

JOHANNA SCHOTTENIUS

Market Outlook

Future of shopping





**HOW WILL
RETAIL LOOK IN
THE FUTURE?**

**HOW WILL
PEOPLE SHOP?**

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CEO

IKEA

9+ years, Europe & China

Responsible for customer experience through all channels

New retail and shopping convenience

Strategy and sustainability



**“Not since the
Industrial Revolution
has shopping been in
such upheaval”**

Henry Tricks, The Economist



WHAT IS THE MAIN CHANGE IN RETAIL?



It's us.

The consumer.



“At the turn of the 20th century, the commander-in-chief of commerce was the retailer, with the manufacturer as equal partner.

Today it’s the customer who’s in charge.”

Mark Cohen,

Director of retail studies at Columbia University Graduate School of Business in New York

HOW DOES THE CUSTOMER WANT IT?

Smooth, Easy & Convenient

Meet MY needs at the right point of the journey – inspiration, decision, transaction etc

Friction free

FRICTION

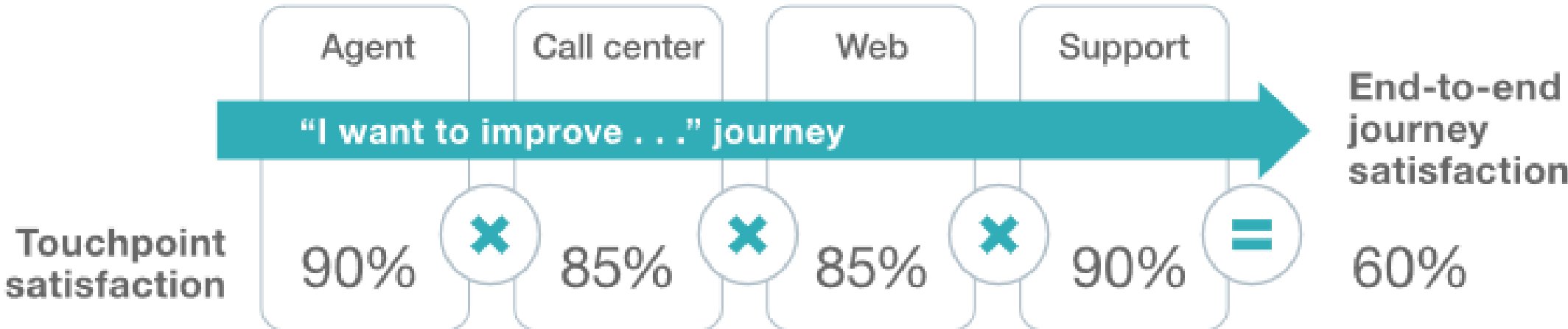


**FRICTION
KILLS
CUSTOMER EXPERIENCE**



Best-in-class companies optimize customer journeys, not just touchpoints.

Individual touchpoints may perform well even if the overall experience is poor



**BEST-IN-CLASS COMPANIES
OPTIMIZE CUSTOMER
JOURNEYS.**

**NOT JUST
TOUCHPOINTS.**

IMPORTANT AREAS FOR FUTURE RETAIL



**CONSUMER DATA IS
THE MAIN ASSET**



**New consumer
behaviour**

**Bricks & Mortar
>75% 2024**

**Direct-To-Consumer
DTC**

**The Role of
the store is
changing**

**Personalized & Data
driven**

Omnichannel

NEW CONSUMER BEHAVIOUR

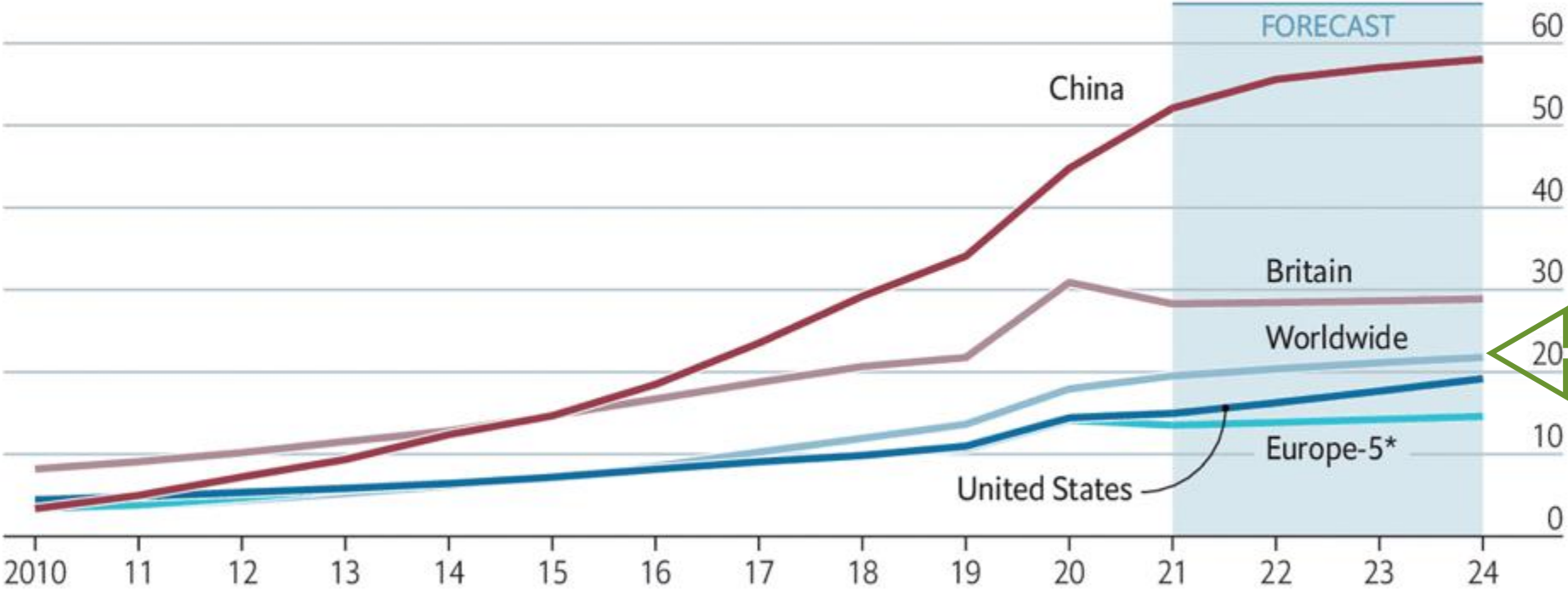
- **Digital behaviour:** The consumer is floating between the digital and physical world in almost everything they do
- **Optimising consumers:** Time is becoming the main scarcity in life. The optimising consumer of today and tomorrow have little or no patience.
- Customer act differently than what they say – most likely meaning that the customers also are on a journey



BRICKS AND MORTAR >75% 2024

Spinning the web

Online retail sales as % of total



Source: eMarketer
The Economist

*France, Germany, Italy, Spain and Britain

DIRECT-TO-CONSUMER (DTC)

Yet since 2017 the firm has been cutting the cord with many of its wholesalers, including Amazon, the world's biggest online retailer, to focus on becoming a "direct-to-consumer" (dtc) company.

DTC now accounts for 40% of Nike's revenues.

Its shoppers' use of digital technology has enabled Nike to recreate that hallowed "one-to-one world", says Ms O'Neill.



THE ROLE OF THE STORE IS CHANGING



- The store will not die – but it needs to be re-imagine – to a new type of experience
- It needs to embrace and highlight the things you can't get online
- Online and offline journey
- Service! Make the shopping more intimate – more direct – more one-to-one

PERSONALIZED AND DATA DRIVEN

- The data-driven shopping is unstoppable. It will change the nature of stores, so that physical and digital shopping seamlessly interact.
- Understand MY needs!
- Base the decisions on data, not own experience and intuition



OMNICHANNEL

- The customer in the center and ensuring that the customer gets an equally good experience regardless of which channel she or he choose to visit and/or shop from
- Technical solutions and clear strategy are needed to make this work
- Service! If the seller or customer service does not understand the omnichannel solution, the whole experience potentially falls for the customer

OMNICHANNEL

“The future will be both online and offline”

“For consumers the benefits are obvious. They will gain greater convenience from being able to shop either physically or virtually, depending on their mood and circumstances.

But for retailers, the challenges are immense.”



**HOW WILL
RETAIL LOOK IN
THE FUTURE?**

**HOW WILL
PEOPLE SHOP?**

- 1. A good mix of channels that are working seamless together**
- 2. Friction free and convenient shopping**
- 3. Know your consumer – Consumer data is the main asset**
- 4. Agile**

”NEW SPORTS OF RETAIL”

...with continuesly changeing expectations

... with a new competitor landscape

...consumers last experience is their new expectation

Ir relevant



THANKS!

VERTISEIT CAPITAL MARKETS DAY 2021