

l'œil

n° 263
September 2019

in depth study of new
consumption trends

by L'Observatoire Cetelem

www.observatoirecetelem.com

After corporate brands, here comes the era of “city brands”

Now that the co-working and co-living concepts are well established, a new model is emerging that combines the two. A whole new way of looking at the world of work. <https://stationf.co/flatmates/>

Seen in Paris

This summer, business incubator Station F opened new residential premises near its head office in Ivry-sur-Seine, aimed at the start-ups that use the site. Christened “Flatmates”, the complex comprises three towers between 11 and 17 storeys high. These were designed by architect Jean-Michel Wilmotte and contain several hundred apartments and rooms equipped with minimalist furnishings, which are priced very competitively for the Paris area. They also feature lounges equipped with modular sofas that offer the flexibility to quickly switch from co-working to evening mode. Other interesting features include work tables fitted with a bottle opener, a single badge to access both office and home, and a matchup algorithm developed by Whoomies to help residents find the right flatmate. The premises also offer a gym, cleaning services and electric scooters to get to the office faster.



What to think of it?

By offering accommodation solutions to the businesses it hosts, Station F highlights the **ever-growing crossover between living spaces and workspaces**, a crossover that might be hard to comprehend for over-40s, but which seems to be fairly well accepted by thirty-somethings, particularly those in the world of new technologies. A year ago, Station F invited retailer Maison du Monde to come and redecorate all its premises, thus creating an office atmosphere reminiscent of a home. Today it is going further still with residences aimed at employees, **which combine co-living and co-working** with a single cool and fluid aesthetic, **stimulating a feeling of belonging to a community that is not only professional, but also generational**. Like an American student campus with the atmosphere of a holiday resort, this accommodation model **offers a glimpse of a new way of living**. It also provides companies with another way of expressing themselves. Corporate brands have always tended to promote certain values and push a particular agenda, but now we are entering **the era of “city brands”, which view their employees as inhabitants to whom they can offer accommodation and services geared towards making day-to-day life easier**. The future is already here.

The Smart discount trend, where prices are low and desires are fulfilled



As Tati announces its closure, new retail brands are appearing across France, they too built around a low-price positioning, but much more besides.

www.normal.fr

Seen in Paris

While traditional clothing retailers are becoming increasingly rare in city centres, two types of offering seem to be gaining ground: vintage clothes shops (such as Kiloshop and Mad Vintage, which recently opened an outlet on Rue de Rivoli in Paris, next to BHV) and “variety stores” (discount retailers such as Hema, Flying Tiger Copenhagen and Sostrene Grene). On 16 August, Danish retail chain Normal opened its first French store on Passage du Havre, next to Gare Saint-Lazare in Paris. This 300-square-metre store, whose interior is decidedly fun in tone, sells food, cosmetics, as well as hygiene and cleaning products at knock-down prices. It features brands like L'Oréal, Gillette, Elizabeth Arden, Mars and Colgate, not to mention lesser known brands that might have featured in a TV series, for example. Normal products at abnormally low prices, as the retailer's advertising puts it. Over the course of the following week, two other stores were launched at the Rosny 2 and Belle Epine shopping centres.

What to think of it?

Should it be any surprise that vintage clothes stores and variety stores are gaining popularity among consumers? At a time when product ranges are looking increasingly similar and permanent discount strategies are casting doubt over the true value of products, these retailers embody **an alternative form of consumption** thanks to which consumer urges are no longer frustrated by excessive prices and buyers can **express their creativity**. And if, in addition, they send out a message built around “responsibility”, the equation is invariably enhanced. At a time when Tati is preparing to step away from the market, this new generation of retailers reminds us that having **“the lowest prices” is no longer enough** to draw people in. Better still, they demonstrate that the main motivating factor behind purchases is not price, **but the ability to access the very latest offerings**. They also signal the fact that **no offering should be perceived as targeting a particular population**. Anyone should be able to aspire to these products, regardless of social status. Lastly, they perfectly illustrate the fact that it is now of strategic importance for retailers to be able to **showcase rare and unexpected shopping opportunities**, so as to stimulate impulse buys and give consumers new reasons to purchase products. **Accessible, trendy and unexpected**: the differences between traditional discount and smart discount offerings.

Does the current success of food courts reveal anything about consumption's new status?

Practically unheard of two years ago, food courts are now a common sight in France. What do they tell us about ourselves, our expectations and our dreams?

www.timeoutmarket.com

Seen in (almost) every big city

Having first appeared in New York before embarking on a conquest of Europe, food courts can now be found in every major city in France. Paris is home to Ground Control, La Rotonde, La Felicità by Big Mamma at Station F, Beaupassage (a chic version of the genre) and, as of October, an 800-square-metre space in the future Paddock Paris outlet store in Romainville. Other examples include Gare du Sud in Nice, Le Marché du Lez in Montpellier and La Boca in Bordeaux. All are based on the same concept: restaurant areas open throughout the day, each offering a different speciality, often including the usual popular choices (burgers, tacos, pasta, poke bowls, pizza, pancakes, etc.), with an added twist in the form of an offbeat creative touch. Meals can be enjoyed at the counter or at a table. Set up in disused warehouses in 2014, Lisbon's Time Out Market is a giant food court that has become the country's leading tourist attraction, with 3.6 million visitors a year.



What to think of it?

After pop-up stores and food trucks, both of which have helped to reinvent retail based on new rules and new forms of relationship, we are now in the era of food courts. They all follow the same rationale: **offering an experience that is unique, creative and fun, to a wide audience in an unexpected part of a city.** This allows them to attract the youngest consumers (among others) as well as aspiring restaurateurs who are discouraged by prohibitive rental costs and see food courts as a way of pooling their resources (facilities, cold rooms, cleaning, etc.). Unstructured consumption, set menus, standing tables and even mini-concerts **create a pleasant atmosphere and generate a buzz** on social media, while a feeling of responsibility is generated by the **mixing of cultures** (recipes from around the world) and a focus on the values of **citizenship** (local know-how, organic and local dishes, low carbon footprint) and **solidarity** (social inclusion and professional integration), all at affordable prices. Doesn't the success of these new **culinary spaces** depend precisely on the diversity of their selling points? Is this a sign that **consumption is gradually becoming a socially-conscious act, a way of expressing oneself and shaping one's environment?** Such a wealth of possibilities should not be restricted to food consumption alone.



The hypermarkets of tomorrow will be sources of learning and discovery

Despite almost every expert predicting their downfall, hypermarkets haven't yet said their last word, as illustrated by a trial conducted by Auchan in Luxembourg City. www.youtube.com/watch?time_continue=4&v=AxxRStAiCI

Seen in Luxembourg

In Luxembourg, Auchan is currently trialling Lifestore, its new retail concept. Located at the Cloche d'Or shopping centre, the retailer's 12,000-square-metre store has made some bold and innovative choices: tills are located in various parts of the store, some aisles are curved, and there is a 90-seat brasserie (which also holds cooking masterclasses) as well as an arena designed for cultural events. The store is divided into three halls (Le Goût du Bon, Bien au Quotidien and La Maison), all featuring a carefully designed and experiential decor. There one can find various salads, herbs and spices to be picked by customers in hydroponic greenhouses run by the In Farm startup, zero-waste solutions that combine loose products and reusable bottles developed in conjunction with Jean Bouteille, as well as a clothing creation and personalisation service provided in partnership with Bouton Noir. A number of coaches (sports and diet), personal shoppers and even "welcomers" are also on hand.

What to think of it?

At a time when all mass retailers are thinking about what model they should adopt in the future, Auchan has provided its own answer: **the hypermarkets of tomorrow will be destinations, places in which to learn and make discoveries and where food services will play a central role.** The idea will no longer be to offer quick and functional meals intended to give shoppers a short break during their spree, it will be **for hypermarkets to grasp the opportunity to showcase their values and methods.** Product origin, manufacturing conditions and the preservation of local economies and know-how will thus be expressed much more tangibly in the plates of consumers. Another important development will be the increased presence of services: **when perusing the aisles, tomorrow's shoppers will feel less alone than they do today,** thanks to the advice and assistance they seek **to learn how to eat better and to better understand the story behind the products they buy.** Finally, it will not be unusual to find startups in tomorrow's hypermarket aisles, a reminder that **the "old world" and the "new world" are not in opposition** and that they both stand to benefit from working more closely with each other. Embracing modernity to boost notoriety: who would argue against that? Bring on tomorrow!

Successful brand alliances are those that are able to alter perceptions of the brands involved

The gradual increase in the use of connected devices in people's homes is prompting us to reinvent how we live. It has also led to the appearance of unexpected partnerships.

Seen on the web

Adidas and Ikea recently announced a collaborative project to offer a collection of sports equipment geared towards home exercise. Designers, product developers and other specialists from the two companies visited homes in New York, Chicago, Shanghai and London to better understand the needs of their occupants, as well as the obstacles that make it harder for them to exercise at home. Mothers with young children and female teenagers are the group's main target markets. The first products from the Adidas x Ikea partnership are set to be launched in 2021.



What to think of it?

Adidas and Ikea joining forces to develop products would have seemed unimaginable not so long ago, thus demonstrating that, **rather than the history of these brands, it is the lifestyles and expectations we associate with them that justify this kind of alliance.** Hence the importance of being able to identify and understand them. That is exactly what has been achieved by both Ikea, which has evolved from being a manufacturer and seller of furniture and interior design accessories to a **provider of solutions** that make domestic life easier, and Adidas, which is **gradually shifting away from its role as a manufacturer of sports equipment** to focus more strongly on urban fashion and wellness. Its alliance with Ikea will allow the brand to **set foot in the world of home furnishings, a natural extension of the fashion industry**, while Ikea will be able to expand into sport, so as to **reinforce its image as a creative company that maintains a close relationship with its customers.** As a consequence, both brands will be perceived differently, as will our homes, which are increasingly being associated with fresh new possibilities. Having previously been viewed as a place in which to simply shelter and live, the home is gradually turning into a **“service hub” geared towards the well-being of its occupants.**



A glance in the rear-view mirror

In December 2009, L'œil reported on two initiatives aimed at consumers as individuals.

The consumer as an individual

The facts

In the United States, retailer Kmart offers the unemployed a “Smart Assist Savings Card” giving them a 20% discount on more than 1,500 of its own-brand products. They simply need to produce their card when asked by the cashier. In France, meanwhile, car manufacturer Hyundai offers unemployment protection insurance that covers loan repayments (or pays out monthly compensation if the vehicle was not purchased on credit) in the event that the buyer is made redundant or is temporarily unable to work for health reasons.

The analysis

In today's tough economic climate, brands and retailers are constantly putting forward new arguments to encourage consumers to part with their money. Rather than offering them the usual discounts, which people expect, some have decided to cater for their biggest concerns. Thus, Kmart and Hyundai have chosen to target the unemployed and those who fear that they may lose their job, so as to signal (somewhat opportunistically) their empathy while taking on a social role. This reminds us that while consumption is an important factor in job creation, employment is also a crucial factor in consumption. Isn't peace of mind also a necessary condition for consumption?



Word of the month

Drunk shopping: making online purchases while drinking alcohol. In the United States, shopping while under the influence is estimated to generate annual sales of \$45 billion. Nearly four out of five consumers of alcohol are believed to have made such purchases online, spending an average of \$400 a year.



Catching the eye

According to an international survey conducted by Kingfisher in conjunction with the Happiness Research Institute (13,500 people surveyed, including more than 2,000 from France), **health and housing status top the list of factors in a person's happiness, way ahead of salary and professional status.** And while it makes little difference whether one lives in a city or in the country, having access to some kind of green space, such as a private or public garden or a balcony, is perceived as an important factor in this quest for happiness.

Despite the rise of e-commerce, the majority of French consumers are still keen on physical stores (of all types) according to a survey conducted by Deloitte on behalf of Ruckus (a distributor of wireless networks). **Two-thirds believe that the customer experience in physical stores is similar or superior to the online experience.** And while the proportion of individuals who prefer the experience of shopping in physical stores increases with age, the proportion of those who believe that the physical shopping experience and the online shopping experience are identical is highest in the 18-24 age group.

Payment via mobile, which had been touted as a replacement for card payments in the near future, remains a rare practice: **less than 1% of contactless payments are made in this way** according to the latest annual report of the Banque de France's payment method security watchdog. Contactless payments account for 21% of face-to-face payments and the vast majority are made by card.

Summing Up

Dutch supermarket chain Ekoplaza recently opened a 100% plastic-free store offering more than 700 different products wrapped in a natural and biodegradable film that decomposes after 12 weeks.

www.ekoplaza.nl

Nissan has developed a fully-electric truck fitted with solar panels and recycled batteries. The vehicle is aimed at mobile ice-cream sellers. It also features a contactless payment terminal and a geolocation system that allows it to locate customers.

www.youtube.com/watch?v=j48ylaXyEnY

H&M customers in the Netherlands can now pay for their purchases two weeks after taking them home. Those who change their mind can return them free of charge.



At the new Sephora store in La Défense, a jukebox 4.0 allows customers to choose the music played through the store's speakers.

Thanks to a new loyalty card concept, Mango customers are not only able to receive vouchers, they can also earn subscriptions to the Deezer premium music platform, watch films on Rakuten TV and obtain cinema tickets. They can also make donations to charities and NGOs.

Not far from Zurich, in Switzerland, Tesla recently opened its largest charging station. It features table football, video games and small lounges where visitors can relax, as well as a food space run in partnership with high-end deli chain Dallmayr. A code is required to access the premises.

www.automobile-propre.com/breves/tesla-des-aires-de-repos-avec-salon-et-superchargeurs-en-europe



La Redoute recently launched an ephemeral sweatshirt and t-shirt collection under the name "Made in Roubaix". A participatory project in which employees of the company were asked to choose the messages that would appear on the clothes and to model the collection.

www.laredoute.fr/tshirt-made-in-roubaix.aspx

Amazon has launched new drones that will enable its customers to receive parcels in 30 minutes or less.

In Hungary, a carbon-neutral, eco-managed city will soon see the light of day. It will be named Hegyeshalom-Bezenye and will be run entirely on green energy (solar and biogas).

eBay recently announced that it would be offering storage and shipping services to sellers who use its platform. These should enable the firm to send its products to customers more quickly.



The 20th *arrondissement* of Paris recently became home to Le Producteur Local, a shop that sells itself as "profit-free store" set up as a cooperative operating in the collective interest (SCIS): all the store's suppliers, as well as its customers and employees, can contribute to the development of the business. This is the fourth outlet the organisation has opened in France.


<https://leproducteurlocal.fr>

In Saubion, in France's Landes region, a second-hand book shop has been built three metres up in the trees, together with a cabin intended for workshops. Christened "Sur un livre perché", the establishment is open during the school holidays and on weekends.

www.sur-un-livre-perche.fr



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™