

# ARNO TREND REPORT

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## Introduction

Which trends will move people and markets in the future? Which developments are becoming apparent and how will they influence society? What is beginning to show today may be state-of-the-art by tomorrow.

The ARNO trend report shows how you can position yourself optimally in the future. Despite or perhaps because of the fast technical development the POP is the only place to respond to all consumer requests at the same time: getting inspiration and information, exploring and experiencing brand worlds, enjoying service and personal expert advice. Due to the growing transparency of products and prices, brands and retail are forced to shoot for customer loyalty which can be achieved through a harmonious interplay of online and offline solutions.

Meeting your special and individual demands, ARNO provides shop in shop solutions, smart designed displays, innovative interactive responses to complex challenges tailored to your special requirements. Each and every one of our individual concepts is based on our cross-industry know how and mirrors the latest developments and future trends.

# OMNICHANNEL SHOPPING

## Multichannel Shopping becomes Omnichannel Shopping

Studying the customer of tomorrow, what we find is an essential trend: the omnichannel shopping replaces the multi channel shopping\*. Multichannel shopping means that you use several channels one after the other while the consumer of tomorrow makes use of the omnichannel shopping which results in the simultaneous usage of different sales channels.

This means if you do multichannel shopping you will gather information online such as evaluations or recommendations of other users and then go to a store to buy the product. Or you might do it just the other way around and look at the product in-store and then go back home to buy online. Doing omnichannel shopping, however, means that no matter where you are: at home, in the store or on the bus, the next purchase and relevant information concerning the product are just one click away. Based on these findings and in order to show you what this trend could look like in real life we have put together the story of Matt.



Matt lives in London, is 35 years old and is looking into buying the Playstar X Console for his nephew Ben.

All mentioned technologies that Matt uses to verify his buying intent exist already today but the distinct interconnected application of these in daily life is still unusual.

See what might be the business reality for retail and brands in the near future and learn how you need to adapt to stay on top of it.

## Real life example: How Matt exercises Omnichannel Shopping when buying the Playstar X Console

Wednesday, 5pm in London. 35 year-old Matt is looking for the ideal present for his nephew Ben. The Playstar X catches Matt's attention when reading about it in the newsletter of an online store. After gathering more information online and getting excited about game nights with family and friends he decides to buy the unit. A couple of years ago he would have made his way straight to the electronics store. But today's shopping culture is different.

First of all, Matt sets up a video conference with his personal sales consultant at the electronic shop. The sales consultant introduces the Playstar X Console to Matt on screen and recommends a series of games based on the data from Matt's customer profile. Matt switches the browser window, runs a quick price check and reads user evaluations. He orders one of the games at another provider online but informs the sales person that he will drop by to test the Playstar X and a few games. He wants to pick the game console up at the store personally to use the chance to get familiar with its functionality.

One hour later, he enters the electronic shop and is welcomed by the sales consultant. The Playstar X Console display along with the previously selected games is waiting for him. After a quick introduction, Matt discovers the features of the unit. To learn more about the complete offer around the game console he navigates to the producer's homepage on the screen after testing several games.

Using the controller Matt picks two further games on the homepage which he wants to buy as a present for Ben. He scans the bar codes that are displayed on the screen with his smartphone and comes across a special offer with a 5 pound discount on an online sales platform. Matt's sales consultant right away offers to sell the games at the reduced price.



## Real life example: How Matt exercises Omnichannel Shopping when buying the Playstar X Console

The exchangeable graphics of the Playstar X Console display promote a special event of the producer centered around the new console and so Matt decides to call Ben's best friend to see if the three of them should take part together. He scans the QR Code and posts the link on his facebook page. Just minutes later, he receives thumbs up from Ben who is still unaware, Ben's best friend and a few other facebook friends.

Matt comes accross coupons online on an electronics information plattform after a quick search and pays with his smartphone yielding 30 pounds in savings.

After his payment, the personalised Playstar X app that he just installed on this phone sends him a notification offering another controller at an attractive price.

Matt checks his budget online and buys the extra controller while walking out of the store. All online purchases will be delivered over night to his home. Matt is excited and can't wait for Ben's birthday to come.



## Consequences for brands and retail

Even though Matt's story seems to be a long way off to being reality, a similar scenario might be our everyday experience in the near future. For retail and brands these changes result in substantial challenges. The key will be to not fall behind and to adjust to the new situation in time. So what needs to be done?

- The POP will continue to be a crucial sales channel in the future. But the shopper of tomorrow is different and retail and brands have to realise this development and pursue the strategy of gaining customer loyalty by creating a positive shopping experience.
- The essential is that the customer has the same brand experience on all channels. Whether online, out of store or in store: the brand communication has to be in line on all channels ("Unified Retailing").
- On- and offline marketing activities have to go hand in hand, to gain the customer's loyalty no matter whether he ends up buying on- or offline.
- Stores may not be considered as pure sales spaces anymore. Much more, they need to be designed to be a world of experience, to get the customer to visit the store even though there are attractive offers online. On site, the customer can get connected with the brand and products. Create positive experiences. All of the things, not available online, become the unique selling points of the store that justify higher prices: service, shopping experience, professional sales consultations. In store, spontaneous purchases can be triggered in an exciting shopping environment.
- Proven financial key figures such as the like-for-like sales or the turnover per working hour need to be replaced. Not the return on sales but rather the return on capital is critical.



# STRUCTURAL DEVELOPMENTS IN RETAIL

## Simplexity

Simplexity reflects the concept of emphasising simplicity in a complex and fast moving world.

Intuitive functionality coupled with an attractive design. A sophisticated product which can be used without studying the manual prior to using it and which simplifies your every day tasks.

For retailers this means that the product presentation at the POP needs to be structured, focused and easy to understand for the customer.

An excellent service and personal counselling support the customer in making the buying decision.



## Renaissance of shopping centres

In 2011 81 % of shopping centre openings were celebrated in inner-city locations.

This is a significant trend, as more and more people will move into the cities within the next 40 years in order to benefit from the excellent infrastructure and superior care.

Centrally located malls revive the inner cities, offer numerous new jobs and meet the demands of the ageing society.



## Retail scores high with service and atmosphere

The thrifty is nifty era is coming to an end. "A feast for the eye" - for many discounters this is a bitter lesson to learn from lately. They struggle with a continuous downturn in sales and have to watch as customers switch to shopping worlds that put a high emphasis on service and dialog. A strong growth can be observed for drugstores.

The customers of today have high expectations and want to treat themselves. A well-designed and thought through POP attracts the customer and generates customer loyalty. ARNO can show you the latest trends in your industry and illustrate how they are influencing the look and functionality of your tailored POP concept.



# TECHNOLOGIES



## Virtual Make-up Simulators

Today's consumer is looking for inspiration.

The latest trends in cosmetics and fashion: scan the lipstick code, shoot a foto and see the animation on the live-screen. Or just use the digital mirror instead of trying on clothes physically.

Inspiration and information are what make the POS so special. Consumers can discover and explore products in a completely different way using interactive displays. The displays do not only help in the decision making process, they also offer complementary information. Customer retention par excellence.



## 3D Printing

From picture to three-dimensional subject by hitting just one button.

That is exactly what 3D printing can do. A printer processes the CAD data and applies dust, layer by layer, with a thickness of less than 1 mm. In the next step, the printer applies a coloured hard lacquer on every layer.

Within the shortest time, a complete, three-dimensional copy is produced. Even the smallest elements are displayed true to the original.



## QR Code

A steadily growing trend is the use of the QR Code. Using a smartphone and an adequate app, the QR Code can be scanned so that further product information is displayed on the mobile device.

Tesco uses the technology in South Korea to offer its' customers the option to do on-line shopping in the subway station. Just by scanning the QR Code, the item is put into the shopping cart of the on-line shop and will be delivered straight to your home.

Also, retailers such as Aldi and Praktiker are increasingly using the QR Code, however, at the moment only to provide further product information.





# COLOUR SCHEMES 2013

## Bright

Bright colours and minimalistic forms reflecting the pure pleasure of living: mandarine, green, yellow - anything that catches the attention.

Sophisticated shapes connect this expressive look with a modern functionality, clear graphical or eye-catching designs create a personal touch.



## Dark

Casually, young, cool - and environmentally friendly. Dark is a trend showing clear shapes, high-quality and well-tended surfaces which are consciously applied in the "used-look".

Recycled materials like canvas and leather show structures and reliefs - typographics, graphics and sketches remind you of creative processes and innovation.



## Soft

Soft and cloudy nuances like apricot, mint and light grey convey purity, calmness and concentration.

In combination with pure white, the style is reduced to the essential and colours the surroundings with clarity and lightness.

Finely processed wood and matt surfaces underline persistence and functionality of the products.



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