



RetailWeek

RETAIL **HORIZON**
2023

Innovation Round-up

May 2023

Frozen food specialist Cook rolls out smart vending machines

What is it?

Hand-cooked ready-meal specialist Cook is rolling out the UK's first smart vending machines in partnership with vending operator Mother. Each machine can offer 15 different options of 'complete meals' suitable for microwaving.

Why does this matter?

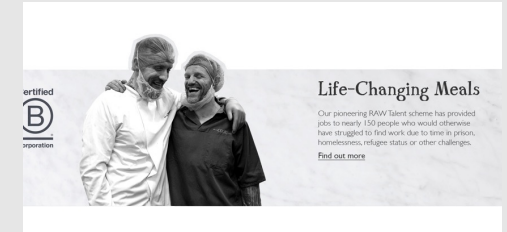
The initiative sits well with Cook's B Corp status, providing host establishments with a way of giving staff or residents access to healthier convenient food options where there is limited availability of quality prepared food.

Strategic implications:

The scheme allows hosts to offer fresh, nutritious food options, while minimising waste. It could be rolled out to locations like hospitals and travel hubs, heightening Cook's profile and raising revenue.

STEPIC drivers/winning strategies:

Enhanced wellbeing; strengthened propositions and ecosystems; innovation and ingenuity



"Helping to provide healthy and affordable options to the UK's workforce, our new service will help to reduce food wastage and support companies trying to improve the health and wellbeing of their teams by giving access to more healthy convenient food options."

Chris Portwood,
chief sales officer, Cook

Ikea's 'Real Life Roomsets' highlight homelessness

What is it?

Ikea has partnered with charity Shelter to launch 'Real Life Roomsets' in four stores. The cramped, unfit sets are in stark contrast to Ikea's slick showrooms and highlight the UK's housing emergency and the reality of living conditions in temporary accommodation.

Why does this matter?

The cost-of-living crisis could see more people lose their homes and a shortage of social housing is resulting longer stays in temporary housing. Ikea and Shelter are campaigning for 90,000 social homes to be built a year by 2023.

Strategic implications:

Different forms of in-store theatre will be increasingly used beyond retail, in this case, tapping into society's desire to support others during times of economic turbulence.

STEPIC drivers/winning strategies:

- Cost-of-living anxiety
- Wealth gap widening



From early 2023, Ikea and Shelter are also training co-workers to be 'Life at Home Experts' who can support people in precarious housing situations, helping them understand their rights and keep their homes before situations reach crisis point.

Ikea will also fund Housing Rights Workers who are in Shelter advice hubs.

March 2023

Albert Heijn trials 'True Price' to reveal the real cost of food

What is it?

Dutch supermarket chain Albert Heijn launched a 'True Price' trial in three of its stores for coffee to go. The 'real price' includes social and environmental costs such as CO₂ emissions, water consumption, use of raw materials and working conditions.

Why does this matter?

The initiative raises awareness of the social and environmental costs attached to food and drink, for example highlighting that cows' milk is less sustainable than oat milk and has a higher true price. This aims to stimulate sustainable consumer choices.

Strategic implications:

This trial will help the Dutch retailer gain deeper insight into what customers think and whether it encourages more sustainable shopping habits. If successful, it could lead to a wider roll-out.

STEPIC drivers/winning strategies:

- Customer obsession
- Power in purpose



"Based on our mission 'Making better food accessible together. For everyone' we want to help our customers make healthy and sustainable choices easily."

"We do this by informing them well and giving them the opportunity to make more sustainable choices. True Price is one of the ways in which this can be done and that is why we embrace this idea."

Marit van Egmond,
CEO, Albert Heijn



Carrefour to be one of the first retailers to explore ChatGPT and generative AI use cases

What is it?

In February 2023, French retailer Carrefour released its first ever video made with ChatGPT and generative AI.

Why does this matter?

ChatGPT is a computer programme that can understand and generate human-like text. Carrefour has been experimenting with different digital activities to drive its 'data-centric, digital-first' transformation strategy by 2026.

Strategic implications:

A big potential for other retailers to tap this advanced technology (GPT-powered chatbots) to offer a personalised shopping experience and enhance the customer relationship.

STEPIC drivers/winning strategies:

- AI to power the next stage of autonomous retail



"For us, artificial intelligence is very concrete: personalisation of purchases, optimisation of assortments, reduction of waste... We are exploring the different uses at the service of our customers."

"So, of course, our data and innovation teams are currently working on the use cases of ChatGPT and generative AI in general. We explore them always keeping our customers as a compass and how to better serve them. To be continued..."

Elodie Perthuisot,
chief ecommerce, digital
transformation and data officer
& EXCOM member, Carrefour



Ikea deploys 100 drones for supply chain efficiency

What is it?

In a retail first, Ikea revealed it has 100 autonomous drones flying in its stores to identify pallets and track stock inventory. The partnership with Verity, which began in Switzerland in 2021, is operational in 16 locations across seven countries in Europe.

Why does this matter?

The drones improve operational efficiency by working out of hours to improve accuracy and check availability. The solution supports a more ergonomic work environment for staff who previously had to check pallets manually.

Strategic implications:

Technology investment will help retailers drive better operational efficiency, with supply chains a key focus.

STEPIC drivers/winning strategies:

- Digital transformation to maximise efficiency
- Innovation and ingenuity
- AI powers the next stage of retail



"We are investing in technology across the board so that our stores can better support customer fulfilment and become true centres for omnichannel retailing."

"Introducing drones and other advanced tools – such as, for example, robots for picking up goods – is a genuine win-win for everybody. It improves our workers' wellbeing, lowers operational costs and allows us to become more affordable and convenient for our customers."

Peter Ac,
head of innovations in
logistics and fulfilment,
Inter Ikea Group



Estée Lauder launches virtual Clinique Lab

What is it?

The beauty brand launched its Clinique Lab, a metaverse space where customers can create custom avatars to enter an immersive world. Here they can access Skin School videos, chat with a Clinique consultant or purchase products. Through gamification, users can collect discounts.

Why does this matter?

Having launched its physical concept in July 2022, Clinique is leveraging online to interact with shoppers around the world and attract the younger Gen Z demographic.

Strategic implications:

Retailers are experimenting with online to tell brand stories and engage customers to expand reach. Gamification is set to grow.

STEPIC drivers/winning strategies:

- Beyond-reality experiences
- Customer obsession



CLINIQUE



March 2023



UK businesses trial and adopt the four-day working week

What is it?

Since late 2022, 61 UK companies signed up to trial the four-day working week, including Sainsbury's, Marks & Spencer, Superdry and Morrisons. Employees are asked to do the same amount of work over four days with the same pay.

Why does this matter?

The four-day week challenges the current model of work and could bring potential benefits to society, the economy and the environment.

Strategic implications:

According to the 4 Day Week Global report, overall satisfaction with work and life is higher after the trial, with employees reporting lower rates of burnout and better physical and mental health.

STEPIC drivers/winning strategies:

- Power in the hands of workers
- Breaking barriers



What we stand for



UK results summary

(61 companies and approximately 2,900 workers, trial taking place from June to December 2022)

Business outcomes: 92% of organisations are continuing with a four-day week.

Employee outcomes: 90% of employees said they definitely want to continue on a four-day week, with no one saying they definitely don't want to continue.

Health and wellbeing: 71% of employees had reduced levels of burnout by the end of the trial.

Family and household life: 73% of workers said they had greater satisfaction with their time.



Holland & Barrett adds new services to diversify revenue

What is it?

In February 2023, Holland & Barrett launched concessions in three WHSmith travel stores and tied up with DnaNudge to offer a new DNA testing service at its flagship store at Marble Arch.

Why does this matter?

H&B is exploring new ways to make wellness a way of life that is accessible to everyone. It can test and learn through these pilots to increase understanding of the wellness demand.

Strategic implications:

Additional services expand revenue streams for the retailer, which is already tapping into growing demand for services such as menopause care and gut health.

STEPIC drivers/winning strategies:

- Lean in or branch out
- Flexibility to serve
- Agility and focus



**Holland
& Barrett**

"We're always looking for new ways to make wellness a way of life for even more people and we're delighted to be working with WHSmith to bring a selection of our range to travellers."

Lisa Tookey,
commercial growth director,
Holland & Barrett

"We know that our customers are increasingly looking for information and advice to help them know where to start with positively managing their health and DnaNudge offers an innovative way to do that."

Cal Price,
head of new wellness
partnerships, Holland & Barrett

February 2023



H&M expands its plus-size offering in the US

What is it?

H&M is expanding its product range in the US to include sizes up to 4XL for women and 3XL for men. Previously its US garment sizes only went up to XL in stores and online, with a selected assortment for womenswear up to size 4XL as part of the H&M+ collection.

Why does this matter?

Retailers are embracing inclusion by offering a broader range of fits and sizes to ensure consumers feel welcome and represented in stores.

Strategic implications:

The move towards expanded sizing reflects H&M's commitment to and focus on inclusivity, which gives the retailer a competitive advantage.

STEPIC drivers/winning strategies:

- Loyalty reinvented
- Customer obsession



H&M

"H&M embraces inclusion as a business imperative. H&M's evolution and progress on extended sizing reflects our commitment and focuses on challenges faced, progress made and more progress to come."

"Our mission as a brand is to make style accessible to everyone, and this is a key piece of that."

Donna Dozier Gordon,
head of inclusion and diversity
for the Americas region, H&M

Ocado gives access to first-party data through new partnership

What is it?

Ocado Retail has partnered with The Trade Desk to provide access to consented shopper data and insights, allowing marketers to optimise their audiences and attribute campaigns.

Why does this matter?

Ocado suppliers and The Trade Desk's clients will be able to target Ocado's high-value shoppers, reaching them beyond Ocado's site across the open internet and fast-growing channels such as connected TV and digital out-of-home.

Strategic implications:

Retail media is evolving at pace, presenting new revenue streams for retailers and effective opportunities for suppliers to target and reach new audiences.

STEPIC drivers/winning strategies:

- Strengthened propositions and ecosystems
- Loyalty reinvented
- Lean in or branch out



ocado

"Our partnership with The Trade Desk will help marketers better target and connect with customers in real time with actionable insights, and we're excited to be pioneering this new approach in the industry."

Ben O'Mahoney,
adtech and data partnerships lead,
Ocado Retail



Nike launches first digital creation collection on Swoosh

What is it?

Nike has launched its first virtual collection on its Web3-enabled platform Swoosh, "built for the digital generation". Two digital "boxes" will contain a digital Our Force 1 version of Nike's Air Force 1 sneaker, with the collection co-curated by the Swoosh community. Nike said: "The collection removes the barriers of physical product, builds community and leverages pioneering technology that fuels the future of sport."

Why does this matter?

Consumers are exploring self-expression across both physical and digital worlds. Retailers like Nike are using the metaverse to pioneer and experiment with new ways to inspire and engage customers.

Strategic implications:

As the metaverse gains ground, retailers will use it to attract customers and build brand loyalty.

STEPIC drivers/winning strategies:

- Innovation and ingenuity
- Loyalty reinvented



WHAT IS UTILITY?

Some Nike Virtual Creations are equipped with utility and offer unique benefits to their owners, such as special access to products, experiences, and more.



PRODUCT

Use your Nike Virtual Creation to unlock access to physical product drops.



EXPERIENCES

Use your Nike Virtual Creation for entry into .SWOOSH experiences and community events where you'll meet Nike athletes, designers, and members who shape culture.



MINT PASS

Use your Nike Virtual Creation to unlock access to virtual product drops.



GAMING

Wear your Nike Virtual Creation in video games to flex and take your achievements to the next level.



3D FILES

Download the 3D file of your Nike Virtual Creation so you can customize it further.



Alibaba and L'Oréal partner to promote circular beauty in China

What is it?

Chinese ecommerce giant Alibaba has signed a three-year deal with French cosmetics company L'Oréal to promote the circular economy in China's beauty industry.

Why does this matter?

The partners will develop new products and create measurable circular economy solutions in China's beauty industry, which is expected to be worth \$87bn (£69.5bn) by 2025.

Strategic implications:

The partnership allows the companies to leverage each other's strengths and resources to drive innovation, achieve sustainability goals and boost their competitive advantages in the market.

STEPIC drivers/winning strategies:

- Taking responsibility
- Breaking barriers



L'ORÉAL
GROUPE

"Sustainable development has become a consensus and commitment across national borders, and it is also the common pursuit of every company with a sense of social responsibility."

Daniel Zhang,
chairman and CEO, Alibaba



Vintage and reworked brand unites style and sustainability

What is it?

Bristol-based Sobeys has now opened five stores across the South West, selling curated vintage and reworked clothing.

Why does this matter?

The concept is extremely popular, with four new openings in five years as consumers increasingly seek out style that is sustainable. Alongside other independent vintage retailers such as Cow, it reflects an attractive and accessible way to shop sustainably for individual, trend-led items.

Strategic implications:

As circular models flourish, this concept offers an alternative to fast fashion and an opportunity for brands to lengthen the life of their products.

STEPIC drivers/winning strategies:

- Power in purpose
- More with less
- Smart and savvy consumers



Innovation of the Week is published every Monday

Love this presentation?

Why not book one of our experts to present the findings to your team, examining what they mean for you and your business?

Contact Nicola Harrison at
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