

10 TRENDS
MILLENNIAL
RETAIL

Kelton



KEEP MOVING

In the ever-shifting cultural landscape, savvy companies don't just keep pace with change; they leap ahead. With a keen awareness of the cultural forces that influence consumers, they connect fundamental desires with shifting trends to stay relevant.

Kelton Cultural Insights uses Semiotics and Trend Monitoring to identify subtle themes and cultural shifts early – inspiring smarter consumer research, new product development and strategy with foresight.

In **10 Trends: Millennial Retail**, we call out the key shifts influencing the shopping behavior of America's largest generation. Raised in a world of abundant choice, fast fashion and endless information, they've become the smartest, most sophisticated generation of shoppers yet. Read on to understand how they continue to shape new retail experiences.



millennial savvy



SMART SHOPPERS, MEET SMART RETAIL

Smart retail has evolved to meet Millennials on their own terms.

While many retailers have embraced the concept of abundance, offering myriad, seemingly infinite options for the products that they sell, this strategy actually runs counter to today's Millennial ethos. **Millennials value quality, simplicity, longevity, authenticity, and transparency over abundance and excess.** And they expect the products they buy to act as unique expressions of these core personal beliefs. Forward-looking brands and retailers tap into these fundamental values to not only sell products, but to also earn loyalty.

We'll explore **10 Millennial Retail Trends** in the following pages to serve as inspiration for building long lasting relationships with Millennial shoppers.

10 TRENDS

MILLENNIAL

RETAIL



- 1 **Gender Leveling**
- 2 **Essentialism**
- 3 **The Snapchat Effect**
- 4 **Social Currency**
- 5 **Built For Me**
- 6 **Frictionless Experiences**
- 7 **Radical Transparency**
- 8 **Omnipresent Social**
- 9 **Local Love**
- 10 **Gamified Loyalty**

WILDFANG

Wildfang's products are specialized to include all genders, from the colors and style of their products to the androgynous-looking models that they feature to market the brand.



1.

GENDER LEVELING

GENDER LEVELING

Many Millennials see gender as a fluid concept, rejecting the traditional male-female binary. Brands have responded by introducing gender-neutral merchandise, such as clothing, and by rethinking the way that gender-specific products are described and categorized.

THINK ABOUT IT...

- Is your store's floor plan driven by traditional gender definitions? How can you change the layout to be more inclusive?
- How can your visual displays and ads do a better job of representing the LGBTQ community?

2.

ESSENTIALISM

More isn't always...more. Borrowing from the Essentialist philosophy of living with less, many Millennials are eschewing mass consumption in favor of an edited lifestyle.

They prefer to spring for (and maintain) a higher quality product than buy cheaper replacements over time. Some retailers are leaning into this trend by encouraging reuse, extending lifetime warranties and offering complimentary repairs.

THINK ABOUT IT...

- Can you incorporate messaging around quality and durability on your packaging, website, and content?
- How can you connect Essentialism to your heritage story? Can you highlight older models or vintage products still in use?

ESSENTIALISM

PATAGONIA

Patagonia's Worn Wear Mobile Tour brought specialists to 18 cities across the U.S. to teach customers how to repair their own items, so that they can last a lifetime.



STORY

This brick-and-mortar store in Manhattan’s Chelsea neighborhood offers consumers a themed shopping experience that changes every 4-8 weeks. The products in the store, while all diverse, form a cohesive narrative.



Image Source: thisisstory.com

3.

THE SNAPCHAT EFFECT

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Millennials rely on ephemeral technology to share personal stories online, and this craving for short-lived stories lives off-screen as well. From pop ups to shifting store installations, temporary and evolving retail experiences keep this notoriously attention-scarce group engaged with retail brand narratives.

THINK ABOUT IT...

- If your merchandise can't change quickly, can you complement it with a rotation of local artists, or semi-permanent installations?
- What's the story that you tell, and how often does it change? Can your story be serialized?

4.

SOCIAL CURRENCY

Retail brands are beginning to capitalize on the Millennial embrace of digital banking by letting shoppers pay via apps like Venmo, that live at the intersection of social and commerce. With built-in social components – a key focal point of the user experience for Millennials – brands benefit from consumer-generated promotion of their products within the Venmo app.

THINK ABOUT IT...

- Are your transactional systems built to integrate with the digital payment options on the horizon?
- Should you offer promotional value for transactional shares (like discounts) based on purchase-plus-share frequency?

SOCIAL CURRENCY

MUNCHERY

Food delivery service Munchery allows users to pay for their purchase with digital payment app Venmo, where larger social networks can see what their friends have bought.



SHOES OF PREY

This online retailer lets shoe shoppers completely customize every aspect of their design—from style, to materials, to heel height. Shoes are 3D printed to exact specifications.



Image Source: shoesofprey.com

5.

BUILT FOR ME

BUILT FOR ME

Call it Product Customization 2.0. More than selecting colors and adding embroidered elements, recent advances in 3D printing and computerized milling technology allow Millennials to digitally tailor size, shape, fit, and more to uniquely meet their needs, identities and values.

THINK ABOUT IT...

- How can 3D printing improve your manufacturing or delivery systems?
- Are there points in your production process where customers might be able to customize in order to enhance utility?

6.

FRICITIONLESS EXPERIENCES

In-app purchasing, online couponing, and other technological advances have made the process of buying significantly easier. This new normal is raising the stakes for both in-store and online experiences. Millennials are demanding better service and more convenience, and are less tolerant of frustration and stress when shopping.

THINK ABOUT IT...

- How can you reduce waiting time at every step of your shopper's journey?
- How can you interpret digital and social conversations to identify frustrations, needs and desires earlier than your competitors?

FRICITIONLESS EXPERIENCES

TACO BELL

The Taco Bell app uses GPS technology to notify chefs when a customer is on the way to the restaurant, allowing them to time orders so that they are hot and ready just as customers arrive.



EVERLANE

This clothing brand has made “Radical Transparency” its battle cry. Everlane makes its transactions as transparent as possible, disclosing labor, material, transportation costs, and profit margins for each item sold.

THE EVERLANE TRENCH

Transparent Pricing

We believe customers have the right to know what their products cost to make.

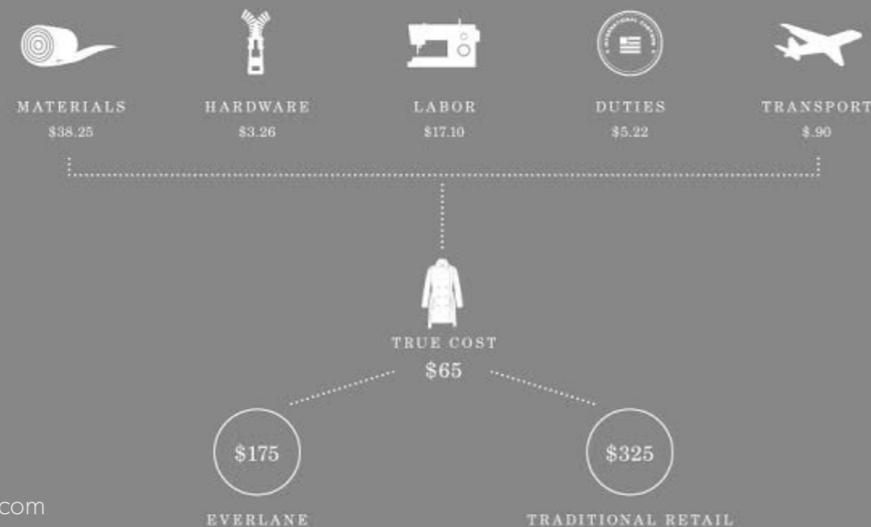


Image source: everlane.com

7.

RADICAL TRANSPARENCY

RADICAL TRANSPARENCY

Millennials want the full history of a product before they buy it– from where materials are sourced, to where it’s made and what the markup is. Some retailers are providing an unprecedented amount of production information to consumers as a result, which inherently makes them feel more trustworthy and authentic to Millennials.

THINK ABOUT IT...

- How much information are you able or willing to share to illustrate your brand’s values?
- Does your broader manufacturing process reflect your brand values and meet Millennial expectations?

8.

OMNIPRESENT SOCIAL

From selfies to streaming platforms like Periscope, Millennials have clearly integrated social media into their physical worlds. Beyond real time digital responses, retailers are designing physical experiences to more fluidly incorporate social media.

THINK ABOUT IT...

- How can you incorporate a two-way social dialogue into your brick and mortar experience?
- How can your sales staff use social to communicate with clients and customers in real time?

OMNIPRESENT SOCIAL

TOPSHOP

A 2015 campaign for London Fashion Week featured billboards that updated in response to Twitter discussions of runway trends. Customers that interacted with @Topshop received a personalized shopping list.



ARTISTS + FLEAS

Started in Williamsburg, this semi-permanent pop up market can now be found in multiple locations in New York and Los Angeles. Each space features handmade, artisanal items from a small community of local artists.



9.

LOCAL LOVE

LOCAL LOVE

Incorporating homegrown expression into the retail experience has always created strong bonds between consumer and brand. But this is especially true for Millennials, a generation notorious for choosing authentically home grown over global chains.

THINK ABOUT IT...

- Can you highlight any local materials that you already use in your products?
- How can you design retail spaces to better reflect the local area and community?

10.

GAMIFIED LOYALTY

Millennials came of age alongside modern gaming, so it's no surprise that they respond well to marketing initiatives with a competitive component. In-store experiences and loyalty programs that incorporate playfulness and interactivity are popping up across the retail sector as a result.

THINK ABOUT IT...

- Can you structure your loyalty program so that the process of earning points is visualized in a compelling way digitally?
- How can you best engage your consumers in a friendly competition?

GAMIFIED LOYALTY

LEE JEANS

Lee Jeans leveraged gamification in a recent campaign in China, where consumers received points for testing their heat-retaining denim. High scorers received access to exclusive coupons and events.



Image Source: advertising.chinasmack.com



Kelton Global is an insights and strategy consultancy with deep experience in research. We uniquely blend a range of approaches to generate smart, actionable solutions for the world's biggest, most well loved brands. With a heritage in journalism, actionable storytelling is at the heart of everything we do.

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Give us a ring or drop us a note.

+1.310.479.4040 | contact@keltonglobal.com

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