

What's in store for retail in 2024



There's no better time to be a shopper, with myriad ways you can explore and purchase goods. Thanks to advances in technology, shoppers really are spoilt for choice when it comes to the retailers they visit, how (online, in-store, or via social media), and what they purchase. Yet, in many ways the tried-and-tested techniques of having a welcoming brand, personalising the shopping experience, and inspiring shoppers with product displays are standing the test of time.

That's why, in 2024, physical locations will continue to be an essential part of a retailer's sales strategy.



5 Trends shaping retail in 2024

Trend 1

Customers continue to shop in-store

Casting our gazes towards 2024, there is a clear preference among shoppers for retailers to blend online and in-store shopping, especially when physical locations feel exclusive and inviting.

Indeed, the high street still reigns with the majority of shoppers - in the UK, 85% of purchases still occur in-store while 70% of shoppers in Sweden and Benelux reportedly purchased their last item in-store. So, despite the growth of online retail, consumers are still choosing physical stores for certain items and experiences. Especially among younger shoppers, women, and city dwellers, who actively seek out physical stores for their shopping enjoyment. Consumers also prefer feeling and seeing physical products in a way that cannot be easily replicated online.

Understanding the motivations behind someone visiting a bricks-and-mortar location is crucial to the ongoing success of the high street. **Research** has found that people are driven to visit retail stores for

- a better customer experience (84%)
- cross-border shopping (81%)
- greater personalisation (79%)



Explore your options with laminate interiors.
The flexibility of laminate allows for diverse colour schemes, patterns, and textures, giving your brand and space a distinctive feel.





The experience a store offers attracts customers through the door because they want to feel inspired and engaged with a brand. The look and feel of a store is integral to the success of a retailer today, so don't underestimate the impact that a beautiful, well maintained interior can have on someone's likelihood to purchase and return time and time again.

Nina Bailey, European Design Lead, Formica Group



Customers want seamless shopping

Closely linked with the first trend, customers want a friction-free shopping experience. Once they've decided to purchase, make it as easy as possible to check out - both in-store and online. In fact, more than 40% of consumers state that they're willing to pay more for a product if they can get it conveniently and quickly. This highlights the continued importance of physical locations since someone can easily visit a store to find their desired product and leave with it on the same day or click and collect from the store.

Moreover, it's worth exploring different ways to offer a seamless checkout experience like expanded payment options, same-day delivery, real-time inventory updates, and personal shopper experiences based on a customer's online profile.

Do the basics well

That said, a recent survey by Formica Group Europe found that technology alone isn't a pull factor to bring customers in-store. Only 11% of respondents would engage with a store that integrated tech innovations. Those in the retail industry agree with this finding, with 67% of respondents to an industry-focused survey agreeing that the integration of technology is the least important factor when encouraging consumers to buy goods in a store versus online.

More than half of respondents want to see retailers do the basics well. That translates to:

- 1. Use of space available
- 2. Cleanliness
- 3. Colour (especially in harmony with a brand's identity)

When designing any retail space, paying close attention to these three areas will ensure customers feel excited, inspired, and safe when visiting a store.



More than one-third of Americans have made omnichannel features such as buying online for in-store pickup part of their regular shopping routine since the pandemic, and nearly two-thirds of those individuals plan to continue.

McKinsey & Company





TIP

Thanks to the versatility of laminate, the world really is your oyster when it comes to installing different colour schemes. Patterns can sit next to solid colours. A feature wall can be a focal point, and colours and textures can be mixed to create a beautifully bespoke feel.

The rise of

pop-ups

Post-pandemic, pop-up shops have grown in popularity among retailers as a novel marketing tool that takes products directly to consumers. Nearly a third of brands are planning to establish or expand their use of pop-up shops in the next year. It helps to create a sense of urgency and exclusiveness — especially when connected to a social media influencer campaign that creates buzz around a limited-time pop-up shop.

Stocking your pop-up store with products customers cannot get anywhere else, offering customisation and other personalisation, plus designing a space that's highly 'Instagrammable' will help your brand stand out.





TIP

You don't want your exclusive products to get lost among dust and clutter. Choose store materials that are inviting, reflect your brand and are easy to clean.

Sell

#lifestylegoals

Some brands have made themselves synonymous with a certain group, look, and aspirations. From Nike Run Club for avid runners to Le Creuset for dinner party aficionados, becoming integral to customer lifestyles and identities can create lifelong fans. Over 6-in-10 customers are seeking a deeper connection with the brands they shop from and this begins to form as soon as they walk through your doors. The first impression that a customer gets when they visit your physical stores will make or break a long-term relationship with them.

TIP

Colour and texture influence how warm and welcoming a space feels.

Laminate surfaces come in a range of textures and colours, plus they reflect light to add to the overall ambience of a retail space.

Because it comes with a versatile choice of designs, laminate can allow the boundaries of traditional materials to be broken, seamlessly blending with your overall aesthetic and brand identity.

As an example, the soft aesthetic of textiles can become a reality in a multitude of interior spaces when combined with the performance features of laminate.



Customers value responsible retailers

Shoppers are taking more interest in the values and responsibilities of the companies they purchase from and work with. Sustainability, environmental responsibility, and recycling are considered very important to 50% of consumers when making a purchasing decision. Over a third of UK consumers have stopped purchasing from brands that they have sustainability concerns about.

The <u>same respondents</u> stated that they would want brands to do the following to be sustainable:

- 1. Use sustainable packaging and products
- 2. Reduce waste in manufacturing
- 3. Commit to ethical working practices
- 4. Reduce your carbon footprint
- 5. Respect human rights









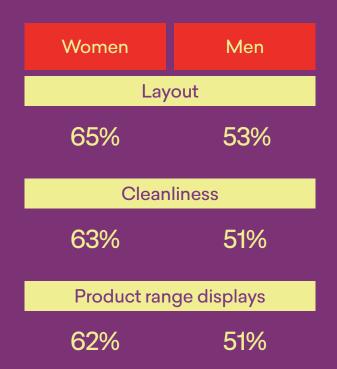


Customers value responsible retailers

The majority (84%) of consumers in Benelux, Sweden, and the Netherlands, and 71% in the UK agree that a welcoming environment is a key factor in visiting a store. Half of consumers in Europe want to see retailers keeping their stores looking new, well presented, and clean. This can be achieved with furniture, shelving, and surfaces that can be kept clean and sparkling, helping a space look fresh for a longer time.

The overall cleanliness, layout, and product displays of a physical location can attract people away from online retail to shop in-store. For example, 59% of consumers overall would enter a store based on its cleanliness, followed by 56% for an easy-to-navigate layout, 54% for product displays, and 51% for an attractive interior. This aligns with why people are choosing retail over online in the first place, to have a 'shopping experience' that allows them to browse and discover new products in real life.

Customer preferences also differ across varying age groups and genders. A welcoming store will attract 88% of females and 73% of males to enter and spend money.



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Retailers can meet the various expectations of different gender groups by paying close attention to their layout, store cleanliness, product displays, and overall look and aesthetic of the interior.

Nina Bailey, European Design Lead, Formica Group



Breaking the findings down by different age groups leads to more interesting trends emerging. For example, 84% of 18-24-year-olds and 88% of 25-34-year-olds will enter a shop when the environment is welcoming, compared to 73% of 55+ year-olds.

A fresh and clean interior matters to all age groups, in particular, 81% of 18-24-year-olds and 84% of 35-44-year-olds. Nearly 1 in 4 (24%) of 18- to 24-year-olds feel that an interior that's regularly updated gives them a reason to keep purchasing in-store. This doesn't necessarily mean a full overhaul — changing accessories like mirrors and wall hangings can have a big impact.

A fifth of older generations favour easy navigation and well-displayed product ranges compared to younger generations. A finding that 60% of retailers agree that they are experiencing among their customers currently.

Notably, 41% of 25-34-year-olds wanted to see a good use of colour in-store (the highest in the age groups for this) and a third of 18-24-year-olds care about the materials used in the interior, especially from a sustainability perspective.

The connecting thread: Cleanliness reigns in the post-pandemic era

Three-quarters of customers surveyed by Formica Group Europe said loud and clear that the cleanliness of a retail environment is the top factor in feeling like a space looks good and feels welcoming. You can invest in an aesthetically pleasing design, but if it's gathering dust, customers won't feel as happy in-store. There's also a risk that seeing an unclean space can make a customer feel like a brand doesn't put as much care and attention into its products, physical locations, and overall reputation.

You can have the most attractivelooking retail space on the high street, offering exclusive experiences, exceptional customer service, and so on... but your efforts will fall flat if your space isn't visually clean. Health and hygiene remain top-of-mind for many customers. Maintaining a polished store is a fundamental step that all retailers need to be mindful of.

> Nina Bailey, European Design Lead, Formica Group

Cleanliness can be interpreted in many ways. The most obvious is in dirty or unclean surfaces, so using materials that can be quickly wiped down is essential. Poorly maintained interiors and furniture can also make a space look dirty. Choosing materials that are robust and hardwearing can help to avoid this. Another factor is having too much clutter in a space. Well-thought-out displays that are regularly dusted and refreshed will help to make a store look visually appealing and clean.



Laminate is a smart choice for most retailers as it comes with excellent hygienic qualities. This makes it ideal for areas where a lot of customers are moving through and touching surfaces. Large sheet sizes can minimise the number of joints needed, where dirt and bacteria can typically build up - allowing you to avoid crevices and gaps that are hard to clean and where dirt can easily gather.

Light and space are welcoming

Consumers are also looking for a feeling of light and space (61% of survey respondents ranked this second in their priorities). Again, your choice of design and materials will greatly influence how spacious and light-filled a store is.

- Choose materials that make a space look bigger

 this will also reduce the impression of clutter.

 Respondents all agree that a lack of clutter and a feeling of space all contributed to a better retail experience.
- Light colours don't just make a room look lighter, but they also reflect natural sunlight, further increasing the effect. If natural light is limited, mirrors may also aid in reflecting light around a room.
- Wood and warm colours can feel more inviting as a customer enters a space. These can be incorporated with lighter shades to help a space feel welcoming and spacious.
- New products can only be discovered when they are well-presented and easy to look at. Dust, clutter, and dirt can distract and even detract from the quality of products. The materials you choose for your walls, shelves, floors, and other surfaces will make all the difference in how your products are perceived and engaged.









Getting your store ready for 2024

A focus on the basics of design and maintenance will keep all consumers happy and excited to shop in-store in 2024. This means choosing the right materials and designing a store to feel spacious, hygienic, and inviting. Laminate is a sanitary solution as it is easy to keep clean and minimises gaps and joints where bacteria may grow.

Keeping a space updated relatively regularly will also help to keep it feeling new, but that doesn't necessarily require a full refit. Instead, using laminate components and other hardwearing materials as the foundation of your store design can keep it looking fresh — while a change in accessories and graphics will switch up the look and appeal of a store regularly enough for consumer expectations.

Reflecting branding seems to be less important to consumers, but it still needs to give a cohesive experience across offline and online channels so there is instant brand recognition and continued building of brand awareness.

One thing that really isn't driving people to visit and purchase in-store is tech integration. Different materials will impact the look and feel of a space more than new technology. Even a simple upgrade to a part of the store can instantly transform it into a welcoming and new space, keeping customers intrigued and excited to visit repeatedly.

Retailers that target younger demographics need to consider what materials, lighting, and displays make a room more appealing. Natural elements like wood, plants, and other elemental features can also make a space feel nice to enter.

For some stores, a clear welcome sign or wayfinding graphics perhaps nodding to a particular area, can be a good touch. It can also become a focal point for 'selfies' which younger demographics may then share with their peers. A mural or other impactful visual element may spur similar actions.

Materials like laminate offer hundreds of options to help you create bold, colourful designs with patterns and prints. This makes it easy to install vibrant designs in-store, making it look bespoke, and creating a lasting impression with shoppers.



Checklist for your 2024 store layout

With this in mind, here are some effective ways retailers can improve their store layout.

- Plan a customers' entire journey within your physical space. Connect their journey with what you want them to do, via signposting and product displays.
- Think of where you want shoppers to visit first in your store and how materials in that space make a first impression.
- Consider how you engage all your customers' senses, from sight to sounds and touch.
- Consider how displays can signpost products or points around the store (mirrors next to clothing, graphics that encourage a certain action or direction).
- Keep the space well maintained. Invest in hardwearing, durable materials such as laminate, that have a versatile palette, and look good for a longer time. Particularly in foundational parts of the store (walls, countertops).
- Regularly change accessories and product displays to keep the space looking fresh.
- Use your layout to drive impulse sales, especially around cashier desks.
- Keep your store looking clean and tidy, avoid materials that are difficult to maintain and sanitise.
- The scent/smell of a retail space plays an important part in creating a positive shopping experience. Inviting aromas can connect with a customer's memory, reminding people of a brand even when they are not physically in store. Retailers should be mindful that less is more when incorporating scents into retail environments.

	Things To Do
	Plan a customers' entire journey
	Make a first impression
	Engage all your customers' senses
一	Consider displays
一	Keep the space well maintained
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Explore your options

It's worth exploring your options when seeking materials for your store. Choose durable materials that can withstand shopper numbers and still look good for months and years. Set a strong foundation in place with hard-wearing yet visually appealing materials for your walls, doors, countertops and other surfaces in high traffic areas.

Then, change the look and feel of your store regularly by using different accessories and graphics. This will create the visually appealing, clean and light spaces that attract shoppers through the door time and time again to see what's new.

As you plan for the year ahead, remember to do these basics well, tying together the overall experience with a consistent brand, spotless stores, and engaging displays.

Ready for more inspiration for your store design?

<u>Explore the Formica® Laminate range for retail environments now.</u>