

#ISC16ECH



Trend Report 2016





Trend Report published in September 2016 by Echangeur by BNP Paribas Personal Finance

All rights reserved - Any partial or total reproduction or modification in whatever form or format is prohibited without the written consent of Echangeur by BNP Paribas Personal Finance.

CONTENTS

The Integr'Actor... at the heart of the service-centric economy	page	06
The customer relationship interpreted in 7 trends	page	26
Making way for innovation	page	70

INTEGR'ACTOR

1



7 TRENDS

2



INNOVATION

3



FOREWORD

Every year, for the last 4 years, Echangeur has explored a new customer experience enriched by services and boosted by an evolving environment.

Galvanized by the overabundance of propositions, customers are re-inventing their practices and are becoming stakeholders in the value creation of their items of consumption. At once buyer, opinion leader, producer or vendor, customers play a key role. They lay down the new ground rules and arbitrate, torn between deep and sometimes contradictory aspirations.

The Echangeur modelled them in order to better comprehend and satisfy them. Through the Echangeur Access Panel, its observatory of budget trade-offs and household consumption patterns, launched this year in France and recently in Italy, our team of experts has reviewed the behaviour and attitudes of several thousand individuals and households. They help anticipate new drivers of consumption and evolving lifestyles.

In this age of new customs, retail businesses that rely on a series of intermediaries are disappearing. The peer-to-peer paradigm is becoming commonplace. It offers retailers from the previous millennium a new role.

Stimulated by the excellent service of new market entrants, and instigators of their own transformation, brands and retailers are invited to re-examine the world of retail.

The prospect of a retail model liberated from daily constraints and borne by a collective project is emerging.

The Echangeur team invites you to explore it, comprehend the drivers of change and the initiatives that are currently moving the goal posts on the ground.

Every year, in addition to a fundamental analysis of the new retail mapping, hundreds of practices are reviewed. They offer a selection of cases, to stimulate true innovation in tune with its environment.

Do not hesitate to draw inspiration from them, think up the services of tomorrow with your colleagues and reinvent yourself, with us, to climb on the bandwagon...

All the Echangeur team



INTERACTION
CO-RESPONSIBILITY
CO-DESIGN
BLOCKCHAIN NETWORKS
SUSTAINABLE ECOLOGY **DISINTERMEDIATION**
ALTERNATIVE MODELS
PLATFORMIZATION
SELF-SUFFICIENCY FIGHTING WASTE
COLLECTIVE **WE ARE ONE**
WORKER USER CITIZEN CROWDSOURCING MICROWORK
JUSTICE APTNESS SELF ESTEEM
COLLABORATIVE **DECONSTRUCTED**
MODERN SCHIZOPHRENIA
CO-PRODUCTION
ZERO GROWTH

THE INTEGR'ACTOR

...

opens up new
prospects for retail

THE REVOLUTION OF EXCHANGES IS ON THE MARCH

Society, economy, retail... reloaded?

At a time when new technologies seem to be reinventing our way of life, it is in fact society itself that represents the breeding ground of change. Alternative movements offer the optimism of an unprecedented, more collaborative and fairer society. In spite of still isolated advances, the lines are moving and influencing the economy, institutions, companies and ultimately the very meaning of retail.

New actors from the digital age are becoming veritable life partners. The "platformization" of the economy is thus in motion. This is altering the notion of intermediation. It is languishing and changing in the face of totally disintermediated relations between actors.

In response to these new challenges, what does the future hold for retail and what direction will it take?

The Integr'actor is opening up new prospects for retail

Actor of an evolving system and beneficiary of its lot of innovations, people are reinventing itself and reinventing exchanges. They are becoming the central link of a meta-ecosystem of services driven by an integrating dynamic. Having more integrity because they are more aware of a suffering environment, more integrated into production processes and the supply chain, integr'actors are becoming responsible agents and mentors of tomorrow's commerce.

Since last year, the fight against waste and the notion of self-sufficiency have gained wider acceptance, attesting to real action.

Despite the advances, much still remains to be done. The promise of a peer-to-peer and paperless economy is still an illusion for some.

The routes towards an integrating customer relationship

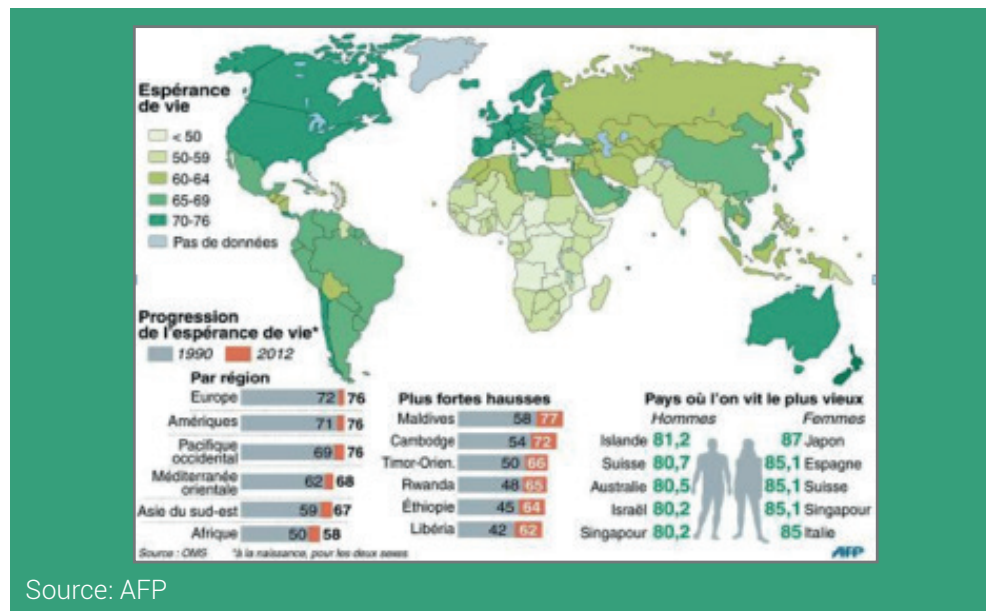
Empowered by the impact of their organizations, people are in fact the linchpins that control the future of more engaging and ultimately more virtuous systems. This balance undoubtedly represents the remedy for modern schizophrenia, simultaneously embodying a demanding consumer, a dedicated worker and a committed citizen.

At the heart of an unprecedented revolution in exchanges, a new relationship between retailers is on the march. It offers the opportunity of innovating differently, in favour of both individual and collective well-being.

Echangeur invites you to explore the landmarks of this transformation, at a time when start-ups, retail chains, brands and naturally each of us are proposing a new retail paradigm.

DECONSTRUCTED FAMILY

A lengthening life expectancy represents the conquest of the century and prompts us to change the system. The number of over-65s in the world is expected to rise from 605 million today to 1.5 billion in 2050, a growth rate three times higher than that of the world's population. Conversely, the Millennials (the children of the 21st century born between 1981 and 2000) will make up 75% of the working population by 2025 but will never earn as much as their parents over their lifetime.



Source: AFP

Catering for a growing older population implies a total restructuring of organizations. In all the OECD countries, over the next 30 years the ratio of people of working age to people of retirement age will be halved.

The shrinking size of households, especially in the West, symptomatic of an ageing population, is also the result of an increase in undoubling. The average number of people per household in France fell from 3.1 to 2.2 between the end of the 1960s and the early 2010s. This phenomenon is now on the wane with the surge in flat-sharing (already 10 million Europeans) and children returning to live with their parents for lack of means. Rising living expenses combined with the shrinking size of households is reaching a maximum tolerance threshold.

Precariousness is now affecting all generations in all countries. Work is no longer a guarantee of security or even of housing. The increase in part-time work out of necessity and temporary employment contracts has forced wage-earners to turn to new forms of work that are at times more unstable and without social welfare cover.

These demographic and economic developments are setting new standards raising unprecedented expectations specific to a population in search of renewal, reassurance but also accomplishment. It is up to companies to innovate to develop goods and services that cater for the new trade-offs of increasingly demanding consumers.

Despite increasing precariousness and the decline in spending power, people's appetite for spending is undiminished and offers brands opportunities on several levels.

OR NEW COLLECTIVES?

The object of consumption today is becoming a source of **experience and empowerment** in an increasingly collective environment. More and more individuals want "meaningful experiences", with friends or relatives; they want to try out new products, but above all they now want to factor in the consequences their current decisions will have for their future.

The household is less and less a place for shared experiences. Social media are offering more and more opportunities for interacting through new conversational, virtual, instantaneous and integrated communities thanks to the boom in the use of mobiles. The Millennials are logically representative of the phenomenon. Aged between 18 and 34 (2 billion people worldwide), they use their smartphones 150 times a day, 10 times an hour. 88% of them use Facebook as a source of information and they are in search of emotions: YOLO "You Only Live Once".

So experiences are being increasingly shared through affinity and spontaneous communities, generating emotions from day to day. With the advent of social media, new collectives are forming around common values and interests, like DIY or sport.

"Connected training", facilitated by new technologies like "wearables", are emerging on Facebook or Instagram. This staging of oneself and one's lifestyle, sometimes followed by thousands of users, is a breeding ground for potential brand ambassadors. Nike, Adidas, Reebok or Under Armour for instance generate numerous interactions between urban athletes around the "Quantified Self".



Source: Sud Ouest

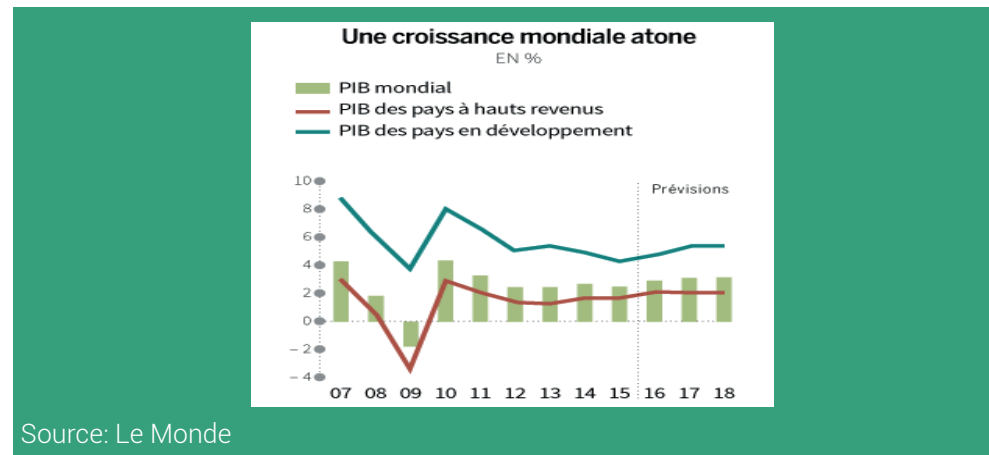
For the Millennials, the quest for experiences is not confined to leisure, or even to enlivening everyday life. This generation is much more engaged than previous ones. The latest Millennial Impact Report by Achieve confirms the amount of time they spend on unpaid work and their generosity with regard to donations, greater than that of their elders. This analysis corroborates a study recently published by Ifop for France Bénévole on the increase in voluntary work, driven mainly by the growing involvement of the youngest generations.

Voluntary work is still symptomatic of a much wider phenomenon for the younger generations: getting involved easily in just causes or disputes, at a time when new technologies are making their voice heard.

Outside the conventional household, niche communities are thus playing a more important role in the new model of our society and becoming new partners of the retail trade.

ZERO GROWTH

IMF Chair Christine Lagarde predicts “growth and uneven disappointing for 2016”. The World Bank has revised its forecasts downwards and predicts a growth rate of no more than 2.9% followed by “a modest recovery” in 2017 and 2018.



So the global economy has not recovered and the world is entering a new era of sluggish growth, among other things due to the plummeting price of commodities, dwindling international trade in products and services, the ageing population and the slowdown in productivity gains. On the basis of a traditional model, twice the amount of capital is needed nowadays compared with 30 years ago to create the same amount of wealth.

This state of affairs is calling the systems into question. Industries are among other things turning towards renewable energies. In parallel, production and consumption models are changing rapidly in favour of a quaternary economy dominated by services.

The end of growth also explains why our economy is shifting towards sustainable development. Awareness of the devastating impacts of last century's models on the natural environment and the increase in inequalities is motivating states to take action.

Last year, the COP21 concluded with a universal and ambitious agreement on climate between 188 countries, to limit temperature increases to under 2°C. More generally, the UN's ratification of sustainable development targets has led to the introduction of a global agenda on eradicating poverty, protecting the planet and guaranteeing prosperity for everyone. The sustainability of our society indeed depends on both environmental and social ecology.

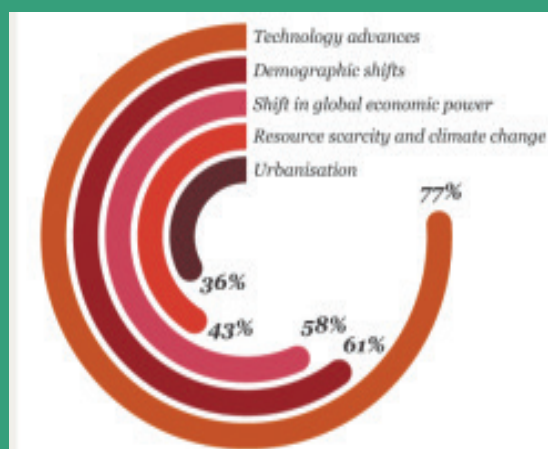


That notwithstanding the 4th industrial revolution, which was hotly debated at the last Davos forum, foreshadows a much darker world. In the coming years, wealth and power could be concentrated in fewer and fewer people, thereby adding to prevailing instability.

OR ALTERNATIVE MODELS?

While technological innovation in our economy keeps pace with each wave of value creation, our economy is also **driven by transformations that are both significant and worrying, forcing one to have an increasingly global vision of change.**

What will have an impact on our businesses in the next 5 years?



Source: CEOs PwC Observatory January 2016 Survey of 1400 company directors in 88 countries.

In parallel, and for the first time in the history of industrial revolutions, the heralded progress of productivity does not go hand in hand with **wage increases**. By way of example, in the United States the actual wage of the lowest income groups is the same as it was 60 years ago. A phenomenon that is becoming more acute.

So the real issue is knowing what man's role will be, in particular the role of middle-class workers in major metropolises, at the heart of this transformation. A burning issue, all the more so as it is closely related to the foundations of democracy and political stability.

Faced with such challenges, the figureheads of the alternative models are paving the way for "another" economy, a much more humanistic one. According to American economist Jérémie Rifkin, a specialist in futurology, the new "zero marginal cost" society should take over, in a peer-to-peer economy where anyone can be a producer of goods or services at a near-zero cost and thereby "short-circuit" conventional enterprises.

This need for transformation prompts each individual to play an increasingly active part. We can but observe the emergence of a hybrid system with on the one hand the capital-intensive market economy, and on the other a peer-to-peer economy based on virtually free goods and services and spontaneous collective contributions.

Even though this economy of contribution may still seem to be in its infancy and idealistic, it proposes increasingly concrete and collaborative initiatives.



Solutions exist all over the world

An audience of over 1 million for the *Demain (Tomorrow)* documentary, which continues to be emulated in cinemas and on the Internet

Source: premiere.fr

DIGITAL PLATFORMIZATION

In this age of zero growth, uberization and platformization are becoming the key words of new forms of trade. They offer novel forms of social interactions at the heart of sovereign ecosystems. The acronyms AAFA* and BAT* mask empires whose combined market capitalization exceeds the GDP of all the countries of Europe combined, including Russia, totalling 1.861 trillion dollars. By offering packages of endlessly customizable services, these life partners are becoming additive companions of our humdrum existence (see Commerce Reloaded Echangeur 2016).



Platformization is drastically changing the rules of business by disintermediating traditional players for a service-centred relationship that is ultimately very fruitful. Thanks to digital, platforms are removing certain sequences in the traditional value creation chain. They combine an internal and external offer of trade (Amazon marketplace) and/or social interaction (Twitter or Instagram).

The Harvard Business School, Airbnb's R&D partner, now has 200 platforms, and plans to have 500 by 2018. Beyond the frantic race engaged in by leaders like Alphabet or Apple to monopolize the customer relationship, it is the emulators of uberization and major groups transforming themselves who will reinvent the scene of services.

However, platformization of the economy and its business involves risks. Business relations are sometimes reversed in favour of monopolies that create inevitable dependency. How can one ignore **Facebook** nowadays, when no other company barring Google has as many users? Nearly 1.6 billion users per month, one billion of whom use it every day. By way of example, it takes up 22% of the time Americans spend on mobile devices. This dominant position gives this localization holding company total control over all the collected data. It poses the question of the management of privacy and critical size. The European Union constantly investigates the way this data is used and stored, without necessarily being able to find a remedy.

And yet, the retail sector is also managing to reinvent itself thanks to the gradual **integration of users in the relationship with platforms.** Firstly they were queried about their credit rating, then they became ambassadors by recommending the best services to their networks, and now they help design new services by means of open innovation. Such collaboration between users and retailers increases the added value of services. The emergence of places of collaborative creation like the Fab Labs is totally in tune with the "wiki spirit". Leroy Merlin for instance opened Europe's largest collaborative workshop in Lille in 2015, a place both for co-working and for innovation.

So the platformization of retail is no longer just a technological but also a physical phenomenon. It is reinventing socialization through greater integration of consumers.

* AAFA: Alphabet, Apple, Facebook, Amazon – BAT: Baidu, Alibaba, Tencent

** Respectively, the smart personal assistants of Apple, Amazon and Microsoft

OR TOTAL DISINTERMEDIATION?

In parallel to service-centred empires built on the data of a network of users, and combined with a minimal work force (digital labour, hidden work, etc.) "something is going on and we don't know exactly what", admitted Abir Oreibi, CEO of the Lift Conference of Geneva, a large gathering of virtual start-ups and web visionaries, in February 2016. She was speaking of the blockchain.

The Blockchain, a register of transactions aggregated in "blocks" and added to the block chain on an ongoing basis, could become the ultimate breaking point of intermediation. By rendering trusted third parties meaningless, this anti-hacking principle of standalone or "self-executing" programs embeds into the Blockchain a series of operating rules (smart contracts) specific to an organization. In concrete terms, these programs manage a service like openBazaar.org (a multi-product marketplace), or even a social network like Synereo.com, without being dependent on a central authority such as Le Bon Coin or Facebook, which impose their policy on users.

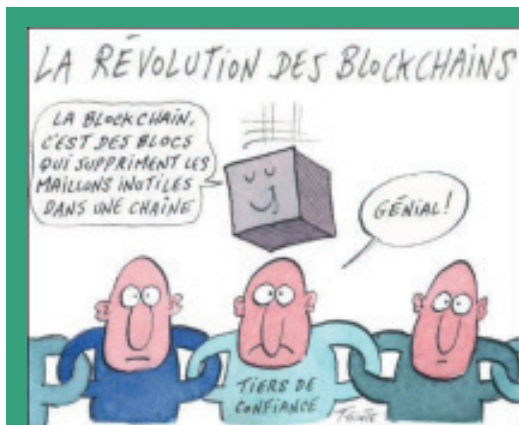
Mentioned in Echangeur's last Commerce Reloaded 2016, 'Zooz, a decentralized on-demand taxi service, is already developing a service similar to Uber without the intermediation of Uber. In a nutshell, a digital currency is created between passengers around a self-managed trading system.

By eradicating intermediation, the Blockchain thus opens the door to a more transparent, secure and ultimately fairer economy by, for instance, distributing music revenue to its contributors without the pressure of the balance of power between creators and distributors.

That could sound the death knell of intermediation and ultimately undermine the old and new empires in favour of a totally disintermediated business model.

Still very limited in its applications, and far from becoming part of everyday life, for all that the Blockchain pre-empted the advent of another economy. One that will strive to decompartmentalize businesses by creating new partnership-based paradigms less and less centred on the transaction and favouring joint creation of value, the disappearance of frontiers and the enrichment of human time often diverted from its elementary needs.

By increasingly associating producers and consumers around an economy of contribution, new partners would be well advised to take the initiative, at the risk of ultimately disappearing.



"The Blockchain only makes sense if it applies to an ecosystem, not just to one bank"

Lucas Comparini IBM Blockchain Leader

NEW ERA

The era of a new intermediation model boosted by new digital technologies is on the march.

After the past impacts of solitary technologies, vast ecosystems are now forming, in which value is created by the links between innovations rather than by the innovations taken separately.

In past centuries the rapid development of new technologies directly or indirectly transformed trade.

At the dawn of the new millennium, the range of possibilities has never been so wide. It is structured around **10** disruptive technological innovations.

→ **3D printing (1)** and **Drones (2)** are laying the groundwork for a new industrial and logistical revolution.

→ **Robots (3)** and **Artificial Intelligence (4)** are pre-empting a world assisted by increasingly autonomous technologies.

→ **Augmented Reality (5)** and **Virtual Reality (6)** are broadening the vision of a resolutely wider everyday existence.

→ **The Internet of Things (7)** and the **Blockchain (8)** are opening the doors of a networked and increasingly decompartmentalized society.

→ The levers of **Energy Transition (9)** promise to clean up our economy and reinvent our urban landscape.

→ **Nanotechnologies (10)** prefigure unprecedented advances in health and social progress.

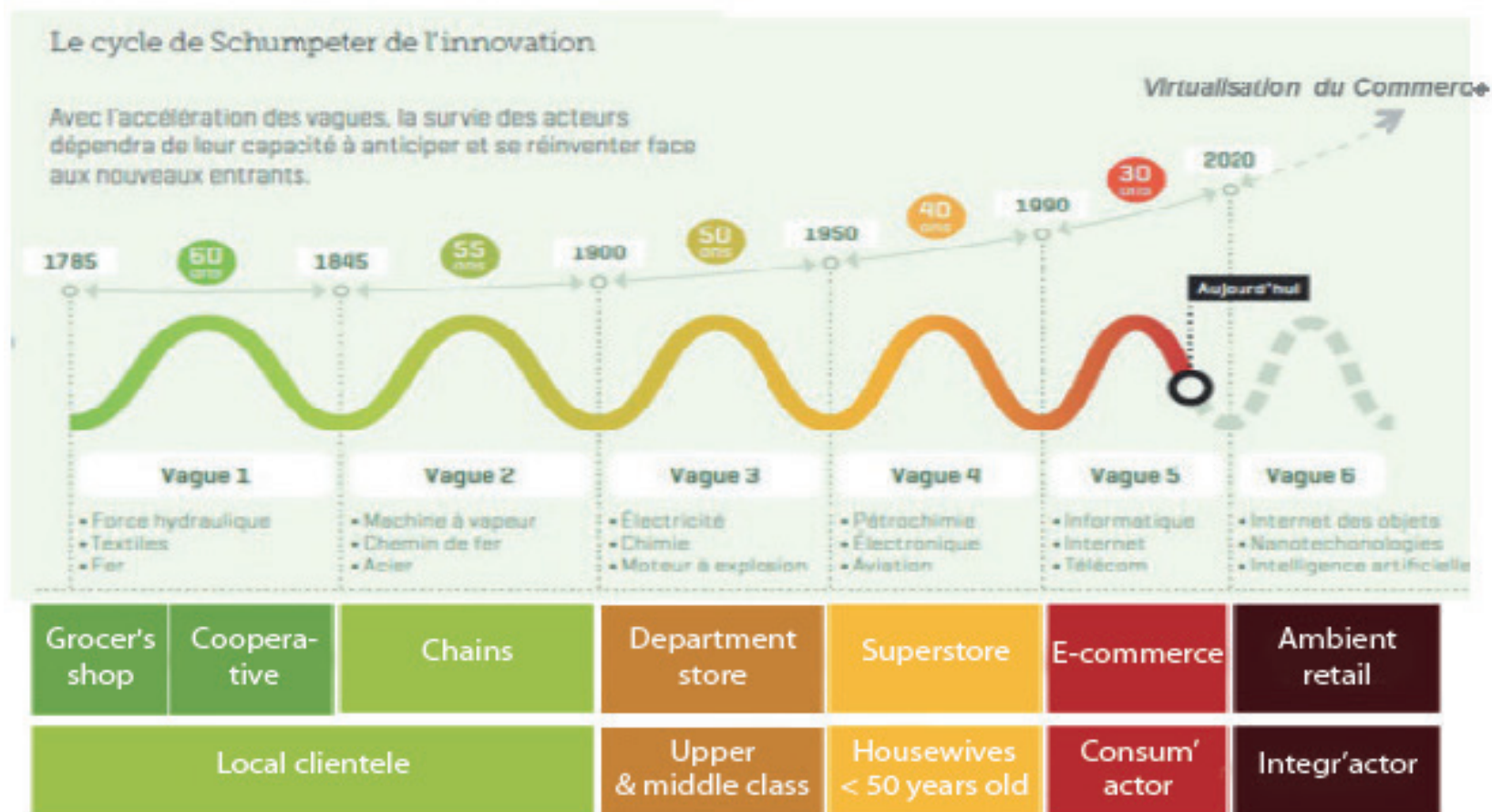
Faced with these transformations, humankind has never been so agile and participative.

From a mere customer in the 18th century to a consumer-actor all the more well-informed with the advent of new information and communication technologies (NICT), man is changing into an **integr'actor**; more honest individuals more integrated into the objects of their consumption.

So, homo oeconomicus of the 21st century reinvents himself. He becomes the central link in a meta-ecosystem of services.

His ambition? Satisfy his demands, defend his ethics and contribute to the value creation process.

AND NEW RETAIL



Source: Echangeur

SHARED ECOLOGICAL RESPONSIBILITY

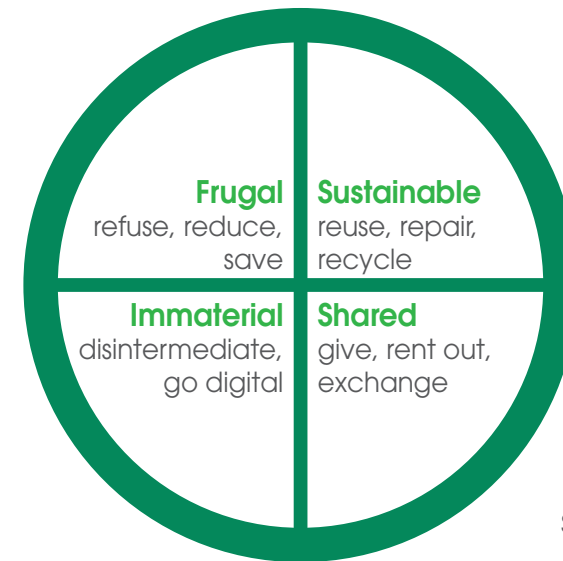
The economy of contribution makes us more aware of our responsibilities. Last year, in outlining the integr'actor we drew the outlines of a heralded co-responsibility. What does this look like one year on?

Ecological movements propagate virtuous practices and contribute to heightened customer demands. Respect for the planet has indeed become a key criterion in product selection. Given that annual production of waste is estimated at 3.4 billion tonnes, or 600 kg per European, urgent action is needed.

Anti-waste initiatives, already very encouraging last year, are becoming a standard in the food industry. On 3 February 2016 the French Senate passed a number of measures aimed at reducing food waste. In parallel, new consumption trends are emerging, like gleaning and food sharing, driven among other things by the anti-waste movement.

More and more initiatives are appearing throughout the West. Born in California in the 1980s, the "Zero Waste" concept has hit Europe. This year in France the first edition of the Zero Waste Festival heightened consumer awareness about waste management and its economic cost.

In the same year, the We Food supermarket selling surplus food came into being in Denmark, the French application Too Good To Go was created to collect meals from retailers, Optimiam, partnered by Carrefour, offers instant special offers of surplus food, Doggy Bags are becoming commonplace, and the "Gueules cassées" (outlets selling ugly fruit and veg, "produce misfits") initiated in France not long ago is already being exported.



Source: Echangeur

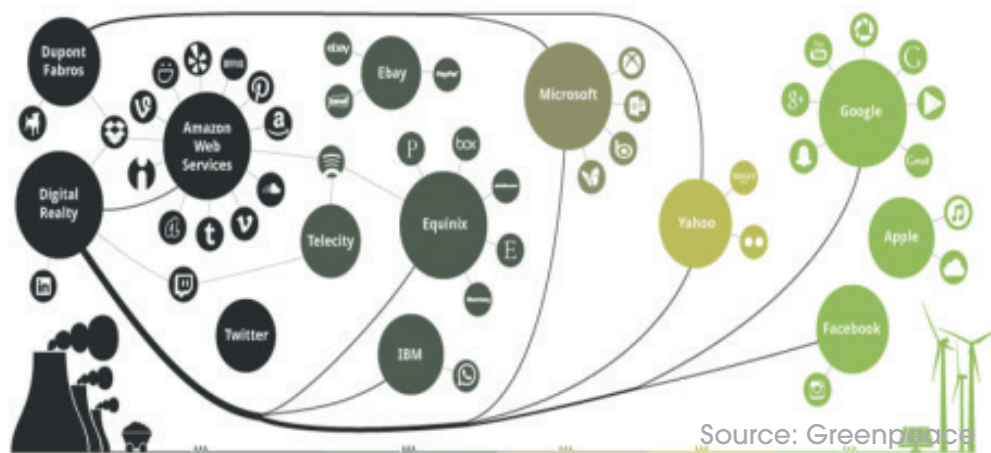
The self-sufficiency concept is also being emulated with regard to energy consumption. The process is deployed in Smart Cities, which are connected, environmentally-friendly, innovative and mindful of their inhabitants. With Street labs, streets equipped with cutting-edge technology monitor air quality even dustbin fill rates through a "test and learn" process in real-world conditions.

Copenhagen has set itself the target of being carbon neutral by 2025. The inhabitants of Brooklyn (New-York) for their part can buy and trade their electricity on the TransActiv Grid platform, the fruit of a collaboration between Lo3 Energy et ConsenSys based on Blockchain technology. Beyond collective initiatives, brands are directly involving households: EDF has just launched "Mon soleil et moi", its own home consumption offer, and Ikea is already selling solar panels in Switzerland, the Netherlands and the United Kingdom.

SHARED SOCIETAL RESPONSIBILITY

Crowned with the virtues of an immaterial and functional economy, the giants of the digital and peer-to-peer economy take shortcuts when it is a matter of respecting their natural and social environment. Their growing power is undermining areas of shared responsibility.

Although they make life easier for consumers, the activities of Google, Apple, Facebook and Amazon and other Internet giants are not without negative side-effects. A Greenpeace report published in April 2016 entitled "How Companies are Creating the Green Internet" reveals the sources of energy used by these companies' data centres. With roughly 2.5 billion web users worldwide (and 3.7 billion forecast by 2017), the power demand for our web use could grow by 60% or more by 2020, stresses the NGO. Amazon is the "dirtiest" site on the web, whereas Facebook and Google are investing in a cleaner Internet to mitigate the effects of their activities, thanks largely to wind power.



Sharing economy platforms too are being urged to be more environmentally responsible. After a first phase of discovery and idealized models comes the regulation phase. Abuses in the status of self-employed persons or barely legal taxation show that not all players are equal.

Self-employed status has helped create communities of consumers associated with product design and corporate financing and governance, but has also led to the development of micro-jobs, a vector of precariousness and lack of social welfare cover. The recent collapse of the home meals delivery company Take Eat Easy shows the dangers of uberizing work: the 4,500 delivery men were not paid in July.

More generally, the players of the **new economy are hardly noteworthy.** In fiscal terms the strategies employed to avoid paying certain taxes, and accusations of unfair competition, are bringing out models designed to reap more profit than social cohesion. Conversely, networking and exchange platforms used for the common good are paving the way for promising initiatives that make their stakeholders aware of their responsibilities.

So the virtues of immateriality and collaborative models mask different forms of perversity. Some alternatives are outdated, others are still emerging, which shows that these economies are in their infancy and may once again transform themselves under the pressure of their environmental responsibilities.

EMERGENCE OF A MODERN SCHIZOPHRENIA

Against this backdrop, a new form of modern schizophrenia is emerging, exacerbated by the increasingly contradictory demands of the individual:

That of a user intoxicated for over 60 years by an ever-present consumerist dynamic, unwilling to forsake his aspirations.

That of a worker in search of multiple drivers of engagement (income, rewards, empowerment, self-sufficiency, variety of tasks, etc.).

That of a citizen increasingly aware of environmental issues and mindful of the future of his social and natural environment.

Wearing these three hats, no one wants to choose between being satisfied with their practices and feeling guilty about plundering the planet, or being comfortable and over-exploiting others in working conditions that one would not accept for oneself.

Only 7% of French people search for what is cheapest at the lowest cost. That clearly bears out the aphorism “no pain, no gain”.

Source: Echangeur Access Panel 2016

Amazon embodies the ferments of this uneasiness. The American giant's sales topped 100 billion dollars in 2015 and posted 28% growth in the first quarter of 2016. And yet its integrity is being called into question. Its productivist work methods and barely legal tax position are increasingly controversial. Boycotting initiatives are on the increase all over the world.

With the ' "Amazon Killer" application, more particularly in France, you can buy a book in a bookshop on the Amazon site, by redirecting users and citizens to the "Place des Libraires" site. The Greenpeace report on energy pollution in parallel condemns the abuses of an irresponsible site.



Source: Amazon killer

Users are satisfied, but what about citizens or workers? The latter seem to be relegated to a position of passive onlooker witnessing a growing, oppressive, even mind-destroying monopoly; all that for easy access pushed to the limit and unparalleled customer service. One can't hope to win, and yet one is in the game and the game is still open...

As customers no longer simply buy a brand but rather the way the brand behaves, retailers have everything to gain by deploying a content-rich social link in response to ultimately dehumanizing approaches. Where extreme economic logic "sidesteps" the individual, it becomes more urgent to restore a link offering prospects for both individual and collective fulfilment.

As the subversive nature of the digital revolution becomes critical, involving one's customer in a shared and coherent project cements the relationship and marks out the way to self-esteem.

THE INTERG'ACTOR AT THE HEART OF THE NEW RELATIONSHIP

The keys to a contributory relationship

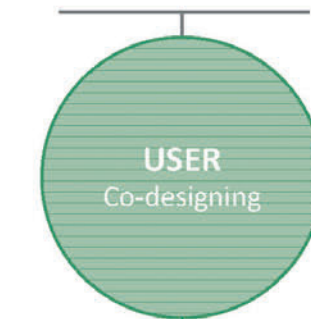
To develop a close, sustainable and fruitful relationship with one's customers, it is becoming essential to satisfy their growing demands, by addressing **user** feedback, capacity for **work** and **public-spirited** engagement in the design, value creation and ethics of the object of one's own consumption.

I get deeply involved in the design and continual improvement process to stick to my habits and satisfy my aspirations.

84% of French people always look for ways of making life easier *

70% of French people feel very resourceful and capable of being enterprising*

I draw on my talents at all stages of the value creation chain to enjoy the benefits of an enriched solution.



73% of French people feel that by consuming less they are acting in a more responsible manner for the planet *

It take responsibility for the design, distribution and recycling of the product at all stages of its life cycle in order to preserve the natural and social environment.

*Source : Echangeur France Access Panel 2016

THE PATHS TO INTEGR'ACTION

Integrating the consumer into the heart of a commercial platform means reconciling the expectations of the user, the citizen and the worker by letting him control the object of his consumption and the direction of his projects.

#participative design The user's high standards lead him not only to actively choose his products but also to create them. Far from the anonymity of traditional consumer studies, participative creation processes involve the "crowd" revolution: crowdstorming, crowdfunding, crowdsourcing ... They call on the public at large (users) to suggest ideas or even provide services that can be rewarded.

#co-production The worker's investment is central to value creation. Companies adjust their organizations in favour of holacracy, a system of organizational governance based on formal implementation of collective intelligence. Commercial platforms are becoming more permeable, involving through micro-jobs a new breed of contributors: enthusiasts, slashers (having more than one job), committed consumers, etc.

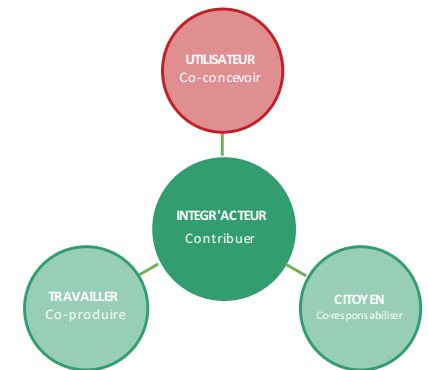
#co-responsibility, the citizen's commitment offers an open and virtuous field of interaction that lends credibility again to retailing and consumption. It is through rewarding environmental projects that trusted commercial third parties will reinvent sustainable complicity with their customers.

Evidently the roles overlap, complement one another and at times even oppose one another. Reconciling the interests of the integr'actor's three facets constitutes a challenge for brands.

FANVOICE



Source: Fanvoice & Echangeur



The **Fanvoice** platform puts consumers and brands directly in contact through shared ideas to think up the products and services of tomorrow. This "giant brainstorming" helps brand learn more about their users and reward them according to their engagement.

Axa and Seb have already been won over by the Fanvoice proposition, the former to improve its driver assessment system, the latter to design the ideal recipes site, and has collected more than 2000 ideas from web users.

Entirely based on **crowdsourcing**, the platform improves relations between users and their brands, and participates fully in the co-creation process, for a product that fully meets customers' needs and expectations.

Fanvoice & Axa: "With Youdrive, your opinion is rewarded just as much as your driving"

THE PATHS TO INTEGR'ACTION

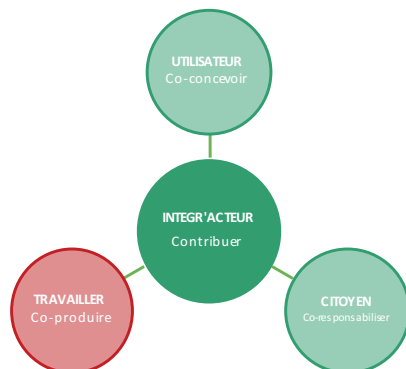
iAdvize, the conversational commerce platform, has opted to showcase the talents of consumers by integrating them fully into the brand's marketing.

With **ibbū**, it recruits customers who are experts in the products of leading brands or the services of retailers, to answer pre-sales questions asked by future buyers. They have noticed that more than 70% of purchasing opportunities are missed due to offices being closed in the evening or on weekends.

Each "chat" with expert customers represents a potential sale, given that their conversion rate is 10 times higher than that of a traditional customer adviser.

Ultimately, 75% of pre-sales questions concern products about which enthusiasts already know the answer and don't need any training.

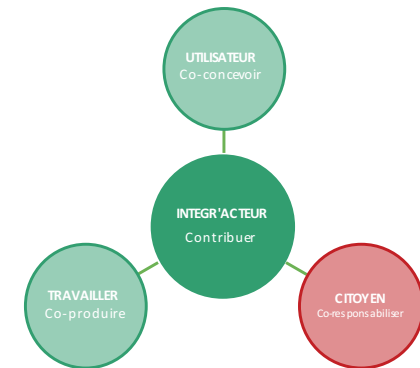
These customers-experts-enthusiast are paid either per "chat" or according to performance (a percentage of sales).



Source: iAdvize & Echangeur



Source: Les Talents d'Alphonse & Echangeur



Les Talents d'Alphonse is the first collaborative platform that puts early retiree enthusiasts in contact with people eager to learn acquire their knowledge (sewing, DIY, music, etc.)

Barthélemy and Thibault launched the platform using their professional experience acquired abroad (Mexico, Congo, Philippines), where they were filled with wonder by the respect and importance accorded to the older generations. When they returned to France they devised a solution allowing pensioners to **have a role in society again** by interacting with people sharing the same passion.

These days 1/3 of the French population is in retirement, and it is becoming urgent to rethink a model in which **the retired** are no longer considered a burden but rather an **essential resource for a balanced society**.

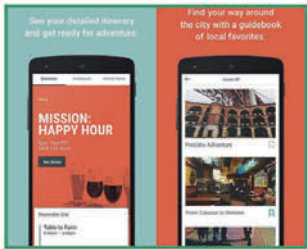
Les Talents d'Alphonse is this circular economy of knowledge that, besides passing on expertise, creates **lasting intergenerational bonds**.

INTEGR'ACTION ACCORDING TO AIRBNB

MUCH MORE THAN A HOTEL BUSINESS

The holiday lets site is investing in services related to its core business. It plays on the three facets of the consumer to propose an all-inclusive travel offer. Brian Chesky, the Chair and CEO, explains: "when you go somewhere, you want more than a house. You want to be part of the neighbourhood".

More than 10% of reservations made on the site are work-related. 31% of "travel managers" believe that the peer-to-peer economy is an important trend to factor in (survey of Carlson Wagonlit Travel, the world leader in business trip management, 2015)

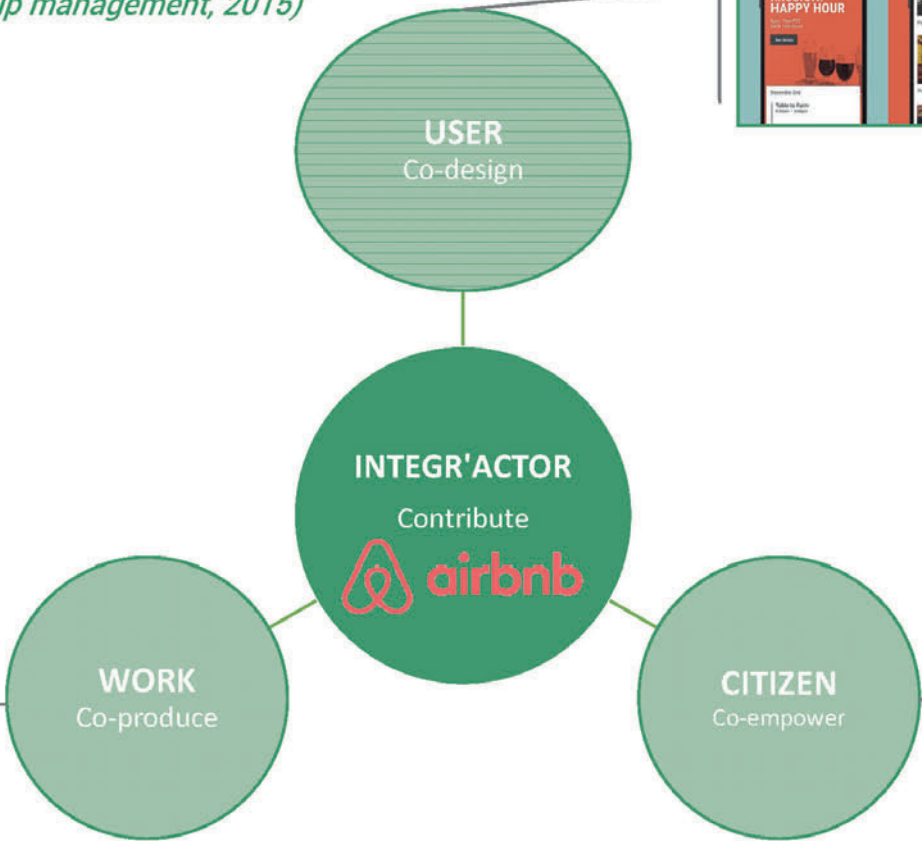


Airbnb Magical Trips: this tourist guide application being tested is said to suggest personalized itineraries to passengers to organize their entire stay.

Airbnb is now working on improving collaboration on its platform to promote **co-hosting**: the possibility of helping one another for concierge services. Numerous rental management applications already exist: Groomliday, Je me propose, Hostmakers or even Bnbsitters.



Source: Airbnb & Echangeur



The ambition of **Projet Samara** is to propose different architectures to explore new sharing and trust attitudes. **Airbnb** will build its own dwellings entirely in cedar wood, with a kitchen, living room and 5-metre long table on the ground floor and bedrooms on the first floor.



INTEGR'ACTION ACCORDING TO MICHEL ET AUGUSTIN

COLLABORATIVE COMMUNICATION

Michel et Augustin, the "agitators of taste" stand out in their presence on unconventional social media and communication calibrated from day to day to integrate users into the value chain on a daily basis and reward them with greater visibility.

 175,000 likes

 14,300 followers

 20,100 subscribers

 3,791 subscribers

Michel et Augustin suggest that you become a Pastry chef with their training guide but also their lessons held in "banana plantations" in Boulogne-Billancourt and Lyon.

1,948 people responded to the poll on Facebook to **choose the cover of the training guide.**

 7 juin - 6h
URGENT ! Notre INCROYABLE livre pour se former au CAP Pâtissier arrive bientôt entre VOS mains. On hésite ! Tapotez 1 - 2 ou 3 pour nous souffler quelle couverture vous préférez. Merci. Maëla.



Source: Michel et Augustin & Echangeur

USER
Co-design

INTEGR'ACTOR
Contribute

WORK
Co-produce

CITIZEN
Co-empower



Users can participate in creating products thanks to the brand's strong presence on social media.

More than 300 respondents have chosen the **new packaging** of the drinking yoghurt.

#AllezHowardUnCafé, representing 2,800 supporters and over 10,000 new Facebook subscribers to support the partnership with Starbucks.

Further to the criticism of the L214 association, M&A have **undertaken to discontinue battery eggs** and only sell free-range eggs.



PDO cheeses, Madagascar vanilla, seasonality of juices,... M&A opts for transparency in their recipes by guaranteeing the origin of their products.

INTEGR'ACTION ACCORDING TO IKEA

FOR UPGRADEABLE HOUSING
Forty years after the first edition of its catalogue, the Swedish retailer continues to reinvent itself, in the image of the mythical frakta shopping bag. Everyday expectations are evolving and IKEA takes them into consideration in its new propositions of products, services but also of experience.

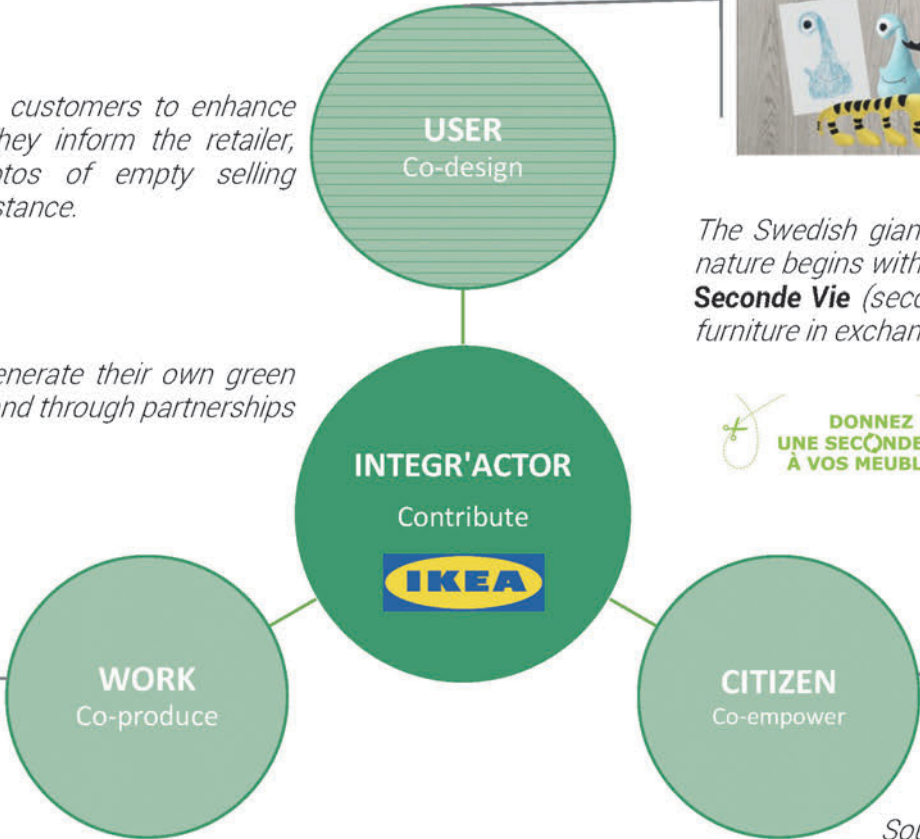


The collaborative model has been in IKEA's DNA for a very long time, if only by getting its customers to assemble, and thus finalize the production of their furniture themselves.
Pierre Villeneuve Ex-Chief Customer Officer of IKEA FRANCE



Ikea polls its customers to enhance its stores. They inform the retailer, sending photos of empty selling spaces for instance.

Since 2013, Ikea enables Britons to generate their own green electricity with the solar panels it sells, and through partnerships with fitters selected locally.



An exclusive collaboration with the Danish design brand Hay: soft and very natural colours that call to mind sustainable development. Even the mythical blue and yellow bag has been reinvented.
1000 home visits per annum to see how Ikea customers live.

*The Swedish giant starts with a simple premise: respect for nature begins with our immediate environment, the home. The **Seconde Vie** (second life) initiative lets people return their old furniture in exchange for a gift card.*



Similarly, every year IKEA dedicated collections to sustainable development, like its terracotta pots.



Source: IKEA & Echangeur

WE ARE A

The best innovation is that of appropriateness and justice.

"After all these years of growth, the challenge of the economy and of globalization is social justice. Without social justice there is no longer an economy". The speech made at HEC by Emmanuel Faber*, CEO of Danone, shows the way to an increasingly inclusive economy that will reconcile ethics and business for a more responsible community.

The capitalism of the 20th century has shown its flaws. And the 2008 crisis was the tipping point. The growing inequalities between countries, generations and individuals have engendered a society that is losing its identity. An identity that has been undermined by the lack of collective projects, replaced by hyperconsumerism and every man for himself.

And yet, murmurings of overkill are making themselves heard and the new generations are sowing the seeds of change. A new form of schizophrenia is affecting modern society. It reveals an individual torn between his whims, values and acts. Retailers are paying the price of this uneasiness, all the more so those of the new economy, in turn idealized or cursed.

The customer relationship may be damaged by this. Handicapped by permanent or indirect monetization, it ultimately conveys a feeling of emptiness faced with the loss of meaning and coherence of the object of consumption. The customer-trader relationship threatens to "run idle", finally at the risk of losing all its value.

It is by striving to monetize self-love, rather than self-esteem, that brands will be able to reinvent themselves.

Faced with a bygone form of deprived responsibility, the 21st century man wants to appropriate his environment again by contributing more directly to it. While the industrial era homogenized work and standardized tasks, the connected individual is becoming an ever-present contributing link.

Beyond the individual transformation that this implies, the collective reveals the contribution of each individual. Like Wikipedia, the online encyclopedia that relies solely on users contributions and on the open source software movement, users' contributions of the goods or services from production to distribution will inevitably increase the value of the result.

"Treat people as if they were what they ought to be and you help them to become what they are capable of being" Goethe

This new model offers a breeding ground for a relationship based on a project shared by each stakeholder of the system. It pre-empts a new generation of trusted and committed third parties jointly responsible for a project for a society in which monetization is no longer the essential medium. It offers a much wider range of possibilities of exchanges of services, which Echangeur interprets for you every year.

* Emmanuel Faber's speech, June 2016 - <https://www.youtube.com/watch?v=x4rj4MfNkys>

THE CUSTOMER RELATIONSHIP INTERPRETED IN 7 TRENDS

- 1 Re-enchanting one's consumption
- 2 Controlling one's budget
- 3 Eliminating unnecessary tasks
- 4 Seeking advice
- 5 Being recognized
- 6 Rediscovering a bond
- 7 Being accompanied on a daily basis

7 TRENDS IN AMBIENT PATHS TO PURCHASE

From home to the shops via the streets, customers now, if they so wish, have an ongoing and uninterrupted relationship with the retail chain.

Customers can at any time find out about a product, compare its in-store price with prices on competing sites, find further information or ask their friends on social media for an opinion. The icing on the cake is that they can also buy the product!

From the first "Re-enchanting one's consumption" to the last "Being accompanied on a daily basis", the seven trends we interpret for you are milestones in this omnichannel and ambient path.



Source: Echangeur



1

RE-ENCHANTING ONE'S CONSUMPTION

BEING SURPRISED | REDISCOVERING | TAKING ONE'S TIME

1.1 WHY RE-ENCHANT ONE'S CONSUMPTION?

Doing one's food shopping at the wheel of a motor-driven trolley equipped with a refrigerator, buying a secondhand designer chair in a shed filled with old locomotives, parking by spotting a yellow ball from a distance... these are just some of the new and surprising experiences that break the routine. Customers now want to have fun while doing their shopping. If shopping is off-putting, one might as well find the cheapest on the Internet.

52% of French people need to experience strong, unsettling or moving emotions.

Source: Echangeur Access Panel 2016

The French food retailer Monoprix has fully taken on board this need for pleasure. In some of its Paris stores it has replaced the standard beeps you hear when the check-out assistant scans your items with sounds that are incongruous to say the least: the hiss of a soda bottle opening, the moo of a cow being milked or the atishoo of someone sneezing. Needless to say, customers see their checkout experience in a different light. As the retailer said in its campaign: "daily life becomes less hum-drum".

Rediscovering pleasure, fun, surprise ... these are the ideas that mark out this trend. For the release of "Star Wars: The Force Awakens", customers in Carrefour's Romanian superstores could be transformed into Jedi knights.

Thanks to their "force", admittedly helped by a Kinect, they could "Shop like a Jedi", filling their virtual basket on a connected screen displaying items and special offers of the moment.

At first sight the innovation may seem too easy. However beware, because over time it may prove to be particularly complex.

How to avoid tiring the consumer? How to regularly surprise consumers if they are not permanent? The fast food chains may have found a solution by alternating viral and longer-term campaigns. Cashing in on the success of Pokemon Go, in Australia McDonald's has just launched its augmented reality Monopoly game, while its competitor Burger King offers Israelis the option of swapping yesterday's lunch leftovers in a Tupperware container for a fresh burger.

SO HOW TO INNOVATE?

Rediscovering pleasure, fun, surprise. This trend is clearly in the realm of the **EXPERIENCE** driver of consumption. But be careful not to confuse fun and unnecessary tasks. Whatever the idea used to unsettle customers' habits, it must be useful and offer them a real solution, even if the problem is not identified as such. Among other things, this can help create a sensation, rediscover a retailer's brand or product, but also encourage consumers to spend more time in store.

1.2 WAYS OF “RE-ENCHANTING ONE'S CONSUMPTION”

BEING SURPRISED

After e-commerce and the Internet of Things, a new tsunami is approaching, that of conversational commerce. Through social networks like WeChat, Line or Facebook, we are witnessing the emergence of genuine virtual shopping centres. Accessible seven days a week and 24 hours a day, they offer consumers hyper-personalized advice... that of their friends!

The upshot is that retailers will have to continue adapting, in both the bricks-and-mortar and the digital world. Indeed, that is already the case for shopping centres that face a twofold challenge on a daily basis: getting customers in, and above all getting them to come back. Hence the emergence of a new concept, Retailtainment. New retailtainment outlets like those of the “Quantum Project” of the Korean glasses manufacturer Gentle Monster or the “Samsung 837” in New York illustrate this concept.

However, it is not essential to construct a dedicated building to create an experience. Selling a virtual reality headset, digitizing one's catalogue into augmented reality or offering a hologram are some of the ways of creating a difference for the customer. Like driving Carlsberg's refrigerated trolley. Guaranteed sensations for this one-off yet refreshing campaign, which alone symbolizes this desire for fun and re-enchantment.

BOTTLE YOUR YELLS IN THE MUNDO AVENTURA PARK

You want to immortalize your visit to Bogota's amusement park in Colombia. Forget the traditional photo at the top of the roller coaster. For 20 dollars you can leave with your yelling! In the most extreme attractions, you are given a microphone headset that records you yelling. Each yell is then transferred to an audio device placed under the lid of a glass jar. Whenever you open the jar, you hear your yells. What better way to help you relive your biggest thrills.



Source: Mundo Aventura

1.3 WAYS OF “RE-ENCHANTING ONE'S CONSUMPTION”

ENJOY YOUR PERSONAL FILM THEATRE WITH CLARO VIDEO

How often have you been bothered by reflections of light while watching a video on your smartphone? Confronted with this problem when it launched its video on demand service, the Brazilian telecoms operator is drawing on the success of the cardboard kits. Get the folding cardboard kit and assemble it. Place your smartphone inside it. You are now the proud owner of a personal and mobile film theatre. You'll never miss your favourite series and films, at the office, on the beach, at the fitness centre or at home.



Source: Claro video

REDISCOVERING

Last year already technology was enhancing the customer experience by appealing to all five senses of consumers to break their routine, but above all to present products, services and retail chains in a new light. This year the trend continues with the widespread distribution of head-sets.

Augmented or virtual, reality has been used by players as diverse as McDonald's, Claro Video, Audi, Martel, Pornhub or Amnesty International. On the other hand, they all had the same goal, namely presenting a product in a new light with a view to reviving consumer engagement. By immersing people in the daily life of Syrian populations, the NGO gives them a real shock, directly heightening their awareness and securing significant financial support.

However technology is not the only way of arousing customers' interest. In opening the first automated launderette in Sweden, Samsung the manufacturer of electrical appliances is simply creating a product showroom. By giving teenagers the possibility of doing their laundry in exchange for one hour of free online gaming, it creates a media sensation but also lets it run a full-scale test of setting up its own chain of retail outlets. Henkel has adopted the same approach in Germany, with its online laundry service. In both cases, the aim is to work out the company's medium-term business model.

1.4 WAYS OF “RE-ENCHANTING ONE'S CONSUMPTION”

TAKING ONE'S TIME

Will the advent of chatbots deal a devastating blow to bricks-and-mortar stores? Despite the forecasts, they have already survived the Internet explosion, the arrival of the Pure Players and the development of the peer-to-peer and C2C economy. That said, some of them have suffered or even disappeared. But that's nothing new, it's simply the harsh law of business.

Adapting is thus the watchword. That is what the Pure Players do well, by opening more and more outlets, like the most emblematic of them: Amazon Books in Seattle. The independent American bookshops must have turned in their graves! And that's not the end of it: one has already opened in San Diego and another is opening in Portland.

After the fashion of the new entrants from the Sharing Economy, these stores combine commerce and customer service. The Exception sales outlet is a textbook case. Collections of clothes from young French designers are on show both physically and digitally. In addition to clothes, customers can buy beauty products, cultural items or simply enjoy a cake or coffee in the store's entrance area. Combining digital and tactile, consumers are invited to spend time in the store and immerse themselves in the brand's culture. Its culture takes shape, without necessarily being part of a commercial relationship. In a nutshell, a store for spending time in, one that favours the customer relationship over sales.

BECOME A DJ JUST LONG ENOUGH FOR A MEAL AT MCDONALD'S

Having lunch at McDonald's in the Netherlands? Remember to take your smartphone. With it you can become a DJ and play your own music. Just place your telephone on the placemat on your tray. Connect with Bluetooth; the application gives substance to all your musical inspirations. You can play the piano, record your voice, do a mix or create sound effects. Feel free to continue the experience at home ... provided you have eaten properly of course.



Source: McDonald's Netherlands

1.5 OUR TOP CHOICES FOR RE-ENCHANTING ONE'S CONSUMPTION

Peak Performance



The Swedish brand opens virtual and short-lived pop-up stores in the middle of nowhere, open only from dawn to dusk. It thus shares its passion for outdoor activities with sports enthusiasts, giving them a magical experience on exceptional sites.

L'Exception



The pure player L'Exception has just opened a store in the Forum des Halles. Conceived as an extension to the digital experience, the store offers a selection of young French brands, exclusive events and a café area.

Carlsberg



The Danish beer brand has just installed "one-armed beer bandits" in the capital's bars. To play, just post your photo on Instagram with #BarBandits. Each draught beer drawn offers you a chance of winning a free beer.

ABN AMRO



To help customers sell their homes, the Dutch bank ABN AMRO goes so far as to install roller coasters there. Sitting comfortably in a trolley, you see the property in a new light. Sensations guaranteed!

Super U



To raise your awareness about its products, the French food retailer Super U uses augmented reality. A cow, pig or chicken appear in your trolley when you walk past a giant screen.

Nestlé



In Japan, at exam time, the KITKAT brand offers students' parents and grandparents a musical break. Thanks to a pyramid placed on the smartphone, video clips of their favourite artists come to life.



2

CONTROLLING ONE'S BUDGET

TRYING OUT | PLAYING WITH PRICES | HAVING ALL-IN-ONE

2.1 WHY CONTROL ONE'S BUDGET?

With increasingly tight budgets and years of eroded spending power, price awareness has been heightened among many consumers. And yet in France, consumers' morale is higher, because they are now fully aware of the limits of their disposable income. Smart buying and resourcefulness are now the secret to better controlling one's budget.

As we already stressed last year, it is the low-cost sector that logically stands to lose the most. And, to quote the example of Lidl, which in pre-empting this trend, managed to get things back on an even keel by offering an experience showcasing quality and local produce, while keeping its prices low.

6 out of 10 Italians say they are always looking for more ways to make their life easier.

Source: Echangeur Access Panel 2016

In parallel, digital devices have made customers more agile. The latest figures of the 2016 Echangeur Access Panel clearly show that French households have embraced ROPO (Research Online Purchase Offline) and Showrooming. Respectively with 66% and 44% of users, these practices are now part of everyday life in households and are on the increase compared with 61% and 40% recorded in 2014. The use of drive-in pick-up points has levelled off at 15%, after a 2% increase in two years.

In Boulanger's Paris concept store, the prices on electronic tags are updated from the web site without any delay. This price matching means that consumers can choose their channel, not according to price but rather according to their need of the moment.

Faced with this situation, brands need to help customers optimize their budget by stimulating other consumption behaviours. This year the levers of the sharing economy have hardly been used. And yet, it manifests itself in another trend, that of marketplaces. With them, the hotel group Accor wants to become the "ideal travel companion" of its customers.

SO HOW TO INNOVATE?

Controlling one's budget directly relates to the following driver of consumption: **ACHIEVEMENT**. This driver, synonymous both with regained purchasing power and with surpassing oneself, clearly resonates with resourcefulness and the search for good deals. Consumers now manage their weekend travel plans, their kitchen conversion projects, etc. The very term 'project management' gives consumers the impression that they control their spending. So consuming is above all a challenge. When will we see a "I convert my garden" card based on one's activities in 2016 and suggesting new challenges in 2017?

2.2 WAYS OF CONTROLLING ONE'S BUDGET

TRYING WITHOUT RISK

As consumers have less spending power, they logically minimize their risk-taking. This has greatly reduced the number of impulse purchases. Consequently, the try-out concept has been increasingly popular in all sectors for several years. Since its creation in 2013, the American car dealer Carvana has offered its customers the option of returning the secondhand car they have just bought within seven days.

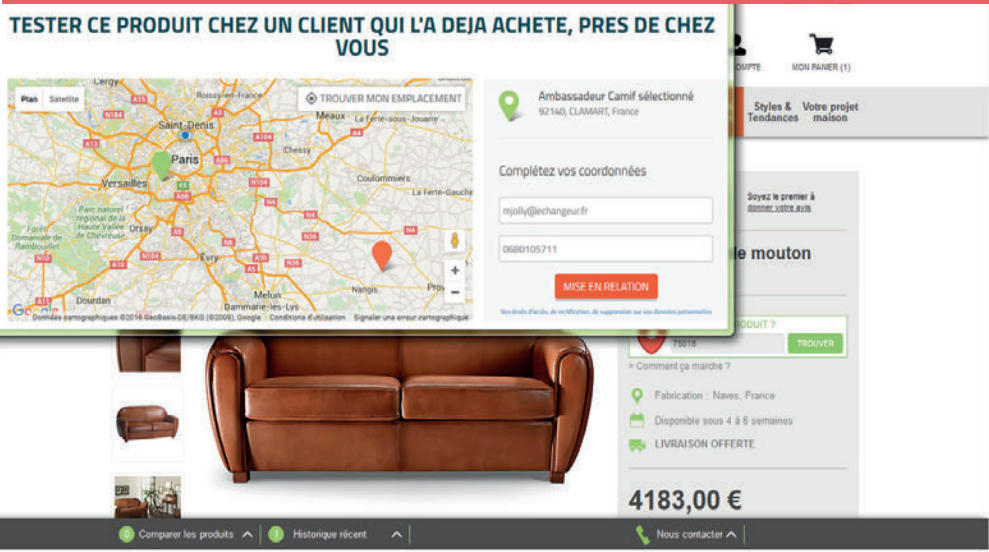
The Claris Vigot brand lets its lady customers make a home appointment or an appointment in their workplace to try bags and other fashion accessories they have selected on the web site.

The French retailer Camif, bought out by the Matelsom group in 2009, no longer relies on its stores and sales force but rather on its community of buyers. Now, before buying a sofa, you can try it directly in a customer's home and benefit from their objective advice. Camif has opted for transparency and gives its ambassadors the keys to its customer relationship! It's up to them to make or mar its reputation.

Admittedly, making use of the community costs less than opening stores. Another advantage is that brands no longer need to worry about retail outlet opening times. But the service is also interesting for what it doesn't say. In putting a potential buyer in touch with the customer, Camif demonstrates that the role of seller is changing.

WITH LA CAMIF, TRY YOUR SOFA IN THE HOMES OF STRANGERS

You are not sure about buying a particular sofa. With its "Near you" service, Camif.com lets you contact a customer of theirs who has already bought it. Contact the customer and make an appointment to try the sofa of your dreams in a real-world setting. The 200,000 or so ambassadors who are willing to receive other customers at home are regular Camif customers, often pensioners, and believe that unity is strength. The initiative proves to be win-win. Future buyers are reassured, and if the sale is made the ambassador receives a €40 discount voucher.



Source: camif.com

2.3 WAYS OF CONTROLLING ONE'S BUDGET

GET A FIXED PRICE ON THE THALYS ... IF YOU CAR-SHARE!

With Tickup, you can now buy a train ticket between Brussels and Paris for only 29 euros. A special rate, provided you can find within 48 hours three travel companions who will travel on the same Thalys as you for the same price. This new pricing model applies the codes of car sharing. A excellent way of repackaging the image of trains by rediscovering its fundamentals: grouping passengers together to avoid driving and parking stress, more speed and comfort, and more environmentally-friendly.



Source: Thalys

With the Internet, consumers prepare their purchases in advance by checking product details, prices and customer reviews. When they get to the point of sale, their choice is therefore already made. Consequently, the member of staff must act more like an adviser than a sales assistant.

Tomorrow, by creating direct consumer-to-consumer links, one can imagine Camif offering other services like peer-to-peer rentals, a furniture exchange market, furniture recycling, etc. I no longer buy a piece of furniture but rather a "Camif" experience quality-certified by other consumers. A calculated risk but one that reflects the founding values of Camif, an environmentally-aware and responsible company that distributes sustainable quality products.

In effect, it is the emergence of peer-to-peer networking that is replacing the current retail model. Consumers want to eliminate intermediaries, forge ties and they bear in mind the idea of paying the "right price" for a product

PLAYING WITH PRICES

And what if the next challenge of the customer relationship were to engage with customers on what they appreciate the most: more special offers, free delivery service, trying new products, special prices, etc. It will no doubt take some years before we see a personalized and profitable pricing system, but the brands have played a lot with pricing this year.

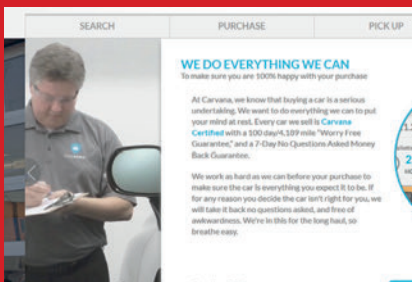
In Italy, Fiat sets its customers a challenge. Call you mother on Mother's Day, and you get a free taxi ride. With its Twist application, Marmiton offers 100% of good deals every day for a period of a few hours. With the Swiper application, unlocking your standby screen and earn points. The method they adopt matters less than the ultimate aim. They all offer a simple, easy-to-use service allowing the user to make a real or perceived saving. For the brand, it's all about repositioning its product or services so that customers (re)discover value.

Consequently, price matters less than the practicality of having all in one. With a subscription, the customer no longer needs to worry about consuming. And customization is never far away, as demonstrated by the latest one, Addict Paris. You can change your look as many times as you want in the year, in pleasant surroundings. A way of rediscovering hedonistic, guilt-free consumption without spending a fortune for all that. The launch of the Darty "Kit" is another example of this trend, with its all-inclusive package (a washing machine, 5 years' warranty on parts, labour and call-service call-outs, 24/7 assistance thanks to the "Button"). The French brand continues to assert its price positioning and after-sales service. That's naturally the best way for the retailer to win and retain customers.



2.5 OUR TOP CHOICES FOR CONTROLLING ONE'S BUDGET

Carvana



You'd like to be able to test-drive your vehicle to be sure you make the right purchase? That is what the American distributor offers. After taking delivery, you have seven days in which to return it at no cost other than your mileage.

Audi



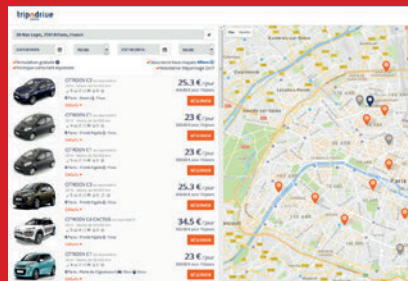
In Sweden, the manufacturer offers you the possibility of sharing a vehicle on the model of the peer-to-peer economy. No more ownership constraints or costs. By sharing it with three or four other drivers, you pool its usage.

Surfrider Foundation



When leaving the beach, you'd like to be able to shower. In Brazil, this shower is triggered if and only if you dispose of your waste in the waste bin next to it. Recycling as a bargaining chip?

Citroën



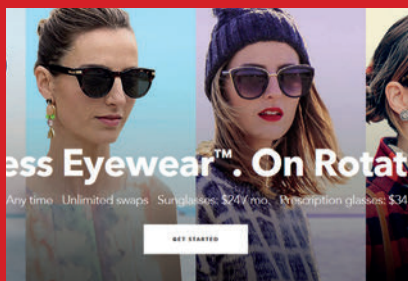
In France, the manufacturer and start-up TripnDrive lets you put your vehicle at the disposal of others when you are not using it. Rental, insurance, etc. TripnDrive takes care of everything. You make money and you enjoy free parking.

Mir

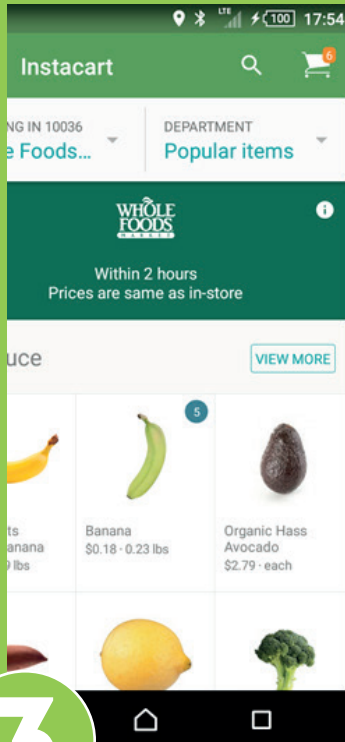


Come and eat for free at Mir Restaurant in Paris and pay by doing the washing-up. After a first successful edition, two years ago, the brand has repeated it this year right in the centre of the capital as an ephemeral campaign.

Ditto



Considering that glasses are a fashion accessory, the American pure player offers you the possibility of changing them as often as you like in the year. With "Endless eyewear", you can try more than a thousand designed frames for \$34.



ELIMINATING UNNECESSARY TASKS

AUTOMATING | MANAGING THE WAIT | RECLAIMING

3.1 WHY ELIMINATE UNNECESSARY TASKS

All experts agree on the persistent decline in buying power and on economic stagnation. In addition to these macro-economic trends we are witnessing two major societal changes: consumers continuing to treat themselves, while at the same time being reasonable and managing their budget to best advantage. In terms of lifestyle, the second trend underscores that fact that consumers will increasingly be pressed for time. Whether such time pressure is real or only perceived, this affects all strategic targets, but more particularly young working adults and families, for whom the lack of time is compounded by the presence of children.

58% of French households with more than 3 people constantly look for ways of saving time

Source: Echangeur Access Panel 2016

Technology directly helps in reducing the number of arduous tasks and thereby save time. Generally speaking, omnichannel retail has become the norm. That is why there are fewer new examples of this trend this year. Last year, Echangeur pointed out the wave of implementations of collection lockers on consumers' commutes, delivery by drones, to your car boot, home or to a neighbour's. All these trends have one point in common: tomorrow, it is the parcel that will come to the customer, not the opposite. Indonesian operator Go-Jek even "delivers" a masseur, beautician or cleaning lady to your home...

Automation buttons continue their upsurge, either in foodstuffs, led by Amazon, or in services. At the beginning of the year La Poste announced Domino, its connected button. This small object is fitted directly inside people's letterboxes. To send a parcel, just place the item in your letterbox and press the button. The postman is notified and will collect and pack your item. Another example of a service making life easier and thus saving time is the property ads site "Bien'ici". Offers are geopositioned on a 3D map that is teeming with practical information: transport services, schools, parks, restaurants or pharmacies nearby. At a glance you can thus tour your neighbourhood. The time saving is instant.

SO HOW TO INNOVATE?

Eliminating unnecessary tasks echos one of the seven drivers of spending of Westerners: **EASE**. 76% of customers responsive to this driver say they "are constantly looking for new ways of saving time", 1.6 time more than the French average.

Tomorrow, the Internet of Things combined with the Blockchain could revolutionize this trend. By attaching the related service directly to objects, consumers no longer need to worry. The contract will be drawn up between an individual and one or more objects managing themselves and between them their interoperability, the contract and payment for the service.

3.2 WHY ELIMINATE UNNECESSARY TASKS

AUTOMATING

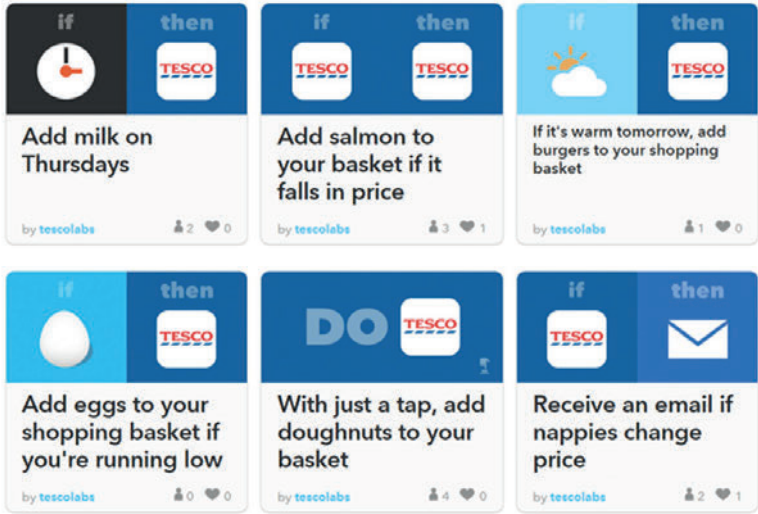
Amazon Echo, the Dash buttons in 2015, Tesco this year, automation of cupboard filling continues its progress. The dash buttons marketplace features more than 20 brands and roughly a hundred products. Related to the premium offer, orders for button have risen by over 75% in the last three months according to Amazon, who nonetheless fail to give precise figures that would indicate the starting point. The manager of Amazon Dash states that "customers use button more than once a minute". The Domino's Pizza chain has also jumped on the automatic order bandwagon: just run your Domino's Pizza application then wait for 10 seconds without doing anything and your pizza is ordered!

So like last year, Domino's continues to incarnate ambient retail, i.e. consumers' constant need to be able to buy all the time, straight away and wherever they find themselves, even on their sofa!

More generally, 70% of our purchases are said to be always the same, and the Internet of Objects revolution suggests that tomorrow we won't even give them a second thought! By combining them with new commercial logics like subscriptions, consumers avoid having to repeat the same routines over and over again. By automating the purchase, price becomes less important than service, time saving and energy. As tomorrow my home will become my benchmark store, bricks-and-mortar stores will have to become ever more of an experience.

AUTOMATE YOUR SHOPPING LIST AT TESCO

After getting you to buy your lunch in thirty seconds via a mobile payment then integrating the first barcode scanner into an application, the British retailer Tesco now offers you a new experience. In using the IFTTT service you can automate your shopping according to predefined events. In more practical terms, beers are put into your basket if weather forecast says tomorrow will be a hot day. You receive an e-mail when the price of your favourite cereals drops. Configuration possibilities are endless!



Source: Tesco

3.3 WHY ELIMINATE UNNECESSARY TASKS

NO WAITING AT CHECKOUT ANY MORE AT CARREFOUR!

In Argentina, the retailer is testing a service called "Caja Ya" to eliminate the wait at checkout. Again in a particular section of the store you have the option of picking up a pager, which will tell you in real time how long the wait is at checkout. You choose a slot and a time. The pager will tell you the checkout where your place is reserved. Managing the wait is still the number 1 priority for retailers, who have come up with a variety of solutions. They may consist in keeping you busy while you wait, reserving a slot or simply no longer going through checkout!



Source: LSA

MANAGING THE WAIT

Automation and immediacy sum up our need to eliminate unnecessary tasks and free up more time for ourselves, our friends and family. 45% of French households have time constraints. So everything must be done to alleviate this feeling.

Stores have taken more and more initiatives to place consumers in a virtual queue. At Bricomarché, I can continue looking round the store while I wait my turn at the wood cutting counter. I'll receive an alert on my smartphone when there is only one person in front of me in the queue. In restaurants, you can pick up a pager that will alert you when your order is ready or a seat is free. You can also use it to ask the elusive waiter for your bill. Carrefour in Argentina gives you the option of not emptying your trolley. With its Shop&Go service, you just log in on the touch screen then leave your trolley in the space provided for the purpose. The staff then collect and scan it and deliver it to your home. You then check your order and pay.

In a few years, it will be quite simply anachronistic to stand in a queue in a store, whether to call a sales assistant, wait for service in a particular department or stand in a queue at checkout. Here too the transaction will disappear and solve the problem of payments at the point of sale.

3.4 WHY ELIMINATE UNNECESSARY TASKS

At N  raff  r, a Swedish supermarket chain, customers just use their telephone to scan the barcodes on items when filling their basket. They then leave the store without paying. As the application is linked to their bank account, they are debited directly, up to 60 days after doing their shopping. It may be that a new experience could emerge by regarding payment disconnected from the time of purchase.

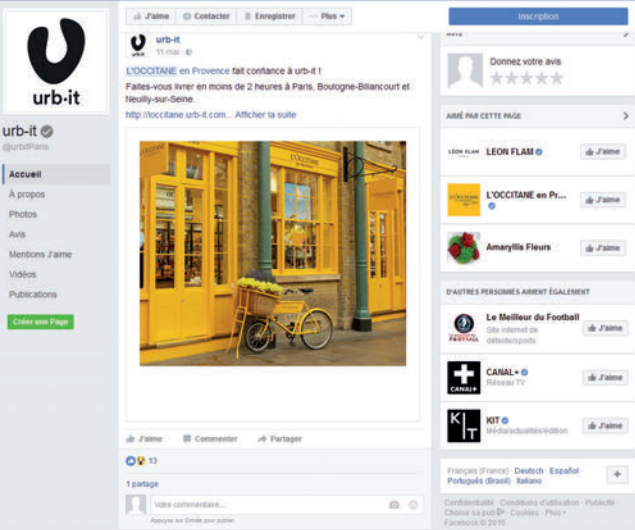
COLLECTING ONE'S SHOPPING

This is another way of saving time. In the vast majority of cases, delivery is still inflexible. Customers are not free to do as they please and have to stay at home waiting for their parcel. This year, retailers have worked on the last mile to free up consumers. After Volvo's car boot delivery service, you can now receive delivery directly in your fridge thanks to ICA and its partnership with Postnord and Glue. No longer any need to go out, your shopping comes to you! In France, we have seen the arrival of start-up Urb-it, which delivers to the place and at the time you specify.

Broadly speaking, the dematerialization process can now create temporary virtual keys on the fly that allow users to grant access wherever and whenever they want, to their home, car, locker, etc.

COLLECT YOUR L'OCCITANE ORDER WHEREVER AND WHENEVER YOU WANT

The French cosmetics retailer uses the Swedish start-up Urb-it to make deliveries to its customers on demand. In concrete terms, Urb-it has developed a delivery system that is somewhat reminiscent of Uber. You buy an item online and decide where and when you want it delivered. The platform uses its "Urbers" to make the deliveries. This truly omnichannel customer service platform combines the strengths of the web and bricks-and-mortar stores to streamline delivery.



Source: Urb-it

3.5 OUR TOP CHOICES FOR ELIMINATING UNNECESSARY TASKS

ICA



You cannot be at home to take delivery of your groceries? No need to waste your morning. In Sweden, the online retailer is testing a delivery service. You can remotely open your front door for the delivery man. He will put your groceries directly into your storage units and fridge.

Alcampo



In Spain, sign up on the "automatic" site with your number plate then link your bank details. You no longer need your debit card to pay for your petrol. Your registration number suffices.

Go-Jek



Taxi, delivery of shopping and now cleaning lady, masseur or beautician. The Indonesian operator finds available staff and brings them to your home. Just book a time slot in the dedicated application.

Burger King



Fed up with queueing up? In France, play at defending your menu in the application. If you win, you are allowed to go to the front of the queue with your Fast Pass and place your order.

Mishipay



Doing your shopping with an application? That's what the London-based start-up offers. Scan the barcode on the items you want to buy then go to checkout and pay with your phone. Then you can leave the store in your own time!

Haidilao



The Chinese restaurant chain gets its customers to pass the time in busy periods. At their disposal: Wifi, massage, manicure, shoe shiner, Free services to give them the impression of not wasting their time while they wait for a table.



4

SEEKING ADVICE

DISCUSSING | ASKING FOR HELP | USING THE NETWORK

4.1 WHY SEEK ADVICE

The success of instant messaging services cannot be gainsaid. Uncommon 2 years ago, they are being increasingly used. 14% of French people use them nowadays, mainly Snapchat and WhatsApp.

60% of French people are registered on social networks

Source: Echangeur Access Panel 2016

Peer-to-peer conversation is thus the essential feature driving these applications. That being the case, brands logically want to reconquer these audience platforms and intervene in conversations. Facebook, like Tencent before it, has understood this trend and has launched its bot store. It simply offers a new, very intuitive interface of bots for 900 million technophobes. This already represents a tremendous technological advance but beware of confusion of roles. Currently, when one talks to a chatbot, one often mistakenly thinks one can talk to it as if it were a human. But it is simply a machine. If we add artificial intelligence to bots, the interaction is smoother and more precise, in a word more human.

That said, such a confusion underscores consumer demand for a return to the basics of retail and the customer relationship: instantaneousness and the ability to keep up a conversation, quite simply.

It is this very trend that indirectly underpins the use of robots in stores. Paradoxically, even if everyone agrees that the role of robots in stores is still confined to a few fairly simple tasks, they really arouse the curiosity of customers and their engagement and empathy, much more so than with most of the sales assistants. Indeed, in scenarios proposed in store (Darty, Sephora, etc.), it's the robot that attracts the customer before the sales assistant takes over. Novelty value almost certainly, but there too it addresses demand for empathetic retailing.

SO HOW TO INNOVATE?

The "Seeking advice" trend can be understood through the prism of one of the seven drivers of consumption: **CONNECTION**. 65% of customers receptive to this driver think that "social media are a great way of developing one's social life", three times more than the French average.

As customers are increasingly connected, the gap between them and sales assistant widens. So why not provide them too with chatbots in store? When asked "where is the power drill section", the chatbot replies with a geopositioning plan. While the customer proceeds, the chatbot can collect information on the customer and pass it on to the sales assistant, who then welcomes the customer and advises him during and after the buying act.

4.2 WAYS OF SEEKING ADVICE

ASK FOR HELP

No more hot lines, on which consumers have to take at least 3 steps, the infamous “press 1, 2, 3” in the hope of getting an answer to their enquiry. Bots have now taken over, and are accessible from instant messaging services like Facebook Messenger and WhatsApp.

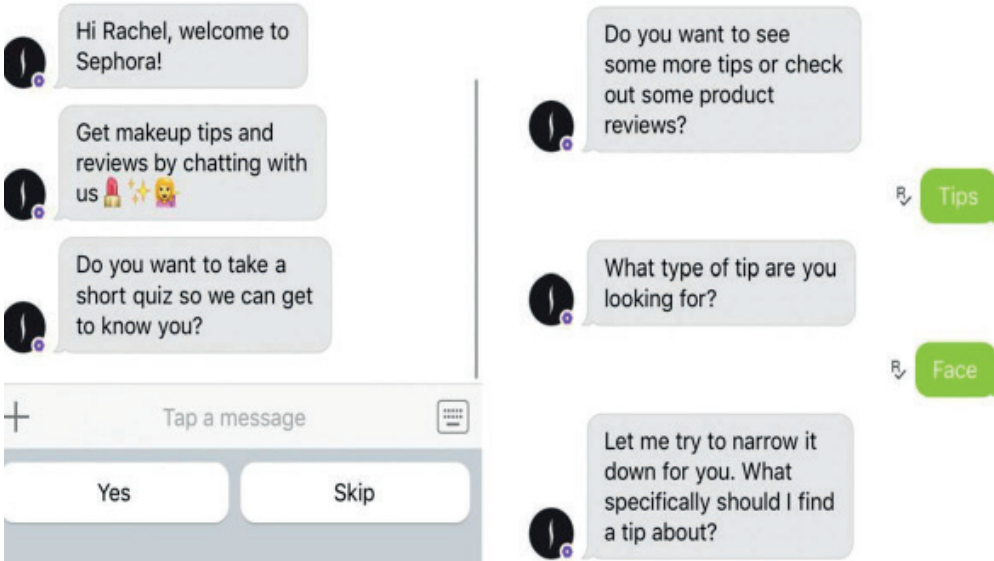
Instant messaging is becoming the preferred channel for relations between brands and their customers. To automate interaction, robots join in the conversation. KLM, Voyages-SNCF, Val Thorens, Sephora, Credit Mutuel now accompany their customers throughout the purchasing process and provide an after-sales service to handle changes or problems.

As mentioned in the Sephora example opposite, these chatbots also feature efficient shape recognition technologies. Objects or faces can be recognized on the Baidu messaging service. You like the look of a car in the street? Take a photo of it and the chatbot will tell you where the nearest dealers are, or help you chat with the bot of a car manufacturer.

Even though interactions are still limited, the instantaneousness they offer prefigures new ways for brands to enrich customer knowledge.

CHOOSE YOUR LIPSTICK ON FACEBOOK MESSENGER

Choosing the right colour of lipstick is never easy! All the more so for teenagers, at an age when their emancipation also involves make-up. Sephora has opted to help them through Facebook Messenger. Sephora draws on a feature that is now virtually native on bots, namely image recognition. Send your photo to the instant messaging service, choose a lipstick and see the result! The colour is automatically applied to your photo. You like it? Buy it!

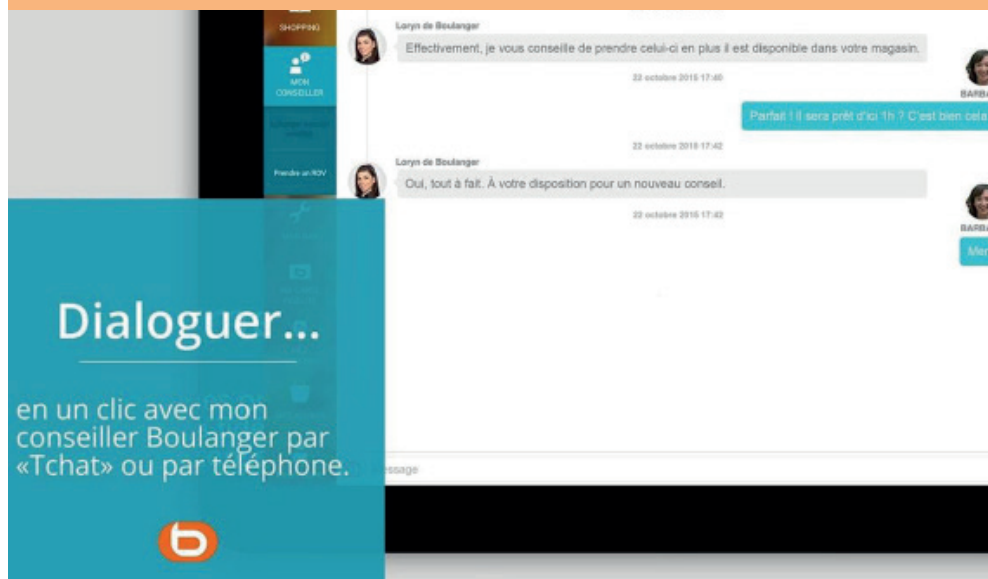


Source: Sephora

4.3 WAYS OF SEEKING ADVICE

CHAT WITH YOUR BOULANGER ADVISER

With its new application, the white goods retailer offers you the Swiss army knife of customer relations. You can ask your adviser questions via a chat or contact him by phone. If you need to, you can also make an appointment with him via the application. We already knew about click-and-collect, now it's chatting with the sales assistant that will develop. The HR stakes are very high! These new modes of interaction must be factored in by training the sales force straightaway.



Source: echangeur by BNP Paribas Personal Finance

Points of contact with brands will evolve from occasional interactions to continuous and ever more natural relations as artificial intelligence spreads. And consumers have a growing belief that artificial intelligence can improve their everyday existence. Their expectations will be boundless!

DISCUSSION

in the meantime, humans still have the art of conversation. Robots respond, but don't know how to chat with consumers. They can't yet ask them how they are, how their new born is doing, in a word, snatches of everyday life. They are faceless. These codes belong to local convenience stores for the time being.

For the brands and retail chains, it is becoming urgent to take over their codes and engage in conversation and advise their customer. On the Boulanger application, customers can chat with humans who can use more personal turns of phrase. It also offers the option of making an appointment for you with an adviser in the store. A reassuring human presence, more importantly if there is a problem for instance. But there is also the possibility of calling an adviser from one's home, as the Walgreens retail chain offers. It puts the consumer in contact with a doctor for an initial diagnosis using a videoconference system.

4.4 WAYS OF SEEKING ADVICE

It is by addressing latent demand for solutions that relieve customers of their chores that brands will be able to effectively imagine what services can be delegated to them or to bots. In so doing, brands will have to reposition themselves as the "coach" of consumers' everyday life.

USING THE NETWORK

Naturally one can also seek advice from one's peers. After all, they are ultimately the most unbiased and accessible advisers. The community moreover can be a lifeline to deal with the worries of everyday life. This is the case for the "between neighbours" kiosk of Lulu dans ma rue, or the breakdown assistance application between motorists launched in Sweden by German car manufacturer Audi. For its part, start-up Ibbü has decided to generate business by offering retailers the first community of enthusiasts so that they can help other customers.

So consumers no longer wait for their problems to be resolved. If retailers fail to act, they organize themselves without them. With the mistrust of brands and the technological revolution, the risk of disintermediation has never been as acute as it is today. Communities may well be tomorrow's new trusted brands! By way of proof, the launch of the "C'est qui le patron" brand in mass retailing, the originality of which lies in directly asking the consumer to draw up the product specifications.

ASKANNA, THE APPLICATION THAT KNOWS HOW TO ADVISE YOU!

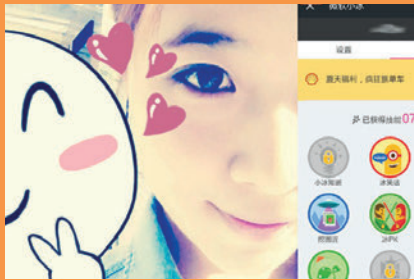
The principle is simple: do your shopping in the Jennifer fashion store, take a photo of yourself using the AskAnna application on the in-store iPads then wait. The idea of this application is to put people seeking fashion advice in touch with available journalists and bloggers who can give such advice. In the space of 5 minutes you'll get advice and comments from users of the application, but also their likes if they like the outfit. No more fashion blunders!



Source: AskAnna

4.5 OUR TOP CHOICES FOR SEEKING ADVICE

Tencent



In China, you think and act like a 16 year-old thanks to XiaoIce, the personal assistant built into your WeChat messaging service. It adapts its answer based on the positive or negative signals sent by its human contacts.

Net-A-Porter



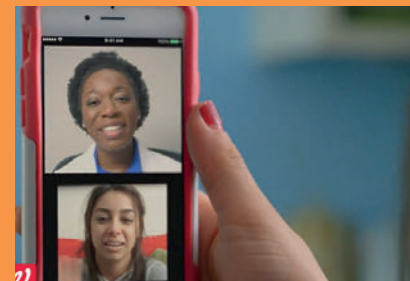
With The Net Set application, you can now share your look with the community, get advice from bloggers or create outfits thanks to visual recognition. You can also use a link to buy an item without quitting the application.

La Roche Posay



La Roche Posay supports your teenager. How? He just needs to download the "En Mode Posay" application. By taking a photo of himself every day, he can see that his skin condition is improving when he follows his treatment. Advice that moves with the times.

Walgreens



You no longer need to go and see the doctor when you feel unwell. The partnership with MDLive, the no. 1 of telehealth in the United States, lets you consult a doctor via videoconference on your smartphone, tablet or computer.

TokyWoky



You want a totally objective opinion? Use the TokyWoky service, with which you can query other consumers in real time. Their advice is remunerated with convertible points so that they can have their own coaching area.

Audi



You have just broken down and your insurance doesn't cover this claim. Call on the Audi community thanks to the Snöräddare application. Geoposition and contact the nearest Audi driver. He'll come and help you quickly and free of charge.



5

BEING RECOGNIZED

BEING IDENTIFIED | GETTING ADVICE | CREATING ONE'S PRODUCT

5.1 WHY “BE RECOGNIZED”

One cannot speak of recognition without addressing the question of loyalty programmes. In France, it is obvious that such systems are unfailingly popular. In 6 years their portfolio has continued to expand, quite a feat on a market reaching saturation point! And yet, although the French use loyalty cards they are far from satisfied with them. Their demands for recognition, privileges and personalization are still unfulfilled. Addressing these dimensions is a key challenge in order to increase “the feeling of belonging to a particular community”, the mainstay of engagement. In a digital world where data is everywhere, finding examples of personalized one-to-one actions is still complicated. The technological innovations of recent years seem however to be able to prepare the way for a more direct and personalized relationship. There have been many experiments in in-store and out-store geolocation, but how many have been successful?

1 out of 3 Italians care about how other people regard them

Source: Echangeur Access Panel 2016

The technological innovations of recent years seem however to be able to prepare the way for a more direct and personalized relationship. There have been many experiments in in-store and out-store geolocation, but how many have been successful?

Only certain sectors like culture clearly seem to emerge relatively unscathed.

Museums like Fluwel’s Tulpenland in the Netherlands, the Guggenheim in New York or the Canadian Museum of Nature in Ottawa have implemented applications that contextualize and enrich visits. But are such applications really deployed to enrich visitor’s experience or simply to cut the cost of purchasing and maintaining audioguides?

However, the need for recognition cannot be addressed only with digital technology, as this is too dependent on consumers’ equipment penetration and usage rate. After all, a relationship starts from the first contact, be it digital or physical. Lego stores have understood this and have a member of staff standing at the entrance to greet customers with a warm “welcome”. In Manhattan’s Home Depot stores, if you are a foreigner you can be assisted by an employee who speaks your mother tongue...

SO HOW TO INNOVATE?

Welcoming and identifying the customers are not the only ways of offering them a unique experience. By way of example, many fashion retailers, like Zalando this year, have launched personal shopping assistant services. For some of them, this physical or digital assistance goes as far as customization and made-to-measure. Creating one’s own product is an idea that nowadays can inspire many loyalty programme managers. Why reward your best customers with money when you can offer them a unique, unexpected and totally personalized gift? Here we are fully in the realm of the **ENHANCEMENT** driver of consumption.

5.2 WAYS OF BEING RECOGNIZED

BEING IDENTIFIED

One year ago, the marketing planet was in turmoil: beacons alone were going to revolutionize the world of retail. All the Internet giants were jumping on that bandwagon. For consumers, this was the beginning of an era of personalization. Recognized as soon as they enter a sales outlet, they would be the subject of particular and personalized attention on the part of retailers. After all, experiments had already been conducted for several years such as payment with facial recognition installed by PayPal with partners like Jamba Juice.

But so far this revolution has clearly not taken place. It is hard to know whether the benefits of geolocation are still too trivial in the eyes of consumers or if they are simply reluctant to use retailers' applications. Geolocation will probably develop for non-commercial services like assistance for persons with disabilities on public transport.

Obviously one can always ask customers to authenticate themselves, for instance with their loyalty card. Some retailers get round the problem in an original manner, like the British restaurant chain Prêt A Manger. Behind the counter, staff can offer their most loyal customers food and drink. No need for an application, loyalty card or beacon ... it is all about the often daily relationship forged between the customer and the sales assistant.

DON'T HESITATE TO GIVE UP YOUR SEAT TO A PREGNANT WOMAN

With beacon technology the South Korean city of Busan has installed a system that automatically identifies pregnant women in the carriage on a suburban train line. This system helps you avoid the faux pas of offering your seat to someone who is not pregnant. When a pregnant woman enters the carriage, her beacon switches on a light signal next to reserved priority seats. Anyone occupying such a seat is thus prompted to give up their seat.



Source: Busan Metropolitan City

5.3 WAYS OF BEING RECOGNIZED

THANKS TO LYCRA, YOU CAN FIND THE RIGHT SIZE OF TIGHTS

Women know that the size of tights depends on weight and size. However, morphology is not just about these two indicators. To provide you with a solution, the Lycra brand has installed a 3D scanner dubbed Lycra Fit Finder in Gatta stores in Poland. When you have been photographed from the front and the side, the application tells you what size fits your corpulence. And it works! In 8 out of 10 cases women are guided to choose a different size from the one they usually choose.



Source: Lycra

RECEIVING SUITABLE ADVICE

Customers like to be greeted by the shopkeeper. Identifying them however is not an end in itself. The aim is to get the best advice. In this context one expects to find a relevant use of the masses of data that have accumulated over the years. Because the entire path to purchase of individuals is now known, with the notable exception of the transaction itself, if it is not made using a proprietary application. Smart data should enable brands to develop an appropriate strategy of contact.

So once again it is the ability to have a one-to-one relationship with the customer that will determine whether a service is successful. This year, the launch of the Magnus application is particularly edifying in this respect. Targeting the world of galleries and modern art, it lets you scan a work of art to retrieve all the relevant information, such as its origin, creator, the concept or even its value. With over eight million indexed works of art, you can thus get an idea of the real price of the work while admiring it in the gallery. Enough to upset art galleries all over the world! Following complaints from three German galleries, Apple has removed Magnus Art App from its app store. But given the reactions of web users, the idea and the proposed experience was nonetheless interesting. A good source of inspiration for enhancing applications in the world of retail.

5.4 WAYS OF BEING RECOGNIZED

CREATING ONE'S PRODUCT

Being recognized and identified as a unique person also plays a part in relations with other consumers. By always dressing at the cutting edge of fashion, fashionistas thus seek to boost their self-esteem in the eyes of others. But how can this differentiate you if you and your like wear the same clothes? Manufacturers of sneakers for instance have all developed customization platforms for their products.

But is that enough to engage with customers? Should they always take the initiative? With data, the brand knows its customers and their preferences in terms of model, colours and obviously size. With these details it can easily create the shoes of their dreams and dispatch them, while giving them time to modify them if necessary. By anticipating their requirements, the element of surprise clearly exploits the recognition driver.

But what about the business model of such a process? Should it be made available to everyone or just to the best customers? Logically, the latter option imposes itself. Because it enriches the relationship by adding an emotional dimension that is missing from financial rewards or services offered to 'gold' customers by loyalty programmes. Another example: you sell your products to DIY enthusiasts. With 3D printing, you can reward them by offering them in store a tool handle that fits their hand! What better way to encourage other customers to spend more in your store.

WITH FRANCE CRAFT, CUSTOMIZE YOUR ELECTRIC CAR

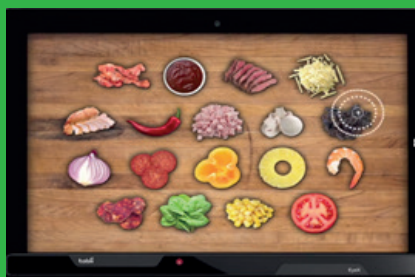
The French start-up purports to be a new type of car manufacturer with its fully customizable Pixel XYT. When you have selected the basic model (town car, utility or taxi), you can then customize all its parts, from the bodywork to the interior, including accessories and engine type (hybrid or electric). It is assembled in the space of a few hours by a garage near your home. As it is upgradeable, you can change any component via the open platform XYT by FRANCE-CRAFT.



Source: France Craft

5.5 OUR TOP CHOICES FOR BEING RECOGNIZED

Pizza Hut



Thanks to eye tracking technology, you no longer need to waste time reading the menu when choosing a pizza. By analysing your eye movements over the available toppings displayed on a tablet, the restaurant will suggest the pizza of your dreams.

TAM Airlines



When you last flew with the Brazilian airline, you were pleasantly surprised to find a magazine entirely personalized to your centres of interest, thanks to your Facebook data. You definitely left the plane with it!

Crédit Mutuel Arkéa



After downloading the application, you are identified when you enter bank branches. Alerted by your presence on a tablet, your consumer adviser comes to greet you, thereby avoiding you having to wait at the reception desk.

Theraflu



Feeling unwell but reluctant to go and see a doctor? With its thermal imaging camera, the Polish billboard detects whether you have a high temperature. You download a selfie of your thermal image then go and see your doctor.

Zalando



To get personalized fashion advice, contact a stylist via #mystylist. After a telephone conversation, he or she will send you a selection of items matching your style. You then choose the items you want.

Transavia



How to choose one's holiday destination? On the Canalplay on-demand video platform you can enter a mood and a film. Depending on these choices, the airline will suggest a holiday matching your desires.



6

REDISCOVERING A BOND

MEETING UP | DAILY SHARING | PASSING ON

6.1 WHY REDISCOVER A BOND

Social media have spread like wildfire in consumers' everyday existence in less than ten years. For the record, Facebook was created in 2004, while LINE and WeChat were launched in 2011! Via these new media, individuals have quickly understood that their friends or strangers can help them optimize their consumption to best advantage. The global success of TripAdvisor is living proof thereof. The opinions of the site's members help me choose between two restaurants, hotels or products.

Henceforth the community occupies a central place in the customer relationship. The direct consequence thereof is that retailers have gradually seen their role of guarantor fall apart. This is borne out by the increasing distrust of consumers regarding customer opinions posted on brands' sites.

This community groundswell in the customer relationship has played into the hands of intermediation. In recent years, many start-ups have come into being around more or less hare-brained concepts. But they all shared the common goal of wanting to put individuals in touch with one another. Last year the trend was "discussion between peers"; an immaterial discussion using an application as the medium. A group appeared to be less important than a one-to-one relationship.

But the fact is that many consumers want something else. That is what the 2016 Echangeur Access Panel reveals. Faced with the virtualization of retail, customers are looking for social ties. They want to meet up, discuss, compare their experiences or share their passions.

69% of French people take pleasure in meeting up and chatting with different people.

Source: Echangeur Access Panel 2016

In this respect, the American retail chain Rei is generally considered best in class. Through its Stewardship programme, its customers and staff meet at regular intervals to carry through projects of use to everyone. By restoring a hiking trail or cleaning the banks of a lake, the community takes on meaning, transcending mere discussion or networking.

SO HOW TO INNOVATE?

Creating social ties, rediscovering local roots. This is the very definition of the **SOCIALIZATION** driver of consumption. Often perceived as a driver for senior targets, this age-bound context must and can be profitably transcended with a view to making real the benefits offered by the group in the eyes of all the members. No doubt that cooperative groups are excellent examples to follow in this respect, to identify services, draw inspiration from them and innovate in areas like gathering together, sharing everyday existence or passing on knowledge to other consumers and between generations.

6.2 WHY REDISCOVER A BOND

MEETING UP

Only one out of four French consumers who are members of a loyalty programme feel they belong to a community. This fact revealed by the Echangeur Access Panel is hardly surprising. So, albeit often described as "relational", few such programmes get their customers to meet up and spend some time together.

And yet some such initiatives exist, like the insurer Maif in France with its "Maif Social Club". Maif customers can contact one another, share and create together. Building a collaborative garden together, swapping homes for the holidays, organizing a school bus service... members help one another directly, without going through the brand.

In so doing they meet up and this naturally creates gathering places. Whether short-lived, as in the case of Ikea, or long-lasting, community-focused stores are increasing in number, like Look Mum No Hands! in London. There are many opportunities for meeting people both inside and outside this bike café: knitting lessons, bicycle outings, speed dating, photo exhibitions or racing broadcasts. In so doing, the community takes shape, creating a particular attachment. This has resulted in the launch of a range of goodies at the request of customers. Which goes to show that social cohesion is indirectly a good driver of sales.

WITH IKEA, BECOME THE OWNER OF A RESTAURANT FOR DINNER

Your apartment is too small to hold a dinner party for all your friends? With "The Dining Club", the Swedish furniture retailer solves this problem. In practical terms, you get a fully fitted-out area for entertaining up to ten new friends. As required, a chef can assist you in preparing your menu for the dinner party. Personalization goes even further by offering you the possibility of choosing the name of your restaurant. For those not lucky enough to be selected, there are interactive workshops, a café and a boutique.



Source: IKEA

6.3 WHY REDISCOVER A BOND

VISIT AMSTERDAM DURING A STOPOVER OF YOUR KLM FLIGHT

When buying your ticket, you hesitated for a long time between an expensive direct flight or a cheaper one with a seven-hour stopover at Amsterdam airport. With "Layover with a Local", no more endless waits at the airport. You can discover the capital of the Netherlands in the company of an inhabitant of Amsterdam selected from among your preferences posted on social media. An original way of starting your holiday. The icing on the cake is that the airline offers you the first round of beer at no charge.



Source: Travel Channel

SHARING ONE'S EVERYDAY EXISTENCE

The development of the peer-to-peer economy in recent years has given wings to the Consumer-to-Consumer (C2C) model. One out of two French people has bought an item from or sold one to another consumer. An unexpected upshot of this is that the word "Uberize" has recently been added to French dictionaries. To counter this threat, retailers have jumped on the bandwagon, like Audi last year with its breakdown assistance application Snöräddare.

Complementing this need for bonds, life-sharing initiatives have appeared. Authenticity has pride of place in Thailand with the "Street Food Bangkok" application launched by the tourist information centre. With it you can safely explore the streets of Thailand's capital in search of its best restaurants. If you are lost, show the address written in Thai in order to be assisted.

Icelandair launched "Stopover buddy" at the same time as KLM. Until now, the Icelandic airline offered its passengers on transatlantic flights a stopover on the island at no extra cost. To enrich the experience, it has asked its staff to welcome passengers on stopovers to introduce them to parts of Icelandic culture. Heli-skiing on snow-covered slopes, horse-riding, fishing, visiting an underground cave or a typical breakfast... just some of the ideas suggested by the "buddies", creators of a unique relationship.

6.4 WHY REDISCOVER A BOND

PASSING ON

Interaction and exchanges start when consumers get together. Why not capitalize on this by organizing training or intergenerational sharing sessions?

That is the mission a young French start-up, Les Talents d'Alphonse, has set itself. It puts young pensioners or seniors in touch with people keen to share their knowledge. Knitting, mechanics, music, DIY or photography are just some of the talents and passions that can eagerly be shared. Besides a financial benefit, the service also helps the elderly re-create social ties in their neighbourhood.

Following on from "community-focused" stores, transmission between generations is thus an interesting way of creating such bonds, one to which consumers aspire. This is all the truer because the targets most receptive to the Socialization driver, which underpins "Rediscover a bond", are the over-fifties. They not only have time on their hands but also the personal and professional skills they have acquired throughout their lives. In search of social interaction, they can be the human resource that the retailer can put at the disposal of other members. In return, these newly trained people can help the elderly keep up with a fast-moving world. A win-win relationship in which the retailer acts as the go-between.

LEARN TO DO YOUR DAUGHTER'S HAIR WITH DADDY DAUGHTER HAIR FACTORY

You are a single father faced with an apparently insoluble problem: how to do your daughter's hair properly every morning. Phil Morgese, an American living in Florida, has decided to take himself in hand and learn how to do it. Since then he has been sharing his tips and tricks with other fathers. In an informal setting they can chat, share their experiences and learns the basic of hairdressing. At the end of the lesson, haircare, basic accessories, elaborate plaits and buns no longer hold any secrets for them.



Source: Daddy Daughter Hair Factory

6.5 OUR TOP CHOICES FOR REDISCOVER A BOND

CNA English School



To improve your English, no better way than to practise it. To avoid paying for an air ticket, go to one of the language schools. Contact one of the residents of the American partner retirement home and chat.

REI



You have just come back from a magnificent hike and wish to share your pleasure with the members of the community. Send a photo to your store. It prints it and posts it up on the wall provided for the purpose to suggest a new idea for hiking to the other members.

Lulu dans ma rue



Struggling with the pace of life in Paris, you are pressed for time. Your neighbourhood concierge service is there to help you. Dry-cleaning, moving house, building work or walking the dog, just some of the odd jobs the Lulus can do to alleviate your day.

Biscoitos Zezé



In Brazil, the Zezé brand of biscuits invites you to take a break in your day. Just pick up a cover and spread it out on the ground. You can then invite your friends or passers-by to create a physical social network.

Fortune Foods



Your son no longer lives at home and you are worried about his health and diet. Contact a replacement mother who lives in the same city as he does. She will look after him and cook his favourite dish just like at home.

Virgin Money



This originally digital bank opens its Lounges to you in the United Kingdom. There you can enjoy a coffee, read the papers, arrange a meeting of your bridge club, enjoy a concert and incidentally seek some advice on the management of your finances.



7

BEING ACCOMPANIED ON A DAILY BASIS

SHARING ONE'S DATA | COMMUNICATING OPENLY | HELPING ON A DAILY BASIS

7.1 WHY “BEING ACCOMPANIED ON A DAILY BASIS”

Confronted with the development of e-commerce and the continued expansion of the peer-to-peer economy, retail chains need to find new forms of differentiation. The fact is that pricing alone is not enough because by its very nature it is not persistent. By offering services they will discover new areas of legitimacy and thus of customer engagement. This will be all the stronger if the brand can modify its stance. By being on the side of the consumer, it distances itself from its commercial role and provides welcome everyday assistance.

Recently, the French retailer of household appliances Boulanger has opted to assist its customers in the fight against built-in obsolescence. On its new “Happy 3D” platform, it gives them the possibility of downloading the 3D plan of the faulty part. They can thus repair their appliance rather than throwing it away. To take this approach one step further, the retail chain has entered into a partnership with 3D Hubs, the Dutch 3D printing network. If the customer doesn't have a 3D printer, he can go to one of the network's members to print out the document.

So the next step will be to offer an area where customers can carry out their repairs. That is what the founders of Mon Atelier En Ville have done in Paris. A fab lab workshop operating on a self-service basis to let people do their DIY projects and creative leisure activities. This space follows the “Rediscovering a bond” trend and the idea of passing on knowledge.

Naturally, Mon Atelier En Ville opens its doors to experienced teachers who propose lessons for adults, but also for children, for instance teaching them woodwork, silkscreen printing or making their own jewellery.

50% of French people try to meet people, going to places of inspiration.

Source: Echangeur Access Panel 2016

The direct consequence of this trend has been that the role of sales assistants has evolved. They are no longer seen huddled over their computers to advise the customer. Equipped with tablets, they can show product ranges or financing plans directly in store.

SO HOW TO INNOVATE?

For customers to agree to be accompanied on a daily basis they need to have full confidence in the retailer. One driver of consumption alone, **FORETHOUGHT**, epitomizes this expectation. The idea is to release customers from their current and future constraints by being their daily partner.

That done, the customer relationship becomes a long-term one on an equal footing. However, both parties in the relationship first have to evolve by sharing their data, communicating openly and agreeing to be helped on a daily basis.

7.2 WAYS OF “BEING ACCOMPANIED ON A DAILY BASIS”

SHARING ONE'S DATA

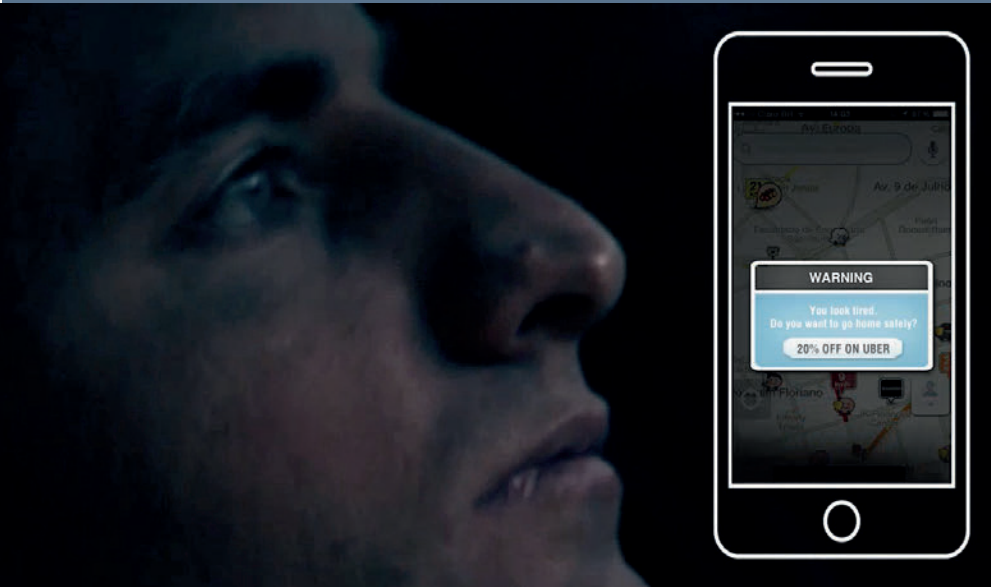
With the digitizing of the customer relationship the question of data, its usage and customer behaviour in that respect re-surfaces. It is up to the latter to consciously choose whether or not to share their data. Indeed, few consumers complain when they receive an alert on their phone prompting them to drive another way because a there is a bottleneck ten kilometres further on. Even though they asked nothing of Google ...

In fact, the question is whether or not the service is useful. In other words “the right message for the right person at the right time”. The South Korean initiative in the city of Busan clearly illustrates this idea. Pregnant women are encouraged to pick up a beacon to avoid travelling standing up. When they get on the train, it switches on light signal prompting other passengers to give up their seat. This is far removed from the promotional push that some people imagined with the development of geolocation solutions.

Likewise for the Walgreens chain, which for two years has rewarded customers who take exercise. To earn loyalty points, customers log on to their “Balance Rewards” account, their applications (MapMyFitness or RunKeeper) and connected objects (Fitbit, iHealth or Jawbone). Then the retailer can just propose new services using that data, why not in partnership with MDLive, the online network of doctors.

THANKS TO WAZE, DON'T DRIVE IF YOU ARE TOO TIRED

Many road accidents are caused by drivers who are tired when they take the wheel. In Brazil, students have devised a new feature for Waze, the well-known GPS application. It shuffles the keys on your smartphone's keypad. If you take more than thirty seconds to input your destination on this shuffled keypad, the GPS will automatically consider that you are too tired to drive. You are then given a 20% discount on an Uber ride to ensure you get home safely.



Source: Adeevvee

7.3 WAYS OF “BEING ACCOMPANIED ON A DAILY BASIS”

GO AND MEET CAMIF'S SUPPLIERS

For three years now the French retailer, specialized in household goods on the Internet, offers its customers the possibility of meeting its suppliers. After narrowly avoiding bankruptcy, Camif, which has gone digital at the instigation of its taker-over Matelsom, has gone local. The 12 stages of its Tour de France are opportunities to showcase French know-how. They are also a unique opportunity to meet customers, talk with them to prepare for the future, being ever more mindful of their requirements.



Source: La Camif

COMMUNICATING OPENLY

Evidently, after putting their trust in a retail chain, consumers may at times be disappointed. This is more particularly the case when they receive lots of promotional e-mails from their favourite store. The customer relationship should be transparent and honest. Only then will customers sustain their belief in the retail chain.

One best practice in this respect is still the Audi or Ridgeway repair centres in the United Kingdom. Noting that motorists generally place little trust in their garage mechanic, both companies have opted to show what repairs are needed. On their computers, customers can compare the state of their brake pads compared with new ones. If they are convinced, they just click to order the repairs.

La Camif takes up this idea of transparency with its Tour de France, or with its peer-to-peer sofa testing service “Près de chez Vous”. The idea of turning its customers into salespersons has also been taken up by car manufacturer Dacia. With its “Open car doors” campaign, prospective customers can contact the owner of a Dacia and arrange a test drive in real conditions, without the bias of a salesman from the brand! A way of revolutionizing the job of salesman while also raising the question of the usefulness of car dealerships in their present form.

7.4 WAYS OF “BEING ACCOMPANIED ON A DAILY BASIS”

HELPING ON A DAILY BASIS

With this choice of transparency, the retailer stays close to its customers. It will thus develop solutions making daily life easier for households. The more far removed services are from the company's core business, the more useful they are for customers and consequently the more they cultivate engagement in the long term. Volvo has indeed met with success in this respect; after a full-scale test in Göteborg, it extended its “In-car delivery” service (delivery directly to the boot of your car) to Stockholm and Malmö.

Helping one's customers also means helping one's staff. After all, they too are consumers, just like the others. Since its creation, The Container Store particularly pampers them with its programme “1 great person = 3 good people”. BY training them better and paying them more than any other retail chain, the brand creates a close relationship, which is reflected customer-side in the store's various sections.

This idea of engagement, of a different and privileged relationship on a daily basis has also been embraced by Rei, some of whose shareholders are customers. During the last Black Friday, the retailer opted to close and let its staff spend the day with their family to enjoy their shared passion: nature. In the end, the #OptOutside operation was followed more than one million times on social media! What better way to boost brand awareness with staff, current and prospective customers. A great way of engaging in a new relationship with them.

USE SNAPCHAT TO SCREEN FOR CANCER IN YOUR CHILD

Retinoblastoma is a malignant tumour of the retina, of genetic origin. Particularly difficult to diagnose, it appears in children under 5 years old. With its new filter, Snapchat Eye Opener, the American application lets you easily identify it. Just take a photo of your child with your smartphone, using the flash. If a white mark appears on one of the retinas, the application notifies you and advises you to quickly consult a doctor or a medical diagnosis.



Source: Waner Almeida

7.5 OUR TOP CHOICES FOR BEING ACCOMPANIED ON A DAILY BASIS

Momo



The Chinese dating network Momo calls on your services and those of the other 78 million users to help find lost children. If you have any information, warn the authorities. The first 72 hours after the disappearance are crucial.

Claro



Like other Costa Rican women living in the country, is your role limited to housework? Telecoms company Claro helps you start up your own micro-company by painting your satellite dish in the colours of your talents.

Sephora



Do you have a job interview scheduled? To take no chances, go to one of Sephora's American retail outlets. The staff will freshen you up at no charge.

Ridgeway



Unless you are a mechanic, it's hard to know whether the repairs your garage recommends are warranted. Thanks to the video the garage mechanic filmed while inspecting your vehicle, you can see on your computer the parts that need changing and confirm the repairs with confidence.

Unibail



You want to experience the clearance sales calmly, taking your time. Leave your children at the reception desk of your shopping centre. The staff will take charge of them, take them to the cinema and bring them back when you have finished shopping.

Fifth Third Bank

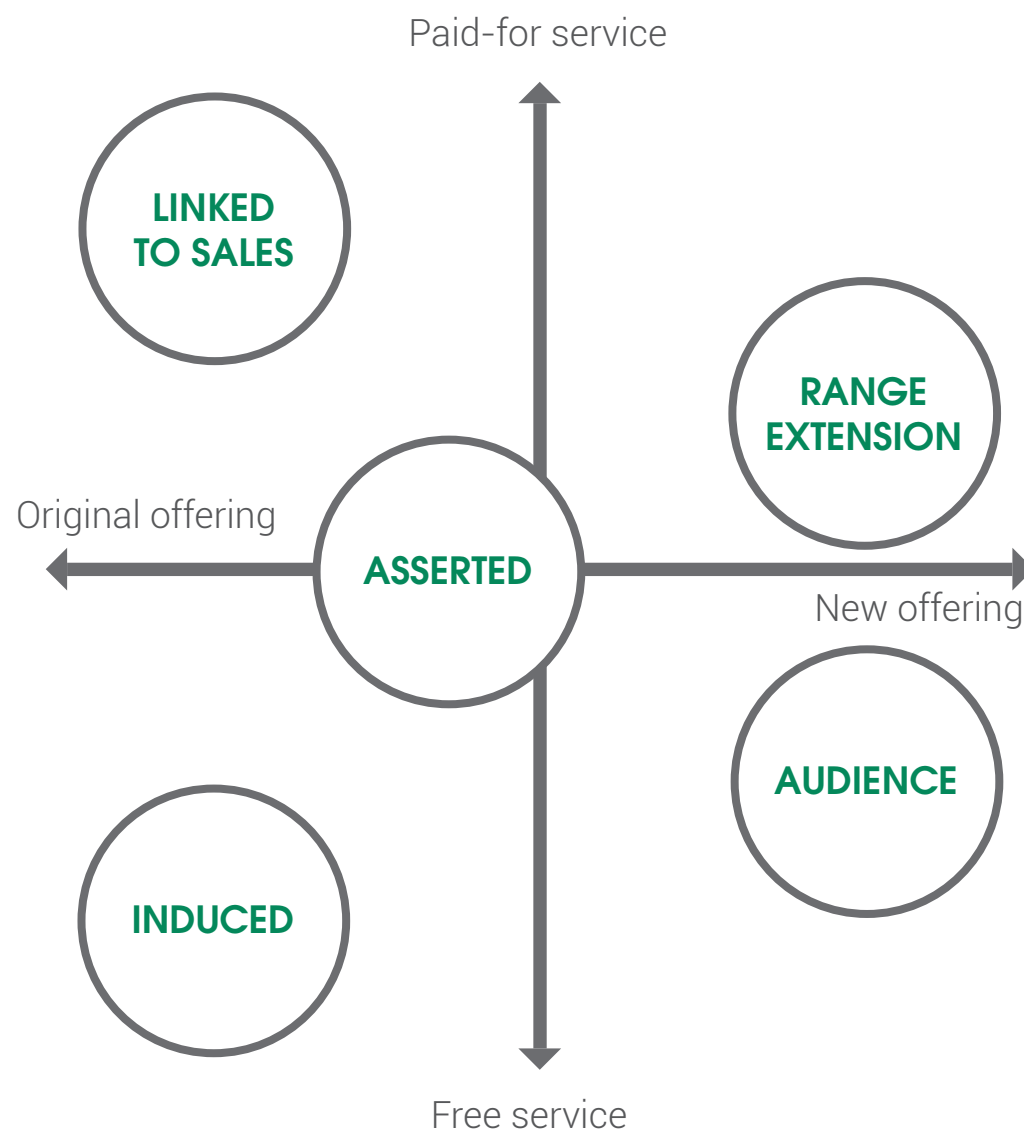


You have just lost your job and are having difficulty making your mortgage repayments? Call your banker quickly! With its "re-employment" programme, he will coach you and help you quickly find a new post.



**MAKING WAY
FOR
INNOVATION**

INNOVATE TO ENGAGE WITH THE CONSUMER



INDUCED SERVICES, and thus free, are part of the unspoken contract between the retailer and the customer. They should be the subject of particular attention: clean toilets, quick checkout, e-mail confirming shipment, etc.

ASSERTED SERVICES, whether paid-for or free, form the foundation of the retailer's differentiation. They include a whole range of valued support and care services: child minding, VIP lounge, commitment charter, etc.

SALES-LINKED SERVICES are directly connected to the product or service. These paid-for services increase the average spend by offering customers the additional solutions they expect: extended warranty, alterations, express delivery, etc.

AUDIENCE SERVICES help retailers leverage their community of customers with other economic agents. In so doing it offers new services: marketplace, communities, referring a policyholder to a builder after water damage, etc.

RANGE EXTENSION SERVICES, also paid-for, move away from the basic offer and capitalize on the confidence the customer puts in the retailer. The customer will accept new services and products, such as van hire, home collection of luggage or coaching and empowerment sessions.

IN DETAIL: THE WALGREENS CASE

SALES-RELATED SERVICE

Photo printing

In the store, you find all the practical services you need to improve your everyday existence.



ASSERTED

Refill

Scan the barcode on your medicine to re-order it before running out.



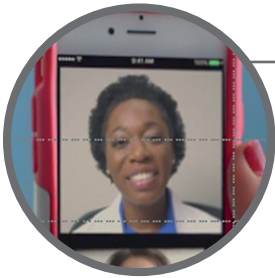
INDUCED

24/7 opening times

You can go to a sales outlet at any time of day or night.



Paid-for service



AUDIENCE

MDLive

You can arrange a videoconference with your doctor thanks to the partnership with MDLive.

New offering



AUDIENCE

Healthy Choices

Take exercise to avoid falling ill. You will be rewarded with loyalty points.

Free service

Original offering

IN DETAIL: THE REI CASE

SALES-RELATED SERVICE

Bike + Ski Shop

Have your bike repaired or skis serviced directly at the point of sale.



Paid-for service

RANGE EXTENSION

REI Adventures

Discover the world with the travel agency of your favourite retail chain.



ASSERTED

Members in action

Send a photo of your latest hike to have it put on display in store.

Original offering



New offering

INDUCED

Expertise

You go to REI for its expertise. The retailer assumes its expertise with, for instance, "We know yoga".



Free service

AUDIENCE

REI Stewardship

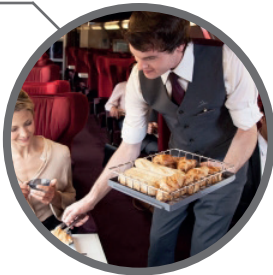
You like nature? Give up some of your time to help staff and customers maintain the nature areas near your home.



IN DETAIL: THE VOYAGES-SNCF.COM CASE

SALES-RELATED SERVICE

Have a meal in your seat
Have lunch sitting comfortably and go to your next meeting in good form.



ASSERTED

Home luggage service
Go on holiday without your luggage. It will be delivered to your holiday resort.



INDUCED

Toilets
Before boarding the train, make a flying visit to the station's toilets.



Paid-for service

Original offering

New offering

Free service

RANGE EXTENSION

Mobility
Whatever your mode of transport (train, bus, car or taxi), find a solution matching your budget.



AUDIENCE

Kidygo partnership
Your children travel in the company of a "kidysitters" student.



IN DETAIL: THE MAIF CASE

SALES-RELATED SERVICE

Maif First

Factor in new consumption patterns when calculating your home insurance.



Paid-for service



RANGE EXTENSION

Nestor

Group all your bank accounts together in a single personal finance management tool.

ASSERTED

Maif Auto Coach

Take a photo of a number plate and get a car insurance quote.

Original offering



New offering

INDUCED

Zero Handicap

Have a contract that covers your disability.



Free service



AUDIENCE

Maif Social Club

Join the club to exchange views, chat with or help other members

IN DETAIL: THE VOLVO CASE

SALES-RELATED SERVICE

Volvo Komfort

Apply for an extended warranty of up to 6 years.



ASSERTED
On Call

Find your parking space, turn on the heating or contact the emergency services with the "On Call" application.



INDUCED
Volvo Assistance

You have 24/7 cover for 3 years.



RANGE EXTENSION

Life Paint

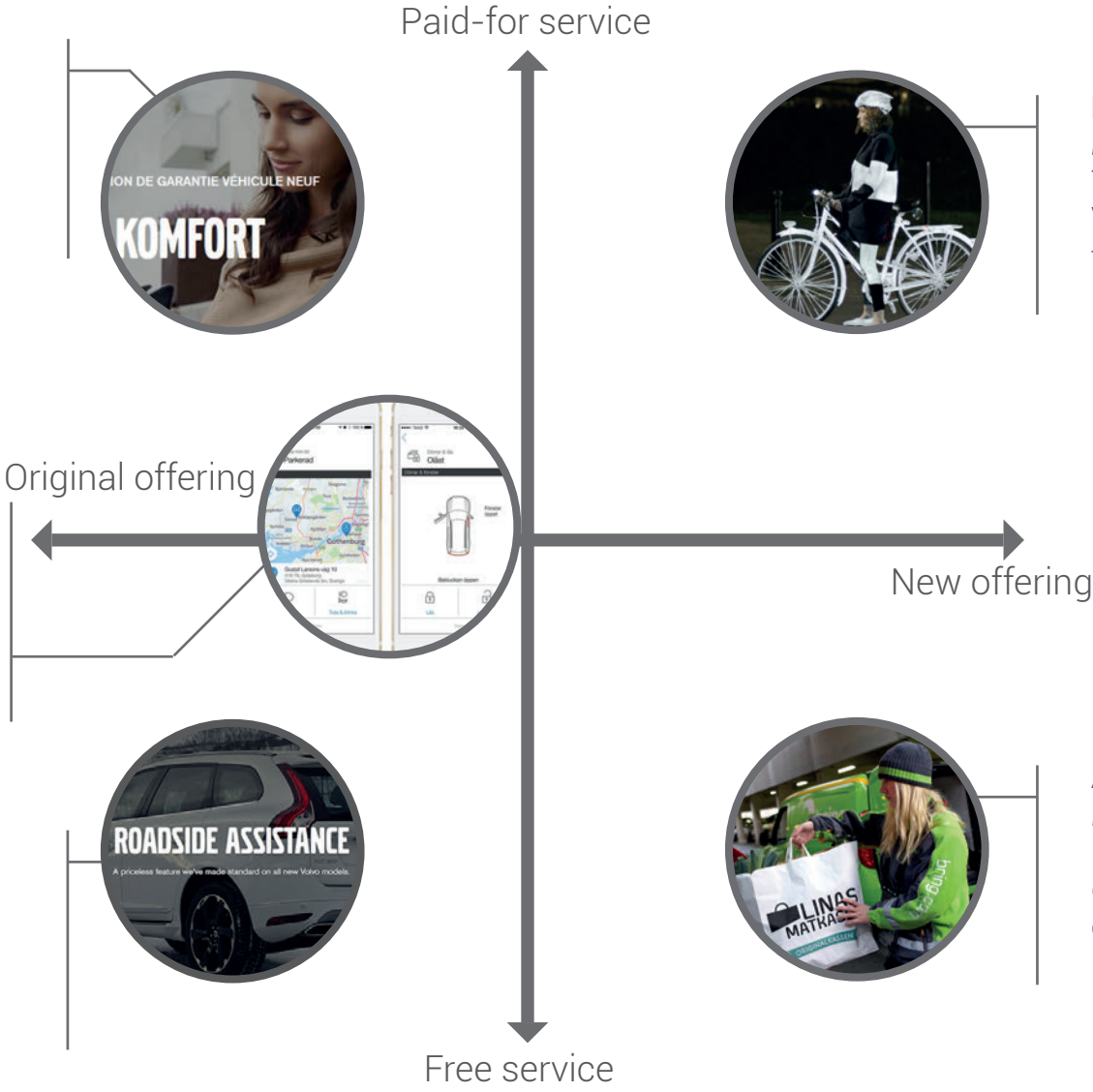
To help you avoid accidents, Volvo paints cyclists to make them visible at night.



AUDIENCE

In-Car Delivery

Have your online purchases delivered directly to the boot of your car.



GOING FURTHER: THE ECHANGEUR CLUB

JOIN THE
THE



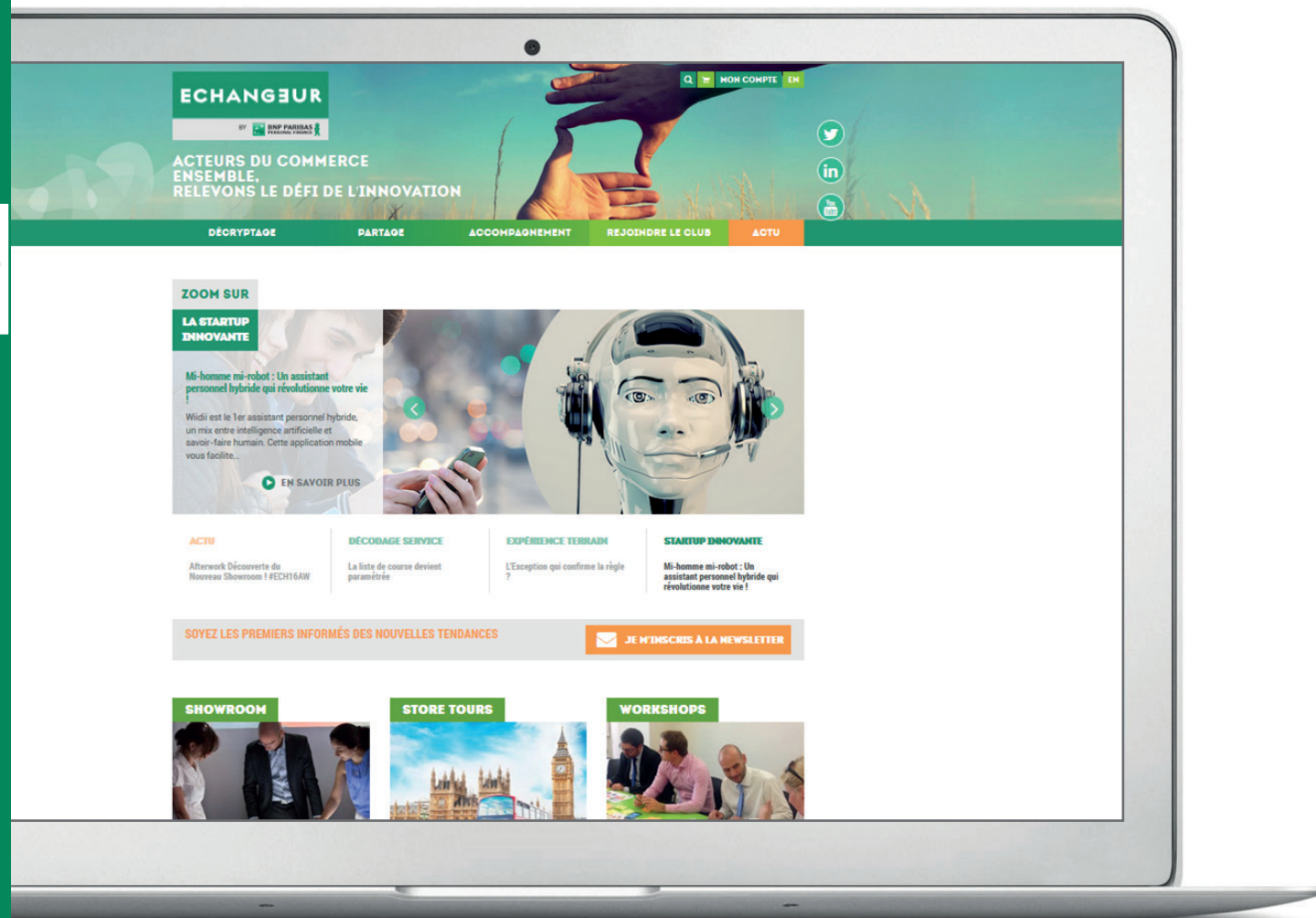
Demos on technological innovations and their uses.

More than 300 Business Cases already available

Access to the CLUB's privileged meetings

Access to the Commerce Reloaded & Innovate Service-centric conferences

Dedicated publications offering a regular focus on topical subjects



ECHANGEUR

BY



BNP PARIBAS
PERSONAL FINANCE



CONTACT

+33 (0)1 58 61 92 95
info@echangeur.fr

Echangeur
143, rue Anatole France
92300 Levallois-Perret
FRANCE

www.echangeur.fr



@echangeur



[www.linkedin.com/
company/echangeur](http://www.linkedin.com/company/echangeur)



BNP PARIBAS GROUP

RCS RETAIL SUMMIT