

Trends and Futures 2018
A Telenet Trend Report

FROM CONNECTED TO CONNECTION

Preface

The telecom sector is a rapidly changing industry. In order to stay ahead, companies are constantly challenged to think different. Society demands that companies evolve and take up leading roles.

At Telenet we are dedicated to embrace that change. We monitor what's happening in the world around us and how the expectations of customers evolve, by researching trends and doing customer research. When surveys showed that the store satisfaction of our customers was sub optimal, our company was adamant to rev things up. Some of our shops (e.g. in Ghent and Wijnegem) have already been revamped. Due to its unique location and architecture, Antwerp offered us the opportunity to take our retail strategy to the next level, resulting in the Telenet Antwerp Flagship Store. With this store, we want to offer the best retail environment for our customers: first-class personal service, space to explore and experience entertainment and devices and a co-work space where people can work, meet, exchange and where they

can be inspired by new technology and digital innovation, at their own pace.

This report - made together with the trend experts of Trendwolves - explains how and why we decided to take the plunge and reinvent ourselves. More importantly, it gives insight into a range of consumer trends and retail trends that collectively form the inspiration for our retail strategy. And we'll get to the core of how all these developments impact the telecommunication industry, now and in the years to come.

So kick back and read along as we explore the contours of a (tiny) telecom revolution ;-).

Gerald Demortier,
vice-president retail at Telenet

A handwritten signature in purple ink, consisting of a stylized 'G' followed by a horizontal line and a vertical line.

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1. Things are shaking

Telecommunication is perhaps more important than ever. Not only does it shape our digital lifestyle, our dependency on technology will increase even more as we thrust our way into the future.

The -exceedingly complex - world changes at an ever-accelerating pace. There is a whole bunch of factors - economic, social, political, competitive and technological- of which it is hard to get a grip on. Many disruptors challenge the industry in a variety of ways. Amidst all the discord, it is key to consistently evaluate what changes are unfolding and how their impact manifests itself.

It all comes down to gathering, analysing and ultimately implementing all these insights to make them effective. By making a thorough study of how your consumer group is changing, in what direction(s) your market and/or industry is evolving, and what long-term societal tendencies are setting in, you can develop - and thus anticipate

on - different scenarios for the future. Yes, that's where reports like this enter the game.

Embracing change is the way to go when you want to open the door to innovation and value creation. And in a sector that is based on 'connecting people' change penetrates deeply, leaving no stone unturned.

2. Complex Consumers

The importance of understanding why consumers act a certain way and what influences shape their perceptions can't be stretched enough.

The consumer is nowadays not only king but also the CEO of his own life, audiences have become increasingly self-assured and vocal.

Through widespread access to and use of electronic devices, consumers today are more connected to one another and the world around them, than ever before. This continuous access to technology has enkindled new forms of communication, participation, organisation and education and it has particularly given rise to a huge emancipation of the individual.

As a result of all this, the macro supply-driven economy has been replaced by a micro demand-driven economy, causing businesses to become much more consumer-centric. In

contrast to bygone times, it is now the consumer that drives change.

While decades ago marketers where able to push certain products and behaviours onto consumers, consumers are now in the lead, urging brands to ride along the - complex - cultural waves.

2. Complex Consumers

2.1. Fluid Consumers

**Indefinable,
ever-changing
and disloyal
consumption
patterns**

Given the increased mobility and migration flows and the virtually unlimited access to any kind of information, people's identity, tastes and preferences are unfolding in unforeseen fluid ways. Consumers now have far more options, more freedom and more diverse parameters to set their status standard than ever before in history. In this post-demographic era, businesses need to know how to handle a highly diversified audience of individuals that require a customized approach, but won't easily give loyalty in return.

UNBOXING

Traditional viewpoints on race, nationality, family, age and gender are a relic of the past. The recent discussion on gender neutrality conspicuously laid bare how people absolutely dislike to be put in boxes. In response to all this gender disorder, brands like **Zara** decided to launch gender-neutral clothing collections. To many consumers though, it wasn't so much about gender neutrality. Rather, it was about the freedom to exploring and redefining both genders. In reaction thereupon, Hema recently abolished all gender identifying labels in their children's clothing.

FRESH FREEFORM PARADIGMS

In line with this, traditional life stage boxes are also not considered attractive any longer. Young parents for instance don't like to be identified solely as a parent. They are keen on maintaining their personal style and are not eager to slack on their hobbies or interests. **Bugaboo** is one of the brands



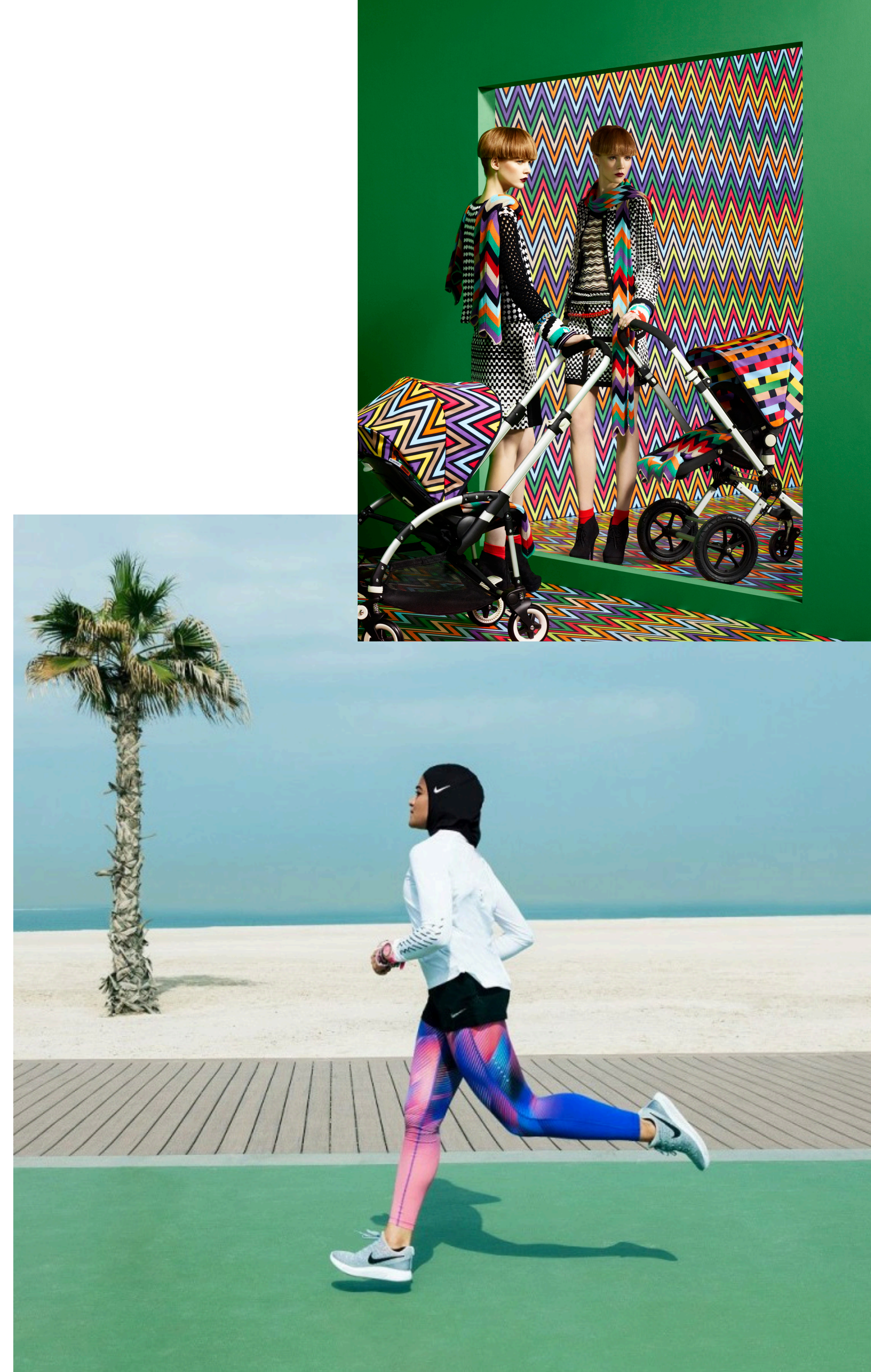
that truly understands this sensitivity and did collaborations with fashion houses and Vogue, representing mothers in a trendy way.

WE CAN ALL DO IT

The desire for self-actualisation and personal development is an important driving force of consumerism. Amidst these on-going transitions, they expect brands to acknowledge their struggles and support them in realizing their dreams, no matter what their gender, religion or food allergies are. Last year, **Nike** was met with quite some controversy when it launched the Nike Pro Hijab campaign. Staying true to its brand DNA, it referred very eloquently to its founding mission to serve athletes, using its signature addendum: if you have a body, you're an athlete.

STATEMENT CONSUMPTION MODELS

Not all consumers appreciate the abundance of options and opportunities in which they are con-



tinuously searching for the best option. Some, like Mark Zuckerberg for example, decided to only buy series of similar jeans, t-shirt and grey sweaters. By skipping decisions about how he should dress every day, he has more energy to decide on more important issues. Some subscription services are another way to make a consumption statement. **LOT2046** decided to distribute a basic set of clothing, footwear, essential self-care products, accessories and media content. To eliminate clutter, the clothes are dispensable: as soon as they wear out, they can be bundled and returned.

HYPER-PERSONAL SERVICE

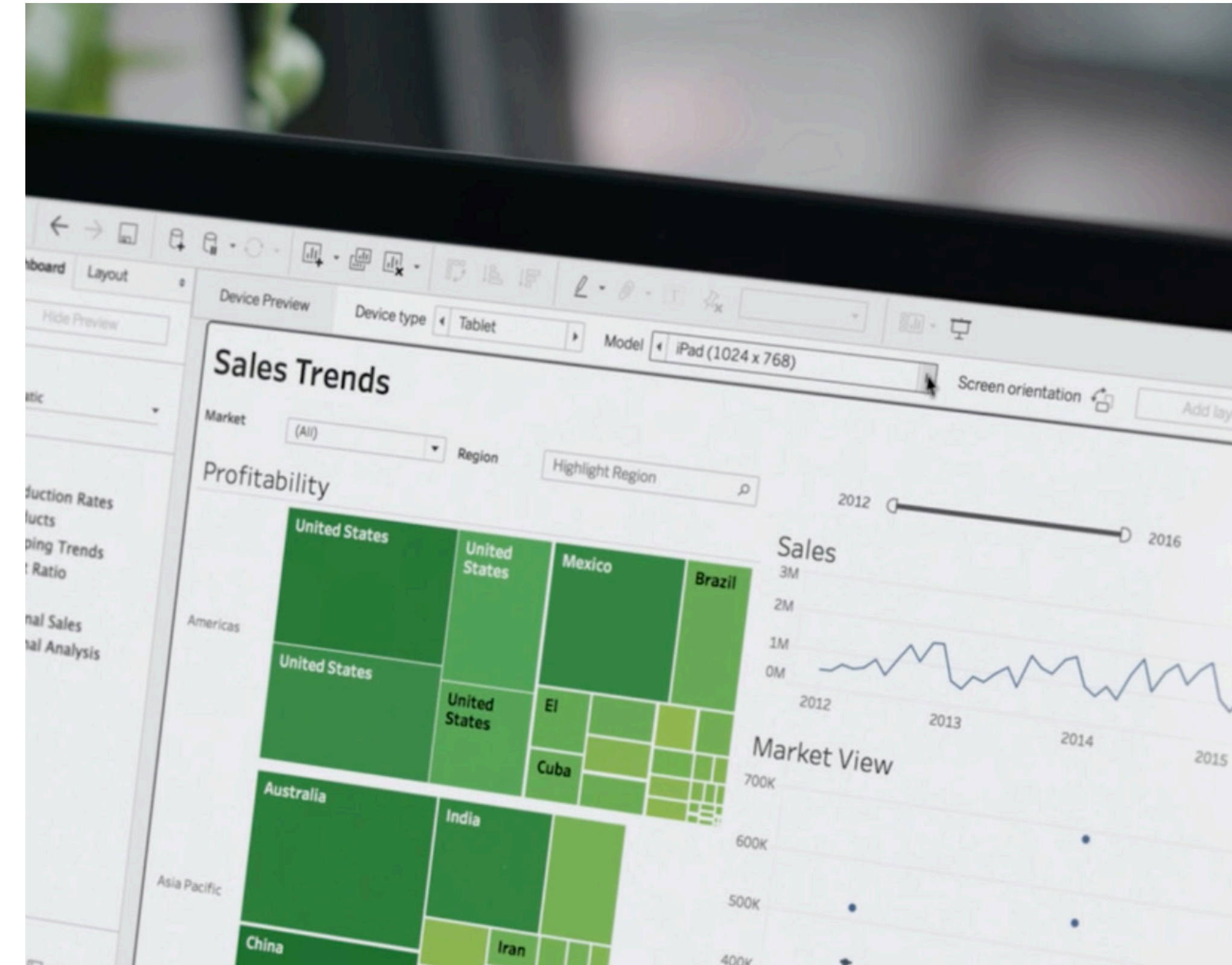
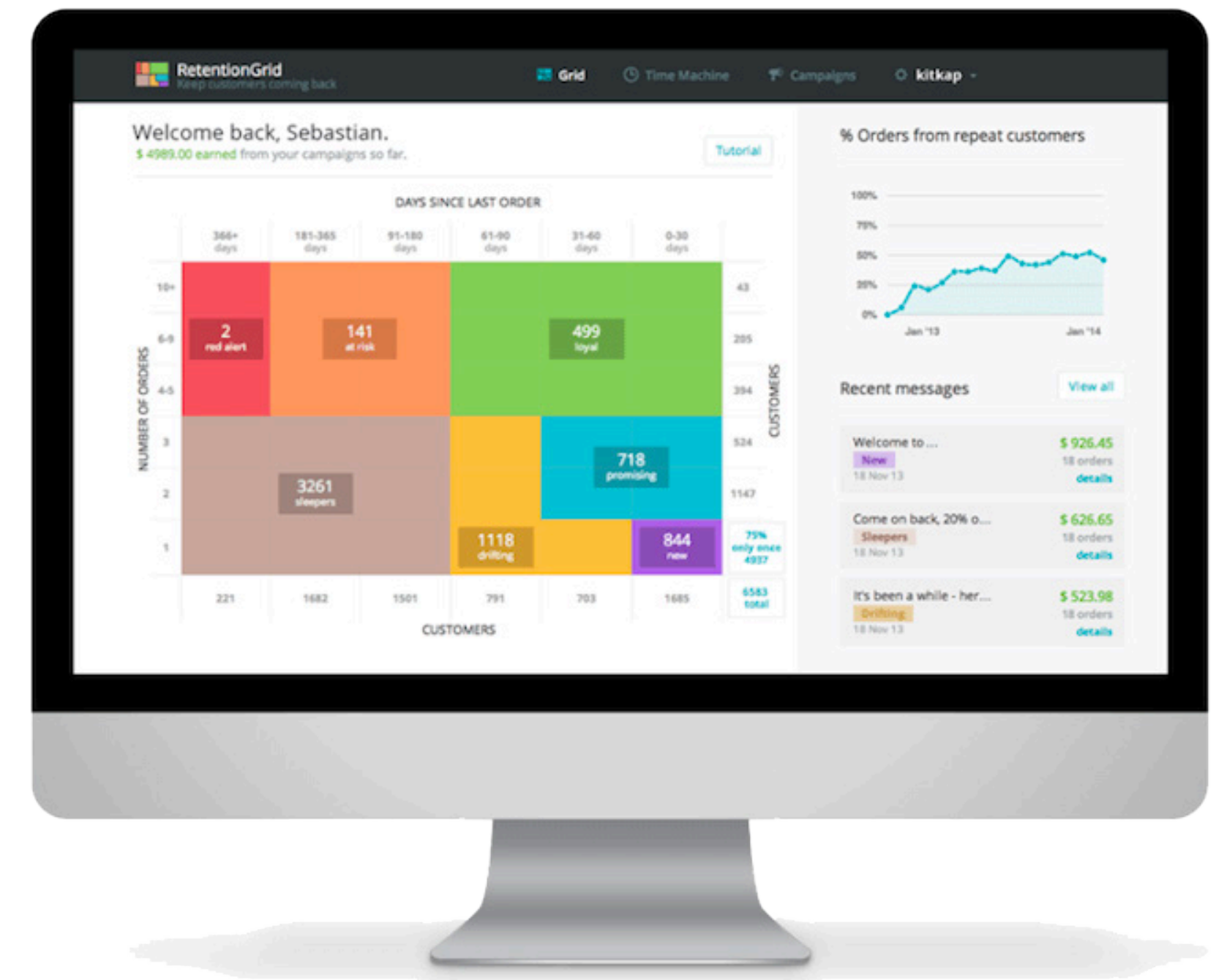
Consumers today are not only difficult to define, they also interact with companies through multiple interaction points – mobile, social media, stores, e-commerce sites and more. This dramatically increases the complexity and variety of data types you have to aggregate and analyse as a brand. Deeper, data-driven customer insights are critical to tackling consumer



challenges. They can yield insights you never had before — for example, who are your high-value customers, what motivates them to buy more, how do they behave, and how and when is it best reach them? The need for analytic software such as **Retention Grid** - that provides data in easy to understand colour-coded graphs, while also giving suggestions on how to best reach the different segments - is growing.

FROM INSIGHTS TO PREDICTION

To make that impossible customer a bit easier to handle, there are several handy tools and strategies to choose from: predictive analytics that allow companies to enhance business intelligence by forecasting what customers are most likely to buy in advance; monitoring customer purchasing behaviour and social media activity to drive timely offers by enhancing business intelligence; testing and quantifying the impact of different promotional actions through thorough data analysis.



KEY TAKEAWAYS



- Drawing in new consumers happens through targeting mindsets and need states rather than traditional demographics.
- Consumers want to be supported in their struggles and connect with brand based on shared values. Personalisation and curation according to one's needs, are essential.
- Today's fluid consumer not only doesn't accept a 'one size fits all' approach, he also expects you to be aware of their different roles in life.
- One-on-one customer relationship management became achievable through data supported customer behaviour analysis and targeted promotions.

"Accommodating to the needs of today's exceedingly complex, post-demographic consumers is challenging. We are constantly optimizing our digital tools that help us give the best service to each of our customers."

Olivier Severs

Senior marketing manager retail at
Telenet

2. Complex Consumers

2.2. Social Decisioning

The growing importance of peer-influence and social media

On one hand current-state consumers are very equipped when it comes to spreading information about brands within their own network. On the other hand people trust other people within their network more than any other source. When it comes to friends, family, people similar to them, but also social media personalities or groups on online platforms: their influence on consumption patterns is only expected to increase. Mostly for the younger generations, social media are becoming more important as inspiration, conversation and buying channels.

PEER-TO-PEER RECOMMENDATION

Peer-to-peer involvement has become the new standard. Whether it involves consumption, commerce or communication, most are remarkably keen when it comes to voicing their opinion. People are excellent online researchers, particularly when it comes to big purchases. Websites that offer product comparison engines and/or tables are greatly appreciated. But the most important and quickest parameters for consumers are the endorsements by peers, people with whom they share kinship and who lack any commercial intention. 48% of Gen Z and 44% of Gen Y often or always receive input from friends and family before making a purchase.

ONLINE INFLUENCE SPHERES

The more complex our world becomes, the more people are inclined to seek safe circles, which guide them when they have to make important decisions. Nowadays the internet harbours count-

Katleen Willaert
November 14 at 1:27pm · 1

Waar vind je het grootste assortiment gedroogde peulvruchten?

Like · Comment

Lies En Pieter Cattersel-Heeman Op de markt? Bij een kraampje met zuidervruchten enz?
Like · Reply · 1 · November 14 at 2:18pm

Sofie Van Hoya Pit&Pit? is wel ne webshop ...
Like · Reply · 1 · November 14 at 2:25pm

Sunna Lenaerts replied · 1 Reply

Thibault Willaert pit en pit levert heel snel, wij gebruiken die voor noten en zaden om granola te maken 😊
Like · Reply · November 14 at 7:55pm

Katleen Willaert merci iedereen
Like · Reply · 1 · November 14 at 9:32pm

Katleen Willaert replied · 2 Replies

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chan...
Belgium and the Netherlands!

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CISSP Training
104 Pins

Electrical Technology
5 Pins

Electrical Wiring
4 Pins

Basic Electronics
18 Pins

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Follow

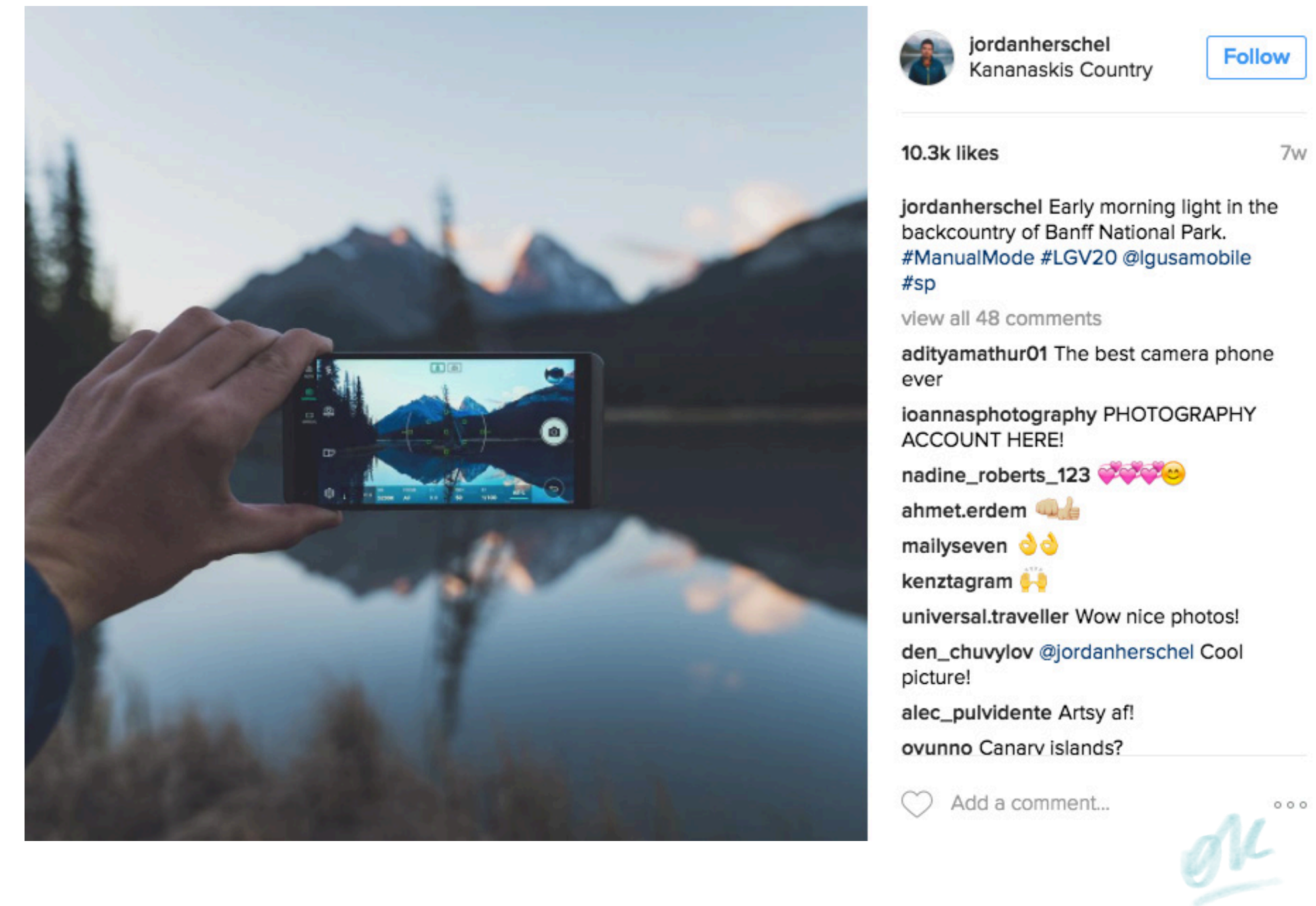
Follow

Follow

less of communities that are based on shared interests, using hashtags such as #GameOfThrones or #fashionblogger. Often they don't necessarily know the other members within a certain circle personally. Here, sharing a social identity is enough to build a solid foundation of trust. Some groups serve a well-defined purpose, leaving little to the imagination: the **Facebook group** 'We want Nordic TV channels in Belgium and the Netherlands' for example set out a clear goal.

INFLUENCER MARKETING AND RELATIONSHIP BUILDING

Where it involves passive browsing or posting messages on online communities, consumers are very active on social media. Through these platforms they seek out information and inspiration that neatly accords with their taste and vision. As a result of these developments, 2017 was a year where marketers spent big amounts of their budget on influencer marketing, to pay social media stars with



huge followings to post about their products. Many influencers didn't really have a link with the brands they were promoting though. Hence, micro-influencers entered the stage, each with their own specialisation. **LG** for example partnered with several photography influencers on Instagram to develop, publish, and promote brand sponsored Instagram photos showcasing the new smartphone.

SOCIAL MEDIA SHOPPING

Digital media has altered the way people connect with others, how they consume news, how they develop tastes and even how people shop. Social media platforms have dipped their toes into commerce, both for consumer-to-consumer as for business-to-consumer sales. **Facebook, Instagram** and **Pinterest** have all jumped into the social commerce game in one form or another. All these new and upcoming social commerce technologies have shortened the path between consumer and product, which in turn increased revenue. But higher sale numbers are not the only thing on the table. It also

“Functional buying is over. People want to be inspired, and find out more about the products they like as immediate as possible. Interactive and shoppable content is unquestionably the future”.

Michel De Wachter
Co-CEO Spott

helps businesses to effectively interact with customers and provide interesting customer data. Consequently, this information can be used to improve social marketing strategies to complete sales via social media.

- 44% of Gen Z looks for inspiration on social media
- 37% uses social media prior to making a decision
- 66% is interested in buying products and/or services via social media

COMMUNITY INVOLVEMENT

Having a shared social identity is a crucial component in building trust and it impacts people's purchasing decisions. Creating or connecting with communities makes the world of a difference for brands. Online peer communities can be used for post-sale support – such as **Telenet Netweters**.

Interestingly, offline meetings are starting to play an increasingly greater role in the development of online communities. For instance, the at first digital



“For us, local is the keyword: our advisors are locals, we offer local content and we use our space for local initiatives.”.

Gerald Demortier
Vice-president retail at Telenet

Nike Running Club now also offers its members to meet-up at stores to run together.

CO-CREATION

Co-creation with customers is another way to gain trust. **Apple's World Gallery**, part of the "Shot on iPhone 6" campaign, was honoured with five Gold Lions and a Grand Prix Award at last year's Cannes Lions International Festival for Creativity. The crowd-sourced billboard campaign, showcased pictures taken by professional and amateur photographers with the iPhone 6. According to the jury, the Apple campaign won because the ads not only demonstrated how well equipped the device is to take high-resolution photographs; the campaign also showed the sharing power of technology.

KEY TAKEAWAYS

- Consumer interaction ought to be human, direct and non-hierarchical throughout every touchpoint is important.



- Find contexts and themes with which people can connect and which are relevant to your brand.
- Social media is increasingly the domain where purchasing influence is mounting: to raise brand awareness, to build and maintain relationships with your customers, and to simplify the conversion of interest of potential clients.
- Connect with local communities and co-create with your customers to gain wider following and to increase trust. high-resolution photographs; the campaign also showed the sharing power of technology.

2. Complex Consumers

2.3. Transformmagical Expectations

**Sky-high
expectations for a
transformational
brand experience**

In recent years, there has been a huge focus on giving customers the most memorable customer experience possible. Consumers have adapted their standards accordingly. Besides premium service, they now desire brand experience that surpasses all expectation. They opt for those brands that know how to combine the serendipity of offline exploration with the accessibility of online purchasing. From great brand stories and serving a grand societal purpose, to surprising retail details: in today's brand landscape, there is a whole variety of ways to offer consumers a 'life changing' experience.

ALWAYS AVAILABLE

Many retailers have adapted their services to offer consumers the best imaginable customer journey, whenever they desire. Frictions are increasingly taken away. In meeting the demands of today's consumers, opening hours for example have become far more flexible. The personal shopping department at **Selfridges** in London built a separate entrance via the third-floor car park – with reserved parking and valet service to boot and even a driver. All with the purpose to provide better service and let people when they feel like it. For loyal customers, department store **Kenneth Cole** in New York even opens its doors at night.

RETAILTAINMENT

Retailtainment aims to revitalize visitors' experience of brick and mortar stores and invest more in entertaining the customer, thus resulting in a fusion of entertainment and retail spaces. Chic concept stores were the first to kick-start this trend. Over time, re-



tailtainment has also made its entrance at low-end level. Looking to shed its image as a no-frills retailer, **Walmart** is planning to hold thousands of holiday season parties at its stores, to give customers a reason to shop there rather than at their competitor. Waiting till a job gets done, is not much appreciated anymore. **ME for YOU** in The Hague jumped on the bandwagon too, by combining food with telephone repair. ME not only has a menu with food. It also has a 'phone menu' that offers numerous possibilities for maintenance and repair of phones.

PRODUCT EXPLORATION

Both online and offline, people like to research a product before they buy and immerse themselves into a product. They prefer brands that offer a multi-sensorial experience. Teashop **T-magi** bears close resemblance to a laboratory, inviting people to pass by, smell the 40 different teas displayed on the scent wall, have a taste, read the WE-tea folder or simply browse the exclusive products of Mariage



Frères sold in the shop.

R Art of Coffee in Japan roasts its coffee in-store, making it possible for customers to not only see the process, but also to hear, smell and taste the fresh brew. And **Kochhaus** is the first grocery store that consistently devotes itself to the praxis of home cooking. As a way to inspire customers, it is no longer sorted by product groups, but by recipes.

FROM CONSUMERS TO PROSUMERS

Consumers have morphed into prosumers: individuals who consume as well as produce media and/or products. They are keen on fine-tuning products to better suit their wishes. Much so, they enjoy active involvement when they're in a physical store.

At **WAH London** for example, customers can create their own nail designs via augmented reality (AR), along with the chance to try on styles virtually before committing to anything yet. As such, they seamlessly combine beauty, art, tech and girl culture.



VALUE-ABLE STORIES

People consume more consciously in many domains, and expect a similar awareness from companies. Caring for your consumer can be interpreted in a broad sense. Value-driven brand stories tend to do well. When buying for instance a pair of **Warby Parker** glasses, the company automatically gives an extra pair to another person who also needs glasses but can't afford them. Key is to proof that your story is real. To ride on the waves of the urban farming rage, supermarket giant **Albert Heijn** decided to launch the Help Yourself Herb Garden: an in-store herbs garden, where shoppers get to harvest the mature herbs themselves, thus choosing the desired species and quantity.

OMNI-CHANNEL LISTENING

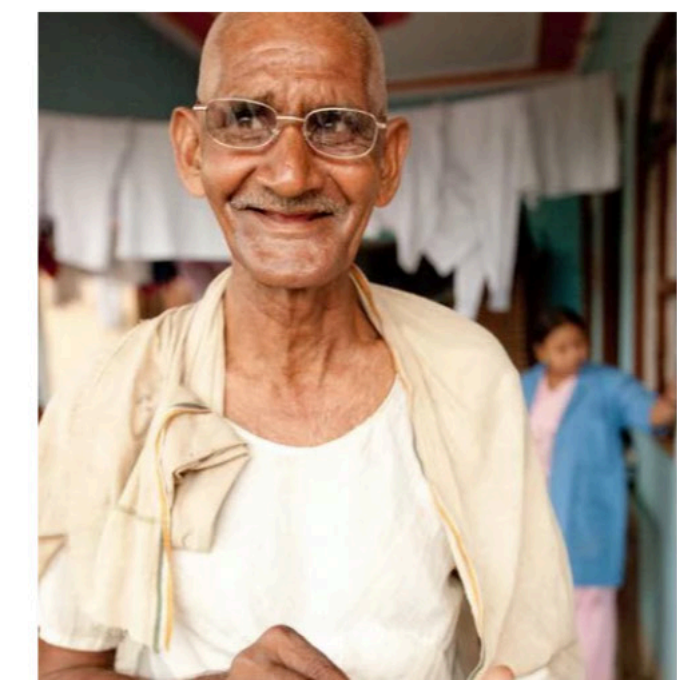
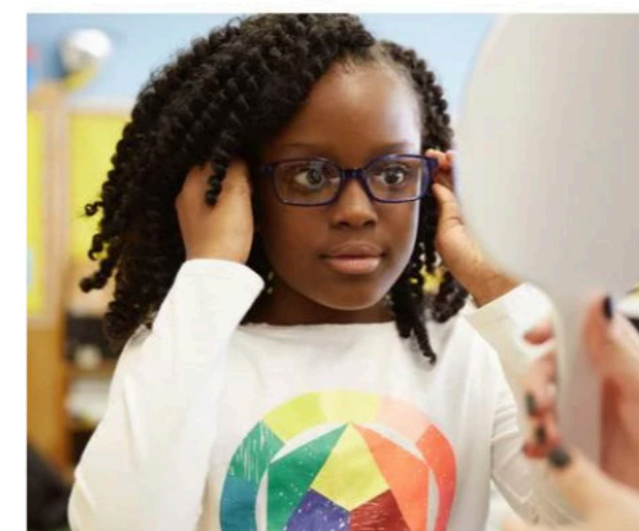
Consumers expect brands to listen and be aware of their needs and wishes. And preferably they even like you to engage in a conversation with them, using the channels they routinely use as well. In order



BUY A PAIR, GIVE A PAIR

The whole story begins with you

Since day one, over 3 million pairs of glasses have been distributed through our Buy a Pair, Give a Pair program. Alleviating the problem of impaired vision is at the heart of what we do, and with your help, our impact continues to expand.



to make its 'Stories' feature as engaging as possible, Instagram introduced a new feature through which users can insert poll stickers into their stories to take impromptu straw polls from their bank of followers. By the same token, Twitter is also increasingly vested on monitoring customer problems. **KLM** for instance gained a lot of media exposure with campaigns such as #HappytoHelp. The airline even hired a speedboat on the Hudson River in New York to help out anyone who risked missing a flight—any flight—due to being stuck in traffic on their way to JFK Airport.

POST-PURCHASE CARE

Letting your customers know that you care about them doesn't stop after they have done their purchase. Particularly with online services or connected products, it is paramount to give them that extra bit of care. As residents in Florida fled Hurricane Irma this summer, **Tesla** owners received a surprise from their automaker to help them get out of the danger zone. Tesla began pushing a software update that



“We combine the fast with the slow. An instant personal service and space and time for an ultimate experience of what Telenet stands for.”

Lieve Smedts
Retail innovation and
development at Telenet

increased the battery capacity. All the cars that received the update belonged to those living in what emergency officials had identified as an evacuation area.

KEY TAKEAWAYS

- Both (social media) listening to your consumer as well as managing their expectations in terms of availability is key.
- Draw in entertainment to drive traffic to your store and/or to make cueing a more pleasurable experience.
- Invest in new ways to engage your audience by creating new brand experiences.
- 'Customer care' as a concept is extended to 'care for society at large' and 'post-purchase care'.



3. Relationship Retail

Given the vast array of innovation, the challenges in the retail industry are also remarkably multifaceted. In the previous chapter we discussed how consumers have become ever more empowered and demanding. In this chapter, we will delve into the impact of these and other trends on the retail experience - which Telenet answers with their customer-centric program Retail Forward.

Digitisation has become omnipresent in shopping journeys, and also retail organisation is in a continuous evolution. Keeping up with new digital retail solutions is a hefty job in all sectors. Efficiency is probably one of tech's greatest assets. It's a great timesaver. Along the road to efficiency though, there seems to be no end in sight.

Expectations of both ease of shopping and a refreshing experience, pushes the complementar-

ity between the human and technological retail aspects forward. An evolution that offers opportunities as well as risks. Retail experiences of all kind pop-up, and experience stores at triple-A locations that cost rather than generate money, determine what is 'hot'.

Although Telenet is very aware of developments within the market, their Belgian down-to-earth human service still wins it from glamour and gimmicks. Human interaction and top of the bill service have and always will be at the centre of their business, most certainly in retail. Their flagship store is an extension of this philosophy. Here, long-term relationships are build and sustained for life.



3. Relationship Retail

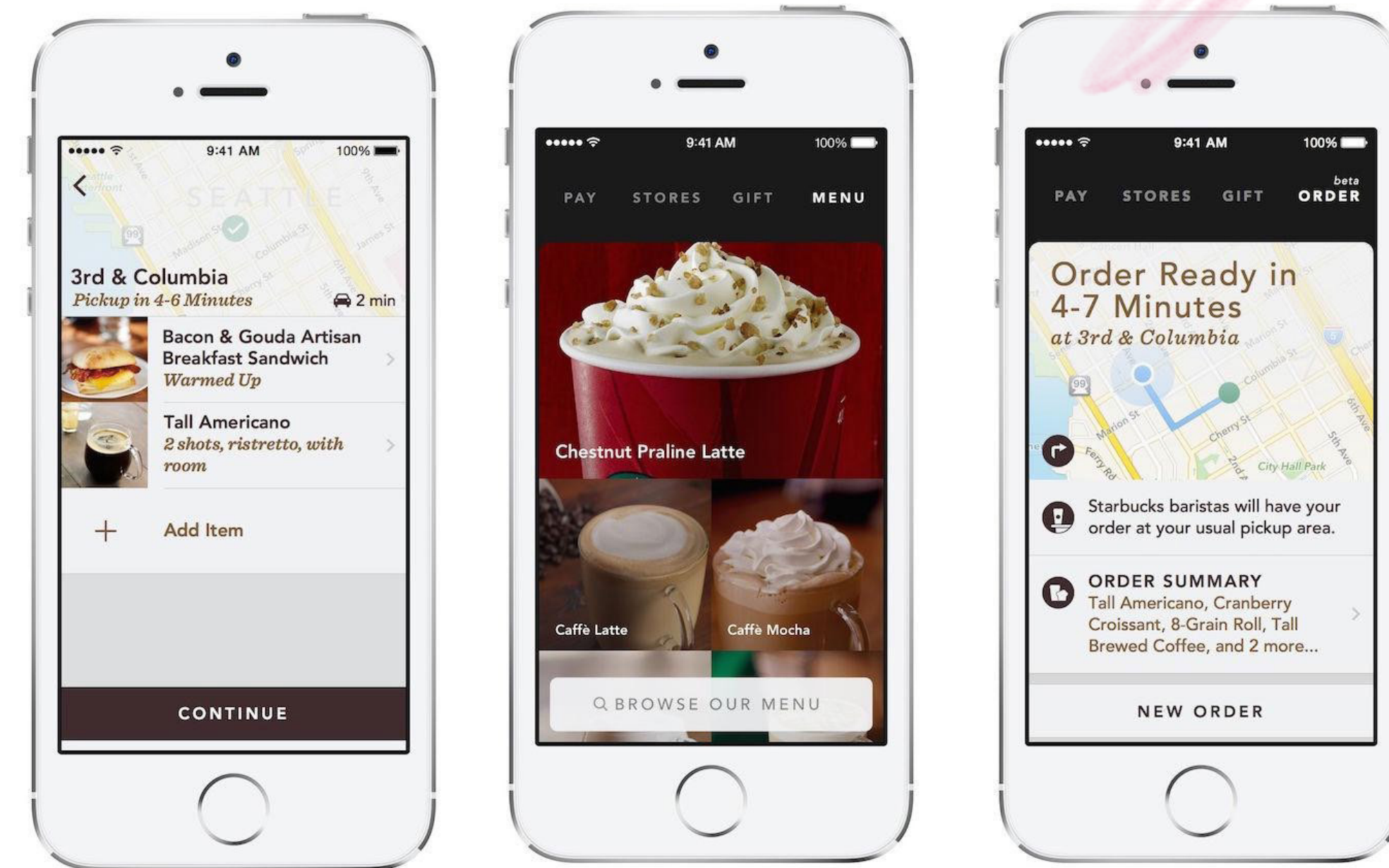
3.1. Frictionless Convenience

**From seamlessly
integrated to fully
automated**

To meet the needs of today's consumers and reduce costs, most businesses place their bet on automation. The majority of shoppers, if not all, want their shopping journey to be as swift, easy and comfortable as possible. Millennials, the current generation of young employees and entrepreneurs mainly want to save time, given they're oftentimes in very hectic phases of their lives. Undoubtedly does this age group appreciate efficiency and speed. Babyboomers however - the 55+ generation - are more vested into expert advice and a relaxed experience in which they have ample of time and space to make a purchase.

SHORT-CUTTING THE BUYING PROCESS

Retailers try to make the life, work or shopping experience of customers a little easier and as efficient and relevant at all times. **Starbucks' SkipTheLine** App enables users to order and pay for a steamy cup of coffee without having to cue in line. Users of the app place the order, pay and thanks to a GPS-tracker users are informed when their cup is waiting for them. **Amazon Go** is also a store devoid of lines and even a checkout—you simply grab and go. Customers use the Amazon Go app to enter a store, take what they want from the selection of meals and grocery essentials and off they go. And at **Kentucky Fried Chicken** in China visitors can now pay with a smile. That's right, customers there use a facial recognition system in the form of a 3D camera that scans the customer's face to verify their identity, while there is a phone number verification option for additional security.



“Nowadays, people want faster than instant checkouts and delivery.”

Lieve Smedts
Retail innovation and
development at Telenet

NEXT-LEVEL AUTOMATED ORDERING

In some cases, consumers prefer to purchase something without having to consciously think about the act of buying. **Sock Fancy** for instance offers monthly subscriptions to a new pair of socks. For \$11, - per month subscribers can kick back and wait for their footwear to show up at their door every month. With the **Amazon Dash Buttons**, you only have to push the button to reorder your favourite products. And with **Walmart's Easy Reorder** feature, users can order by simply telling their Google Voice Assistant what they wish to buy. Easy does it.

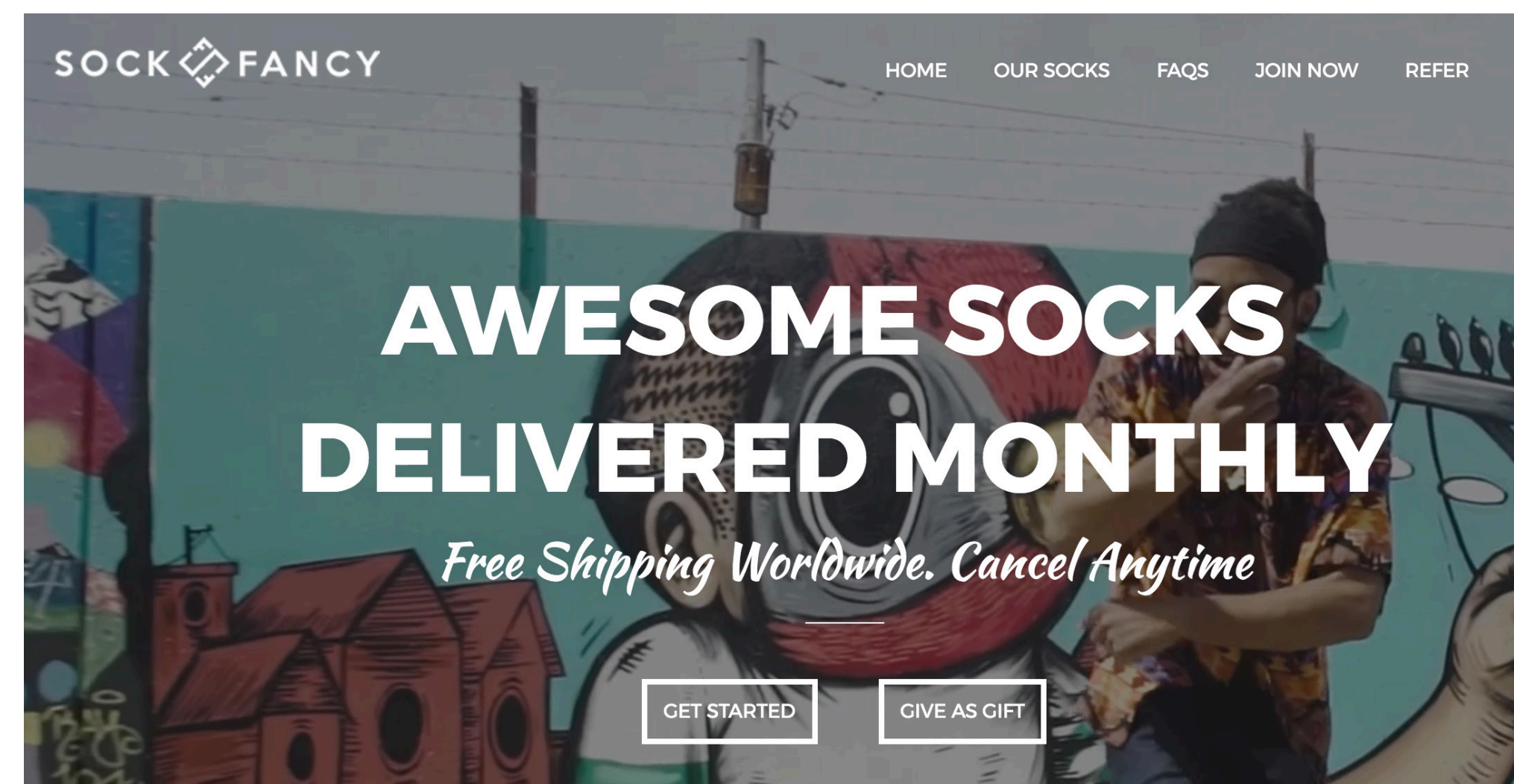


WHAT YOU SEE IS WHAT YOU GET

Like no other, Michel de Wachter knows that deep down people want to immediately buy when they see something they like. With **spott.tv** he makes video content interactive and shoppable.

In the same vein, **Amazon Mobile** makes it convenient for users to buy anything they like using their

Family Favorites

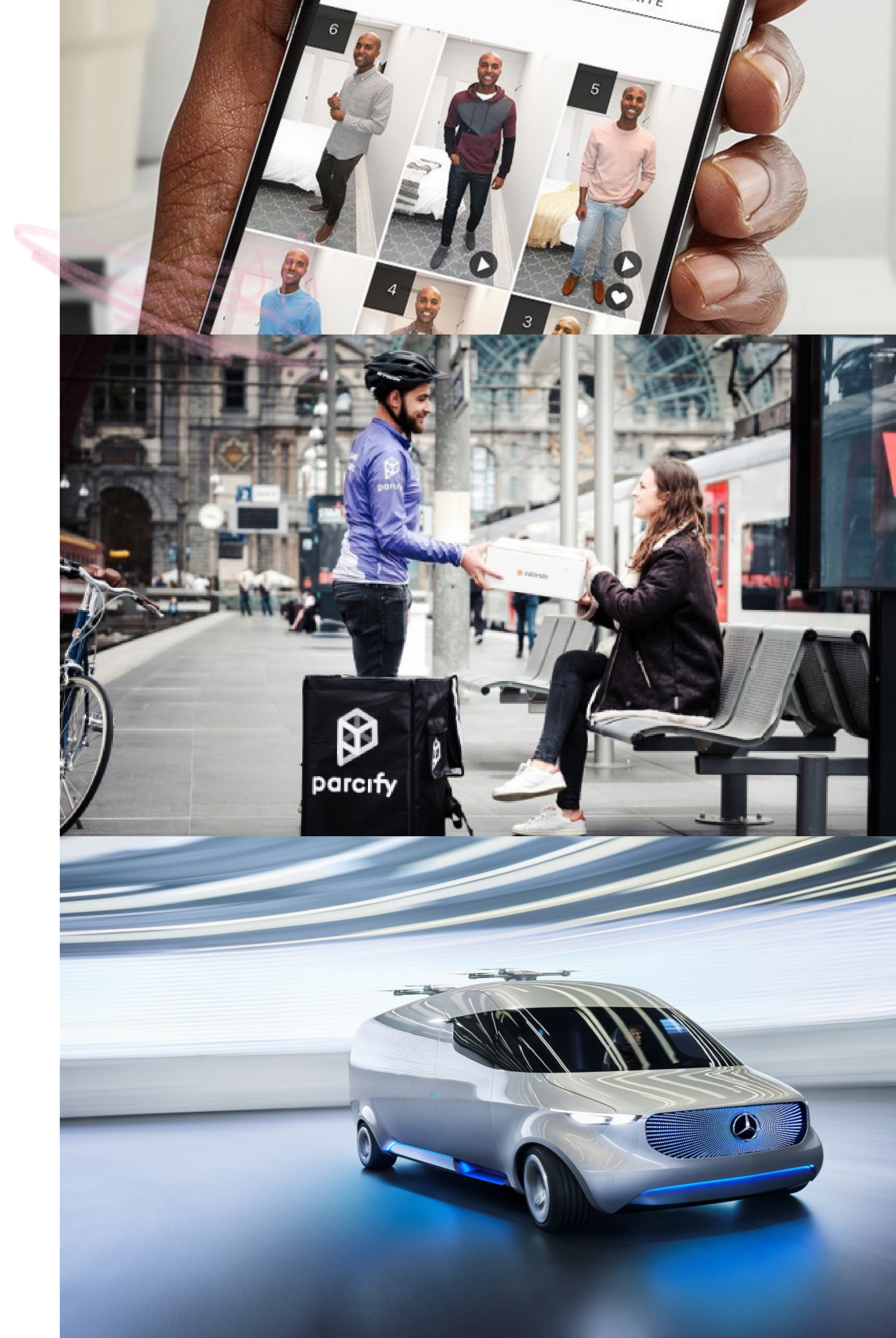


smartphone camera. Just firing up the Amazon app and clicking on the camera next to the search bar, should do the job. The camera then turns on and little dots will try to find the outlines of what you're taking a picture of. Hence, it will offer similar suggestions for inspiration.

DELIVERY SOLUTIONS

In today's times, people aren't necessarily bound to a certain geographical area. A lot of the time, they are on the go. They work, eat and shop whenever and wherever they want, so they won't be waiting at home for their ecommerce package to be delivered. Parcify, a Belgian online platform and mobile application for facilitating the pick-up and delivery of parcels, puts users back in control of their deliveries. It promises to have packages from any online shop delivered, when and wherever the user wishes.

Mercedes-Benz's Vision Van has storage racks for parcels above, with eight battery-operated ro-



bots under them. With all the parcels destined for addresses within a two-kilometre range, the driver parks the car and locks the items in the robots. They trundle off down the sidewalk at walking speed, where recipients unlock them to retrieve their purchases using a phone app.

HOME DELIVERY SERVICES REVISITED

Going to the store or wasting time on receiving packages and then having to return them is not exactly the favourite pastime of time pressured consumers. To better meet the expectations of today's consumers, **Boon + Gable** launched an on-demand styling service. They offer a personal stylist who comes to your home with a curated selection of clothes, which can be bought on the spot.

Fashion label **Josh V** pursued a similar path by creating a new 'Special Delivery Fit and Return' service. Customers from Amsterdam and the surrounding area can get their parcel delivered within three



hours. For twenty euros extra it is possible to get a deliverer dressed in a suit at your doorstep, carrying several sizes of the same garment for you to try on.

AUTOMATED RETAIL: INTELLIGENT PLANNING

Automated manufacturing is one of the developments shaping the future of retail. **Adidas** for example has been experimenting with in-store made-to-order 3D printing of shoe soles and 3D knitting for shoe uppers and garments. Each model unique to the customers size and preferences.

In tandem with this, **Amazon** was awarded a patent for an on-demand apparel manufacturing system to create custom-made clothing to the precise fit and specifications of the customer. It is designed with the intent to reduce labour costs and to prevent products from being made when there is no specific customer order.



KEY TAKEAWAYS

- Consumers are always on the lookout for solutions to simplify their hectic lifestyles.
- As a redefinition of luxury, time and convenience are precious assets.
- Any company that helps to facilitate the life or work of its customers, can expect to have loyal, lasting customer relationships.
- From ordering to payment and delivery: almost every step throughout the customer journey can be made easier with technological tools.

3. Relationship Retail

3.2. Phygital Omnichannel

Merging online and offline worlds is creating the best of both worlds

Computing and communication technology have changed the world in unprecedented ways. The virtual world is not only increasingly coalescing with the physical world, it is creating a wholly new phygital dimension. We have entered a phase in which we have become fully aware of the best features of both the physical and the digital worlds and how these assets collectively can form an optimal convergence. People prefer experiences where the line between the virtual and In Real Life (IRL) worlds is blurred, offering surprise and escapism amidst a convenient and frictionless journey.

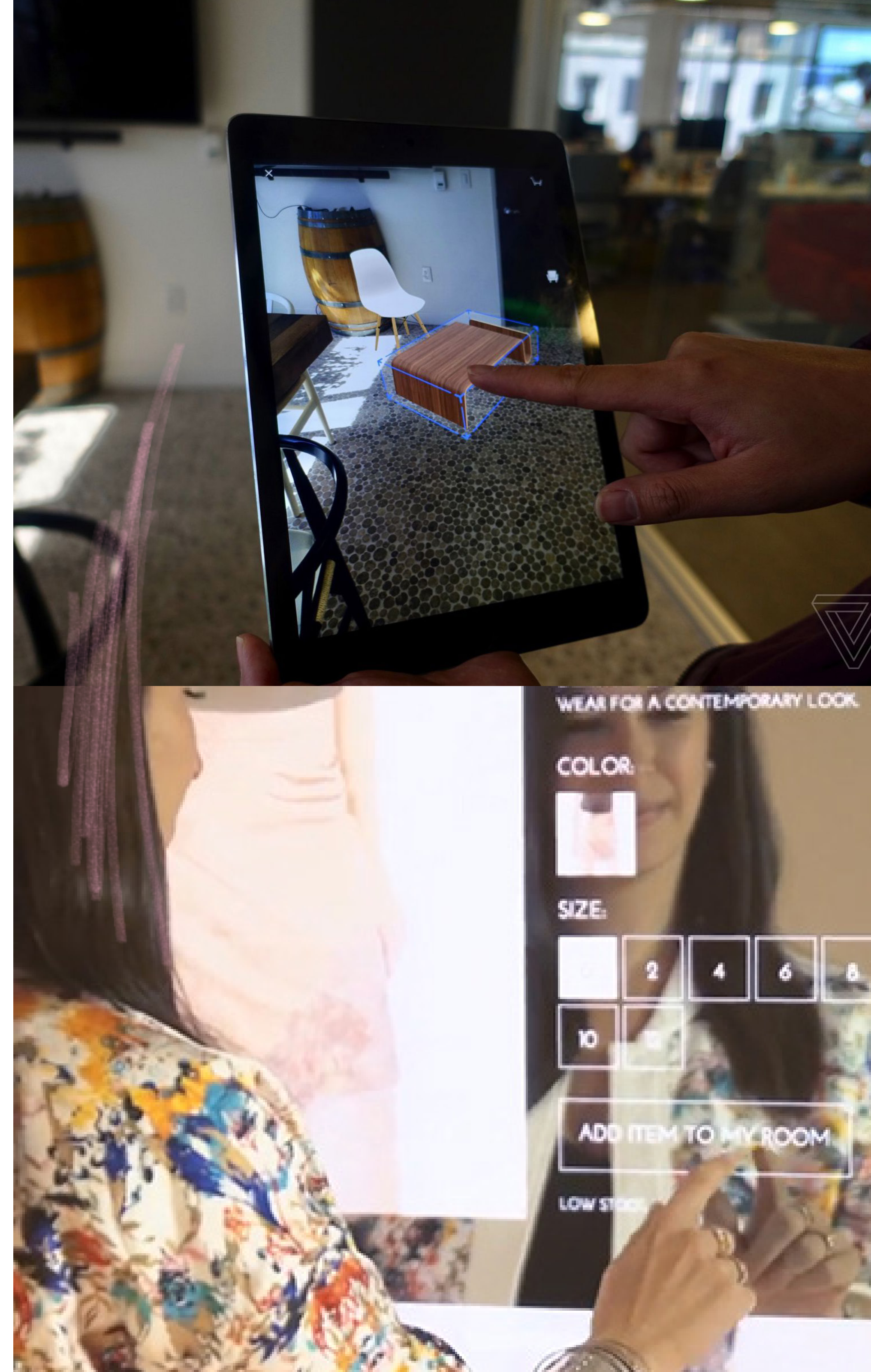
TRY BEFORE YOU BUY

Digital tech offers an ocean of possibilities to browse through and check out products. At **Rebecca Minkoff**, customers are invited to enter the store's digital dressing rooms. Interactive touch-screens here allow shoppers to choose products, which are subsequently sent to their dressing rooms. The dressing room mirror-slash-screen also enables consumers to view the same items styled with different colours, sizes and looks.

Houzz and more recently **IKEA** launched new augmented reality services that allow customers to test furniture prior to purchasing. With an app, that includes 3D-imaging features, users get to virtually place a furniture item or accessory in a room to get a sense of how well it would fit in the space.

PHYGITAL 24/7

Anytime, anywhere, any device. Whether we are at home, in a meeting or commuting, when we want or need to get in touch with people, we use the de-



vice we have on hand.

From the youngest to the oldest, smartphones are used by all generations to assist in their shopping experience. Whether they prefer showrooming (checking out products in a store to subsequently purchase the item(s) online) or webrooming (re-searching online before buying in store), online and offline are increasingly combined in the best suitable combination.

Any device and any channel can now be used in the customer service and sales journey. Online insurer **Ditzo** is enabling its customers to make claims via WhatsApp, meaning they can use the mobile messaging service instead of submitting complicated forms. **Dirty Lemon** is a direct-to-consumer beverage company that sells its line of products via SMS, mostly answered by a bot. The beverages need to be reordered on a regular basis, but many consumers don't like having to go through the hassle of logging onto a website to place a new order. Instead, users can text the start-up the way they



**“In 2020 over 85%
of sales will still be
made offline ... But
nearly all will be in-
fluenced by digital
landscapes!”**

Google, June 2016

would text a friend, “Yo, can you hook me up with some more Dirty Lemon?” after which a quick response follows: “Confirming for you now” The company claims revenue has grown 1400% since this time last year, receiving over 50,000 text messages every month.

BOTS TO THE RESCUE

Another tech trend that is setting the narrative for customer service are automated processes, also known as bots. Bots in online retail environments are generally used to guide customers to the right information or helpdesk, and are surprisingly well received by consumers. In-store navigation **Lowe** allows customers using Google-powered augmented reality to navigate through stores and unlock additional information.

Hilton Hotels & Resorts launched “Connie”: the first Watson-enabled robot concierge in the hospitality industry. Connie draws on domain knowledge from Watson and WayBlazer to inform guests on



local tourist attractions, dining recommendations and hotel features and amenities. Your wish is the bot's command.

HUMAN HUBS

While some place their bets on robots, others are taking out the human card (again). The **Carlson Rezidor Hotel Group** felt the time had come to move away from what had been standard etiquette and recruitment strategies for years, if not decades. Instead, they hired outspoken personalities to bring the human, personal component back in the game again.

On the one hand, technology enables higher service standards. On the other hand, there is a growing fatigue towards technology's ubiquitous, all-pervasive nature. People long for the human touch. It is typically human-like attributes such as tangibility, serendipity, expertise and tactility that pull customers back into physical retail spaces.

"The store is made by and for our people. An environment where they can give the best services to our customers"

Gerald Demortier
Vice-president retail at Telenet

"Our people, trained at our own Retail Academy, are the ones making the actual difference. Our stores are simply the geographical locations where we build relationships with our clients."

Bart Faber
Director retail at Telenet

PERSONALIZED EXPERIENCES

With **Knit for You**, **Adidas** offered custom tech-supported experiences to its Berlin pop-up visitors. The Knit for You pop-up experience explored localised production, while empowering individuals with interactive technology to co-create bespoke garments. Customers were able to get an impeccably tailored sweater, based on the results of a body scan and on the spot AR pattern creation.

Bookshop owners often have to cope with the issue of unsold books or books being out of stock. Luckily for them, there is now a solution to meet consumer demands, while also reducing costs. In the sixth arrondissement in Paris, **La Librairie des Puf** has come up with another innovative concept: it offers a list of more than 5,000 works which can be printed on site depending on the customer's needs.



“Today, most people get their first virtual reality experience in shops like Telenet’s flagship. For VR-entrepreneurs like myself, these shopping experiences are hugely valuable.”

Davy Loots
Co-founder of Mimesys

DIGITAL EDUCATION HUBS

Stores increasingly become the place to showcase innovation and educate customers on their digital products and services. **Apple** organises workshops and sessions with subjects ranging from how to take the best photos, and create the most jaw-dropping videos and music to programming, design and more. There are sessions for all levels, from step-by-step lessons for beginners to professional-level programs.

With its recently opened flagship store in Antwerp, Telenet too offers a **Samsung VR** experience and entertainment corner.

“Digital education is very important. Non-formal workshops and events in a shop are a great way to teach visitors how to benefit from digital innovations and products alike.”

Maarten Leyts
CEO of Trendwolves



WHERE TECH MEETS PEOPLE

A few years ago, mobile bank **Hello bank!** launched a series of unconventional pop-ups, also known as 'phygital' labs. These community spaces were designed for visitors with the purpose to let them socialise, study, hang out and enjoy a good cup of coffee. In addition to this, visitors also had the opportunity to learn and create with numerous interactive activities and socialising platforms on offer: from app building and 3D printing to graffiti, illustration, hair styling and even speed dating. Few people would associate all these activities with a bank. Still, these labs have made a long-lasting impression on visitors.

KEY TAKEAWAYS

- While technology seems to be pushing retail ever further into the realm of the online, brands are exceedingly creating high-tech, 'inline' personalized shopping experiences.



- Non-formal workshops and events in a shop are a great way to educate visitors on how to benefit from digital innovations.
- Creating online, offline or phygital contexts of influence can be effective ways to influence conversations around your brand, drive consumer purchasing behaviour and monetise on-going customer relationships.
- Make sure in-store technologies surpass all expectations but avoid the pitfall of using them solely as gimmicky (or not-functioning) distractions.

3. Relationship Retail

3.3. From Blurred to Flagship

**Linking brand
experiences
to culture in
multi-purpose
stores**

Blurred concepts, mixing segments and product categories undeniably revitalised the retail landscape and changed consumer expectations. Some brands responded by creating flagships to showcase their brand. The purpose with such flagships is to have the space to showcase new products and services, and to build meaningful relationships with customers. But also to drive online and offline traffic, to create buzz and to stand out from competitors. As buying is no longer an activity that is limited to a geographical location, physical stores have become the quintessential place for brands to offer atypical experiences.

HYBRID RETAIL

Against the backdrop of a changing retail landscape, hybrid concepts are emerging. At first glance unlinked sectors seem to fit together surprisingly well. It's all about cross-pollinations and thinking out of the box. For retailers, co-working spaces can be innovative ways to attract people to their offline stores. Office supply shop **Staples** for example teamed up with co-working company **Workbar** to incorporate shared office space into a selection of their stores.

This phenomenon is also known as co-branding, which refers to processes where two companies or brands form an alliance to work together in order to take their businesses to a new height. Guests of **Virgin Hotels Chicago** can shop on **gap.com** to reserve the style that they want and within a few hours try on and purchase the items that they reserved – all within the privacy of their hotel room.

“To let our whole offer come to life and allow clients to fully immerse in our products, and brands, we simply needed a bigger space and a different approach.”

Olivier Severs

Senior marketing manager retail
at Telenet

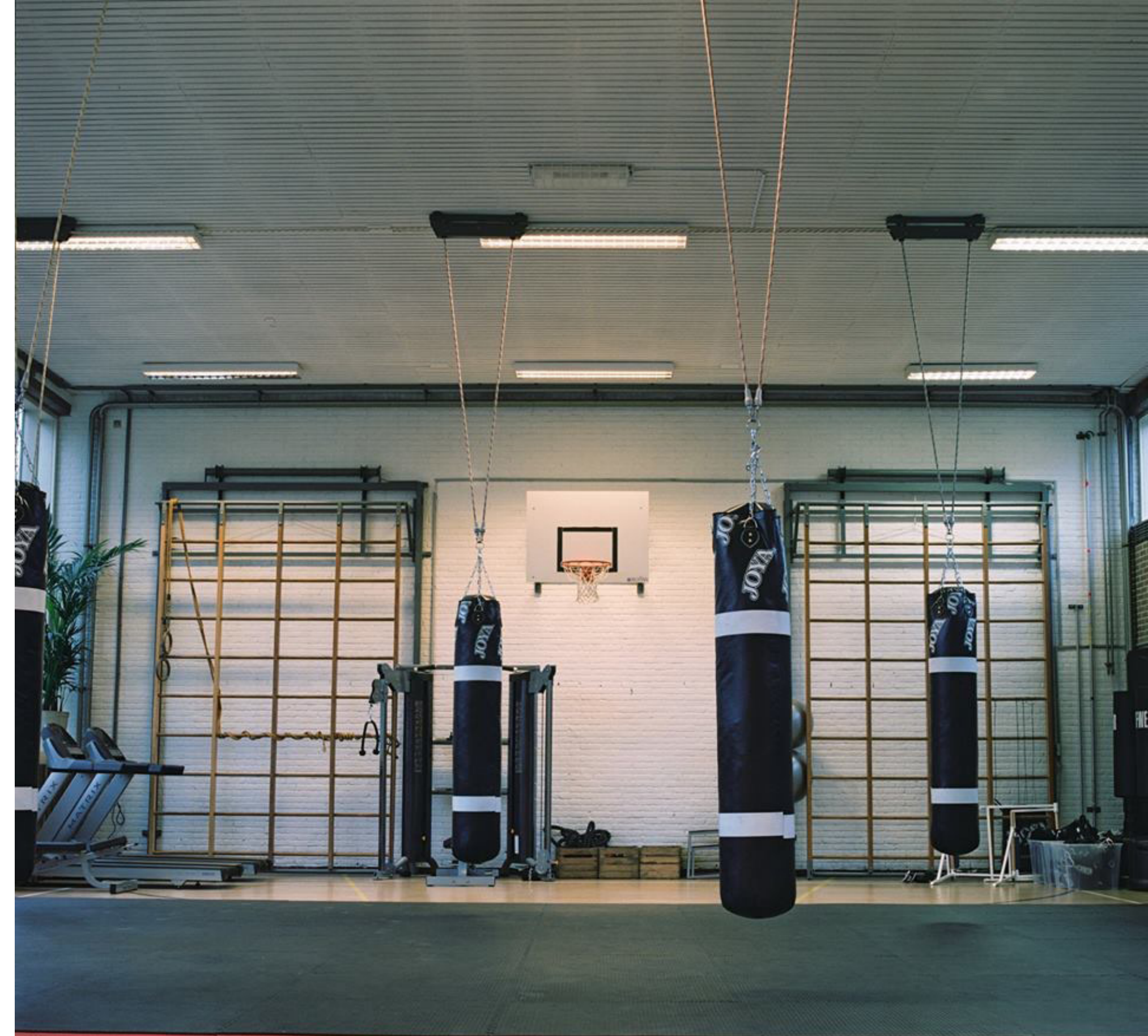


ONE STOP DESTINATIONS

Retail, entertainment and lifestyle seem to blend effortlessly. Creative entrepreneurs come up with new epicentres where people can meet, discover, buy and above all have a 360 degrees experience. In Amsterdam, an old school building has been transformed into **De School**, a cultural hub where young creative companies and studios are housed. In the former bicycle shed you will find a club where 500 people can party. Furthermore, old classrooms were converted into a restaurant, a concert hall, a café, an exhibition area and a real sports hall. In other words, members are perfectly able to stay there for 24 hours on stretch - albeit sleepless.

STORES TELLING STORIES

While online is the place where consumers look for information and inspiration, brick and mortar stores are increasingly becoming the place where brands can convey stories in multi-sensorial ways. **The Story Shop** takes this quite literally and serves as a kind



of lifelike magazine: a space that customers visit regularly in order to keep abreast of the latest news and trends. **The MartinPatrick3** high fashion men's wear store in Minneapolis follows a similar strategy. This store, or for lack of a better word, cathedral, offers colourful rooms that naturally transition to the next: there's an in-store tailor, a barber, a full-time jewellery designer and sharply dressed store associates, all with bouquet-like pocket squares blooming from their blazers.

STORES WITHOUT PRODUCTS

Aside from organising events around product education and experiences, some brands have turned their store into a wellness or cultural event space. Fashion retailer **Nordstrom** recently opened a Nordstrom Local concept store in Los Angeles. The store has no inventory or much of anything else. But it does offer spa services, a tailor, several personal stylists and a bar that serves beer, wine, coffee and juice. Also **Samsung 837** is a one-of-a-kind retail space



that at first glance doesn't appear to sell anything, or at least not anything tangible. Samsung describes it as a 'cultural destination and technology playground', which pretty much sums it up quite well. It is intended to reflect Samsung's offering of culture, technology and humanity. Samsung 837 is designed to be a place where people can get up close and personal with Samsung's technology, through what bears much resemblance to an adventure park of interactive exhibits and installations, with inside access to intimate events, live DJs (within glass DJ booths), and virtual reality "rides" (or simulators) and installations.

FROM STORES TO TOWN SQUARES

In an attempt to get millennials back into its retail stores, **Apple** announced a series of retail spaces and dubbed them "town squares". In these town squares," aisles will be "avenues" and trees will provide customers shade from overhead fluorescents. The company openly dreams of how its flagship stores will become "gathering places" and education



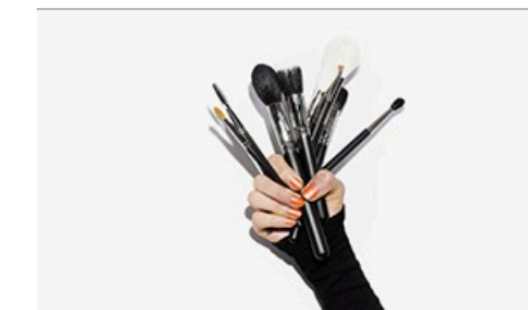
Store Services

Alterations



All Nordstrom stores offer onsite alterations and tailoring services, and basic alterations are free for many full-price items purchased at Nordstrom (online or in store). Just bring your receipt or packing slip in with you and talk to our experts. They'll determine what's needed during your fitting and let you know if any charges apply.

Nordstrom Beauty Stylists



Our Beauty Stylists are experts across all our brands. They'll help you find the best beauty, skincare, fragrance and grooming products tailored just to your needs. Best of all, appointments are free. Call 1.800.7beauty or [book an appointment](#) with a Beauty Stylist.

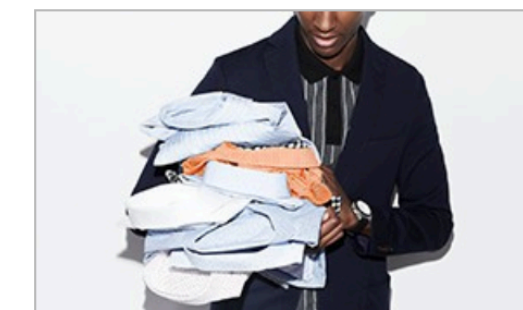
Find a [Beauty Stylist](#) in The Grove, Los Angeles, or give us a call at 1.800.7beauty.

Nordstrom Local at Melrose Place



A brand-new Nordstrom experience, Nordstrom Local is a convenient hub for onsite alterations, free Personal Stylists, online order pickup, manicures and more. Drop in, let us help, get inspired and go. [Learn more about Nordstrom Local.](#)

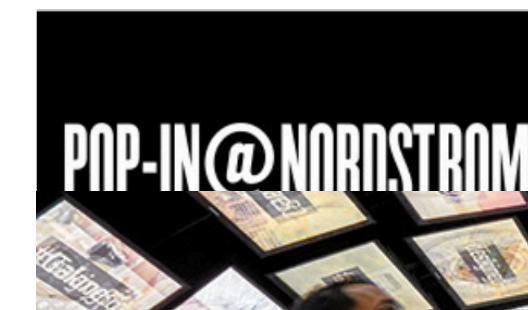
Nordstrom Personal Stylists



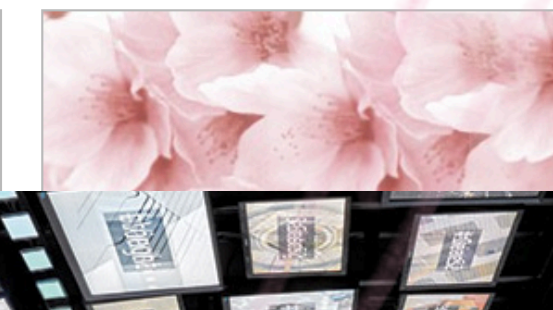
Our Nordstrom Personal Stylists are super friendly, and appointments are fast, fun and free—with zero pressure. Our stylists can help you with everything from a little fashion advice to a whole new wardrobe to finding the perfect gift. It's the ultimate shopping convenience.

[Learn more about our Personal Stylists.](#)

Pop In Shop



Prosthesis Program

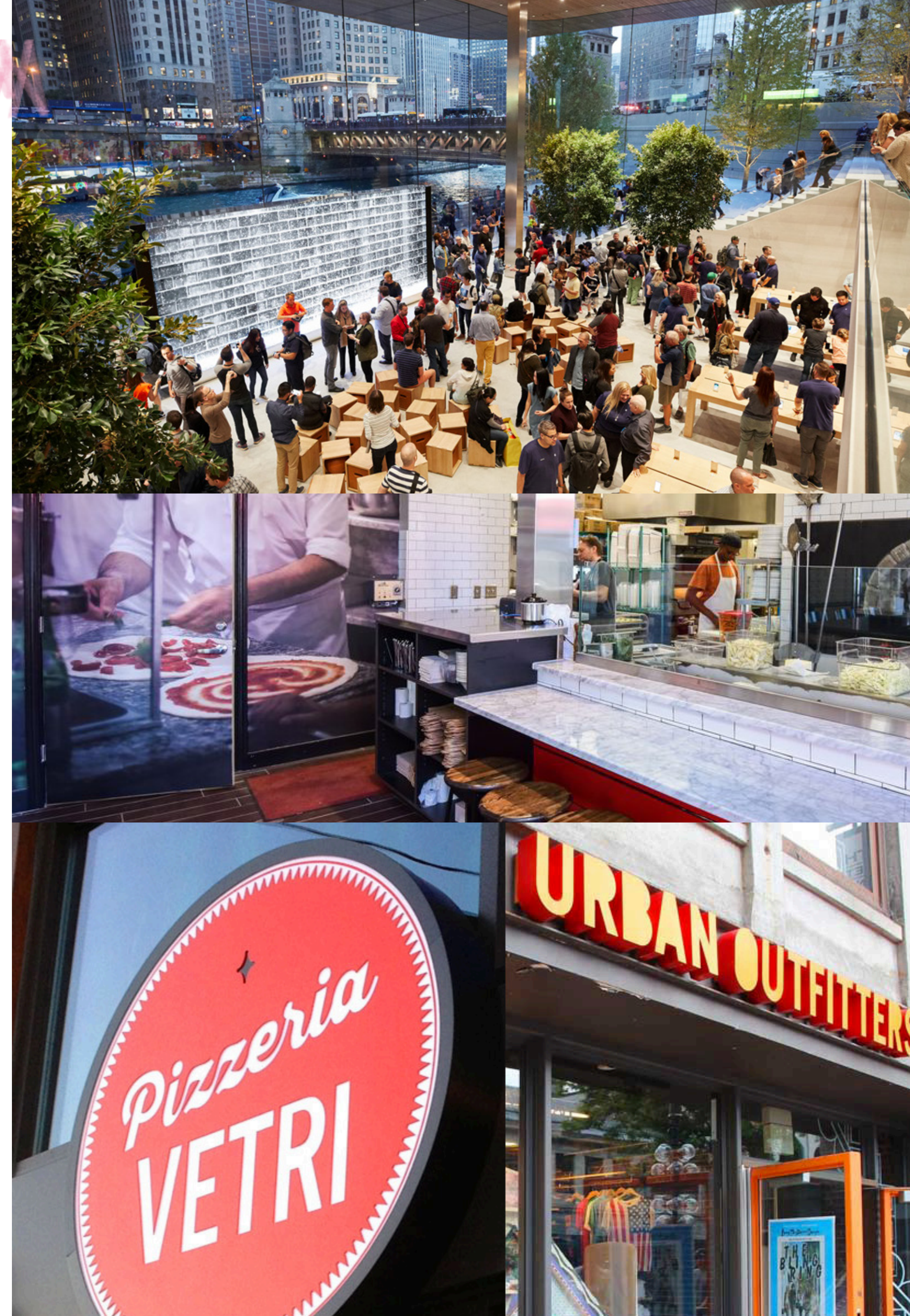


centres.

In a less intuitive outgrowth of its core business, U.S. retail giant **Urban Outfitters** also felt the time was ripe for a crossover space. In 2015 Urban Outfitters acquired **Pizzeria Vetri**, a beloved local restaurant chain. In a move that surely has raised a few eyebrows, the retailer recognised that particularly young people have more of a knack for good food and hanging out in a cozy bar, than they have for (semi) expensive high fashion garments.

SAVVY SALES EXPERTS

Since the transactional and informational part is more and more taken over by computers, the expectations in terms of real life customer interaction and hospitality have significantly increased. Expedient salespersons that really embody the brand, who brim with personality, life and people's skills: there's no better marketing than that. In spite of everything tech has to offer, showing the potential of your product in real time in the offline, tangible world still works best.



At many **BMW** centres, you'll now find a product expert who will assist you in finding the perfect vehicle to suit your lifestyle and needs. The **BMW Genius** is specially trained to demonstrate and help you get familiar with all aspects of a BMW – before, during, and after the purchase.

KEY TAKEAWAYS

- Collaborations or multi-purpose use of space are interesting ways to create a fresh vibe in your store.
- Unveil your brand story in your brick and mortar store(s) in bits and bites and preferably also in a multi-sensorial way.
- Creating a place where people want to hang out is golden.
- Unique and spontaneous customer service is the way to score, in times that product differentiation became difficult.



“Relevant brands need to be culturally connected. Involving communities in what happens in your shop is a credible way to become a top of mind partner for consumers. ”

Maarten Leyts
CEO of Trendwolves

4. What's Next?

What will the future hold? And what role will flagships play amidst all the turmoil? Looking ahead and anticipating on what's to come is an on-going, ever-continuing process. This holds even truer in sectors where the shifts are relatively obvious. The following developments have most grabbed our attention:

THE CONNECTION ERA

We have entered an age where binary connectivity is exceedingly losing ground. Today, it rather evolves around multi-dimensional connections and intelligent contexts, also known as the Internet of Everything.

The acceleration in **connected devices** is not to be underestimated. From VR and AR-headsets to devices that don't even look like devices anymore: the offering is unprecedented. Conductive threads and magnets are now woven into fabric,

so clothes can be used as controllers - to pay, unlock doors and operate smartphones from several inches away, or even function as ID tags. There are **bras** on the market that send personalised biometrical info to your smartphone, and **yoga pants** that translate that feedback into haptic vibrations that gently pulse at the hips, knees and ankles to encourage you to move and/or hold positions. It's no rocket science to suggest that this form of smart wear will inevitably lead to **chips that get implanted** in our bodies and brains.

These chips will seamlessly connect us to our **smart homes** and **smart offices**, such as **The Edge** in Amsterdam. This Deloitte office automatically recognizes your car when you pull up in the morning, just as it will automatically open the gate to guide you to a free parking spot. The office app assigns you to a desk, based on your

schedule for the day and whether you are in the mood for a standing desk or an area where you can fully concentrate on your task. Once your workday has officially started, you can tweak your personal lighting or heating system to your satisfaction. The on-site gym tracks your progress through the app, just as it methodically remembers how you wish to have your coffee.

For society at large, the Industrial Internet (the integration and linking of big data, analytical tools and wireless networks with physical and industrial equipment) provides many opportunities to improve services and enhance the quality of life.

Smart parking, smart lighting and smart gun shot detection solutions are already out there.

According to the World Economic Forum, the evolution of connected infrastructure will bring about the first city with a population of 50,000 people and no traffic lights by 2026.

As of today, the automotive industry is not yet connected, albeit with the exception of a few car models. We are on the threshold of a major shift though. By 2025, 100% of newly produced cars will be **connected cars**, compared to 35% today. And according to Microsoft IoT, by 2030, 15% of new cars will operate autonomously. Since early October of this year, self-driving trucks of Embark have been hauling refrigerators. As long as they legally can't drive on their own yet, human drivers will still be present in the car to monitor the computer chauffeur.

When in the (near) future, our phones will probably be equipped with unlimited storage power sent over the air accompanied by transparent, flexible smartphone screens, AI and machine learning will have converted our smartphones into direct **brain-machine interfaces**. In practice, this means our smartphones will become

unimaginably smarter. Our phones will learn over time who you are going to call (presumably even before you have decided who you are going to call), who you want to text and even what the content of that text message will be. Your phone will offer content, news or other information based on what you are thinking of at any given moment. After all, it knows all about you: where you are geographically located, what you are doing and what you are looking for.

And how will we connect with others in the future? When the devices for Augmented and Virtual Reality have become household appliances - imagine a mobile Microsoft HoloLens with hand controllers - we will have far more options to **virtually hang out** with each other. Indeed, these are all evolutions that require a stable and fast internet connection.

SHAPING THE NETWORK SOCIETY

How will the **digital infrastructure** be impacted by all of this? Whether it involves a smart home or office device, a city system or a self-driving car: in order for these apparatuses to function properly, they all have to be able to send, receive and analyse vast amounts of data. One year ago, Harriet Green from Watson IBM stated that 90% of the data in the world today has been created in the last two years alone. By 2023, 20 billion IoT smart devices will be connected.

“Western Europeans are globally the second biggest data consumers, and we expect a whopping 42% growth in data use per year.”

Saskia Van Uffelen
CEO of Ericsson

Already, consumers are using more and more data. One of the prime reasons for this growth in data use is the **increase in visual data-consumption**: from the use of emojis to communication with holograms and video streaming, and the rise of **Augmented Reality** and **Virtual Reality**. And **cloud computing** increasingly appears in the form of an “information power plant”, and is overturning the traditional business mode of software, hardware, and media from “buying products” to “buying services”.

The more astronomical the **growth in data volumes**, the more our society and economy will demand ever-faster, more reliable networks at a low cost. The 5th generation of mobile networks, more colloquially known as **5G**, will pave the road for anyone to roam freely through the online ether, relying on **faster and smarter internet at an ever-low cost**. It won't take long before

we will push through exabyte volumes and enter the world of zettabytes per year. Interestingly, we don't really know where all this amplified connectivity will lead us to or how it will be used.

“We are building networks that will create needs that we don't even know we had yet.”

Micha Berger
CTO Telenet

Besides speed, another pivotal ingredient to steer this in the right direction is **safety**. After all, companies are very eager to gain access to our data. Or as CTO of Telenet Micha Berger puts it: “Google's product is ‘you’. We make it explicit that we only use consumer data to offer the best possible products and services, and we always

ask the consent of our customers to use their data.” The GDPR, a regulation which the European Parliament will enforce by May 2018, intends to strengthen and unify **data protection for individuals** in the EU. “That is a very important first step”, Micha asserts.

CONTENTAINMENT

- Given that entertainment and connectivity have become so hugely intertwined, it makes perfect sense for telecom providers to set foot on the soil of entertainment. Thus, coming up with a suitable offering for local consumers as well as helping them get accustomed to the new entertainment options are important building pillars for success.

The viewing habits of television viewers have dramatically changed over the past years. For starters, delayed viewing has had an impact on

viewing behaviours, but now that more and more consumers are watching **TV on-demand** and **viewing à la carte**, traditional viewing patterns are eroding more than ever. Media consumption has shifted from a public pastime with cable TV and movie theatres to a private activity including streaming services such as Netflix and the wear of Virtual Reality headsets. And as might have been expected, we can communicate with our TV's with just our voice. With the TiVo VOX Remote for instance, you can use your voice to simultaneously search across live TV, your recordings, video-on-demand and various online streaming services. BOLT has added to this an entertainment-centric voice control and the option for hyper-personalized recommendations, to get to your favourites even faster. Both services are equipped to identify the user's voice immediately.

Tech companies and start-ups alike are eagerly disrupting the entertainment industry, challenging the likes of Netflix, Hulu and HBO, as well as the entire movie theatre experience. Yet as of recently, they too are facing fierce competition since YouTube and Facebook have decided to join the ranks, with respectively **YouTube Red** and **Watch**. Posing similar services, the latter platform features a range of live or recorded shows in sections such as “Most Talked About”, “What’s Making People Laugh” and “What Friends are Watching”. In similar vein, the experience is interactive, as users can comment and react to the content.

It is this interactive aspect that is sure to gain ground over the next years. This summer, Netflix’s kick-started a series of **interactive shows**, giving viewers the opportunity to shape the narrative. In October 2017, the trailer for Mosaic got

released, an interactive murder mystery show that let’s viewers navigate through a branching storyline, controlling how the homicide investigation unfolds. Though the show can be navigated through its own app, it will also air as a linear mini-series on HBO in January 2018. And of course, **360° video and VR** will also play a major role in this segment of entertainment. Already games and nature documentaries are powered by these technologies.

TOWARDS A BRIGHT FUTURE...

For Telenet, it’s all about finding the best digital ways to make work, as well as life at large, as enjoyable and convenient as possible for its customers. In practice, this means the telcom company offers aside from premium connectivity, also top-notch infrastructure and (local) high-quality content.

As it is all the more important to invest in innovation, Telenet opened its first Innovation Centre in Brussels on October 5th. In this innovation centre, Telenet will first and foremost test new technologies to improve their connectivity. In addition, the centre will also grant its partners with the opportunity to test their projects using Telenet's technology and know-how.

But first the **Telenet Innovation Centre**'s focus is mainly on the introduction and preparation of 5G and the Internet of Things. Eventually, the action range will be extended to entertainment, value added services and customer experiences.

Yet in spite of all the exciting shifts that are taking shape, Telenet is mostly driven to be the best they can be. Innovation in and of itself isn't necessarily benefiting to consumers. In the end, it comes down to implementing these innovations so that customers can truly better from these

developments.

The Telenet flagship will surely play a vital part in this process. Here at their hub, Telenet can communicate these developments to their clients in a fitting manner to let them explore the possibilities of the future.

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