As the retail landscape evolves, and as customers place the greatest value on their time and attention, brands have responded by offering greater conveniences, customized experiences, and deeper levels of personalization. Today’s customers expect more from brands than ever before, and it’s these demands that continue to push the industry forward with great speed.

Alliance Data’s Now, New, Next trends report details how brands have firmly placed the customer at the center of their strategies, elevating new tools and experiences to maintain relevancy and deepen engagement.
THE TRENDS SHAPING 2019

Purposefully connected journeys
Embracing every body
Engaging in the brand promise in store
Conscious connections

Precise personalization
Mainstreaming secondhand
A social shopping revolution
Bridging the gap

Driven by artificial intelligence
Actionable simplicity
Brands have taken notice and are incorporating these ideas at a growing rate.

**EARLY ADOPTION**

Bold leaders have implemented new models for meeting their customers’ needs, as others closely monitor their success.

**NEXT-UP INNOVATION**

A select few trendsetters are exploring and testing concepts that may gain popularity in the next two to three years.
Now
PURPOSEFULLY CONNECTED JOURNEYS

Brands have gone beyond simply creating consistency between their various channels and are moving to deploy technology and solutions that truly enable fluid, customer-directed experiences. By **strategically connecting all of the brands’ assets and channels**, retailers are removing friction and serving up the right information on demand and in real time.
Nike

Nike by Melrose uses mobile technology, geofencing, loyalty data, social media, and human interaction to deliver a next-gen experience; customers use their mobile-enabled loyalty pass to unlock products and discounts, book personal shopping appointments, and access curbside service.

Aldo

Aldo’s newest functionality enables its cross-channel customers to add items to their wish list, search options and find information in store and online, and add images to their social media profiles. Customers can request styles to try on in store through the Express Try-On service via their mobile device.

H&M

H&M’s new mobile app has brick-and-mobile capabilities built right in: customers can “Scan and Find” to track down out-of-stock items, live chat customer service, Rate & Review products, and Find in Store, using visual search capabilities to find which nearby store has their item in stock.

Uniqlo

Uniqlo’s new app connects the online and offline experiences by giving personalized fashion advice and voice-enabled customer service, and then directing customers to their local stores with the desired items in stock.

MAKE IT HAPPEN:

Enable engagement on their terms. Customers all have unique expectations. Design an experience where they can decide whether to engage online or in store, enabling them to get quick access to personalized help in the moment.

Deliver relevancy. Ensure customers have visibility online to which items are in stock at store locations closest to them. Use geofencing and beacon technology to serve up relevant, targeted messaging and offers when they are in store.
As consumers become more culturally and socially aware, there is a growing expectation that brands will recognize the value in every individual. Brands are responding by making conscious efforts to design more inclusive services, products, and experiences that empower individuals to engage with the brand on their terms.
Engage fresh partners. As retailers expand their product lines to be more inclusive, partnering with an expert in disabilities, diversity, or gender neutrality, for example, can bring relevancy and credibility to new offerings.

Embrace new opportunities. Strategically extending programs, products, and services to new audiences can provide access to new customer bases in addition to offering more robust data collection opportunities.

Express
Embracing the body positivity movement, Express is adding plus sizes to their stores, going up to a size 18 in every style sold. The brand is also featuring curvier models in their marketing and advertising efforts.

Nordstrom
Nordstrom is requiring all women’s apparel brands to produce clothing in sizes 00 through 24. They’re also incorporating plus sizes into the regular rack, rather than separating them into another section of the store or website. Specially designed mannequins will showcase fashions in sizes 2 and 12.

Abercrombie & Fitch
Abercrombie & Fitch released a line of gender-neutral kids clothing called the Everybody Collection, created in response to customer feedback that parents and children did not want to be confined to specific colors or styles when shopping across genders.

Chanel
Nodding to changing attitudes around gender and style, Chanel is launching a makeup line for men, Boy de Chanel. The line will include foundation, lip balm, and brow pencils, specifically designed with men’s needs in mind.

Generation Z is the most ethnically diverse in U.S. history with Hispanics, African-Americans, Asians, and those identifying as multi-racial making up 47% of the group’s population.¹

¹ Source: U.S. Census Bureau, 2010

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Continuing to reimagine their store environments with immersive experiences and hospitality elements, brands are now focused on bringing actual product usage into the branded space. These adjacent experiences and services increase the value and the amount of time consumers spend in store and deepen customers’ connections with the brand in an authentic way.
OfficeMax

Catering to the comprehensive needs of their small- and medium-sized business clientele, OfficeMax launched Workonomy, which offers co-working spaces, on-site access to technology experts, self-service printing and copying, and pack-and-ship capabilities.

JOANN

To fulfill the brand’s mission to inspire creativity, JOANN now offers the Creator’s Studio, an open community-oriented space where craft enthusiasts can rent sewing machines, take classes, and host events; customers can also access seamstress and personal shopping services.

DSW

DSW is deepening customer engagement by rolling out services that complement the shoe-shopping experience, including pedicures, on-site shoe and handbag repair, and fitting for custom insoles.

Neiman Marcus

Looking to create one-of-a-kind experiences for their aspirational customer base, Neiman Marcus is launching the Idea Factory. Customers can access artist-customized apparel, custom mixed beauty creams, and piercing services in store.

MAKE IT HAPPEN:

- **Bring aspiration to life.** Keeping the brand’s mission in mind, design relevant services and experiences that showcase how the brand is helping customers fulfill their functional and emotional needs.

- **Foster a sense of community.** Whether through fashion, crafts, sports, or other common interests, give customers opportunities and spaces to engage and learn from each other—and associates—in branded environments.
Today’s socially conscious consumers appreciate brands adopting platforms designed to make the world a better place. Tapping into sustainability and environmentally friendly initiatives in authentic, transparent ways, these brands are forging deeper connections with consumers by demonstrating that the causes close to their hearts also matter to the brand.
Eileen Fisher

Women's fashion brand Eileen Fisher has launched a new concept store called Making Space, focusing on teaching customers how to live sustainably and mindfully. In addition to featuring its Renew and Remade line of recycled garments, the store will offer workshops, movie screenings, art exhibitions, and other events.

Starbucks

Starbucks is pledging to globally end its use of single-use straws by 2020 due to plastic's impact on the environment. This is just one of the company's sustainability initiatives, which also include creating a fully compostable and recyclable hot cup, and energy-saving programs.

IKEA

Already a leader in sustainability, IKEA recently announced plans to accelerate environmentally focused initiatives, including pledging to reach zero emissions for home delivery globally by 2025 and eliminating single-use plastics from its in-store cafe.

Hasbro

In partnership with recycling company TerraCycle, Hasbro is offering free recycling of their toys and games. Customers can send in used Hasbro products to TerraCycle, which will turn the recycled plastic into products like play structures, park benches, flower pots, and more.

MAKE IT HAPPEN:

Know what matters most. Look to your most loyal customers to find out which causes matter to them and intersect with what matters to the brand. Tap into those societal conversations in a transparent, authentic, and meaningful way.

Stay in the conversation. As customer sentiment around environmental causes evolves, evaluate sustainability programs on an ongoing basis to ensure the brand's efforts are resonating and making a measurable impact.
New PRECISE PERSONALIZATION

As personalization continues to be a winning strategy to connect with consumers, brands are looking at opportunities to deliver a deeper level of precision in customization and bespoke products and services. New innovations in data-driven, tailor-made offerings are giving consumers new inspiration and ways to “make it mine.” The results are so customized to the customers’ needs that their satisfaction is nearly assured.
Kode

New beauty brand Kode combs through data from 2,400 genomic and dermatology studies—plus a multitude of genetic biomarkers and variants—to determine a customer’s risk score for predisposition to more than 30 skin conditions. The brand then offers tailored solutions, including those for issues that may not have presented themselves yet.

Google and Ivyrevel

Google teamed up with Ivyrevel to design the Data Dress, which uses an individual’s location data—including places visited and typical weather—to create a completely bespoke dress.

Netflix

Through multiple AI-enabled solutions, Netflix customizes its offering for each profile, tailoring the content and even the show artwork to a viewer’s tastes, site habits, location, device, and more. In its most recent effort to customize content, Netflix is testing video promos between show episodes, personalized to the user’s viewing habits.

Eison Triple Thread

Online custom menswear company Eison Triple Thread uses a personalized quiz and the shopper’s Spotify listening habits to design made-to-order menswear looks.

MAKE IT HAPPEN:

- **Look for unique inspiration sources.** Engage data points around emotional drivers like music, social causes, or location to develop a deeply personalized product offering, creating a unique connection with each consumer.

- **Consider big data.** Complement owned data with big data to create a more complete picture of your customers and their needs. Look to weather, social media, digital interaction, and more to provide unique insights into your customers’ needs and expectations.
The secondhand market is looking more like traditional retail, with **curated offerings, higher-touch store experiences, and tech-enabled customer journeys**. As customer feelings around ownership continue to evolve, more brands—from secondhand stalwarts to new players—are embracing the resale market as an attractive opportunity.
To broaden its appeal to younger consumers, Goodwill partnered with students from the Fashion Institute of Technology to launch Curated. The more upscale boutique version of the store is stocked with trendier merchandise culled from other locations.

REI
After a successful pilot last year, REI is rolling out more categories and brands on their resale site, tapping into customers’ desires for sustainability coupled with lower price points.

Banana Republic
Banana Republic offers lightly used luxury goods from brands like Chanel, Burberry, and Louis Vuitton on their site, appealing to their higher-end, aspirational customer base.

The RealReal
The RealReal just opened its second location in Los Angeles featuring luxury goods for men and women; the brand also uses buzzy pop-ups to create brand awareness and engagement, and as a product acquisition opportunity.

MAKE IT HAPPEN:

Understand their motivations. Value is not the only driver in the secondhand space; some customers respond to sustainability messaging, the uniqueness of vintage items, or even the ability to resell the item after using it.

Engage tomorrow’s customer today. Consider offering resale as an opportunity to control the presentation and experience, or partnering with a trusted resale company to ensure products sold are authentic.
A SOCIAL SHOPPING REVOLUTION

As social media platforms roll out new commerce-enabling features, retail is on the cusp of a revolution in social shopping. Brands are embracing this new functionality through new shoppable content, testing new platform technologies and enabling customers to move more seamlessly from inspiration and discovery to purchase.
Michael Kors

Adding more interactivity to their ads, Michael Kors became the first brand to test augmented reality-enabled ads within Facebook’s News Feed. Mobile device users can use the augmented reality feature to try on a pair of sunglasses, for example, and then tap “Shop Now” to purchase on the brand’s e-commerce site.

Allbirds

Allbirds celebrated its second anniversary with a limited-edition shoe collection only available on Instagram, enabling customers to complete their purchase by swiping up on the Instagram story or tapping the link within the brand’s Instagram bio.

Kylie Cosmetics

Empowering customers to move from discovery to purchase without leaving the platform, Kylie Jenner offered an eyeshadow palette exclusively through Snapchat; customers purchased by swiping up on their screens, then checking out.

Cole Haan

Cole Haan is leaning on Facebook Messenger to reduce cart abandonment. If a shopper adds an item then abandons their cart, the brand sends reminders via Messenger; they’ll also send alerts if the item goes on sale or reaches low stock.

MAKE IT HAPPEN:

* Get interactive. Engaging elements, like augmented reality filters, polling features, and shoppable image carousels, invite social media users to interact with content and create deeper brand connections.

* Develop a testing plan. Capabilities on social media platforms are constantly evolving, bringing new opportunities to test these features. A testing plan comparing various platforms, for example, can help ensure the capabilities the brand is piloting will advance overall marketing goals.

31% of consumers say they shop while flipping through their social media accounts.3

3. Source: Shopper’s Voice Survey, Epsilon, 2018
As brands continue to look to their digital channels as an avenue for growth, retailers are leaning into innovative digital solutions to help overcome the inherent challenges of shopping online. Whether solving for fit, product visualization, service, or personalized guidance, the goal is to create leading-edge services and solutions that enhance customer satisfaction and increase comfort with buying specialized products online.
Gwynnie Bee

Clothing subscription service Gwynnie Bee launched an Alexa-enabled unboxing experience that acts like a personal shopper, guiding customers through the products and helping them to determine which items to keep. The branded interactive experience puts the customer at the center of the story, taking her through humorous scenarios of how the clothing could be used.

Original Stitch

Original Stitch now offers Bodygram, a service that creates precise measurements by scanning your body through front and side photos; the company claims the personalized sizing is 99% accurate, and customers can return the custom clothing for free if the fit is off.

Wayfair

After introducing an augmented reality feature earlier this year, Wayfair launched a mixed-reality experience that projects life-size images of furniture and décor into the desired environment, enabling customers to interact with products in a life-like manner.

Ted Baker

Looking to provide a new avenue for inspiration and customer engagement, Ted Baker launched “Seemore,” a chatbot on Facebook Messenger. The artificial intelligence-powered chatbot uses natural language processing to guide users through the fall clothing collection and help them make purchases from within the Messenger app. Seemore can also answer customer questions and help track orders.

MAKE IT HAPPEN:

- **Lean into mobile-first opportunities.** With nearly universal ownership, smartphones support a wide array of solutions that help solve for common customer challenges, like augmented reality-based try-on capabilities, or human- and AI-powered chat conversations.
- **Let data lead the way.** Examine customer reviews and digital interaction data to understand the brand’s biggest opportunities. Technology solutions can help drive conversion, spend, and brand loyalty by augmenting the overall shopping experience.

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Brands are experimenting with artificial intelligence throughout the customer journey, with some of the most exciting innovations occurring when brands turn over decision-making to data-driven algorithms. These can determine website design, ad messaging and placement, and product recommendations in real time, generating impressive efficiencies and enabling 1:1 personalized journeys at scale.
TUMI leverages algorithms powered by artificial intelligence to pull data from a customer’s email, social media, and search and site behavior to create 1:1 personalized marketing tactics in real time, without human involvement.

L’Occitane en Provence
Using an off-the-shelf, AI-powered, mobile discovery solution, prestige beauty brand L’Occitane tailors their website layout to each user, based on that customer’s location, local time, previous purchases, customer profile data, and more.

LeSportsac
Accessories brand LeSportsac has empowered their AI-based engine to use real-time data to independently make decisions on what personalized marketing messages and product recommendations should be served up directly to customers.

OPI
Using search behavior, social media insight, and Amazon integration, OPI developed a new set of algorithms to identify whether someone is a general customer or a professional nail technician. They can then automatically tailor the website to cater to each segment’s needs.

MAKE IT HAPPEN:

- **Start small.** Artificial intelligence and machine learning are powerful tools that can add value throughout the retail experience. Consider small pilots to see where the technology can add the most value for the brand and the consumer.
- **Develop a long-term data strategy.** Often the biggest roadblock in deploying artificial intelligence-based solutions is data located in disparate sources and formats. Establishing a holistic data strategy with specific goals will ensure the right data is being captured in formats the brand can easily leverage.
As technology begins to permeate every element of consumers’ daily lives, and as time becomes a more critical commodity, products are quite literally working smarter and harder. From managing dinner reservations to correcting yoga poses, brands are finding ways to make daily life a little easier.
Google Duplex

In a bid to save consumers time and make Google Assistant more integrated into daily life, Google Duplex uses natural language processing to complete simple tasks, like booking salon appointments and restaurant reservations.

Waggit

Waggit is a wearable collar that tracks the health of man’s best friend, learning the pet’s habits over time, alerting owners when activity levels are out of the norm, and sending reports directly to the veterinarian’s office.

HP

To eliminate the frustration of running out of ink or paying too much for an ink subscription service, HP has developed intelligent printers that re-order their own ink when the supply runs low.

Wearable X

Wearable X, a fashion technology company, created yoga leggings that have sensors sewn into the hip, knee, and ankle that vibrate to correct the user’s posture. The wearer can get additional in-the-moment information about how to correct their posture via the brand’s app.

MAKE IT HAPPEN:

Get connected. As smart devices grow in popularity, consider how the brand could integrate with complementary products or services to solve common customer challenges or remove a hassle from daily life.

Extend the experience. Look to mobile devices and emerging technology opportunities to extend interaction with the product and brand long after the initial sale is complete.

There are currently 16.6 million U.S. homes with integrated smart devices where multiple devices and appliances can connect and interact with each other over the internet.4

4. Source: Statista, 2018
AS BRANDS RACE TO REMAIN RELEVANT WITH THE CONTEMPORARY CONSUMER,

new innovations in communication, experiences, and interactions are coming to the forefront. Alliance Data’s deep knowledge of the retail industry, along with our expertise in data-driven insights and analytics, enables us to help our partners intimately know their customers and better understand what it takes to motivate and drive enduring brand loyalty.

For more information on how Alliance Data can help your business, visit www.KnowMoreSellMore.com.
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