOVERIJSSSEL ALERT: A massive poster with printed QR codes is mounted on the subway platform. This functions as a 2D supermarket with the Homeplus smart phone application. Your shop can be placed anywhere in print to meet the daily life patterns of consumers while reducing the total retail investment in expensive store-front space. How about a "poster" in a busstop in Broekland?

Watch Video: http://www.youtube.com/watch?v=fGaVFRzTTP4&feature=player_embedded

#4

HIGH-SPEED SERVICE



SUPER SHUTL INSTANT DELIVERY

WHY: Immediate delivery for nearly any product.

HOW: A highly responsive delivery van combined with a rapid online network. The service promises delivery in as little as 90 minutes.

OOOVERIJSSSEL ALERT: Why can a pizza be delivered in 30 minutes, but a book from Amazon takes 24 hours? The future consumer will not wait for gratification, and Shutl is on the forefront of meeting customers instant needs.

www.shutl.co.uk

Don't focus on the technology, focus on the benefits. Your consumers don't care how barcodes and apps work, so put the technology in the background and the experience in the foreground.

VIRGIN ATLANTIC

#6

BRANDING,
SALES, SERVICE



SHOPCADE REWARDS LIKERS AND SHOPPERS

WHY: Via collaborative social shopping, the customer can see what friends are buying and make recommendations. In return, the customer can collect awards "cash" to apply to purchases.

HOW: The customer connects with friends via Facebook to shop for and recommend products and earn rewards points.

OOOVERIJSSSEL ALERT: The goal is to achieve the new ROI, Return On Influence, through peer to peer branding and selling. As a retailer, a firm can share products with the most influential people in the community and let these customer fans act as the front-line sales and marketing staff.

Watch Video: www.shopcade.com

#7

INTERACTIVE VIDEO, MOBILE,
BRAND EXPERIENCE



LOUIS VUITTON'S AR CIRCUS

WHY: Digital interactive content adds another layer to the shopping experience for a specific brand, engaging and rewarding consumers at multiple levels, rather than simply through purchase decisions.

HOW: Vuitton commissioned an augmented reality (AR) application designed for a recent seasonal retail window campaign. A camera application running on Android mobile reads 2D barcode technology (QR) to display 3D digital images and videos on the handheld device.

OOOVERIJSSSEL ALERT: The puzzle-solving magic revolves around Louis Vuitton's window display in Tokyo, which invites users into the world of fantasy via colorful, decorative animals and flying acrobats. At the first point of contact online shoppers detect the encoded secret while interacting with the campaign homepage. At the second point of contact, via mobile, the shopper heads to a store window (often with friends) to interact with the window display that gives another hint to the secret. In the third and final point of engagement, the customer enters the shop to receive a limited edition AR card, which reveals the mystery via an application installed on the Android mobile device. Branding is about telling product stories and it doesn't stop in the shop. In fact, branding is increasingly becoming a total experience. All storylines will align and create a holistic 360-degree, multi-sensory event. A similar brand story can be developed for Overijssel, co-created by several stores throughout the province, making the entire area an exciting and talked-about adventure.

www.japantrends.com
Also Watch Video: Hello Kitty House: www.youtube.com/watch?feature=player_embedded&v=H7KKmrtE0yc

#8

HIGH-TRAFFIC,
SERVICE



APPLE IS GRAND AND CENTRAL

WHY: This Apple centre functions is an offline service provider while all purchasing occurs online. This allows the staff to focus on expert service, rather than inventory and supply-chain and reduces costs for the location.

HOW: The open retail showroom space is sited for maximum visibility in New York's high-traffic Grand Central Station.

OOOVERIJSSSEL ALERT: Offline stores become a convenient, massive, improvisational and inspiring open-air theatre that function as a space to optimize customer access, interaction and service. Retail spaces are increasingly becoming presentation and service spaces. This maximizes product information and convenience to meet the demand of consumers, which increases product sales and loyalty. In addition, this type of space reminds shoppers of an open library, which encourages the customer to feel at ease and creates contact opportunities.

www.apple.com

#9

BRANDING,
INSTANT PURCHASE



DIGIMARC CONNECTS IDENTIFICATION
TECHNOLOGY AND SEARCH

WHY: Digital watermarking offline and in print increases reader engagement, generates instant purchase opportunities and deepens brand loyalty.

HOW: Consumers launch the Digimarc Discover app and point a smart phone at the content of interest (an ad, article, package or retail sign). This gives the client the ability to scan anything offline while the phone searches online.

OOOVERIJSSSEL ALERT: The App allows users to use visual and audio input with a smart phone and find related information. Anything visual can be scanned and experienced online as input from the real world becomes the starting point for your online search process. This creates a portable shopping window onto the world.

www.digimarc.com

Watch Video: <http://vimeo.com/16832038>

#10

CONVENIENCE, SERVICE,
INSTANT PURCHASE,
HIGH-TRAFFIC



EBAY INNOVATES QR STORE ON LONDON'S HIGH STREET

WHY: The leading online retailer sees offline opportunities. In creating offline contact moments and experiences with its many consumers, Ebay complements and expands its core competence.

HOW: Featuring Ebay's top 200 bestselling items, shoppers can purchase by scanning QR codes via smart phone. Goods are then delivered directly to the customer's home.

OOVERIJSSSEL ALERT: Ebay's London store isn't about an online retailer moving offline, it is about the convergence of offline and online into Inline. Consumers are seeking to optimize and personalize their buying methods. This is an example of how sales can be done via a QR code system. In the future you will see a wide range of buying styles, such as QR codes, click and collect and gesture recognition.

www.powerretail.com.au/news/ebay-opens-qr-code-store-on-london-high-street/

#11

CONSUMER
EXPERIENCE



CHANGING ROOMS ON THE HIGH STREET

WHY: The try-on experience can be a barrier to sales when stores are full and time is limited. Using a smart phone, iPad or webcam, the customer can "try on" potential purchases without getting undressed or battling through crowded shops.

HOW: Via AR, this cutting-edge technology superimposes outfits over the client's image, bringing together real and virtual worlds.

OOVERIJSSSEL ALERT: In this example, technology substitutes public space. The future consumer can manipulate physical products through online technology experiences, which increases sales.

www.dailymail.co.uk/femail/article-2055719/Virtual-changing-rooms-hit-high-street-Debenhams-trial-new-technology.html#ixzz1gpc4Cltp

"The orientation process of today's consumer is super multi channel."

MARKTPLAATS

#12

BRANDING,
SOCIAL MEDIA,
SERVICE



TEAR IT UPCLD EXACT FIT SERVICE

WHY: The online market for fashion is booming, but at the same time it has an expensive problem: clothing returns. UPcloud, based in Berlin, discovered that nearly every other online clothing purchase is returned to the retailer. In most cases, the customer had ordered the wrong size, and only after he tried the item on at home did he realize a bad fit.

HOW: UPcloud measures exact body dimensions in a few minutes via standard webcam. Customers receive a report on their body dimensions, such as arm length and chest circumference. The measurement process works easily and is followed by reliable size recommendations.

OOVERIJSSSEL ALERT: Cutting-edge technology revolutionizes online shopping and offers a better experience for the purchaser while reducing costs for the retailer. The user using the free service, must complete the measurement process only once, which creates an UPcloud profile for online shops within the UPcloud network. This start up shows how online shopping will eventually be more convenient than offline ever was, and the user can guarantee the correct size selection. Existing local shops can tap into these soon to be standard technologies to create maximum convenience for online shopping and reduce the incidence of returns.

www.upcloud.com
Watch Video: <http://www.the33tv.com/about/station/newsteam/kdaf-upcloud-right-size-online-clothes-shopping-story,0,850942.story>

#13

FRONT AND BACK-END
SERVICE,
COLLECTIVE POWER



POWER SHOPPING AND DELIVERY FOR INDEPENDENTS

WHY: Small niche brands are gathered under a single expert to professionalize their delivery services.

HOW: Miinto is one of Scandinavia's biggest e-commerce sites for clothing. Miinto has gathered over 250 independent clothing and fashion stores under one virtual roof.

OOVERIJSSSEL ALERT: Smaller doesn't mean less visible or less professional. The key is to connect with like minded shops, brands, retailers and services so the small retailer can benefit from economies of scale and meet consumers high quality Inline expectations.

www.miinto.dk

#14

SERVICE ENHANCEMENT,
LUXURY GOODS



BURBERRY STAFF TARGETS STOCKED INVENTORY ONLINE

WHY: The luxury retailer achieves better access to online and offline inventory for sales teams. For the consumer, the service provides the online convenience of shopping the brand's full collection while receiving the same customer service expected from an in-store, offline visit.

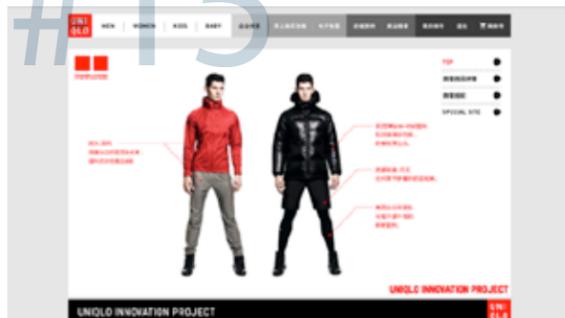
HOW: Burberry, has equipped sales associates across China with iPads to better access online and offline inventory. Using the devices, staff members can order sizes and items that may be out of stock in a particular store and offer products exclusively available on the web.

OOOVERIJSSSEL ALERT: A digitally empowered staff is able to spend more time interacting with shoppers, educating clients, assisting with items in stock and ordering items out of stock. This occurs at the storefront location for items to be shipped directly to the shopper at a second point of contact. Stock and inventory can be managed by the brands, allowing smaller retailers to focus attention on customer service, which becomes a key differentiator for retailers.

www.mobilemarketer.com/cms/news/advertising/7361.html

#15

ALL-IN-ONE,
E-COMMERCE



SYNCHING SYSTEMS ALIGN PAYMENTS

WHY: Uniqlo taps into the fact that consumers like variety by offering a system that accepts all different payment methods.

HOW: By offering a synchronized system that aligns payment systems with e-commerce solutions.

OOOVERIJSSSEL ALERT: With one size fits all payment systems, the future of retail will see the alignment of front end and back end payment, delivery, stock, inventory price, and sales systems that maximize efficiency for both the consumer and the business. Small businesses can benefit from connecting with these types of services.

<http://www.uniqlo.com/uk/corp/faq.html>

#16

BRANDING,
SOCIAL MEDIA



HEARSAYSOCIAL MANAGES BRANDS ACROSS SOCIAL MEDIA

WHY: Many companies are intimidated by social media because of branding and compliance risks, but their representatives and employees are often already representing brands using social media. To manage effectively, a company must align the brand message across different social media channels before your well-meaning employees act on their own.

HOW: Software that aggregates all your different social media programs.

OOOVERIJSSSEL ALERT: Social media can be a very impactful and low cost channel for small retailers. However, it takes skill, knowledge and a set of best practices to do effectively. This can make or break your brand within minutes. HearSaySocial allows companies to achieve total visibility while providing guidance and alignment to diverse brand representatives. It's simple, effective and a must-have for any brand director. Especially for small retailers, the consumer will become your brand expert and ambassador. To facilitate this, it will be important for the retailer to align all social media tools, including Facebook, Twitter and YouTube (and whatever is on the horizon) to engage the brand story. Small businesses use outside vendors to manage this expertise. In this context, the future brand director becomes a brand servicer.

www.hearsaysocial.com

Watch Video: <http://www.youtube.com/watch?v=TsujAdjvt5s>

#17

LOCAL PEOPLE AS THE NEW
CITY,
CITY BRANDING,



ORDINARY PEOPLE BECOME NEW CITY BRANDERS

WHY: The world of social media, where consumers rule the roost, has taken the power of suggestion to a whole new level brand marketers. Product managers and ALL marketers would be very wise to engage and empower as many ambassadors for their brands as they can.

HOW: Cleveland, USA addressed the problem of the crisis in Cleveland publicly, and one person attracted attention to Cleveland by a fun homemade video viral.

OOOVERIJSSSEL ALERT: Ordinary people have a GINORMOUS impact within a short period of time on the image of your brand. Involve them in your actions, treat them as your true brand ambassadors and they will do the marketing work for you. In the case of Cleveland inhabitants started to clean up their own neighbourhoods because they embraced their city and wanted to make it a better place to live.

Watch Video: http://www.youtube.com/watch?v=ysmLA5TqblY&feature=player_embedded

EXPERT INTERVIEW

CASE STUDY BY MAURITS KAPTEIN

Out Of Office asked our 404 Network of professionals around the world to give us their views on the future of online and offline retail the role technology and brands can play in that future and whether online retail has, ultimately, altered human behaviour.



MAURITS KAPTEIN -
CHIEF SCIENCE
OFFICER AT
PERSUASIONAPI

Bricks-and-mortar shops are distinguished from web shops by their personal contact with customers. However, emerging information technology continues to offer more to the customer, and sometimes web shops know more about customers preferences than customers themselves.

In his book "The One to One Future: Building Relationships One Customer at a Time," marketer Don Peer predicts unprecedented possibilities offered by the Internet for personal customer contact.

"Owners of small shops often know each customer entering their shop personally. Thanks to new information technology, retailers with enormous customer bases are once again able to start a personal relationship with each customer separately."

This book was published in 1993. At that time the average westerner could pick from no more than a few hundred thousand different consumer goods, until online media shop Amazon

suddenly sold 2 million books since 1995 in a virtually unlimited showroom. The only problem was find-ability: customers could not see the forest for the trees, and there was no reliable guide or salesman who could lend a hand.

But most web shops have found a solution for this. Thanks to increasingly sophisticated algorithms we know more and more about customers. "Amazon was one of the first web shops using so-called recommendation engines," says Maurits Kaptein. The young researcher studied economic psychology in Tilburg and finished a post-master on user system interaction at the Technical University of Eindhoven. One of his professors pushed him toward a doctoral candidate position in industrial design.



Image via Tesco Homeplus

He then studied the interaction between men and machines at Stanford, one of America's most prominent universities in the field of information technology. He is continually fascinated by the possibilities within the world of human behaviour and information technology.

"Recommendation engines work with the leading principle that the behaviour of a large group of people can be used to predict the behaviour of an individual,"

relates Kaptein. "By placing millions of customers and all their purchases next to each other, web shops are able to predict with a high degree of certainty that people who bought Kluun's "Er komt een vrouw bij de dokter" will also appreciate Heleen van Rooyen's "Godin van de Jacht." Of course, for the average reader this is not a brainteaser, but for a computer, the generation of such a tip requires complex calculations with large quantities of data."

The ability to predict the taste of the customer is further enlarged by asking customers to review or rate the goods and services they have purchased. These reviews provide a wealth of information on the preferences of the customer. As tip machines can sometime increase turnover significantly, it comes as no surprise that these engines have become common throughout the Internet.

The cutting edge research of Kaptein concentrates on even further-reaching possibilities of mapping product preferences and the behaviour of the visitor. "How do people react to certain stimuli, and how can you use these stimuli to influence their behaviour?" he summarizes. For experimental purposes, Kaptein created an experimental webshop with American Dean Eckles.

"We asked more than 160 test subjects to review a number of books," he says. "Each time they were offered different information, which was aimed at influencing their behaviour." It appears that some people are sensitive to an authority argument. For instance, they will be inclined to buy a book when a famous author recommends it. For example, "Arnon Grunberg had a good laugh reading it." Others are persuaded by a special discount, or the fact that the book has been sold a hundred thousand times.

By discovering and recording these pressure points, Kaptein creates "persuasion profiles."

These profiles provide web shops with knowledge of customers that the average sales person cannot replicate. Does this undermine the competitive position of traditional shops, as opposed to their online competition? "Web shops which are well-able to predict the taste of their customers possess a powerful instrument," states Kaptein. "Especially if these same shops know to which sales arguments the customer is most susceptible."

According to Kaptein, the traditional shop owner can anticipate these new technological possibilities. "First have a good look at the web shops operating in the same section," he suggests. "In this way you can list the products that customers have given the best reviews. You can adjust your product range with these results. Then, open your own website and provide this product information."

"Give people the opportunity to order it from you. Many people are still hesitant to order products online. By taking over this step, you can still provide important added value as a traditional shopkeeper. For many shoppers, service is still one of the most important qualities of a seller whether he is online or not."

Text: Arnoud Groot

Trend 2: ReUse

How

IS THE TREND DEVELOPING?

4.2



False Creek Community Garden, located at the north end of the Cambie Street Corridor, immediately next door to the Neighbourhood Energy Utility (NEU) Garden

ReUse

DEMAND SIDE:

The mindset of your consumer is changing. He is no longer seeking to accumulate possessions, however he does long for environments where he feels welcome. Hospitality will be essential.

People are collaborating on initiatives and engaging with each other to reuse existing spaces, products and services.

There is increasing importance in having a local identity communicated organically by the community. To create local identities, people and community will voice the branding for the locality.

Consumers are looking for more authentic and local (produced) products, with a focus on nutrition at an affordable price.

Consumers are less influenced by mass communication.

SUPPLY SIDE:

People are linked via peer-to-peer business models based on smart social and sharable thinking.

Supply chains are reduced to the minimum (delete intermediary trade).

Retail systems are designed for people with similar needs or interests banding together to share and exchange less-tangible assets such as time, space, skills and money on the community level.

Rise of the access over ownership model: People will pay for the benefit of having access to a product as opposed paying more to own it outright. The result is a new business model and partnership with the reinvention of the co-op and the emergence of peer-to-peer swap services.

New (personal) services will make it convenient and easy for consumers to find and sell local products, and retailers will turn to using smaller, local systems.

Local farmer markets are gaining popularity among consumers, and governments are making it easier for local producers to sell their products. Governments must encourage smart local trade policies that eliminate trade barriers.

In a time of overwhelming advertisements, a brand will stand out from the masses when it can communicate authenticity. The educated and informed consumer today listens to authentic, transparent messages. Branding and packaging becomes honest and pure.

“The High Streets that do succeed in the future will become far more interesting and community orientated than they currently are.”

RICHARD POWELL, DIRECTOR OF PLANNING AND DEVELOPMENT, CAPCO, UK

#1

NEW ECONOMY,
UP-CYCLING, CRISIS,
ADDING VALUE



DROOG DESIGN COLLECTIVE ISSUES UPCYCLED LINE

WHY: The idea behind upcycling is to take trash as a raw material and use it to make new things. The trash directly becomes part of the new object. If you think about it, quilting is a very old example of upcycling. But nowadays Droog Design collective aims to increase the value of dead stock through redesign.

HOW: An alternative to recycling and disposal, “up” treats leftover scrap materials and goods from collaborating companies, including Makro, van Gansewinkel, Vlisco and Mediq, as raw material for creative reinterpretation.

OOOVERIJSEL ALERT: Any material can be used as a starting point for the process. Varying from simple to very complex production. Design Academy Eindhoven graduate Dirk van der Kooij creates his modern Endless Chairs from recycled refrigerators and designed a machine to melt the fridges and mold the chair by injection (see image on page 67).

www.up.droog.com

Watch Video:  <http://www.youtube.com/watch?v=YvNEktwcC9Y>

#2

NEW ECONOMY,
UP-CYCLING, CRISIS,
ADDING VALUE



WOLWAEREN, THE VALUE OF GOOD MATERIALS

WHY: Re-establish the value of high-quality wool by processing the wool as close to the source and point of sale as possible.

HOW: A student developed a series of seven blankets made from Texel wool, woven by people with a mental or physical impairment, aiming to provide insight into the different links on the production chain. By offering farmers a fair price, and establishing an online store for the finished product, the project revitalizes the cash value of wool.

OOOVERIJSEL ALERT: This example shows that with a smart design concept you can re-establish the value of heritage materials. Ten Cate of Overijssel is one such heritage-oriented establishment that comes to mind.

http://www.wix.com/rolandpietersmit/ro-smit/wol-warenwinkel#!__homepage-nl

Watch Video:  <http://vimeo.com/17618201>

“We wanted to create something from the existing content we have available in the museum. We didn’t have a lot of money but did have an incredible amount of content.”

VICKY LEE, MARKETING MANAGER, MUSEUM OF LONDON

#3

LOCAL, LEISURE,
COMMUNITY,
ALTERNATE ECONOMIES



HET BETERE BOERENBED, NEW LOCAL LEISURE

WHY: Farmers created the initiative as a new experience for users to engage in original farming practices and lifestyle.

HOW: By combining luxury camping with farmlife. Animals run free while users milk cows, feed newborn lambs, ride horses and bathe and cook outdoors.

OOOVERIJSEL ALERT: Instead of rethinking a completely new business, rethink ways to add a new service concept to your existing business. This example shows a modern “experience” model, made famous by Starbucks, applied to agriculture, a business that is as old as civilization. This generates success and interest for both the old business and the new service.

www.boerenbed.nl

Watch Video:  <http://www.youtube.com/watch?v=I9aHsuAiOIE>

#4

NEW BUSINESS MODELS,
BRANDING, COMMUNICATION,
CONTENT MARKETING



MUSEUM OF LONDON, A VALUABLE ARCHIVE ASSET PUT TO WORK

WHY: The Museum of London knows it needs to reposition itself as a modern, connected, living museum by incorporating the stories of real Londoners. They created the Street Museum, a free download available worldwide, which gives the museum access to the widest possible audience and the ability to achieve the best possible results, measured in download statistics, online chatter and media coverage.

HOW: The app leads the user to various locations around London using map or GPS technology. The app recognizes the location and places the historical photograph over the live video feed, giving a glimpse into the past.

OOOVERIJSEL ALERT: This AR concept can be used to bring any good story to life and engage a target audience. Potential topics include the history of Deventer or the making of De Vecht products, or Ten Cate, for example.

www.museumoflondon.org.uk

Watch Video:  <http://www.youtube.com/watch?v=qSfATEZiUYo>

“Up-cycling is the process of converting waste materials or useless products into new materials or products of better quality.”

[WIKIPEDIA](#)



image via www.dirkvanderkooij.nl



#HOW IT WORKS ENDLESS PRODUCTS

Dutch designer Dirk van der Kooij 'Endless Chair' series is formed by melted pieces of recycled refrigerators.

The continuous flow of liquid plastic creates a layered, endless furniture collection. van der Kooij plays conductor to the CNC extruder robotic arm which precisely pours the seamless stream of repurposed refrigerator to form each work.

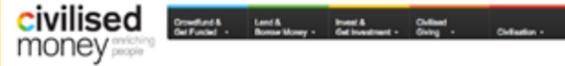
Its an amazing project because: firstly, there are many old, useless refrigerators suitable for a second life instead of harming the planet by being trash. Secondly, these chairs are beautiful to look at but also sit amazingly well.

www.dirkvanderkooij.nl

Watch Video:  <http://vimeo.com/17358934>

#5

ALTERNATIVE ECONOMIES,
COLLABORATIVE INITIATIVES,
COMMUNITY, TRUST,
PEER-TO-PEER



CIVILISED MONEY, PEER-TO-PEER BANKING

WHY: Because traditional banks have failed and consumers are now seeking a reliable alternative to a broken system. Peer-to-peer lending, crowd funding and crowd investing allow people to lend and invest in projects and people. In addition, the initiative seeks to make banking clear, fair and transparent.

HOW: It's a very straightforward idea. People with money to invest lend to people who want to borrow, at fair and transparent rates. The digitally empowered peer-to-peer business uses the best technology to make money management safe, fun, easy and efficient. In the past we have seen initiatives like the Rabobank. But it's now reinvented. It's easy. It's fair. People love it.

OOOVERIJSSEL ALERT: Small businesses can look to the best technology to create peer-to-peer business, in this case money management on a safe, fun, easy and efficient service platform. Businesses can continue to identify new ways in which technology can help reinvent existing business and finance models.

www.civilisedmoney.co.uk

#6

ALTERNATE ECONOMIES, COM-
MUNITY, LOCAL,
ORGANIC,
CROWD-FUNDING



**BUITENGEWONE VARKENS,
CROWD FUNDED FOOD SERVICES**

WHY: To give consumers a top-quality product while building a responsible and sustainable meat supply business. Buitengewone Varkens is a great example of how crowd funding, money invested en masse directly by the consumer, can be used to enrich people with high quality products. This creates enterprises that sustainably support nature and humanity to enable people and animals to lead happy and healthy lives.

HOW: Using the collective buying power of 1.000 investors, each individual investor pays EUR 100 and receives EUR 150 worth of top-quality pork products.

OOOVERIJSSEL ALERT: Retailers do not need to come up with complex business ideas to restart or finance their business. If the idea taps into the need of a community, the community can finance the business directly via crowd funding.

www.buitengewonevarkens.nl

“We see co-ops popping up like mushrooms, whether its tapping into the need for food, or delivering services for the elderly, like the Senioren Co-op or the Open Co-op Partizan Publik, a co-working space built and lead by a group of future co-workers.”

MAAIKE, 35, SENIOR RESEARCHER



SENIOR CO-OP

www.seniorencoop.nl
www.theamazings.org
www.grannysfinest.com



PARTIZAN PUBLIK OPEN CO-OP

Another interesting cooperative project to be finished in 2011 is the Open Co-op, which Partizan Publik is organizing in Amsterdam in conjunction with the Eddy the Eagle Museum and DUS Architects. The Open Co-op will be a co-working space built and lead by a group of future co-workers.

www.partizanpublik.nl

Watch Video: www.youtube.com/watch?v=SufPxpQ9zE

#7

COMMUNITY, BOTTOM UP,
COLLECTIVE ACTION,
COLLABORATIVE INITIATIVES,
SHARING, PERSONAL ATTENTION,
NEW VALUES, LOCAL, FOOD



NEW COMMUNITY OWNERSHIP AND THE REINVENTION OF THE CO-OP

WHY: The sudden emergence of co-ops is a result of three developments. First, governments are loosening control over public spaces. Second, the financial crisis has dramatically reduced confidence in classic financing methods (such as mortgages) and pricing methods while making it harder to access products, goods and services. Third, the Internet has brought new energy to collaborative efforts.

HOW: Clients own the market and control the products sold. Shopping is allowed by membership only and by volunteering four hours per month. Working as a staff member, clients maximize value for products.

OOOVERIJSSEL ALERT: Food retailers and customers can reinvent the business using a collective approach to keep costs and prices low for high quality food. Top products with great service, and clean branding using simple, well-designed packaging and product displays, is a must to attract very engaged, well-educated, high-income consumers.

www.thepeoplesupermarket.org

COLLABORATIVE CONSUMPTION

BY MAAIKE HOLVAST, DOCUMENTARY FILMMAKER, NEW YORK

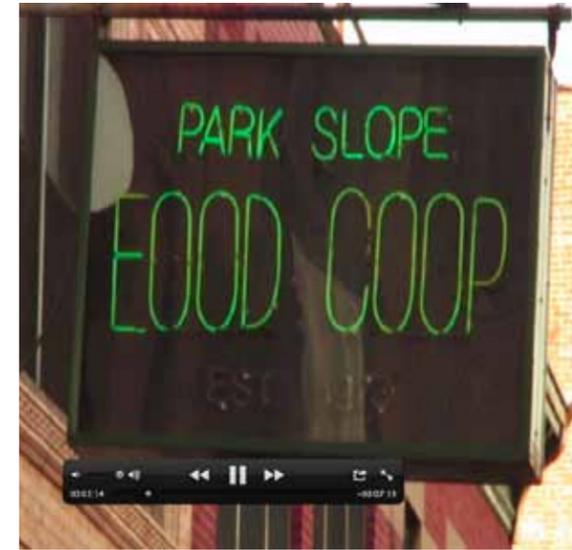
A STORY BELONGS TO THE DOCUMENTARY "COLLABORATIVE CONSUMPTION" FOR TREND BUREAU OVERIJSEL

The Park Slope Food Co-op was established in 1972 by a group of people who met through their communal involvement with the anti-war movement. They wanted to eat healthy and honest foods and realized the biggest expense of health stores came from labour.

By setting up a co-operative where every member would work they could reduce the price of goods sold. In addition, dealing with growers and manufacturers directly would allow them to stay informed about the sustainability and fair trade production process of these foods. At first the co-op wasn't much more than what is now called a CSA (Community Supported Agriculture). Over the years it has grown into a full-blown grocery store that is open seven days a week.



MAAIKE HOLVAST - DOCUMENTARY FILMMAKER, NEW YORK



Case Study - ReUse



Since the 1970s the neighbourhood has gentrified as more rich people have moved in. But the Park Slope Food Coop has not suffered. Even though some of the old members were forced to leave the area, lots of them still travel to their old neighbourhood to shop and work. At the same time, many of the new inhabitants embraced the co-op as well. To many of the new members, the fact that the food is cheap is only a secondary motivation. They join because of the fact that the products are fresh, local, organic and healthy, and because of the community the co-op provides. In an enormous city like New York, where people can easily feel anonymous, having a shared interest with, and connection to their neighbours is something people value. In addition, like the immensely popular farmers markets that exist throughout New York City, the co-op ties in to a growing interest in "slow food."

The co-op has 16.200 members and each works 2,75 hours every 4 weeks. Of people who share a household, other adult members of that household (18 and over) are required to work. Disabled people who are unable to work, and new mothers, are excluded from this rule. Members are assigned a certain shift, although they can swap shifts with fellow workers. The co-op has 60 paid staff members, or coordinators, that organize the labour of the 15.000 working members. A paid staff member performs some very specialized jobs that cannot be done by a member who only comes in once every 4 weeks.

Small, every day decisions are made by the coordinators, but all other decisions are discussed and voted on in member meetings that are held every four weeks. Members can get work credit

to attend these meetings. Big, strategic decisions, such as expanding and buying property, are voted for in a referendum. Engaging technology, the co-op has a website where people can swap shifts, read the newsletter and sign up for cooking classes. However, the co-op admits it is "still behind the curve on the possibilities the Internet can provide."

Because of its huge member base, the co-op is an important community force in the neighbourhood, a place where people get together, make friends, meet their neighbours and learn about (healthy) food and what it means to be an environmentally conscious citizen. Although there are complaints among members about the rigid politics, most people have only good words for the initiative. There is a waiting list for new members, and the founders of the Park Slope Food Coop are currently working with six other groups in the New York city area to start similar initiatives.

The co-op idea is resonating with people today who have a strong anti-corporate feeling as a result of the "Wal-Mart effect." The realization is that something as essential as food can't be left to big, profit-driven corporations.

In addition, the co-op satisfies an important need for real, offline communities in an increasingly digitized and virtual world.

Watch Documentary: <http://outofoffice.cc/2012/02/01/collaborative-consumption-new-york/>

#8

COMMUNITY,
LOCAL, SEASONAL, TRUST,
HOME GROWN, FOOD



FRONT YARD FARMERS MARKET, LOCAL FARMING IN THE "HOOD"

WHY: City-dwellers started their own front-yard farm markets to get healthy food at affordable prices while creating better access to fresh fruit, vegetables and flowers in Los Angeles. Now profitable, local, micro farmstands are available in the middle of city neighbourhoods.

HOW: A new city ordinance allows small farmers markets to operate in residential areas, enabling backyard growers and small farmers to sell crops directly to their neighbors. Strong branding and positioning has made this initiative increasingly popular.

OOOVERIJSSSEL ALERT: It is possible for Overijssel to work closely with local communities to get an idea about their needs. In this way the government can support local initiatives by making governmental policies more practical for people.

www.silverlakefarms.com

#9

COMMUNITY,
LOCAL, SEASONAL, TRUST,
HOME GROWN, FOOD



COMMUNITY PRODUCTS DELIVERED AT THE DOORSTEP

WHY: Agrarians from the Overijsselse Vechtdal created a plan to keep their farming community alive and healthy. They developed the "Vechtdal" label to identify and promote locally produced, ecologically responsible food.

HOW: The program uses a closed channel system that keeps all links of the chain connected, from farmer to restaurant. In combination with strong production and branding, the system is very efficient and effective.

OOOVERIJSSSEL ALERT: Local communities are tapping into the history of the region and branding their products accordingly. Consumers can now connect to these stories emotionally, which can set a brand apart from the mainstream stores such as Jumbo or Albert Heijn. Brand story is essential to do so.

www.vechtdalproducten.nl
www.deliweb.nl

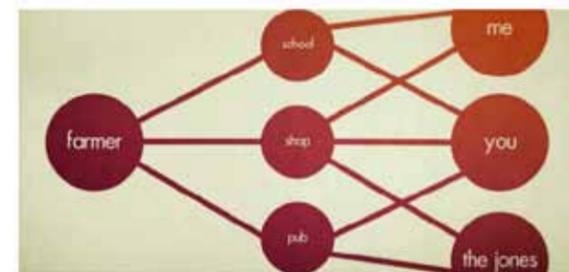
The New Retail Reality

"I now buy tasty eco eggs from the chickens from Eddy Tuink of Broekland."

HARRY DE SMAAKSPECIALIST, DELIWEB.NL

Social media platform connects farmers with local buyers

Sustaination aims to connect food producers with local buyers via a dedicated social network.



Also check: www.sustaination.co.uk
Watch Video: <http://vimeo.com/30907079>

#10

LOCAL,
COMMUNITY,
COLLECTIVE ACTION,
TRUST,
LOCALLY PRODUCED



www.boskoi.org

DYNAMIC MAPS LIKE BOSKOI, SOURCEMAP, CITYMAPS, TWEETJEMEE, BIO-LOGIC ON THE MAP

WHY: Today's world is overloaded with data. Mapping Information services for the customer and community is becoming one way to manage the clutter.

HOW: Free mobile apps based on collective knowledge visually displayed in many ways:

- Boskoi lays out a map of local fruits and herbs and allows users to edit and add their own finds. It provides information on found products and plants, so the user can differentiate between edible and inedible plants.
- Sourcemap is a crowd-sourced directory of product supply chains and carbon footprints, which enables users to measure the overall environmental and social impact of a given product. This information is embedded in the web site and in a QR code, so the user can easily share the information online.
- CityMaps is a website maps storefront businesses, enabling users to zoom down to the block level to find the nearest café or whatever is around the corner. Corporate logos of businesses are listed, as are the names of smaller retailers and businesses and even vacancies.

OOOVERIJSSSEL ALERT: Free, open source mobile apps help businesses connect with customers as they explore, map and access any type of landscape and engage the passion of the people. These types of apps can be used in many ways for network events, tourism spots, bookshops, textiles and more.

4.2 - ReUse - Trend Examples



CityMaps: a website mapping service of brands on the block. www.citymaps.com



www.sourcemap.com



Tweetjemee is a web service for cooks who prepare extra food to sell to others who do not feel like cooking themselves. A "neighbourhood chef" can easily start a so-called "webtaurant" (web restaurant) on the website. www.tweetjemee.nl

BIO-LOGISCH OP DE KAART



Bio-Logic, funded by the Province of Overijssel, creates three new regional chains for organic products in Overijssel:

- Zwolle, Deliweb: www.deliweb.nl
- Hengelo, Slagerij de Feijter: www.defeijterhof.de

www.biologischopdekaart.nl



#MAISON P.O.S.

ORGANIC, LOCAL AND
AFFORDABLE

Maison P.O.S. is a small outlet selling vegetables, fruits, cheese, meat and bread. They also cook themselves soups and sandwiches for lunch. All of their products are strictly organic, seasonal and come from France (most of them are from Normandy which is 2 hours away from Paris).

But unlike most of their competition in Paris their prices are very affordable, it's even cheaper than a non organic supermarket which usually sources vegetables outside France, and for whom the word organic is just a word.

Everyday since they opened people line outside the shop. People take their time, they chat inside and ask information from Pierre the owner about his products. There is not even a calculator.

#11

COST PRESSURE,
LOCAL,
STRESSED SUPPLY CHAINS,
FOOD CRISIS



VOEDSELJUTTERS: A SOLUTION FOR LEFTOVERS

WHY: Consumers seek to be in touch with food sources and the land. This helps people better understand the scarcity of resources and use food more effectively by using farm overstock that is of good quality, but not commercial-grade.

HOW: For an annual fee of 35 euros, the site gives access to locations where food combing is allowed, and includes a bicycle route for ease of use. Customers then collect leftovers directly in the farm fields.

OOOVERIJSSEL ALERT: Why not start thinking about using the farm leftovers across Overijssel? Voedseljutters.nl brings consumers to farmers directly and the farmer earns an extra 450 euro per year. The consumer not only enjoys a day out but also collects food for a healthy meal at home.

www.voedseljutters.nl

#12

COST PRESSURE,
LOCAL,
STRESSED SUPPLY CHAINS,
FOOD CRISIS



HELSINKI FUTURE FOOD STRATEGY

WHY: Local creative minds within the food industry are getting ready for World Design Capital Helsinki 2012, and beyond. To that end, Helsinki recently updated its food strategy. Old market halls are being re-invented while schools, day-care centres and elderly homes will be supplied with 50% local produce.

HOW: The government is heavily investing in new small-scale food shops, breweries, bakeries, food-vans and city farmers. Building work for new, high-quality food processing facilities is underway, and mixed-use developments are springing up around the area. Of note, Helsinki's Tukkutori Wholesale Market is to become revitalized as the new local food hub, opening to the public in September 2012.

OOOVERIJSSEL ALERT: Having a clear strategy for your future city or village can spark your local businesses. Helsinki has positioned itself as an innovation city. A government ordinance requiring that local food be designated for senior homes would help support local businesses.

www.popupcity.net/2011/12/food-in-the-boom/

“Morrisons expects to be between four and 11% cheaper on fresh products than its rivals in convenience by charging its usual prices, or slightly higher, at the M Local stores, leaving it ahead of other c-stores that charge a premium in local, convenient stores.”

#13

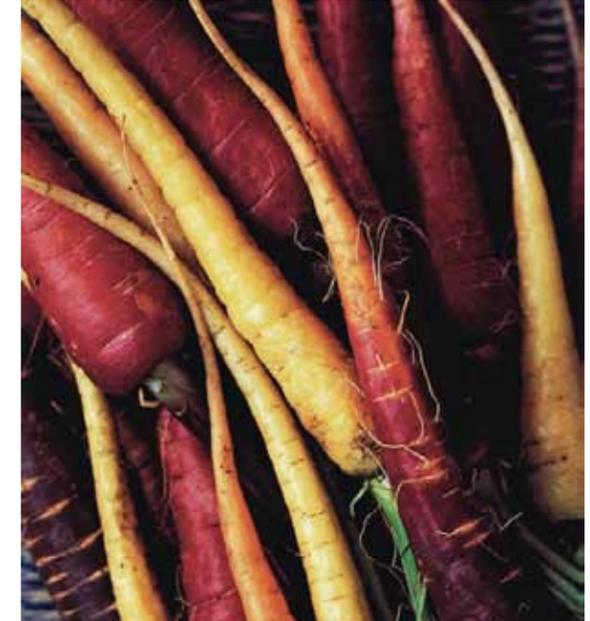
CRISIS,
NEW FORMATS,
LOCAL, COMMUNITY,
FRESH FOOD



SUPERMARKET CHAIN SELLS ONLY LOCAL PRODUCTS

WHY: UK supermarket chain Morrisons understands the modern customer focus on freshness, but seeks to provide it at a competitive price. They have come up with M Local to access this “freshness for value” segment.

HOW: The concept combines the convenience store with the farm stand. M Local stocks fresh products like bread, meat, fish and dairy, which is ordered at store level and delivered the following day.



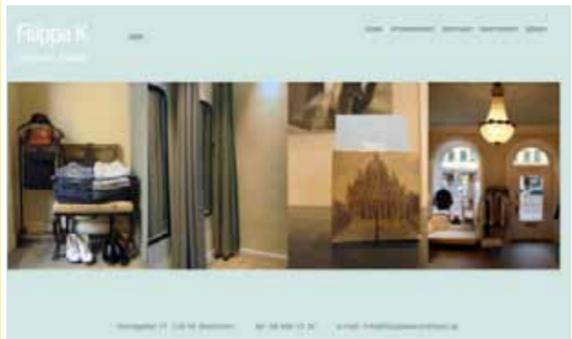
OOOVERIJSSEL ALERT: There is a shift from the expensive local city format, like Marqt, to affordable local markets with a focus on clean design and replenishment systems for fresh products.

www.morrisons.co.uk/store-finder/new-stores/M-Local-Ilkley

Also check: www.landmarkt.nl

#14

COST PRESSURE,
ALTERNATE ECONOMIES



RE-RETAIL, THE SECOND-HAND REVIVAL

WHY: Low quality fast-fashion is a product of the boom. In the recession, established, high quality brands are tapping into the second-hand revival. This is a way to increase brand value and realize a second revenue stream.

HOW: Customers sell their old clothes at the brand store. Swedish fashion label Filippa K, for example, is promoting a longer life with its own second-hand store in Stockholm. The concept is fully aligned with the brand values, namely Filippa K's product quality and tastefully timeless design.

OOOVERIJSEL ALERT: Tapping into the consumer desire for thrift stores, heritage goods and reuse, this re-retail concept is an excellent model for businesses in Overijssel.

www.filippaksecondhand.se

#15

LOCAL STORIES,
NEW VALUES,
ALTERNATE ECONOMIES



REMEMBER ME: STORIES GET A SECOND LIFE

WHY: Consumers are interested in the heritage of their purchase so they can identify with the product. This makes the product special and increases price and value.

HOW: People donating an item to a Manchester store recorded a message explaining its history. The memory is hosted online on the TOTeM (Tales of Things and Electronic Memory) website and linked to an individual QR code on the product's label. By scanning the label, the new owner accesses the human story behind the purchase.

OOOVERIJSEL ALERT: Second-hand can be reinvented.

www.designdodo.wordpress.com/2011/12/02/rememberme-project-by-oxfam-and-totem-tales-of-things-and-electronic-memory/

#16

LOCAL,
ALTERNATE ECONOMIES

SWAP TIL WE DROP, MODERN BARTERING

WHY: The Local Economic Trading System online and offline, in the Netherlands but also globally is tapping into the need for alternative economies. In the Netherlands alone there are now 80 LETS stores.

HOW: No money is used and the transactions are tracked and settled through a point system. This brings the ancient practice of bartering into the modern world.

OOOVERIJSEL ALERT: Work on the economic principle of exchanging goods and services at the local level between residents.

www.letsdordrecht.nl

Watch Video: http://www.youtube.com/watch?v=8SjjXPbt_E4

“I’m not an astrologer, but I think products will have flat rates, and we will be swapping goods again!”

BRAM, 32, DIGITAL STRATEGIST

WHAT COMES FROM THE WEST CAME FROM THE EAST

A CASE STUDY BY AHMET POLAT, MINE KASAPOGLU, GOKAY CATAK (PHOTOGRAPHY AND RESEARCH)



AHMET POLAT -
DUTCH / TURKISH
PHOTOGRAPHER
AND RESEARCHER
IN ISTANBUL AND
FASHION DIRECTOR
VOGUE TURKEY

For the past decennia more than a 100 shopping malls have been built in Istanbul. You could say that with the rise of the Turkish economy these objects of Western consumerism have made a big mark on Turkish society. What is the reason behind its success and how it has become such a widely accepted concept by the Turks?

A likely reason is that one of the first prototype malls is the Grand Bazaar, which lies in the old town of Sultan Ahmet. It was built in the 15th century and is still to date one of the largest covered markets in the world.

The idea of a shopping street only for people to (window) shop has developed into what we now know as "mega shopping malls."

Photographers Mine Kasapoglu and Gokay Catak have researched other solutions within contemporary Turkish society.

Both essays give a different view on how small communities rely on each other or come together to compete with the bigger brands and other international companies.

Concept development: Ahmet Polat
Photography and research: Mine Kasapoglu and Gokay Catak



The old new

MINE KASAPOGLU



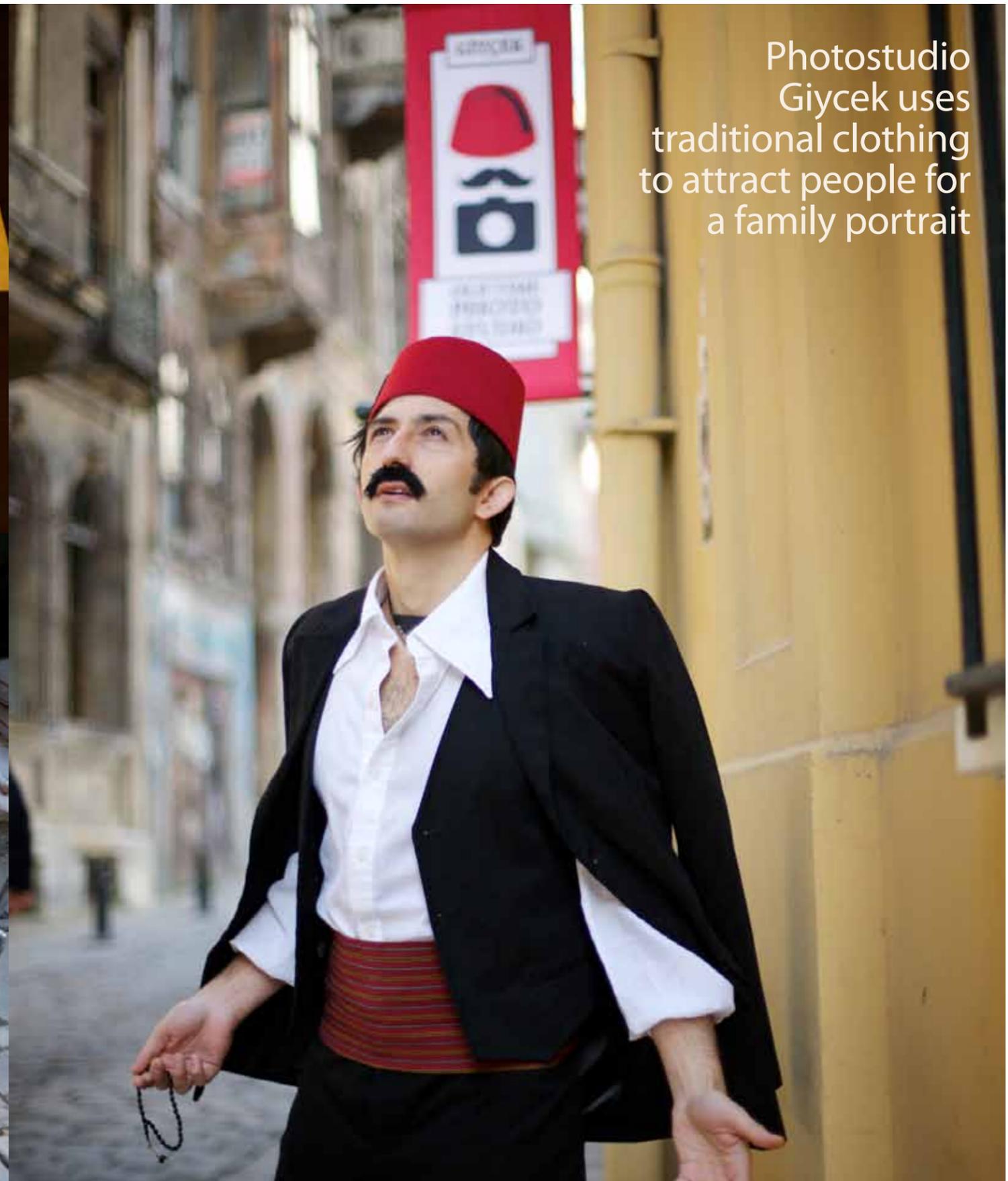
In order to prefer local shops over shopping malls and chain stores, people need to be offered an "experience." This can be achieved by promoting local designers, having an unique style, boutique touches and a personal relationship with the customer.

But another important "Ottoman" secret is to place many similar shops close to each other. In Istanbul, if you are looking for a good döner sandwich (durum), you go to Taksim center, where the durum shops are lined up next to each other. If you need a musical instrument, you take a walk in Tunel, where all music stores are located one after another. In Istanbul there is even a specific area to buy wigs, another area for mannequins, another for lighting, another for buttons, another for photography equipment. This way if you need a specific item you go to a

specific shopping district. Competition keeps costs down and quality up. And stores get the clientele they target. This mindset is significantly different from what we see in the retail areas in Europe. Serdar-i Ekrem Sokak in Galata is a good example.

This return of local small stores is happening in the entire district. At this street there is a little cafe/restaurant/shop called Mavra a place that feels so warm and is filled with locals, but also serves as an exhibition space. They sell local arts and crafts. Many customers are regular faces. Right across there is an "Old Time Photo Studio" called Giycek.





Photostudio
Giycek uses
traditional clothing
to attract people for
a family portrait



Local traditions still exist next to the designstores and restaurants, giving something extra, which no mall has been able to copy

IN THE BELLY OF THE BULL

GÖKAY ÇATAK

I chose the Karakoy and Eminonu area near the opening of the Golden Horn. Karakoy is a unique area; it focuses on the little stores instead of the large shopping malls that are currently being developed.

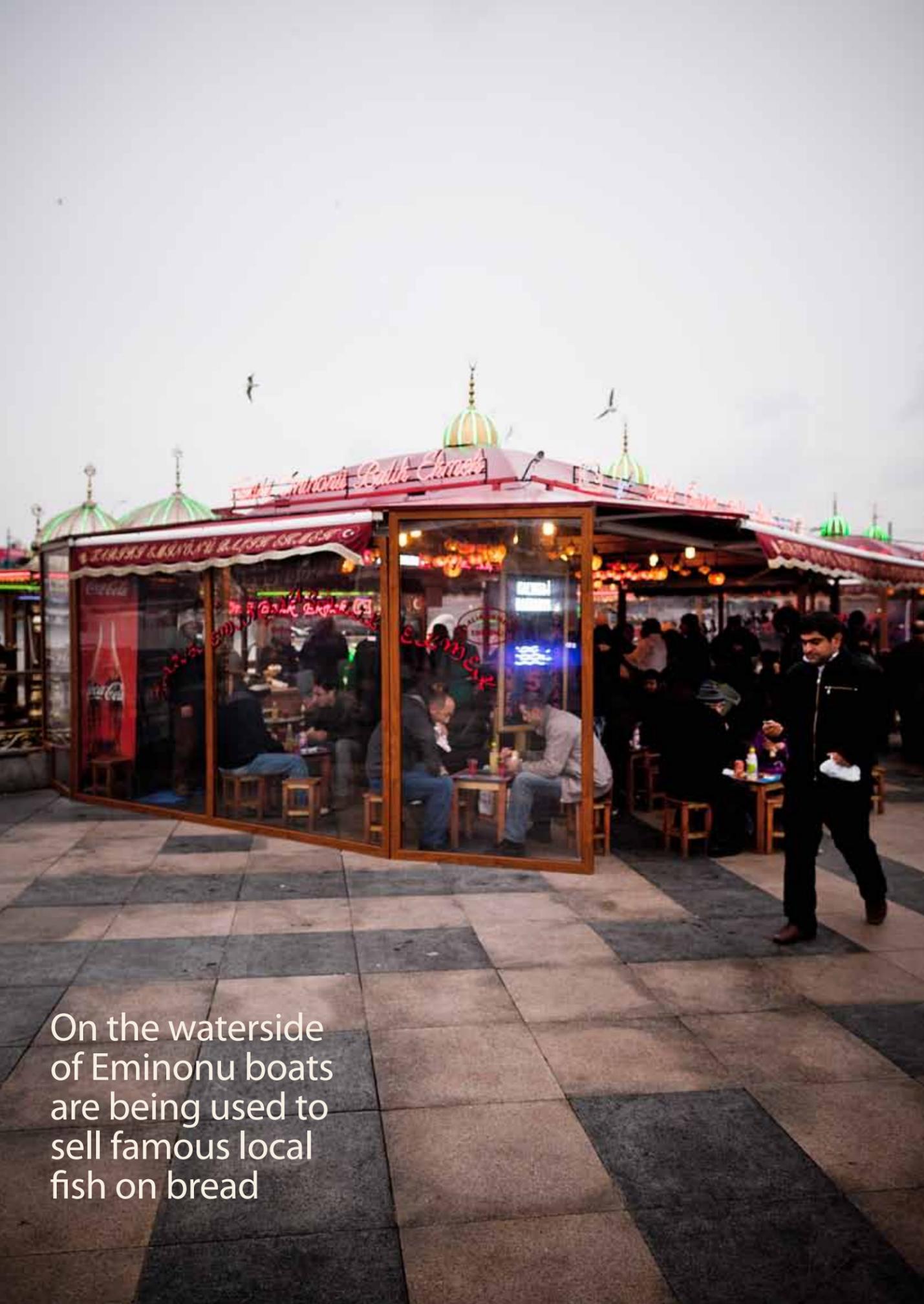
Today, in Istanbul, shopping culture is a fast changing phenomenon. Shopping malls are everywhere. When you enter a shopping mall, you can start your day with drinking coffee, go to the cinema, shop and end up in the gym. At the same time, you are expected to shop while sustaining the lifestyle all in the same place. For example, when you buy a coffee in Starbucks, you only tell your name and you take your coffee. You don't have to communicate with anybody. As a result of this impersonal customer service, alienation is starting to become part of daily life.

In my visual story, I tried to tell of the uniqueness of the shopping places in Karakoy – places that are characterized by a different design or typography and are independent from shopping malls and the major brands. In Karakoy, you can find traditional and unique places for eating, drinking or having a chat.

People here are still communicating with each other when they are shopping. I realized that it is a human and personal feeling that is still alive in our city.



Eminonu lies on the opening of the Golden horn. When you pass the Galatbridge you can see boats selling their goods

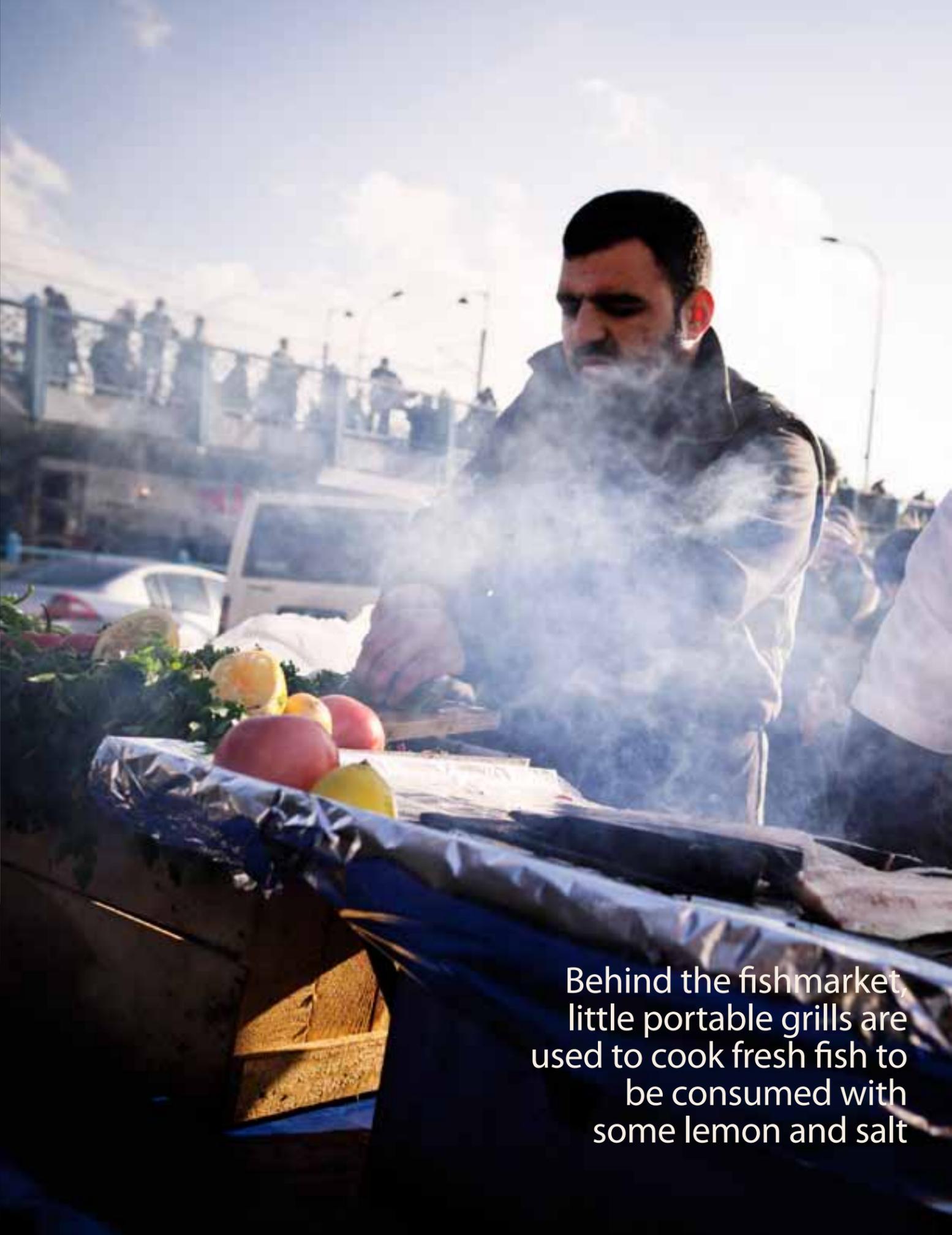


On the waterside of Eminonu boats are being used to sell famous local fish on bread

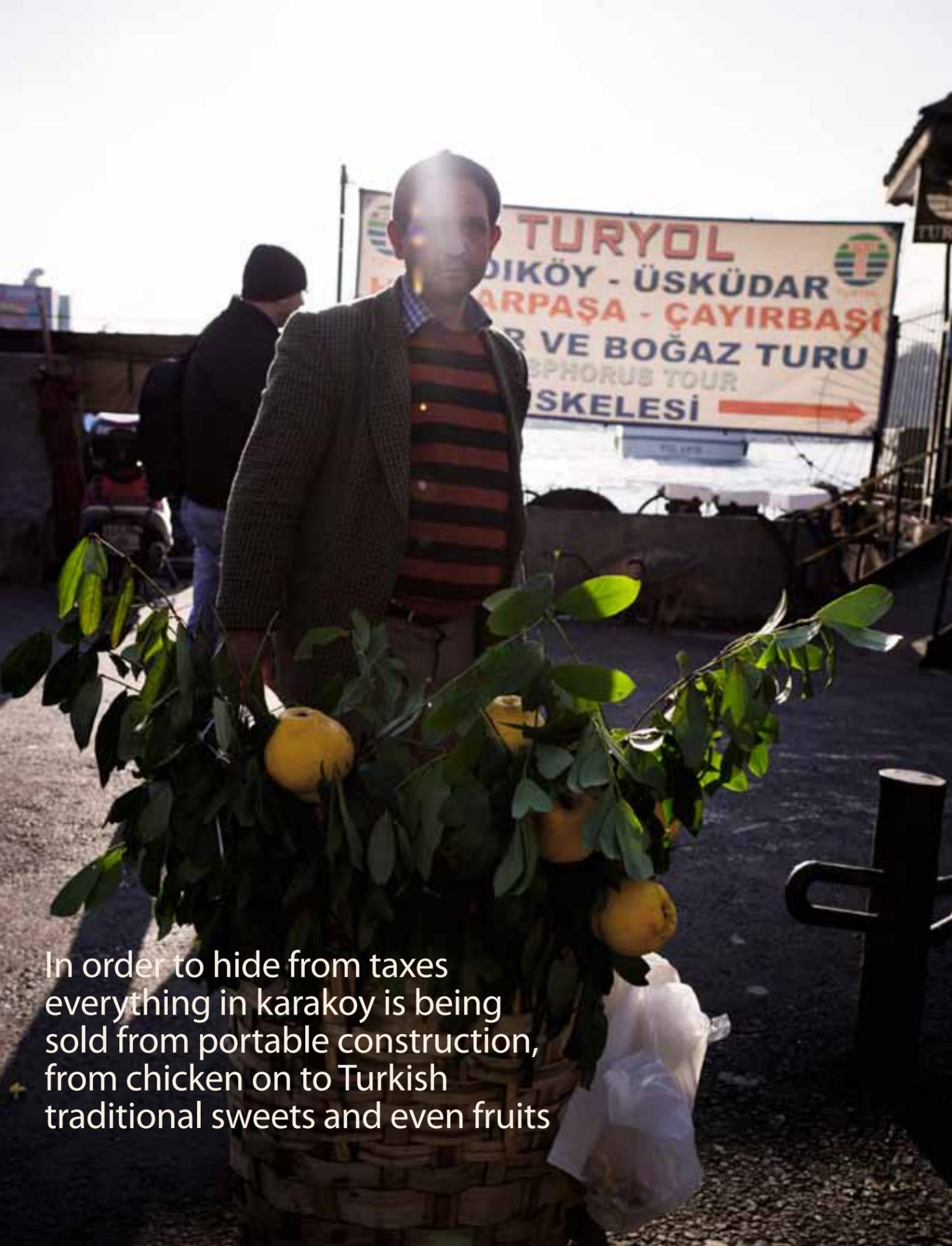




The Turşu, pickled cucumber, is sold besides the fishing boats



Behind the fishmarket,
little portable grills are
used to cook fresh fish to
be consumed with
some lemon and salt



In order to hide from taxes everything in karakoy is being sold from portable construction, from chicken on to Turkish traditional sweets and even fruits



Trend 3: ReBalance

How

IS THE TREND DEVELOPING?

4.3



image via Flickr

ReBalance

DEMAND SIDE:

The aging population in the Netherlands will create a greater demand for more health care services. However, this doesn't mean that seniors are going to behave like "old people." Today's older people feel younger than previous generations. They are increasingly sporty and enjoy trendy products, such as iPads, laptops, bikes, luxury coffee machines and luxury spas.

Younger generations will demand more services related to speed and knowledge, such as free services, open source technology, visual-driven search engines and fast electric cars.

There will be significantly more single-person households in the Netherlands. This will influence the overall product portfolio as smaller households seek products that will fit smaller environments.

SUPPLY SIDE:

The increase in life expectancy continues to influence the supply-side of retail and the future will have fewer suitable retail employees. Employees are becoming older and, therefore, more expensive. In addition, as many local retailers soon reach the age of 65 (CBS), there are fewer people to take their place.

Younger people no longer see the local retail industry as an interesting career sector, and retail is now perceived as a temporary job.

The nation's aging infrastructure will create new thinking about everything from transportation, to housing, to healthcare services, to personal (retail) services and product portfolios.

Retail will have to adjust the product portfolio for smaller households and design shelving and signage in response to the needs of single citizens.

Thanks in part to a glut of unused space, community gardens and urban farms are flourishing and people are seeking to recast empty spaces.

Retailers will consider how senior citizens, instead of being seen as an economic burden on government and medical providers, can be re-imagined as an economic asset to create a more vibrant and rewarding society.

Traditional businesses risk a mismatch between service and customer expectation and must look out for new multi-functional opportunities. The future will see more bookshops selling coffee, coffee shops selling music and supermarkets selling loans, to name a few.

In the remote villages, new mobility concepts will be developed to reach consumers, not only through online services but also offline, as (often older) consumers still value the human elements of personal service and contact.

As new opportunities emerge in remote areas, small retailers will be able access the regional health leisure economies of the future and implement smart health care reforms, care facilities, and personal care services.

“I am retired, but not tired.
The idea that seniors aren't
plugged in is a myth.
Don't be fooled: for this group,
blackberry is no longer
just a type of pie.”

#1

HYBRIDE SPACES,
COMMUNITY LIFESTYLE



THE COFFEE CONNECTOR

WHY: By combining a service with a place to relax and socialize, businesses can enhance the user experience while generating additional revenue. Laundromats, copy shops and bicycle repair already have a function as social places, but that role never really evolved. While the washing machine or printer, bicycle mechanic is working work, customers can relax in the lounge, order drink and interact.

HOW: The coffee bar, functions as a connector, that serves coffee, tea and small meals in a space to sit, relax and talk. This meeting place creates atmosphere, promotes better design and enhances customer experience with services like free Wi-Fi.

OOVERIJSSSEL ALERT: Retailers will continue to see formulas that understand an added community function. Retailers should expand their current business not by selling new types of products, but by adding enhancements that connect consumers through added lifestyle components.

www.wash-coffee.com



www.lookmumnohands.com



www.fotocafeen.dk

“Coffeehouse talk could teach the world a thing or two.”

“SYLo = Staying Young Longer. It’s not the Chinese who are going to take over the world, it is the oldies.”

TREND AGENCY WGSN

#2

NICHE GROUPS
AGING



SENIOR-FRIENDLY SUPERMARKETS

WHY: A supermarket designed for a different demographic, Germany’s grey market.

HOW: Everything is designed around the senior, from the shoppers who love the step at the dairy case, to the lady who adores the “relaxation zone.” The makeover widened the aisles with non-skid floors and brightened the lighting. Price labels got larger and packaging got smaller. The store also includes magnifying lenses hanging from shelves and shopping carts, and the carts have been redesigned with built-in seats for tired shoppers.

OOVERIJSSSEL ALERT: The population that has fuelled Europe’s biggest economy is growing old fast. This isn’t a noble experiment in social welfare but a business calculation and the store’s revenues are already up 30%.

<http://www.timegoesby.net/weblog/2011/05/elder-friendly-stores.html>

Watch Video: http://www.youtube.com/watch?v=k1fUKtevMrM&feature=player_embedded

#3

NICHE
LIFE STYLE SUPPORTERS



RETAIL TARGETED AT NICHE MARKETS

WHY: Niche markets tap into very specific needs in innovative ways, and the variety of hyper-targeted niche projects will continue to increase.

HOW: In Japan, most women have traditionally gone from their parents’ homes directly into married life. PanaHome’s Lacine Inokashira apartment complex now offers an alternative. Through a new “trial stay” program of apartment living, the company gives young, unmarried women a way to test independence without making a long-term financial commitment. The all-electric apartments in Tokyo are fully furnished and equipped with a variety of eco-friendly technologies, including a suite of electric bicycles for residents. In addition, the complex salon serves as a communal living space in which residents can socialize. In the Netherlands, the Haverleij taps into the needs of consumers who seek the exclusive ambience of a modern country estate. Nine modern castles and Slot Haverleij were designed by a selection of internationally renowned architects. The castles each contain 50 to 90 homes. In the 225-hectare area northwest of ’s-Hertogenbosch, directly on the River Maas, a total of 1.050 homes and apartments are being built.

OOVERIJSSSEL ALERT: Analyse your retail catch area and dive into the niches.

Japan: www.lacine.jp
The Netherlands: www.haverleij.nl



RETAIL CONCEPTS COMBINING ELDERLY AND FAMILY LIFE

WHY: MedCottage, is a modular housing home for the elderly that taps into the trend of elderly people who depend on family help.

HOW: These modular houses can be connected to the house of the family care provider.

OOOVERIJSSSEL ALERT: By being able to care for aging baby boomers attached to, but not in, the home is an example of how to reduce the strain on medical care facilities and ensures that these elderly citizens remain integrated within society. More of these of concepts will be designed with regional and cultural preferences in mind.

www.medcottage.com



Some potential features

- A "virtual companion"** that would relay health-related messages ("It's time to take your medication") and play music, movies and games.
- A video system** that would monitor the floor at ankle level, so the patient would have privacy but a caregiver would know if there was a problem.
- Pressurized ventilation** that can keep airborne pathogens in (if the patient is quarantined) or keep outdoor air out (if a patient has a compromised immune system).
- A lift,** attached to a built-in track in the ceiling, that would move a patient from the bed to bathroom so the caregiver could avoid heavy lifting.
- In addition to regular ambient light, **lighting at knee height** would line the walls, illuminating the floor. Tripping over objects on the floor is the most common cause of falls.

“More and more people will live in cities; 2% of the world’s surface is covered by cities. These cities contain 53% of the world’s population and produce 75% of its pollution and will require new solutions.”

THE FUTURE LABORATORY



GROCERY STORES ON WHEELS REINVENTION OF THE SRV

WHY: Four Chicago residents developed the concept after deciding that opening their own grocery store or waiting for big retailers would take too long. They launched Fresh Moves, a one-aisle grocery store on a bus that sells pineapples, mangoes, collard greens, onions and other fresh fruits and vegetables in West Side neighbourhoods like Lawndale and Austin, where locals have minimal access to fresh produce. Moves was named the people’s choice at the 2011 Chicago Innovation Awards.

HOW: They asked the city to donate one of its fleet to serve as a farmer’s market on wheels. A year later, the Chicago Transit Authority sold an aging bus to the group for \$1. Following the installation of shelves and refrigeration units with design help from Architecture for Humanity Chicago, the bus hit the streets in June and was greeted with lines of customers. Today, the bus stops for at least an hour at more than 15 locations each week.

OOOVERIJSSSEL ALERT: Old initiatives are reinvented, by bringing the physical shop to the consumer.

www.freshmoves.org
www.truck-farm.com



2THELOO

WHY: You’ve been there: You’re out and about and looking for a clean restroom. Not an easy task! That’s why the service 2theloo created refreshing restroom shops in city centers, shopping centers and train and gas stations.

HOW: In addition to the “always clean” restrooms and washrooms, at 2theloo you’ll find a shop with toilet-ries, storage closets and sometimes a coffee corner.

OOOVERIJSSSEL ALERT: A brilliant idea is often a simple idea. This example show’s how you can innovate a service (what was 50 cents for going to a shopping mall toilet) is now becoming a professional service centre.

www.2theloo.com





TALENTED NEIGHBOURS GET THE JOB DONE

WHY: Society is full of talented people with complementary skills. TaskRabbit taps into peer-to-peer business using a web and mobile marketplace that provides anyone with an easy and trusted way to trade everyday tasks within the local community.

HOW: TaskPosters (market demand) reach out to TaskRabbits (market supply) to fulfil a particular assignment:

- Post a task! When users post a task, they describe it, indicate when it needs to be done, and set the price.
- A TaskRabbit responds to help by bidding on your job with a price they believe is appropriate.
- The TaskRabbit performs the task. The TaskRabbit can be reimbursed for expenses through the site.
- Once the task is finished, the poster pays the rabbit online and the poster can rate the quality of the completed job.

OOVERIJSEL ALERT: As discussed elsewhere in this report, the emphasis of access over ownership is a very important trend that will affect the retail industry. Great examples of alternatives to ownership include TaskRabbit, Zipcar or Airbnb, a social marketplace for travel stays. Ordinary people are continually creating simple but efficient ideas to connect and fill gaps in the market.

- www.taskrabbit.com
- www.zipcar.com
- www.airbnb.com
- www.mywheels.nl



Airbnb is a global network of accommodations offered by locals.



MyWheels car sharing

Watch Video: http://www.youtube.com/watch?v=Ta-GPK3Eo_E&feature=player_embedded



POP-UP SERVICES

WHY: Similar to the window styling trend below, more and more retail streets are infected with the virus of empty space. Services like Zazone and Pop-up Square help fill retail spaces with creative entrepreneurs who rent space for low cost and short duration.

HOW: By using more flexible rental schemes, small businesses can now occupy a space for a short period of time. This creates less risk for the entrepreneur and an increased variety of dynamic stores. The temporary nature also imparts a sense of trendiness and exclusivity, creating strong brand positioning, marketing and promotion.

OOVERIJSEL ALERT: Small businesses can come to life in an instant when government policies adjust according to the needs of start-ups. Creating an environment of flexibility and improvisation is essential to promoting innovation and revitalization.

- www.zazone.nl
- www.popupsquare.nl
- www.deskwanted.com



RECLAIMED WINDOW STYLING

WHY: Empty and decaying buildings are common in cities, but not every vacant building is in ruins. Many downtown buildings are structurally sound and architecturally beautiful. By combining QR (Quick Response) codes with stunning artwork and laser-printing technology, one can set up a virtual storefront to attract window shoppers with minimal investment (see also the Tesco market in Korea within the Inline section). These low-investment facelifts add to consumer experience while revitalizing a desolate area of the city, thereby increasing value.

- Watchwear.com (Detroit)
- www.huffingtonpost.com/karen-dionne/virtual-malls-detroit_b_1107442.html

FARM TO TABLE CITY LIVING

A CASE STUDY BY MIRTE VAN LAARHOVEN

Throughout New York City there are community sustained agriculture initiatives that promote year-round farmers markets where people can access locally grown, seasonal vegetables and fruits for little money. The market can be socially expanded by weekly (or monthly, daily) events, services and knowledge-based happenings, like prepared meals and lunches. This can include a farm truck that brings the freshest vegetables to the home, a cooking show, a seed swap, lectures and more. The market relies on locally grown products from farmers in the area. These products are ideally supplemented with self-harvested food from a network of kitchen gardens.



MIRTE VAN LAARHOVEN - GRAD STUDENT ARCHITECTURAL DESIGN



www.robortapizza.com



#WHY IT WORKS

HOME GROWN

There are successful examples of these initiatives. One is Roberto's, a combined farm and restaurant in the middle of a run-down district. Here they make tasty pizzas that are made of the locally grown products from their own roof and backyard garden. The businesses presence has influenced the neighbourhood in a very positive way.



Image via Flickr.com

“Thanks in part to a glut of unused space, community gardens and urban farming are now flourishing and people looking for a new interpretation of empty spaces.”

MIRTE VAN LAARHOVEN



Living Pavilion, an installation on Governors Island in New York, is a low-tech low-impact installation that employs milk crates as the framework for growing planted surface similar to a green wall. Living Pavilion aspires to create a synthesis of form, structure, light and life. The pavilion's surface is planted with hanging shade-tolerant plants that will provide an environment maintained at a cooler temperature because of evapotranspiration from the plants. At the end of the season, the pavilion's modular design will allow easy disassembly and distribution of the planted milk crates in the New York area for use in homes, public places and community gardens.

WHY: The initiative exists because people are concerned about what they eat and are looking for options beyond the supermarket. The plan is to preserve one's own food and be able to farm wherever we live. There is a need for healthy food, instead of the processed products in supermarkets. The initiative is tapping into people who are conscious about green movements, food and nature. The ultimate goal of the successful examples in New York City is to feed the population (partly) with locally grown food.

HOW: New Yorkers are using rooftop farms, which arose because of the growing demand for local food. Community initiatives became a great way to generate food within the city and the system relies on local activism. The rooftop farms and community gardens achieve farm-to-table food in an urban environment. This shortens the distance food has to travel to consumers and helps reduce carbon dioxide emissions while providing local jobs

and enhancing the community. This also makes a community less reliant on a deficient public food system.

OOOVERIJSSSEL ALERT: Another successful result is the Brooklyn Grange rooftop, which shows that urban farming is a viable enterprise and a good way to make a living while contributing to a sustainable economy. However, to make a profit from the products grown there, too much money goes into the rent of the roof, so there is room for improvement in this regard.

An ideal situation would be growing crops on temporarily empty land and offices available within the community. This generates jobs and people become more closely related to each other and to their food. This also promotes an entrepreneurial mentality. This is essential for enlivening smaller communities like those of Overijssel.



www.brooklyngrangefarm.com www.rooftopfarms.org www.gothamgreens.com

GEEF MIJ
JE DAK,

GEEF IK
JOU...

WITLOF, POMPOEN, ERWTEN, BIESLOOK, TOMATEN,
AARDAPPELEN, KNOFLOOK, KOMKOMMER, APPELS, PREI,
VELDSLAA, FRAMBOZEN, ALFALFA, WORTEL, UIEN, AARDBEIEN,
AMALUDKEN, SPANIBERRIES, ETC

DAK
BOERIN

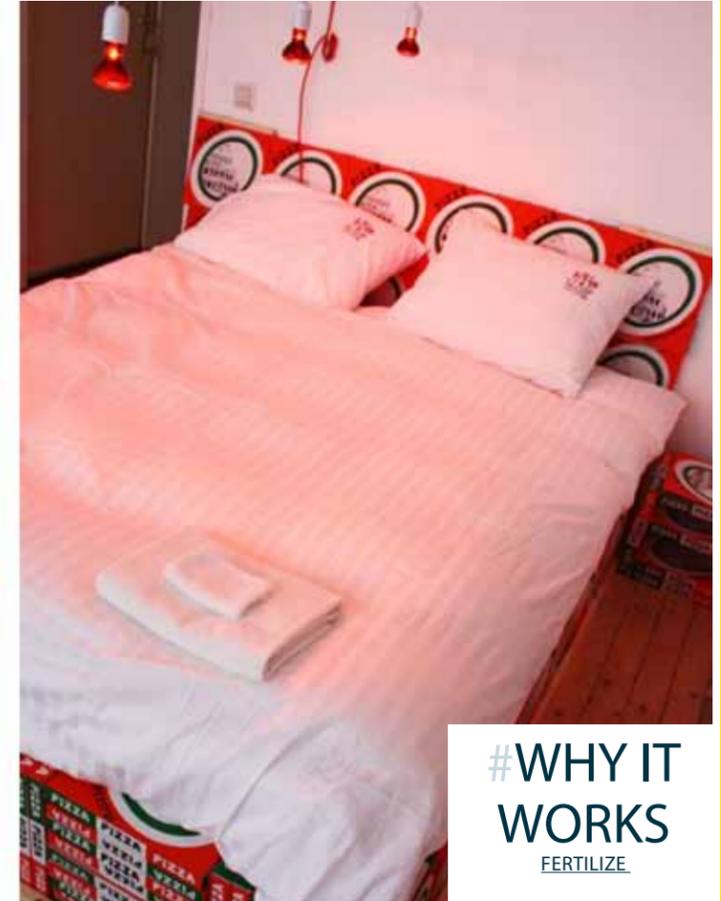
www.dakboerin.nl



www.thehighline.org







#WHY IT WORKS
FERTILIZE

1. Low Costs: it should be executed with low investment costs, which means a low risk for the stakeholders.

2. Community Commitment: it is a temporary spark to involve the community and to test whether the community can maintain the initiative by themselves, which is crucial to make it into a long term success and business model.

3. Easy & Fast: the idea should be easy to execute with high speed, to make sure it remains relevant.



Images above show the Kus & Sloop initiative, using the entrepreneurs in the neighbourhood. For example: the local shoarma shop provides "boxes" for the designers to design the beds in the hotel.



images by Bureau M.E.S.T.

5 Conclusion

“If the world is constantly changing, if the marketplace is always evolving, if the minds of others are continuously developing, how can you attempt to be unchanging and still be relevant?”

MIKE MYATT, AUTHOR, LEADERSHIP MATTERS

It's this very question that inspired this report. The answer is, one cannot remain relevant without changing, in retail especially. The future consumer doesn't care how they buy their products or services, via e-retail, via an offline store, via a mobile phone or any other method. What matters is that the retailer starts to think as the consumer. The points of sale are less important than the competent fulfilment of the consumer's need for information and convenience.

How to think like the consumer is not an one size fits all approach. It comes down to analysing your current and future consumers within your area of operations. What are the product combinations, business models, and Inline services you can offer to give your consumer the “wow” effect

and stay relevant now and in the future.

By looking further ahead and understanding what the future may hold, we have identified a starting point for further analysis of risks and opportunities to be used to inspire new retail strategies and models.

We will ask ourselves two questions:

- How will our economy look in 2015?
- Do consumers continue to take their own initiatives to satisfy their needs, or will brands take over?

THINK TANK FUTURE SCENARIOS

We identify the following four concepts by analysing how our economy, society, business and brands function in relation to the consumer, technology and the Internet. We then ask, what type of retail concepts and strategies will work in these kinds of environments.

#1

A golden economy with consumers taking their own initiative

#2

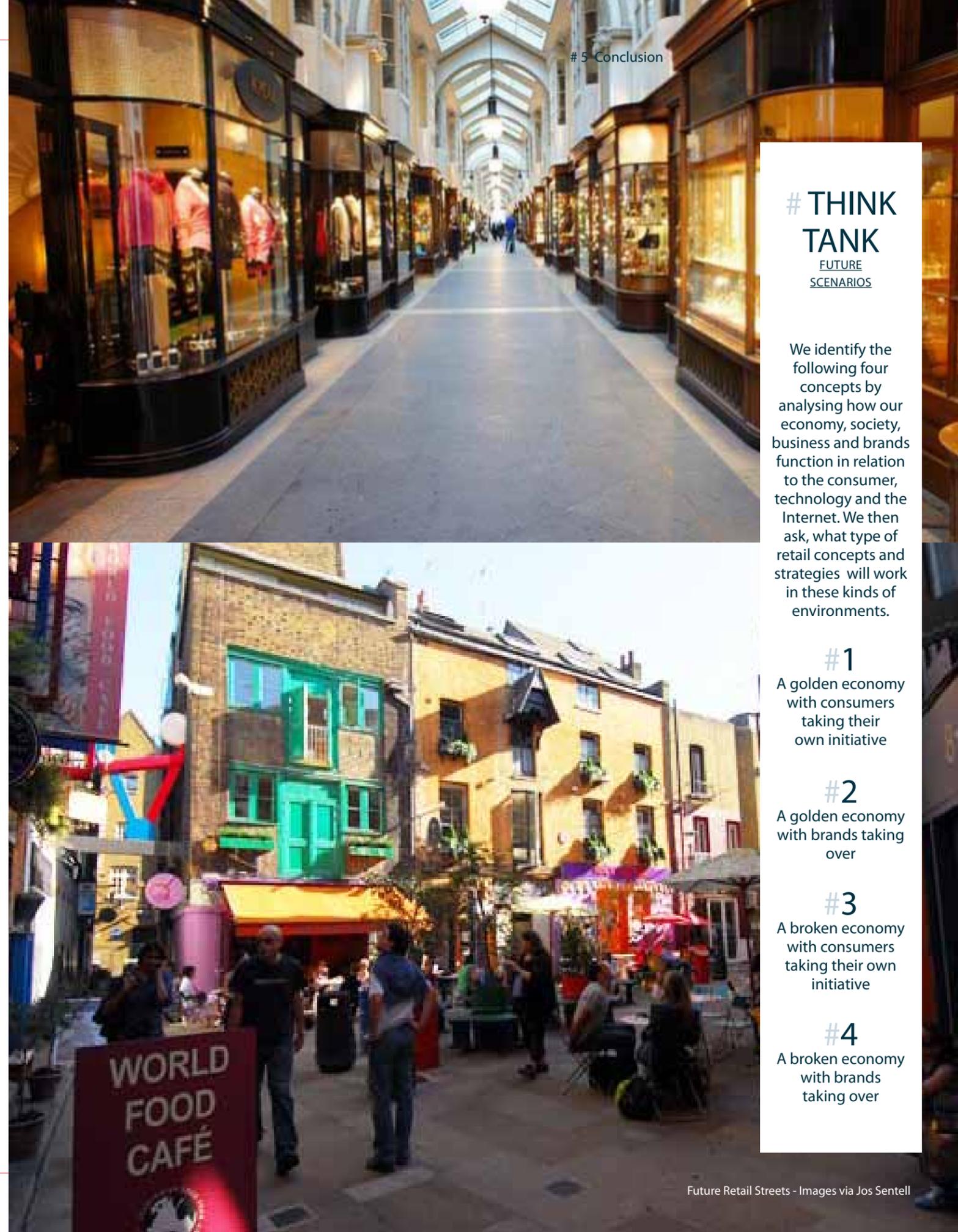
A golden economy with brands taking over

#3

A broken economy with consumers taking their own initiative

#4

A broken economy with brands taking over



About Out Of Office

“Connecting
the skilled up
with the
wised up.”

OUT OF OFFICE

Out Of Office is an international creative agency specializing in fully integrated branding that includes trend research, strategy, concept, design, retail architecture, product design, innovation, advertising, events, pop-up stores and digital formats.

ABOUT OUT OF OFFICE

Out Of Office is a work philosophy more than anything else. It is a way of being that makes it easy to take full advantage of our inspired moments. Our professionals believe that inspiration precedes the desire to create, but it never comes at a convenient time and it never lasts long.

We explore the world as a holistic entity and when we are hit with an idea, we find the nearest bench or coffee shop, pull out our laptops and get busy. We are excited to share this here with you.

TEAM OF EXPERTS

Besides our interviews with 15 cutting-edge 404's – who each interviewed 15 other cutting-edge 404's of their own network - below is a list of experts with whom we did in-depth interviews.

- Patrick Koschuch & Oresti Sarafopoulos, Associates at de Architekten Cie. Projects vary in scope, type and size: from individual houses to large-scale mixed-use projects such as Cap Gemini in Utrecht, Philharmony in Haarlem. www.cie.nl

- Jos Sentell, Director ThirdPlace. ThirdPlace specializes in how to make city centers, retail areas and other public spaces the places to be. Jos works for companies such as Ymere, VU Amsterdam and he was a retail expert for ING. www.third-place.nl

- Bram Ellens, Director Harvest Amsterdam. Harvest is a consulting firm that helps companies make money online. Bram consults companies such as Nike, Philips and Hyves. www.harvestamsterdam.com

- Maurits Kaptein, Chief Science Officer (cutting edge researcher) at Persuasion API. Each one of your customers is different, and you should be catering to their ever-changing needs

and influences. We are taking personalization to the next level. With Persuasion API's dynamic learning algorithms, your customers can now have an experience completely designed for them. Maurits consults with companies such as Philips and Aalto University, Finland, also known as the Innovation University.

- Joop van Dam, Senior Policy maker for innovation in urban environments at Ministerie van BZK. www.rijksoverheid.nl/ministeries/bzk

[Note: not all text is written by us, but selected and edited by us. We try to be as accurate as possible when mentioning sources. Special thanks to David Pfister, Editor-in-Chief]



Thank You.

OUT OF OFFICE

The New Retail Reality is part of a Future Series.
Our Next Report "The New Learning":
Blended learning, e-learning for kids, John Medina, mobile learning,
the one man academy, learning on demand, Ken Robinson, wiki wisdom.

Please download our portfolio:
www.outofoffice.cc/contact/

For more information please contact Out Of Office
or view www.outofoffice.cc

"Earth Blocks" by Japanese design studio Colors Tokyo bring an aspect of sustainability to LEGOs, composed out of compressed natural materials into the classic stackable shape. The pieces are formed from natural materials-- cedar bark scraps, coffeebeans, sawdust or green tea leaves-- that have been blended with polypropylene in order to keep rigid. Produced in just one size (1.25 by 5/8 by 5/8 inches), Earth Blocks are slightly softer than their LEGO counterparts, but feature the same ability to snap together for building. Sets of the bricks are sold through the Guggenheim museum.