2017 TRENDS REPORT:

Now,
New,
Next
Top 10 Trends for 2017

Today’s customer has a multitude of needs — that’s nothing new. What is new is how brands are addressing those needs: with the products they present, the experiences they offer, and by encouraging the customer to define and determine her own journey.

Alliance Data’s *Now, New, Next* trends report takes a comprehensive look at the evolving needs of the customer and how brands are responding through service, engagement, and connectivity.
Brands have taken notice and are incorporating these ideas at a growing rate. Bold leaders have implemented new models for meeting their customers’ needs, as others closely monitor their success. A select few trendsetters are exploring and testing concepts that may gain popularity in the next two to three years.

**Now**

**WIDESPREAD USE**

Brands have taken notice and are incorporating these ideas at a growing rate.

**New**

**EARLY ADOPTION**

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**Next**

**NEXT-UP INNOVATION**

A select few trendsetters are exploring and testing concepts that may gain popularity in the next two to three years.
Now

CLEARING THE PATH

Quick. Easy. Obstacle-free. As the frictionless trend continues to build, brands are answering customer demands through enhanced omnichannel interactions — solving needs the customer didn’t even know she had.
MAKE IT HAPPEN:

- As you analyze your brand’s customer journey, pay special attention to where it begins, the turns it takes, and any pain points the customer may feel along the way.
- With these insights, adopt solutions and technologies that remove obstacles and ease her path to purchase.
62% of consumers say they’d consider joining a fee-based rewards program if their favorite retailer offered one.

For customers who buy into the pay-to-play game, membership-based programs provide perks and elevated brand experiences.
MAKE IT HAPPEN:

• When considering loyalty, understand if pay-to-play programs are right for your customers.

• Look to rich data and customer insights to inform your approach.

FRANK & OAK

Frank & Oak’s Elevate program provides customers free express shipping and returns, 5% off each purchase, and personal styling services tailored to the client’s online and in-store shopping preferences, all for a nominal annual fee.

RENT THE RUNWAY

Rent the Runway’s monthly “unlimited” service offers customers up to three clothing and accessory items at a time, plus free shipping, dry cleaning, and insurance for a flat monthly fee.

THRIVE MARKET

Thrive Market’s annual fee grants access to savings of up to 50% on organic products from more than 400 brands. As an incentive to try the service, customers are guaranteed to save more than the membership fee; otherwise, Thrive will refund the difference.

ADIDAS

Adidas’ Runbase Berlin gives customers the latest concept products, demos, classes, training sessions, and more elevated experiences for a monthly membership fee.

RH

RH Members Program has an annual fee that provides perks like 25% off all merchandise, 10% off clearance, complimentary design services, and early access to clearance events.
Banding together with (sometimes unexpected) partners, brands are extending the customer experience, surprising customers and interacting with them in ways that would otherwise be impossible.
**STITCH FIX AND GYMBOREE**

To help busy parents dress their active kids, personal stylists at Stitch Fix analyze Gymboree clothes, then create “bundles” that work well together to build a series of looks and outfits.

**AIRBNB AND AUDI**

Airbnb and Audi teamed up to launch a desert R8 Coupe driving adventure, attracting thrill seekers and providing a one-of-a-kind brand experience. Adventurers can book the experience through the Airbnb app.

**UBER AND HERSHEY, VISA**

The Hershey Company worked with Uber to deliver free kisses to loved ones on Valentine’s Day and Mother’s Day, in an effort to drive interest with millennials. Uber’s Local Offers, in partnership with VISA, allows users to get offers for nearby stores and restaurants, and in turn earn points for free rides.

**EXPEDIA AND ST. JUDE**

Together with St. Jude Children’s Research Hospital, Expedia created virtual reality dream travel experiences for hospitalized children, building public awareness of the hospital’s efforts.

**MAKE IT HAPPEN:**

- Explore collaborations that are a cultural fit with your business and will offer something your customers will truly value.
- Form partnerships with brands that can offer products and experiences you can’t.
GENUINE RELATIONSHIPS

How brands are talking to customers matters just as much as what they’re saying and who is saying it. Authentic advertising, relevant advocates, and meaningful conversations all connect brands more closely to their customers.

91% of millennials prefer to purchase from brands that align with their morals and values.
Google Translate’s five-night #Everyonespeaksfood pop-up event brought various cultures together through a universal, ethnic moment, united by the language of food.

Puma added celebrity creative director Rihanna to develop and launch a product line that would resonate with their core female customer base.

Starbucks’ Upstanders is an original content series that brings social issues to life by exploring how people have made a difference in their communities.

Nike’s Vem Junto (Come Together) campaign, launched during the 2016 Rio Olympics, invites Nike+ Running app users to create runs based on their passion or cause, while also connecting them with other like-minded individuals and charities.

Major League Baseball (MLB) partnered with YouTube network Awesomeness TV and FOX to broadcast a short drama series. By giving the networks unlimited access to its properties, stadiums, team brands, and former players, MLB earned credibility for their authenticity and reached new audiences.

MAKE IT HAPPEN:

• Ensure brand advocates and cause-marketing initiatives align with core values and customer perceptions.
Brands are evolving how they think about their four walls — and what’s within them. Off-price concepts are converging with more traditional channels. Micro-store formats serve metropolitan customer bases. In each instance, brands are shifting the paradigm of what a “store” needs to be.

39% of on-demand customers live in rural areas or small towns.
30% live in outer suburbs.
31% live in close-in suburbs and cities.
MAKE IT HAPPEN:

- Leverage behaviors that are influencing your customers’ shopping patterns (e.g. generational, demographic, psychographic, lifestage).

- Use this data to inform merchandise strategies, new store formats, and relevant in-store experiences to meet customer needs and lifestyles.

REI

REI Garage Outlet brings top-quality closeout merchandise and the best deals to customers — all while allowing for in-store returns and a shared cart experience on REI.com.

LULULEMON

Lululemon Local is the retailer’s new “part store, part meeting place” concept. With a focus on taking community connectivity to the next level, they’ve evolved from a traditional store into a gathering place where guests can shop, do yoga, attend events, and check out locally curated products that range from artwork to interior design.

TARGET

Target’s micro-locations serve their big city-based customers — college students in particular — with a smaller footprint and limited inventory.

STORY

Story is continuously reinventing its product selections, store layout, and customer experience. Using rich data, and with relevant partners like USA’s Mr. Robot and Nickelodeon, Story is able to deliver a one-of-a-kind retail experience.
Rich brand experiences go beyond physical product and in-store interactions to create deeper connections. From experiential and educational offerings to virtual moments, brands are using non-traditional approaches to differentiate themselves and engage customers.

32% of US shoppers want to learn new lifestyle and creative skills at their favorite store.
MAKE IT HAPPEN:

• Explore your customers’ emotional motivations in order to create compelling moments that drive deeper connections.

• Consider experiences and interactions that will both exceed customer expectations and add a level of unexpected surprise and delight.

MERRELL

Merrell’s Trailscape virtual reality adventure takes customers on an intense hiking experience, in support of the Capra technical hiking boot launch.

IKEA

IKEA’s DIY restaurant, The Dining Club, turns guests into restaurateurs as they cook alongside friends and family, and under the watchful eye of IKEA’s own head chef. Together in a combination kitchen-housewares showroom, it’s a true “experience meets shop meets edu-tainment” environment.

LOWE’S

Lowe’s Holoroom virtual reality experience helps customers design and visualize their dream kitchen and bath by allowing them to virtually step into a creation all their own.

TED BAKER AND GOOGLE

Ted Baker partnered with Google to develop an interactive window experience that incorporated gamification and original brand content, using the app’s voice search tool and geofencing technology to reward and engage customers.
Brands are advancing how they use social channels to reach, engage, and better understand their customers, while also finding new ways to reward customers and keep conversations going.

2/3 of US consumers say social media influences their online shopping behaviors.
To promote the Zootopia movie release and corresponding app launch, Disney personified character Judy Hopps through an advanced chatbot. Using artificial intelligence within Facebook Messenger, they were able to engage fans in an immersive storytelling experience.

In support of its “100 Percent” campaign, Bloomingdale’s in-store scavenger hunt and sweepstakes uses Snapchat and geofilters to engage fans to find “hundreds of snapchat filters” hidden within the store environment and throughout its window displays.

Michael Kors’ #Instakors experience offers exclusive access to products and rewards customers for socially engaging with the brand on Instagram.

Marriott uses micro-influencers (less recognizable posters with fewer than 100,000 followers) to engage audiences through influential fan-generated content.

MAKE IT HAPPEN:

• Use social engagement to personify and deepen brand engagement in stores and online.
• Create social moments through content based on customer behaviors, lifestages, and preferences.
Brands are taking the information they’ve got about their customers and using it to deliver new levels of personalization, tailored experiences, and services that are responsive to their particular needs.

85% of millennials are more likely to make a purchase if it’s personalized to their interests, both in-store and digitally.
Rent the Runway connects Snapchat users with “like-sized” employees for questions and product recommendations.

Under Armour’s UA™ Record app uses cognitive technology to track user goals and provides evidence-based coaching around personal habits and patterns—all while letting users remain in control of their destinies.

H&M’s chatbot, featured in Kik’s Bot Shop marketplace, lets customers initiate a two-way conversation with the brand by asking questions and receiving personalized answers and relevant brand information.

Fits Me’s engineering technology combines rich customer data, think biometrics, fit and style preference, and garment data from retailers to provide customers with more personalized product recommendations.

MAKE IT HAPPEN:

• Explore the potential for using multiple data sources to better understand customer needs.
• Create one-to-one connections through highly curated product recommendations, experiences and other brand interactions.
Brands are continually adapting, offering shopping experiences that better suit customer lifestyles by going beyond the confines of the brands’ walls and into their everyday lives.
**WESTFIELD AND SANDERSON HOTEL**

Westfield Labs and Sanderson Hotel’s virtual personal shopping experience uses a connected in-suite mirror to let guests search products, video chat live with a personal stylist, and have purchases delivered to their room within 90 minutes.

**AMAZON, HGTV, AND FOOD NETWORK**

Amazon Fire TV partnered with HGTV and Food Network to enable in-the-moment commerce tied to specific shows. With the Fire remote and a second-screen “Watch and Shop” app experience, viewers can make real-time purchases through Amazon.com.

**REPLYYES**

ReplyYes sends daily customized book and album product recommendations via SMS. Customers can instantly make purchases and have them shipped simply by replying “YES.”

**OPERATOR**

Operator is a network of in-house assistants that can access products and services from a multitude of brands. Through mobile text- or image-based requests, product experts make recommendations that customers can then purchase with the click of a button.

**MAKE IT HAPPEN:**

- Look to unconventional data sources such as behavioral, psychographic, lifestyle, and social data to provide insight into your customer.
- Explore non-traditional shopping channels that will deliver creative, convenient options to make your brand more accessible.

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With advanced cognitive capabilities, brands are beginning to deploy technologies that support their human counterparts — and allow them to be everywhere and do everything the customer needs.

73% of global consumers would like to use an artificial intelligence (AI)-powered search engine.

57% like the concept of an AI personal assistant.
MAKE IT HAPPEN:

• Gauge your customers’ appetite for machine and robotic exchanges.
• Address service and infrastructure considerations that can — or cannot — be met with machines.
• Invest to secure a unique purpose or fill an unmet customer need.

LOWE’S

Lowe’s LoweBot is designed to improve customers’ in-store navigation and product discovery, answering simple questions and providing store information.

BMW AND ALEXA

BMW integrated Alexa voice control so owners can lock their vehicle, check fuel and tire levels, and plan itineraries from home.

WALMART

Walmart’s patented self-driving shopping cart streamlines functions like product pickup, delivery, and inventory management.

7-ELEVEN AND FLIRTEY

7-Eleven partnered with start-up Flirtey, using drones to test instant food and beverage delivery.
As trends evolve, it changes the way our brands do business. Alliance Data’s customer-centric approach, focus on market trends, and use of rich data analytics enables us to help our partners stay in tune with the market and create meaningful customer moments that drive enduring brand loyalty.

For more information on how Alliance Data can help your business, visit www.KnowMoreSellMore.com.

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