

l'œil

n° 278
February 2021

in depth study of new
consumption trends

by L'Observatoire Cetelem

www.observatoirecetelem.com

Nobody believes in the sales anymore, but we can all still be tempted. This retail tradition hasn't said its last word...

Although the sales no longer fulfil their role as a point of reference, the underlying principle is not necessarily being called into question by consumers. Perhaps sales just need a facelift...

Seen in France

This year, the sales officially started on 20 January. And yet, never before have we seen such a proliferation of sales "in disguise". On the one hand we have the usual private sales and exclusive member days that no longer really fool anyone. On the other, we have solidarity days, which appeared during the first lockdown and revolve around the idea of supporting local trade or passing on a proportion of the revenue made to healthcare workers. Another concept is "archive" sales, where stock from previous collections is sold off, as is the case at Sézane. Some sites even ask their customers how much of a discount they would like to receive.



What to think of it?

While sales are struggling to survive as a major twice-yearly event for retailers and their customers, the inventiveness of the former show in their attempts to keep them going is proof of the **need for retailers to keep producing moments of excitement**. Initially created to dispose of unsold stock, sales cannot remain forever wedded to this rationale, given the development of e-commerce and factory outlets, the success of vintage goods and the emergence of pre-ordering in the clothing world. Today, they must **promise something new without abandoning the idea of offering customers great deals**. Thus, discounts could be offered to reward brand loyalty (purchase frequency, history and value) or, better still, **enthusiasm for a brand** (interest in brand content, participation in events, knowledge of the brand's history and its workings behind the scenes). Tomorrow's sales will have to be **more relationship oriented than transactional**. All that remains is to give them a new name.

Are brand caravans set to become the new pop-up stores?

Having been keen in the past to launch flagship stores, retailers could in the future opt instead for smaller and more event-based formats.

<https://journalduluxe.fr/louis-vuitton-mobile-store-us/>

Seen in the United States

In the United States, Louis Vuitton has set up a mobile store in a caravan to stay in contact with its customers during the lockdown. To shop there, customers just need to book a slot. The caravan then parks up outside their home to offer them a personalised selection of clothing, shoes or accessories. Its interior design provides a distillation of the brand's ethos through the codes deployed and the materials chosen. The mobile store is currently only available in three US states (New York, New Jersey and Connecticut), but the service is set to rapidly expand.



What to think of it?

Frequently employed by food retailers and the banking and insurance sector in the 1950s and 1960s, the concept of a caravan serving isolated populations had vanished with the development of shopping malls and social media. It now seems to be gradually making a comeback. Decathlon's take on the format is a pop-up store that allows consumers to discover a specific section of its offering and familiarise themselves with its website. Louis Vuitton views the concept as **an opportunity to set up exclusive personalised encounters with its best customers**. But its caravan doesn't drive onto the village square as part of an event to reach as many people as possible. Instead, it travels to the homes of customers so that they can **enjoy a unique and memorable experience** that they will inevitably talk about on social media. This new version of mobile retail, which aims neither to offer discounts nor really to boost sales, could embody **a model that may proliferate in the future: retail that is agile and able to adjust its size according to requirements**, whether it be opening a flagship store to enhance the brand's image or operating mobile stores to reach out to customers and offer them **fresh experiences** based on a selection of products and a personalised service.

Will accumulation-based consumption give way to circulation-based consumption?

When a fashion retailer draws inspiration from Netflix and Spotify, a new business model emerges.
<https://singular-society.com>

Seen in Stockholm

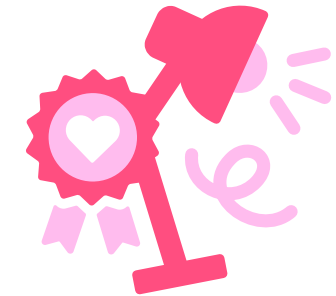
In Sweden, H&M is trialling a new fashion, interior design and hygiene brand, Singular Society, whose products are manufactured responsibly and sold at cost price, but are only available to members who pay a monthly subscription fee. The “Base” monthly plan costs €9.50 and allows members to buy five items per month, while the “Plus” plan allows access to up to 25 items for €19.50/ month. The retailer is able to sell the items at cost price thanks to the profit generated by the subscription fee. For the time being, Singular Society is showcasing its first collection of items via an online platform and at a showroom in the heart of Stockholm.



What to think of it?

The health crisis has affected retailers indiscriminately, giving them all an opportunity to think about possible new models. These might include various types of click-and-collect system, mobile stores (see the initiative by Vuitton, as reported in last week's L'œil) or subscription plans like that dreamt up by H&M. In each case, the objective is the same: **to stay in touch with customers, surprise them and make them feel like they belong to a community.** By combining physical retail with a monthly subscription, H&M ticks all three boxes while also reinforcing its image as a responsible company by encouraging people to shop reasonably, not only in terms of product design, but also when it comes to limiting the quantity of items. This is also a way for the retailer to **better manage its cashflow and manufacturing processes**, because it makes all its turnover from subscription fees and only sells to members. When **customers become members** and **products are no longer seen as sources of revenue** but as a service, a new form of retail emerges.

Shop windows have not said their last word, despite the rise of e-commerce and social media



The more e-commerce grows, the greater the role played by shop windows in stimulating the desires of consumers, having recently almost been written off as a relic of the past.
www.youtube.com/watch?v=ijluF_XyuNs&feature=emb_logo

Seen in Antwerp

In its new Antwerp flagship store, C&A has set up a TikTok window display, the first of its kind. It allows different influencers to take part in “outfit challenges” during which they quickly switch between looks. By using the hashtag #CA_styleswitch, passers-by and customers can be selected to appear alongside them... In an altogether different sector, fashion label Balmain recently held a shoot to present its 2021 pre-collection in the display window of its flagship store on Paris's Rue Saint-Honoré. This gave the public at large the opportunity to witness a physical fashion event at a time when the health crisis has led to widespread digitalisation.

What to think of it?

Having traditionally been considered as exhibition spaces designed to trigger people's desires, shop windows must now reinvent themselves to cater for today's consumers, who tend to find out about new products via the internet and social media. **Now that stores view themselves as providers of experiences** and not just points of sale, it is hardly surprising to see shop windows contributing to this transformation. **It has always been important for retailers to generate opportunities to interact with customers.** Shop windows could become a platform for fresh encounters, **creativity and interaction**, especially in combination with social media outlets, as illustrated by the initiative launched by C&A and TikTok, or with a buzz-worthy event like Balmain's fashion show. The purpose of this new breed of display window is no longer to present products in a way that draws people into stores, but to **prompt astonishment**, to stop passers-by in their tracks and even to **get them involved in an event.** This new way of attracting attention should appeal greatly to Gen Z.



Word of the month

Dédiésélisation: a French word describing the raft of actions taken to reduce the proportion of diesel-engined vehicles. It was recently added to the 2020 edition of France's Petit Larousse dictionary, together with Ecoplastique, Darknet, Uberiser and Adulescent (adolescent + adult).



Catching the eye

According to the latest zOOM survey by L'Observatoire Cetelem, **the majority of people in France (62%) are now convinced of the need to be vaccinated.** The leading motivations relate to health concerns – not infecting family and friends (94%) and self-preservation (92%) – but there is also a desire to regain freedom and rediscover everyday pleasures, with the idea of returning to restaurants or bars (33%) and traveling (32%) trumping the desire to enjoy cultural (25%) or sporting (23%) activities once again.

(Survey conducted by Harris Interactive on 12-13 January on a sample of 1,034 people.)



A glance in the rear-view mirror

In March 2016, Camif encouraged consumers to visit past customers so that they could get to know its products.

Seen on the web

Since the beginning of the year, mail-order catalogue Camif has been offering customers who are hesitant about buying a particular piece of furniture the option to contact individuals who have already done so, and even to try out the item at their home. Its customer service team locates past customers who live near the potential buyer and sets up an appointment for them to meet, subject to their approval. Those who agree to participate are rewarded with a €40 voucher that can be spent at Camif if the purchase is successful. Only products made in France (70% of the range) are included in the scheme. Since the initiative began, 80% of the retailer's customers have agreed to be contacted. In half of all cases, a phone conversation is enough. When a visit is organised, it results in a sale in 80% of cases.

What to think of it?

Faced with consumers who are more eager than ever to know everything about the product they want to buy, some brands have developed websites that are packed with questions and answers. Others have cultivated a social media presence to build a community of individuals around them who are capable of producing personal testimonies. Camif is going one step further with this initiative, which is as simple as it is obvious and involves **“inviting its customers to the homes of its customers”**. **A new marketing rationale that could be called C2C.** It allows prospective buyers not only to try out products in real-life surroundings, but also to talk to those who have bought them previously. This highlights and fosters **the relational approach that all forms of transaction must now adopt.**

(Read more on:
<https://observatoirecetelem.com/loeil>)

Summing Up

In early January, Italian luxury brand Bottega Veneta deactivated all its social media accounts, including Twitter, Facebook and Instagram, despite having 2.5 million followers. This radical move underlines the brand's desire to be perceived as ultra-exclusive.

At the beginning of the month, online furniture brand Made.com unveiled its first circular collection. Christened Encore, it was created in conjunction with design studio Emmaüs Alternatives Les Résilientes based on furniture and items displayed in the brand's Paris showroom.
www.made.com/fr/encore

In the United States, Ben&Jerry's recently launched Doggie Desserts: two ice cream flavours for dogs. Over the last five years, the global dog snack market has grown by 44%.
www.benjerry.com/flavors/doggie-desserts



Perfume and cosmetics company Marionnaud recently opened its first hair salon in its Vincennes store. This is the fruit of a collaboration with L'Oréal.

Launched at the CES in Las Vegas, the reusable parcel by French startup LivingPackets is equipped with a digital label and an arsenal of sensors to detect whether the product has been transported carefully. It can then be reused. This year, the parcels will be trialled at five Boulanger stores.
<https://livingpackets.com>

In Belgium, the Cora hypermarket in Rocourt now features a Cash Converters corner store, where consumers can buy and sell second-hand items.

TikTok recently launched a version of its app for connected TVs as part of an exclusive partnership with Samsung. The first trials will take place in the UK.



Carrefour recently set up a Loop section in its stores to offer products from major brands in returnable packaging. Customers are also able to receive their deliveries in returnable packaging.
www.carrefour.fr/engagements/loop/boutique

American smart watch brand Fossil allows potential buyers to try on its models virtually thanks to an augmented reality system. Visitors to its website just need to measure the width of their wrist with their smartphone's camera.


After a one-year pilot, Walmart and startup Gatik have launched a delivery service in Arkansas that relies on fully driverless vehicles. Delivering from a dark store to nearby supermarkets, these driverless trucks can travel 2 miles (3.2 km).



Vogue Paris magazine has just launched its first e-shop, which offers exclusive items (clothing and accessories) made in Europe from organic cotton.
<https://shop.vogue.fr>

In Belgium, food retailer Delhaize has teamed up with acclaimed chef Seppe Nobels to publish a cook book that provides the nutri-scores of meals. The book will be sold exclusively in its stores.



*Employees of BNP Paribas Personal Finance help to uncover the micro-facts reported in L'Œil by L'Observatoire Cetelem.
 means that the fact or the news in brief was spotted by one of them.*

L'Œil de L'Observatoire Cetelem analyses micro-facts on consumption, revealing the emergence of new manners of spending.

Editorial Director: Sally Guilbert
Communication: Patricia Bosc – patricia.bosc@bnpparibas-pf.com
Designer and Writer: Patrice Duchemin
Design: Lords of Design™ / **Drawings:** Fred Chance™