FLASH REPORT

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Retail Week Live | DAY 1

Rapid upheaval in retail, driven by changing consumer behavior, was the opening theme at Retail Week Live 2015. After introductory remarks by *Retail Week*'s editor-in-chief regarding the challenges facing the sector, the CEO of Dixons Carphone, Seb James, outlined his thoughts on the past and future of shopper behavior.

James took the audience on a breakneck tour through a century of changing shopping habits before he declared that the future would belong to the "connected customer." The average home currently has 12 connected devices, such as smartphones and laptops, explained James. In a few years' time, this number will have reached 70, he forecast.

These devices will keep "your home working, your family safer, you healthier," according to James, but this connected customer phenomenon will also prove hugely disruptive, providing new challenges in the fields of energy, insurance, health and, of course, retail.

Connected, informed shoppers will decide when and how to engage with retailers. For stores, this "won't be quick and it won't be easy," said James, likening the forthcoming shopper demands and technology-driven lifestyle changes to a tsunami set to hit retailing.

We also stopped by to hear Lastminute.com founder Henry Lane Fox talk about innovation.

- Crucially, cautioned Lane Fox, the focus of innovation needs to be on what the models of retailer business look like, and not on bells and whistles such as nice-to-have tech innovations. Most innovation labs are not currently focused on the core problems facing retail, he warned.
- He also said that some big retailers are hindered in innovating by short-term-driven financial incentives. The cash constraints that start-ups face, by contrast, can foster the type of innovation that passes some larger retailers by.

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Mark Collin of ThoughtWorks and John Crosby of Lastminute.com expressed similar views at a later panel session on the question "What does innovation really mean?"

- Some larger enterprises struggle to innovate for fear of failure, noted Collin, though failure can sometimes be a productive thing for innovating firms.
- Meanwhile, Crosby echoed the views Lane Fox had stated earlier when he said that constraints faced by start-ups "created an iterative mind-set" that can generate novel ways to solve problems.

The importance of having senior-level executives who are enthusiastic about innovation was emphasized in both of these sessions.

Later, an informative talk from McKinsey's Kate Smaje busted some popular m-commerce myths, such as:

- Apps are key in order for retailers to sell through smartphones.
- Showrooming is a "showstopper" for brick-and-mortar retailers.
- More digitization is needed in-store.

Smaje convincingly countered these perceptions with shopper data confirming that "stupidly simple actions" are more important than "shiny stuff" when it comes to building a strong m-commerce proposition.

Also on day one, we stopped by the Innovation Campus to see some retail tech start-ups, including:

- Goodvidio, which provides an online platform for retailers to embed video from social media on their sites. For example, a store could use the platform to embed YouTube videos featuring product reviews.
- YOOBIC, which provides apps for store staff and mystery shoppers that allow them to give their head office instant feedback about in-store issues such as out-of-stock items, incorrect promotions and noncompliant displays.
- Spaaza, which enables retailers to offer personalized pricing and promotions, both in-store and online, by operating white-label shopping apps for retailers and plug-ins for existing apps that are tied to loyalty schemes.

More to come tomorrow.

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