



RetailWeek[®]

RETAIL **HORIZON**
2024



Innovation Round-up

Lisa Byfield-Green
Data and Insights Director
November 2023

December 2023

M&S widens refillable packaging initiative to multiple retailers and brands

What is it?

Marks & Spencer is inviting other retailers and brands to join a partnership with Reposit for a “buy anywhere, return anywhere” reuse platform, launching in summer 2024.

Why does it matter?

The project aims to demonstrate a commercially, operationally and environmentally scalable platform to expedite the shift from single-use to reuse.

Strategic implications:

The project promotes waste reduction and responsible consumption, fostering industry-wide co-operation to address environmental challenges.

STEPIC drivers/winning strategies:

Customer obsession/power in purpose
Climate emergency



M&S

EST. 1884

“Our customers are always pushing us to lead on issues they care about, including reducing single-use plastic.”

“The M&S Refilled pilot has had a strong presence from customers since launch last year, and we’re excited to join this UKRI-backed partnership to expand this reuse option further.”

Lucinda Langton, head of sustainability, M&S Food



Nobody's Child introduces first digital product passports

What is it?

In September 2023, fashion brand Nobody's Child partnered with tech company Fabacus to introduce digital product passports (DPPs) to its Nobody's Child x Fearne Cotton clothing line.

Why does it matter?

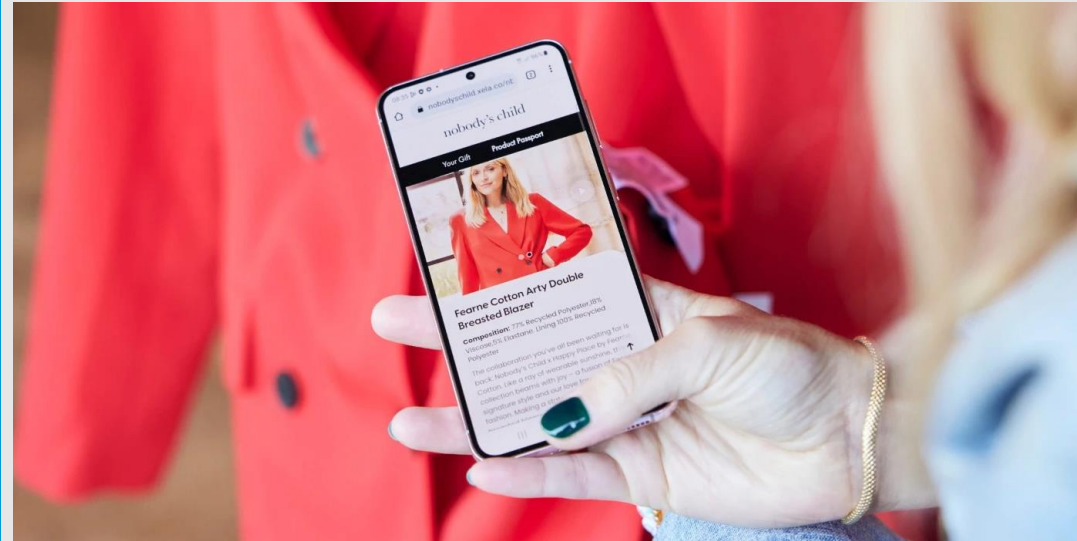
DPPs feature QR codes on product care labels, which customers can scan for access to information about raw materials, suppliers, logistics, packaging, care instructions, end use and more. Customers can also download unique NFTs as a digital receipt.

Strategic implications:

Transparency is a high priority for retailers, both informing shoppers to make conscious choices and enabling retailers to track detailed carbon footprints and forge deeper collaborations with suppliers. DPPs are also proposed in future EU legislation.

STEPIC drivers/winning strategies:

Digital transformation to maximise efficiency
Sustainable partnerships



nobody's
child

"[This project] is a huge step forwards in our journey towards full traceability and transparency."

"We know that our customers want to make conscious consumption choices, and the introduction of DPP is another move towards honesty and integrity with our community."

Jody Plows, chief executive,
Nobody's Child

September 2023



Waitrose uses AI to drive food innovation

What is it?

Waitrose is using artificial intelligence to complement its own data for food innovation, including the development of its new own-brand Japanese-inspired food range Japan Menyū.

Why does it matter?

Working with AI platform Tastewise, Waitrose was able to complement its own customer data with analytics and insights from across the food and drinks industry, including search trends and discussions on social media, to develop food that consumers really want.

Strategic implications:

Retailers will increasingly use next-level, AI-derived insights to identify future trends and edge ahead of the competition by creating data-informed, in-demand products and services.

STEPIC drivers/winning strategies:

AI powers next stage of retail
Innovation and ingenuity



“From the trends that our team has seen and the data that’s been gathered, we know that our customers are looking to expand their dining options even further and already enjoy delicious Japanese food.”

Zoe Simons, senior development chef,
Waitrose

Amazon enhances Just Walk Out technology with RFID for clothing

What is it?

In September 2023, Amazon introduced a new type of Just Walk Out store that combines its computer-vision, checkout-free technology with RFID tag recognition, allowing customers to buy clothing, shoes and accessories without the need to queue.

Why does this matter?

The new RFID capability for Just Walk Out stores adds the facility for retailers to provide an expanded selection of clothing and other merchandise. RFID tags are unique to each item, enabling real-time stock monitoring and loss prevention. Coupled with Just Walk Out technology, they streamline the shopping experience, allowing customers to shop and then leave the store without waiting to pay.

Strategic Implications

The addition of RFID technology presents new cashier-less opportunities, which is particularly useful at high-traffic locations such as travel hubs.

STEPIC drivers/winning strategies:

Digital transformation to maximise efficiency



Every item has a unique RFID tag. Customers enter the store, take what they like and leave through the exit gate using their credit or debit card, or by hovering their palm over an Amazon One device. When they pass through the exit gate, the RFID tags are read and the chosen payment method is charged. Shortly after exiting the store, customers can access their receipt.



September 2023



H&M Group launches AI design tool through Creator Studio

What is it?

H&M Group's on-demand print merchandise service Creator Studio has launched a generative AI artwork tool to help customers create one-off designs.

Why does it matter?

Retailers are exploring ways to use generative AI to enhance customer experience. Creator Studio enables customers to express their individuality by creating their own items.

Strategic implications:

Generative AI will speed up product design and allow consumers to express themselves during the process.

STEPIC drivers/winning strategies:

Innovation and ingenuity

Customer obsession

AI powers the next stage of retail



H&M Group

"Our mission at Creator Studio is to empower and enable any creator to express themselves through merch. Finding new ways to reduce any obstacles for our customers to create content is what we relentlessly explore and integrating a seamless AI artwork creation tool is a natural step for us to take on this journey."

Dinesh Nayar, managing director, Creator Studio

October 2023



Mango introduces conversational generative AI platform

What is it?

In October 2023, Spanish fashion retailer Mango launched Lisa, its conversational generative AI platform, integrating it into the brand's daily operations.

Why does this matter?

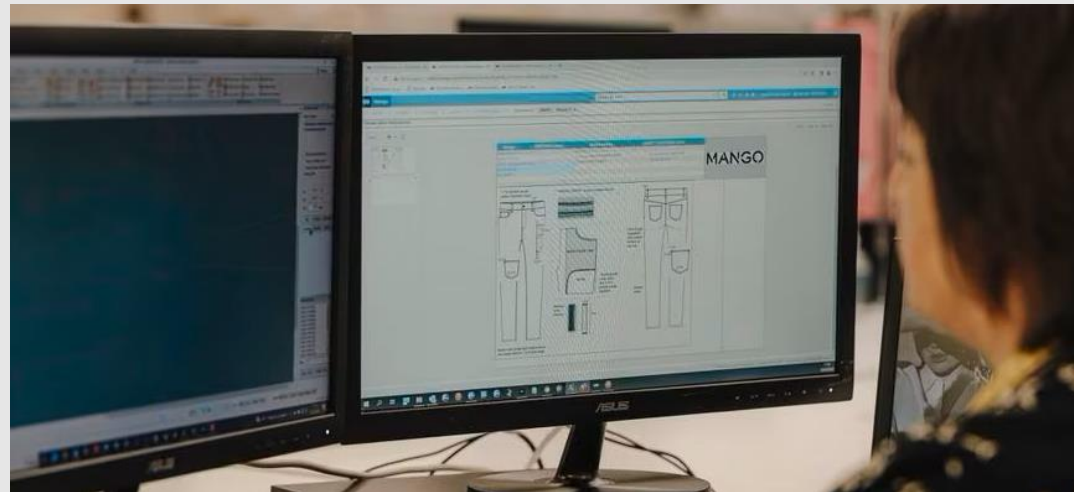
As part of the digital transformation strategy, Lisa is trained to collaborate with other AI platforms to co-create prints, fabrics and garments for the design and product team. It also identifies consumer trends and supports customer service.

Strategic Implications

The use of AI technology significantly enhances Mango's overall operational effectiveness by identifying current trends, generating new ideas and accelerating product development. AI acts as a co-pilot for both employees and stakeholders, inspiring and extending the team's capabilities.

STEPIC drivers/winning strategies:

Digital transformation to maximise efficiency



MANGO

"Generative artificial intelligence is an extended intelligence; in other words, a technology that will act as a co-pilot for our employees and stakeholders and that will help us extend our capacities, because technology will either make us more human or will be of no use."

Jordi Àlex, director of technology, data, privacy and security, Mango

October 2023



Swedish fashion retailer Asket launches impact receipt

What is it?

Swedish fashion retailer Asket launched its impact receipt to educate its customers on the environmental effect of their purchases.

The impact receipt breaks down the garment-, shipping- and packaging-related environmental footprint.

Why does it matter?

Retailers are arming customers with the knowledge to make more informed choices when it comes to purchases.

Strategic implications:

Technology and traceability will help both retailers and consumers to make better informed decisions.

STEPIC drivers/winning strategies:

Traceability moving up the agenda

Intelligent supply chains



ANNUAL CLOTHING CONSUMPTION FOOTPRINT EXAMPLE

ITEM	QUANTITY	WATER (M3)	ENERGY (KWH)	CO ₂ e (KG)
THE T-SHIRT	2	54	65	11
THE OXFORD SHIRT	1	32	38	8
THE LINEN SHIRT	1	7	25	8
THE SWEATSHIRT	1	102	45	8
THE MERINO SWEATER	1	3	23	11
THE CHINO	1	30	60	13
THE WASHED DENIM JEANS	1	57	40	12
THE BOXER BRIEF 3 PACK	2	44	55	10
THE COTTON SOCKS 3 PACK	2	64	46	35
TOTAL	12	391	395	115
PACKAGING	3			1
SHIPPING				4
TOTAL		CO ₂ e	115 kg	
		Energy	395 kwh	
		Water	391 m ³	



“Because we’ve only ever been told the price consumers pay for a garment, the industry has created a disconnect between our shopping habits and its impact. As a result, we’ve amassed an irrevocable environmental debt. And until we put a price on our planet’s resources and understand what our choices actually cost, we’ll never make concessions to the consumption we think we’re entitled to.”

August Bard Bringéus, Asket co-founder

Inditex reduces maritime transport emissions

What is it?

Zara parent Inditex has partnered with freight group Maersk to reduce its carbon footprint by signing up to its eco programme, which uses green fuels such as methanol and biodiesel.

Why does it matter?

Using green fuels is expected to deliver an estimated reduction of more than 80% in greenhouse gas emissions compared with conventional sources.

Strategic implications:

Greener supply chain solutions will grow in significance as businesses strive to reach net zero carbon goals. We anticipate ongoing innovation in this area, which is also a high priority for consumers and the planet.

STEPIC drivers/winning strategies:

Supply chain under scrutiny
Climate emergency imperative



INDITEX

"This collaboration is a great example of how boosting innovative solutions with dedicated partners is key to fighting climate change..."

This project aligns with our goal to reach net zero emissions in 2040 and contributes to scaling alternative fuels with a significant reduced carbon footprint."

Abel Lopez Cernadas,
head of import, export
and transport, Inditex



Boots to showcase its beauty clout with launch of dedicated store

What is it?

Boots will open its first beauty-only store at the transformed Battersea Power Station later this year. Showcasing over 250 beauty brands, the 11,200 sq ft space will incorporate a beauty studio for consumers to try out new products and trends, as well as demos and tutorials, while expert skincare advice will also be on hand. Newly showcased brands will be added to Boots.com and the store will facilitate virtual, expert consultations.

Why does it matter?

Boots is ramping up its beauty offer as it competes with disruptor brands, just as global beauty brand Sephora makes moves to steal a march on its rivals. The store also further blends Boots' on- and offline operations.

Strategic implications:

Traditional retailers are evolving through new store concepts, while also leaning into their specialism.

STEPIC drivers/winning strategies:

Lean in or branch out

Elevated store concepts and hybrid space



"Boots continues to invest in providing a market-leading beauty shopping experience and this new beauty-only concept not only allows customers to be the very first to try new brands and products but also provides a platform to launch new services that we know our customers will love."

Paul Niezawitowski, beauty director, Boots



Amazon adds new social shopping features

What is it?

Amazon is partnering with Meta, to allow shoppers to buy items direct from Facebook and Instagram, and with Snap to allow shopping on Snapchat. It also introduced a Consult-a-Friend feature to the Amazon app.

Why does it matter?

By linking their social media and Amazon accounts, customers will be able to purchase items directly from Amazon ads without having to leave Facebook, Instagram or Snapchat. On Amazon's own app, customers will be able to share items and react, comment or show emojis.

Strategic implications:

The new features enable a frictionless experience for shoppers, with better targeting, optimisation and conversion rates. Meta, Amazon and advertisers stand to gain additional revenue.

STEPIC drivers/winning strategies:

Leveraging data for new revenue streams
Personalised experiences



Tesco partners with Hasbro on toy recycling trial

What is it?

Tesco and Hasbro have joined forces with not-for-profit organisation Wastebuster in a trial that allows customers to return broken plastic toys via special recycling bins in 19 of its stores in the Sussex area.

Why does it matter?

Retailers are targeting ways they can reduce their environmental impact. Broken toys will be used to create new items including coat hangers, chairs and coffee machines. Rehomed or recycled toys can be registered to earn points via the Wastebuster website, which schools can redeem for books.

Strategic implications:

Circular initiatives are continuing to drive change within retail and influence consumer habits.

STEPIC drivers/winning strategies:

Taking responsibility
Innovation and ingenuity



TESCO

"We are always looking for new ways to remove, reduce, reuse and recycle plastic in our business, so we're delighted to be able to support the Recycle to Read campaign as a way to help our customers do more of this at home. As well as trialling a new way we can work together on hard-to-recycle plastics, it also helps to give children greater access to reading."

Ally Rose, category director for toys, Tesco

September 2023



WHSmith introduces circularity with BookCycle buy-back scheme

What is it?

WHSmith has partnered with buy-back company Zeerle to encourage customers to recycle books. WHSmith customers can register online and scan unwanted books to receive a valuation. Once done, books can be dropped off in store in exchange for a WHSmith gift voucher.

Why does it matter?

This initiative extends the life of second-hand books, making them accessible and affordable for readers and championing literacy in local communities.

Strategic implications:

Supporting a circular economy for books contributes positively to the WHSmith brand image and sustainability efforts. It also fosters loyalty by tying BookCycle customers into the WHSmith ecosystem.

STEPIC drivers/winning strategies:

Taking responsibility



WHSmith
EST • 1792

"This is a very exciting new scheme for WHSmith and it makes great sense for our customers and our business to support a circular economy for books, as we aim to minimise our impact on the environment and support our local communities."

"The buy-back scheme really does offer a compelling reason for customers to recycle their secondhand books, and being able to exchange these for WHSmith eGift cards gives them another great reason to shop with us."

Ian Sanders, group commercial development director, WHSmith

November 2023



Co-op signs 15-year renewable power agreement

What is it?

The Co-op has signed a 15-year corporate power purchase agreement with Voltalia, providing renewable electricity for its UK food stores, distribution centres and Funeralcare homes.

Why does it matter?

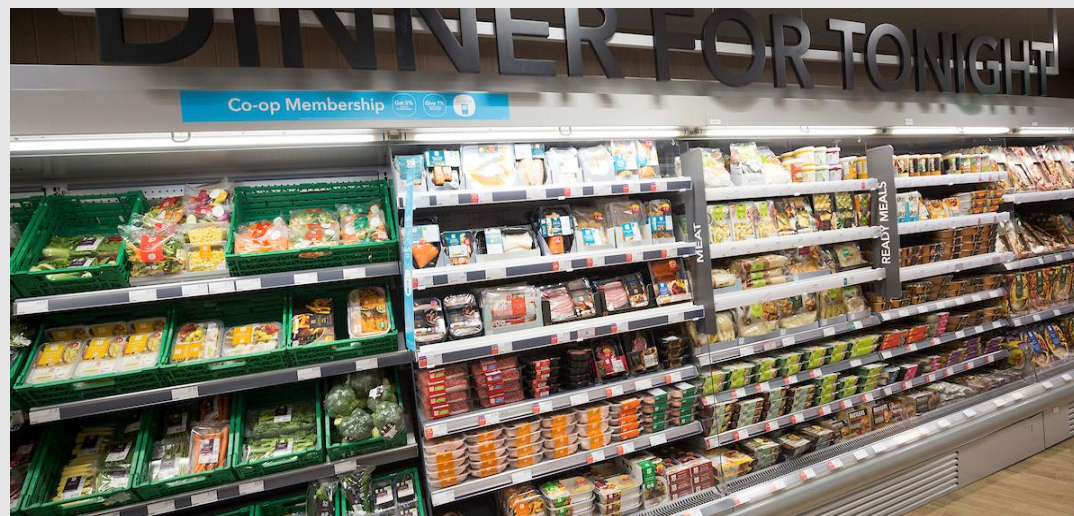
The agreement gives the Co-op access to the entire output of a 34-megawatt solar farm in North Yorkshire. When operational in 2025, it will provide enough energy to supply 7.5% of the Co-op's total electricity needs per year, enough to power more than 170 Co-op food stores.

Strategic implications:

Green energy is a significant advantage to retailers as they work towards reaching net zero carbon commitments. The Co-op aims to reach net zero across its operations by 2035.

STEPIC drivers/winning strategies:

Climate emergency imperative
Taking responsibility



“Not only will this agreement unlock more green energy, but it will also enable energy security, drive economic growth and move us closer to net zero. That’s why we still believe that grid decarbonisation should be an absolute priority for the government.”

Shirine Khoury-Haq,
group chief executive, the
Co-op

November 2023





RetailWeek

RETAIL HORIZON 2024

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