

L'œil

by L'Observatoire Cetelem

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in depth study of new
consumption trends

www.observatoirecetelem.com

Companies set foot in the real world to expand their communities

For web-based companies, entering the physical world does not necessarily mean simply transferring their existing activities to the high street, it also involves revealing new facets of their business.

Seen in London and Paris

Google has announced that it will be opening a physical store in London before the end of the year. The Creator Store will sell merchandise (t-shirts, photos, mugs, books, etc.) featuring the most famous British and international YouTubers. The store will be incorporated into the new YouTube Space set up in the King's Cross area of the capital. What should be noted is that Google has committed to receiving no commission on sales. Ulule, France's leading crowdfunding service, has also decided to open a store, this time in the Marais quarter of Paris. There it will sell products whose development it supported and organise meet-ups with young entrepreneurs.



What to think of it?

Having a presence in the physical world has evidently become one of the main preoccupations of internet companies. Following in the footsteps of e-commerce sites (see September's L'œil by L'Observatoire Cetelem), video hosting site YouTube and crowdfunding site Ulule are the latest firms to be tempted across the divide. However, their aim is not just to transpose their business model to the real world, but to use this shift **to enhance their image by going beyond their traditional sphere of activity**. Thus, having started out in the fields of entertainment and crowdfunding, respectively, YouTubers and Ulule's project authors are today veering towards the commercial world, demonstrating that **their activities are indeed tangible and can become sources of business in their own right**. This shift also gives YouTube and Ulule the opportunity **to reinforce the sense of community they seek to generate**, for instance by organising autograph signing and product presentation sessions with selected YouTubers and project originators. **By opening stores that can also serve as event and meeting spaces**, these two major internet players might also provide inspiration to retailers from the physical world.

When the rear-view mirror becomes a third eye

Technological innovation in the automotive field sometimes focuses on accessories, but the significance of some accessories should not be underestimated.

www.youtube.com/watch?v=0PodESX3mC8

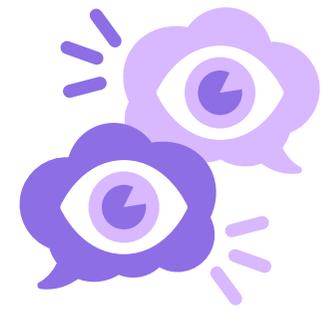
Seen at the International Motor Show

Presented by Citroën on its new C3, the "Connected Cam" is a small camera fitted to the rear-view mirror. It allows photos and videos of the road to be taken for subsequent posting on social media via a mobile app. It is also activated automatically in the event of an accident. It records the 30-second period prior to the crash and saves the images to the car's hard drive. And when the brand came up with its new fully-electric concept car, the DS e-Tense, it did away with a rear window altogether, replacing it with a camera that sends images to the rear-view mirror.



What to think of it?

Although motoring has always been associated with pleasure (as confirmed by the latest L'Observatoire Cetelem survey), the nature of this pleasure has been constantly changing over time. The sense of satisfaction derived from being able to repair or modify your vehicle's engine yourself gave way to the driving pleasure achieved thanks to improved levels of comfort. Today we are entering the era of technological pleasure. **The car is becoming a connected tool** capable of reproducing an atmosphere, providing information, guiding its occupants, making driving easier, but also offering **new experiences**. The evolution of rear-view mirrors proposed by Citroën seems to illustrate this trend. By going beyond their initial function, i.e., enabling the driver to keep an eye on what is happening behind them or in their blind spots, connected rear-view mirrors **will cause new attitudes and possibilities to emerge**, such as the ability to capture a beautiful landscape, an interesting scene or a specific moment in time, either as a souvenir or to be shared via social media. Tomorrow's vehicles **will become an extension of their drivers' emotional lives**. Connected rear-view mirrors also confirm that equipping **what may be considered a simple accessory with an affordable innovation** (the car to which Citroën has fitted the system is not a high-end model) may be an effective way of creating a buzz around a brand, marking it out from the rest, fuelling the imagination of consumers and, ultimately, **generating new expectations**. This is the path taken by all innovations.



The perfect shopping experience

Having dreamt up all kinds of solutions to reduce waiting times at tills, could retailers go even further by eliminating this stressful stage altogether?

www.afterpay.com.au

Seen in Australia

In Australia, retailer Topshop has teamed up with start-up Afterpay to enable customers at nine of its stores to leave with the clothes they wish to purchase without paying for them immediately. Afterpay covers the cost of the items and then contacts customers to collect payment, which can take place in several instalments (up to four) or two weeks apart. No additional charges or interest are added to the initial price. Until now, this "Buy Now Pay Later" system had only been available to online customers, who have the option of paying for their clothes three months after their purchase, interest free.



What to think of it?

In its own way, this rather unusual scheme by Topshop (could this happen in France one day?) illustrates the challenge currently facing the retail world: getting people to make a decision despite ever increasing choice and an ever growing number of sales channels. **This is a challenge that needs to be met both by in-store shelf displays, which need to be made simpler and clearer as a matter of urgency, and in people's minds, where the ability to transform an urge into a purchase instantaneously is crucial.** "Can I find something better and cheaper elsewhere? What do others think?" is always the first thought that springs to the mind of consumers nowadays. Faced with these questions, retailers create comparison tools, devise systems to link up with social media, recruit "style advisors" and set up home delivery offers that allow customers to send back what they don't like, all of which are intended to give buyers greater peace of mind when they make a purchase. By separating payment and point of sale, Topshop is taking things to the next level. **The retailer is freeing people from having to think too much about financial constraints, thus favouring impulse buying**, particularly when it comes to "it products", those highly desirable items that are available in limited numbers and contribute immensely to a retailer's appeal. By doing away with payment at the till, for the first time the retailer appears to be fulfilling the dream of all retailers: to offer customers a smooth and seamless **shopping experience**.

What if big data also made it possible to create commercial offerings that met every consumer's expectations?

Nowadays, even when they satisfy the needs and desires of customers, retailers are not always going far enough. What they must focus on now is their expectations. And that isn't so easy...

www.zalando.de/advize/project-muze

Seen in Germany

Presented at the last Bread&Butter fashion show in Berlin (which Zalando took over a year ago), Muze is a project jointly developed by Zalando and Google Germany that combines the former's fashion data and the latter's artificial intelligence capabilities. Primarily, the aim is to closely analyse the online searches performed by the fashion website's customers, so as to define which products they may be interested in. But rather than offering them existing products, these will be products designed according to their tastes. In addition to gender and age, this tablet-based system takes into account the customer's mood, their favourite type of music and their preferred style of clothing, which is defined based on the clothing range offered by Zalando's Z label. Users even have the option of drawing a silhouette on a virtual mannequin. Once a product has been conceived and presented, the customer can find out more about its design and the data used to create it. In just a few years' time, it will be possible to print these items in 3D.

What to think of it?

Even if it is just a trial, the process Zalando has devised opens up new possibilities in terms of the relationship between retailers and consumers, which will no doubt become a reality as soon as the 3D printing of clothing becomes widespread. The proliferation of retailers offering standardised designs could lead to growing demand for customisation in the future. Some retailers already offer customisation based on existing products. Here, however, is a more refined and more striking extension of the concept, **founded on an understanding of the tastes of customers, be they conscious or preconscious** (music, colours, preferred shapes, etc.), but also on their mood and their attitude to life (it is worth noting the role music now plays in defining a personality, as confirmed by the partnership recently set up between Spotify and Tinder). For brands, **this is a fresh opportunity to get closer to their customers and show their commitment to the latter**. For consumers, this can also be a way of **enhancing their self-knowledge by exploring new facets of themselves**. Fulfilling the needs and desires of consumers has always been a priority for brands. The challenge now is to **understand their expectations**. This is more tricky, but it is not impossible.

And also...

The sharing economy:
54% of the French population believes this is an important point to debate during the 2017 presidential campaign.
(OpinionWay survey for Question(s) Conso by L'Observatoire Cetelem)
<http://observatoirecetelem.com/question-conso/campagne-electorale-quel-impact-sur-la-consommation>



According to Criteo's latest Fashion Flash Report, which was published on 3 October this year, **mobiles are used in almost a third (31%) of online fashion purchases** in France. This is 19% higher than the 2015 figure. Clothing is the second-ranked category when it comes to the number of purchases finalised online, just behind sports products (32%). Dubbed "smartphonistas" by Criteo, mobile lovers also have a habit of ordering items in several different sizes, before returning those that do not fit.

(Data on 70,000 individual electronic transactions collected from 80 French retailers.)



According to a Eulerian Technologies/CCM Benchmark survey, **one in two web users have purchased a product after seeing it advertised online**. 33% have ordered an item after receiving an email from a brand or retailer, 15% after seeing a banner ad, 11% a video ad or an article on a blog, 10% an article on social media and 9% a text message. Young people are the most likely to be tempted, with 61% of under 35s having made a purchase after being exposed to one of these advertising formats. The survey also reveals that 42% of consumers pull out of a purchase if they have to pay for delivery.

(Survey conducted from 4 to 10 December 2015 on a sample of 1,000 individuals representative of French web users in terms of age, gender, socio-professional category and region of residence, in accordance with the quota method.)



According to BVA's 2016 Customer Service Observatory, **just 6% of the French population contact brands via social media**. The figure was 9% the previous year. Overall, 79% of French consumers declare that they have contacted a customer service department in the last 12 months. The telephone remains the most popular medium (61%), followed by email (55%) and company websites (44%).

(Survey by market research company BVA conducted between 29 August and 2 September on a sample of 1,000 people representative of the French population aged 18 and over.)



Summing Up

Japanese firm Panorella is able to decorate the inside of an umbrella based on a 360° panoramic photo.

<http://panorel.la>

 *Marshal S. / Brand, Communication & Advertising*

Thanks to a partnership set up between Outlook and Starbucks, individuals can now organise a business meeting in the Starbucks of their choice.

<https://betterwith.office.com/Starbucks-for-Outlook-add-in>

 *Elisabeth M. / Echangeur*

Shoe retailer Eram now lets customers print a customised heel in 3D in less than an hour. Using a tablet, customers can choose a shape, a colour and a pattern for their heel, before submitting it for production.

 *Patricia B. / L'Observatoire Cetelem*



MasterCard is currently trialling its new payment application in the United States, Canada and the Netherlands. It will allow users to confirm their online purchases by taking a photo of themselves.

 *Véronique B. / Brand, Communication & Advertising*

Welt (Wellness + Belt) by Samsung is a connected belt with the ability to count steps, analyse posture and measure size variations in real time. Its market launch is planned for January 2017.

www.kickstarter.com/projects/747005876/welt-the-smart-belt-for-fashion-and-health

The decorative ideas website Houzz uses a unique algorithm built on deep learning, a form of artificial intelligence that allows it to automatically find any product appearing in one of the photos displayed, by scouring its database.

www.houzz.fr

 *Emmanuelle S. / Digital Marketing*



Last month, Amazon joined forces with Seat to offer 15 limited-edition Mii by Mango cars via its website. The vehicles could be purchased with just a click, for home delivery in 72 hours. All that users had to do to confirm their order was pay a €500 deposit (out of a total price of €10,990).

 *Monique B. / PF Consulting*

The Drive Fermier in Toulouse, which gives consumers access to several hundred different products from local farmers, recently opened a new collection point at the Crédit Agricole's appointment-free banking space in Toulouse.

Happybuycar offers a website and mobile app that allow individuals looking for a new or used car to contact dealers in their region. 80% of car buyers search for a vehicle via the web and spend an average of 4 hours and 42 minutes browsing through 26 sites.

<https://happybuycar.fr>

 *Emmanuelle S. / Digital Marketing*



Word of the month



Brown-out: first there was the “burn-out”, and then there was the “bore-out”. Now the term “**brown-out**” (originally defined as a voltage drop) has been coined to describe an occupational illness caused by a conflict between an employee's personal ethics and the professional tasks they are asked to carry out. This gives them the feeling that they are “contributing to the world's problems”.

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.

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