

SUSTAINABLE CONSUMERS:

THE PURSUIT OF PURPOSE AND PROFIT



JULIE VILLET
Director of URW Lab and Group CSR

As the premier global developer and operator of flagship destinations, and as individuals, we are leaders of change. We use our assets and collective strength to raise awareness and provide practical solutions to ever-evolving consumer trends. **Our agility and capacity to innovate relies on understanding customer needs and expectations.** This is fundamental in allowing us to imagine the future of mixed-use destinations and be the preferred partner for retailers, cities and communities.

We aim at successfully designing the most appealing shopping, living and working experiences of tomorrow. We investigate major trends to build a forward-facing organization. We have decided to work with TrendWatching because we believe their expertise will provide us with comprehensive snapshots of the evolution of consumerism.

This year, TrendWatching will release four reports tailored specifically for the Group. Additionally, they will give live presentations in some regions.

Our first report focuses on sustainable consumption. It is paramount to our success as consumers are increasingly adopting sustainable behaviors. Corporate social responsibility is at the heart of the Group's strategy. It is a factor of progress and competitiveness. We continually seek new ways of improving our environmental footprint and strengthening our social impact.

In 2016, we launched our Better Places 2030 strategy to proactively act on driving a positive change. In a few weeks you will discover the new version of this strategy, maintaining its original level of ambition, defining new objectives for our new group and integrating new areas of focus. Sustainable consumption is one of them.

This report opens many options to be explored. We have started the journey, the next milestones are in our hands in our everyday actions. **We hope the insights will give you an opportunity to get involved and feel empowered to engage and lead the path of change.** Please do not hesitate to exchange your thoughts with us and your coworkers.

About TrendWatching

TrendWatching is a leading consumer insight and trend foresight firm, working to empower meaningful, better business and innovation. Powered by a network of 3,000+ trend spotters, their teams in London, New York and Singapore, TrendWatching help B2C professionals in 180+ countries unlock powerful new answers to the biggest question in business: 'what will my customers want next?'

The world is constantly changing. The pace and variety of that change can be overwhelming. Consumer trends are one way to process it.



People are motivated by a set of unchanging human needs. New consumer trends emerge when change – sometimes technology, but not always – unlocks new ways to serve those needs.

The easiest way to spot that? Look for innovations that serve basic needs in new ways. Those innovations will change what consumers expect of the world around them: including from you.

This report includes innovations from various industries and markets, alongside insights on how these innovations are changing customer expectations. Your challenge? Consider what those expectations mean for URW, and then take action to serve them.

The *only* sustainable advantage for brands is positive impact.

From record heatwaves in four continents, to wildfires in the Arctic Circle and water shortages in India, the Middle East, California and Australia, 2018 saw a host of natural catastrophes make headlines. Then came a warning from the UN's IPCC: **we have just 12 years to limit a climate change catastrophe.**

These were all urgent reminders that sustainability is non-negotiable for governments, brands, consumers... for society at large. Indeed, 92% of consumers say sustainable business practices should now be standard (JWT, 2018).

And whilst it's hard to be optimistic, there are some bright spots. The speed at which both consumers and businesses

turned on plastic straws proved that behavior can quickly change for the better. And although values-driven consumers might not always live up to their good intentions, they are holding brands to higher standards than ever before.

That, in turn, spells opportunity for brands. An opportunity to do the right thing. An opportunity to create real difference and meaningful change. And perhaps **an opportunity to unlock profits that are sustainable in every sense.** Just don't expect too many plaudits!

TABLE OF CONTENTS



END OF EXCESS

06



OWNER-LESS

14



ECO-IMPERATIVES

22



GUILT-FREE LUXURY

27



SPARE CAPACITY

35



INCLUSIVITY IRL

42



OPEN SOURCE SOLUTIONS

49



GLASS BOX BRANDS

56

END OF EXCESS

Consumers demand brands
reimagine single-use products.





END OF EXCESS

Single-use plastic straws *were* the eco topic of 2018. But the broader lesson? The myopic mindset of 'grab-go-throw' is a dead end for the planet. Now, consumers concerned with the long-term impact of their consumption are demanding brands reimagine *all* single-use and ephemeral products.

From plastic bottles to fast fashion, consumers have long been addicted to the convenience and short-term satisfaction of ephemeral objects.

But there's growing awareness that those addictions have come at a price for the planet. In February 2019, NASA scientists announced that the Earth's average surface temperature in 2018 was the fourth highest in almost 140 years, attributing the increase to human activity.

One looming challenge? The volume of waste produced by mass consumerism. Consider that advanced economies make up 16% of the world's population but produce 34% of its rubbish.

These are compelling calls to action. **But the challenge of ending the dissemination of single-use objects is a massive opportunity for URW.**

WHY NOW?

> THE TIME IS NOW

Estimates suggest that 40% of plastic produced is packaging that is used once and thrown away, and that most plastics take more than 400 years to degrade. The UK's Royal Statistical Society named the fact that only about 9% of all plastic ever made has been recycled its stat of the year. In response, a host of start-ups are creating new solutions: **FinalStraw**, a stainless steel collapsible straw, raised more than USD 1.8 million on Kickstarter; **Cove** has patented a compostable bottle that dissolves in landfill sites.

> NO PRESSURE

'Single-use' was announced as Collins Dictionary's word of 2018. **Public awareness of the scale - and the implications - of single-use plastics has never been greater.** In the UK, 85% of consumers claim to be very or fairly concerned about plastic packaging (Ipsos, February 2018).



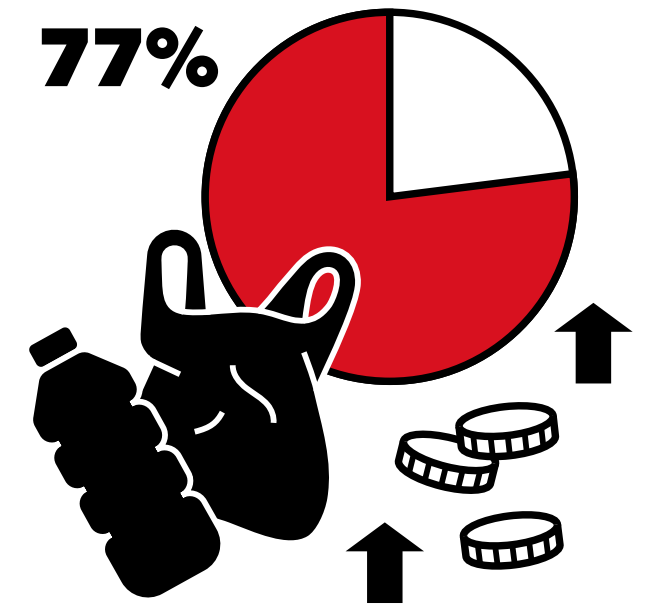
WHY NOW?

> DEATH OF FAST FASHION

Beyond single-use plastics, there is growing awareness of the impact the fashion industry has on the planet. H&M were embroiled in a global scandal after reports that the brand was dealing with unsold inventory by burning products. Burberry made headlines after it was revealed that USD 37 million of the brand's apparel and perfume was burned to conserve exclusivity. The fashion resale website thredUP responded with an open letter, suggesting Burberry donate the products to them to sell.

> BIG BRAND RESPONSIBILITY

In October 2018, [Break Free From Plastic](#) revealed that Coca-Cola, PepsiCo, and Nestlé were the most frequent companies identified in 239 cleanups and brand audits spanning 42 countries and six continents. Break Free From Plastic audited over 187,000 pieces of plastic trash found in oceans and waterways globally, Coca-Cola was named the top polluter, with Coke-branded plastic pollution found in 40 of the 42 participating countries. **Findings like this intensify the pressure on every brand to act.**



77% of consumers believe that products with a negative environmental impact should cost more.

(JWT, June 2018)

FEATURED INNOVATIONS



LUSH

Beauty brand's 'Naked' shop offers plastic packaging-free cosmetics

In January 2019, [Lush](#) opened the first plastic packaging-free cosmetics shop in the UK. The Naked shop offers packaging free cosmetics, such as solid deodorant and shampoo bars and soaps. There's also an information area where shoppers can learn more about zero waste solutions and plastic pollution. Lush Lens, an AI product recognition tool, allows shoppers to access an ingredient list or product information. According to the brand, solid shampoo bars are the most popular packaging-free product.



The UK opening follows the success of Lush Naked shops in Milan and Berlin. Since opening in 2018, the Europe-based stores have sold over 8,000 solid shampoo bars - that's about 616,000 hair washes that *haven't* come from plastic bottles! But the Naked stores aren't just about reducing plastic packaging. They offer a convenient retail experience that just happens to more sustainable alternative and doesn't require consumer action.



PRINT YOUR CITY

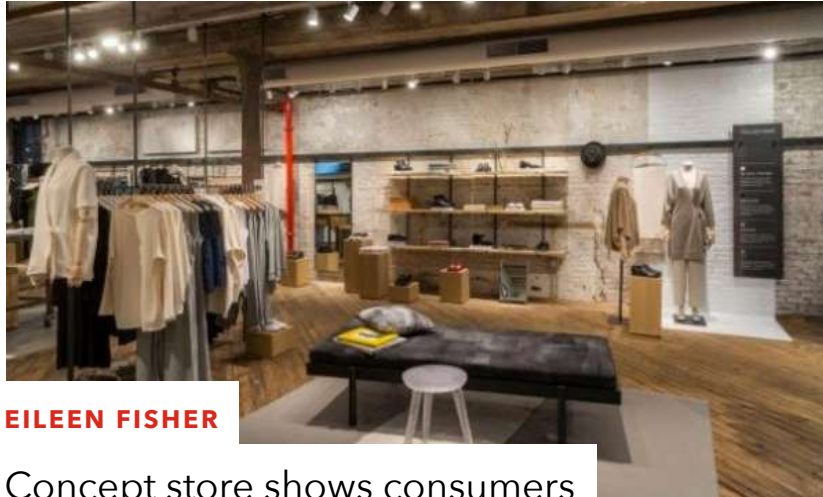
Initiative turns plastic waste into 3D-printed street furniture

Launched in February 2019, [Print Your City](#) allows residents of Thessaloniki, Greece to recycle plastic waste into 3D-printed furniture for the city. At the Zero Waste Lab, which was developed by Rotterdam-based studio The New Raw in partnership with Coca-Cola, residents can select the type of furniture they want to create, with options including planters and bike racks. Once the design is chosen, the website tells the user how much recycled plastic would be needed to make the object - for example, a large triangle-shaped bench with a library and an urban garden would require 90 kg of recycled plastic to build.



According to Panos Sakkas and Fontein Setaki, founders of The New Raw, more than 2,900 citizens of Thessaloniki voted on the type and placement of the 3D-printed furniture, and the production process repurposed more than 800 kilos of plastic waste. Despite ongoing debate about whether designers should focus on upcycling or developing new materials, engaging members of the public in a disposal project is a useful reminder of the implications of waste. Could you use creative processes to tackle the issue of single-use plastic whilst also making something of lasting value?

FEATURED INNOVATIONS



EILEEN FISHER

Concept store shows consumers how to live more sustainably

In August 2018, US-based sustainable clothing brand **Eileen Fisher** opened a concept store in Brooklyn teaching consumers how to live more responsibly. The Making Space concept store hosts workshops, movie screenings, gallery exhibitions and other events. Making Space also features artists-in-residence; the first is Cara Marie Piazza, who will hold workshops on using flowers or food byproducts to dye textiles. Eileen Fisher's Remade and Renew clothing lines - made from recycled clothes or out-of-commission styles - are sold at the store.



Sustainability is a core value for Eileen Fisher; their 'take back' program repurposes 800 garments a day. With Making Space, the brand turned that core value into an enriching in-store experience. URW has tested an upcycling initiative, collecting unsold or faulty garments from retailers or visitors with Croix Rouge in France and Zalando Wardrobe in Germany. URW has also collaborated with Dress in the City, an online platform for second-hand fashion, and offered them pop-up stores in selected French shopping centers.



LOOP

Subscription service brings reusable packaging to the world's biggest brands

Loop, a zero-waste e-commerce website, launches pilots in New York and Paris in Q2 2019 on the back of a coalition of major consumer brands intent on reducing packaging waste. Nestlé, PepsiCo, P&G, Unilever and others are working with US-based recycling company TerraCycle and UPS to recycle and reuse customized, branded durable packaging. Consumers buy products in reusable containers via the Loop e-commerce site, paying a refundable deposit per container. Empty containers are kept in a reusable tote that can be dropped off at a UPS store.



A convenient service? Yes. But what about the cost? According to Unilever, products will cost about the same as the typical single-use item but consumers will have to pay a container deposit. Shipping will start at USD 20, decreasing with every item added. Even when it comes to sustainable products, price remains a key purchasing consideration - the majority of consumers are unlikely to pay more for an eco alternative. The challenge? Creating a low-cost service that's simply better than the alternative.

IMPLICATIONS FOR URW

Yes, this trend is a big challenge. But for the brand that gets it right, it's also a big opportunity. And many of the featured innovations are already reframing customer expectations when it comes to sustainable and convenient products and services. So how could URW be the brand that gets it right? Find some actionable ideas on the next page!

EXISTING URW ACTIONS

Garbera, a URW shopping center in Spain, has collected 2,000 kg of discarded clothes and converted them into new garments in collaboration with AEG Fashion School. In France, URW is partnering with Too Good To Go to help food retailers reduce food waste in 18 shopping centers. Meanwhile in the US, plastic straws have been banned in Westfield Century City.



GET TO WORK

> SKILL UP

What about experiences that help consumers learn about the impact of their consumption? Eileen Fisher and The New Raw are taking a different approach to education, but both strategies deliver the status hit that comes when you make a well-informed choice and can share the experience with others. **Can URW create immersive eco experiences that consumers will want to share long after the moment has passed?** After all, educated consumers are more likely to be *considerate* consumers!

> DRASTIC MEASURES?

In an attempt to halt the erosion and pollution caused by excessive tourism and litter, Thailand's Maya Beach (immortalized in the movie *The Beach*) was closed indefinitely. In Venice, authorities are considering charging entrance fees to deal with the influx of day trippers. Yes, these are drastic measures. But consumers will respond to brands that administer some tough love and force them to change their behavior. **Could URW experiment with radical incentives to create positive change?**

> SHARE YOUR SOLUTIONS

Although this will be a big deal for retailers in 2019, it's simply not possible to solve the global waste issue alone. The problem is just too vast. Committed brands will think broadly about partnerships and collaborative solutions - Loop, which is backed by Nestlé, PepsiCo, P&G, Unilever and others, is just one example of that. **How could you leverage OPEN SOURCE SOLUTIONS to create real change in the world?** See page 49 for more on that.

OWNER-LESS

Why ownership is out
and access is in.





OWNER-LESS

As the desire for newness and variety collides with a growing desire for sustainability, consumers are embracing access-over-ownership services that combine the thrill of trying multiple products, with freedom from maintenance and lower upfront costs.

Consumers are increasingly comfortable to rent, rather than own, goods - 54% of European consumers are willing to share their own goods, while 44% are willing to use other people's belongings (Nielsen, 2018). The sharing economy is predicted to grow from around USD 14 billion in 2014 to USD 335 billion in 2025.

Netflix and Spotify have already radically transformed the way consumers across the globe access movies and music. Uber and Airbnb did the same for transportation and accommodation. As the number of brands entering the rental, resale and refurbishment business increases, consumers will give up an increased portion of their wardrobes to rented apparel.

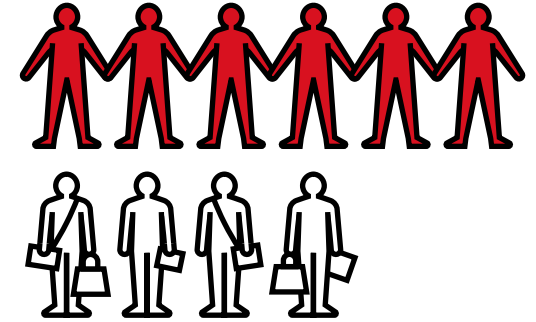
WHY NOW?

> EXPERIENCE OVER OWNERSHIP

In many affluent societies, consumer status has diversified beyond having, owning or buying 'more'. **Although the thrill of owning something 'new' will probably never disappear, consumers are increasingly opting out of long-term ownership in favour of a buy-enjoy-return model.** That simultaneously satisfies their quest for newness *without* being a source of guilt.

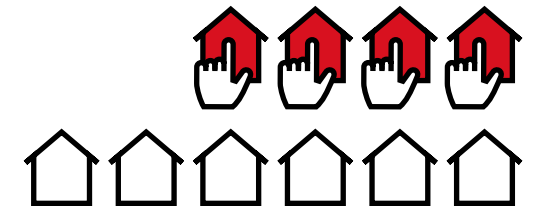
> GENERATION LESS

According to PWC research, 76% of consumers agree that the sharing economy is better for the environment. And yes, the rent / return model is more sustainable than the buy / discard option - although the environmental cost of dry cleaning and shipping does need to be factored in. Where this system comes into its own is amongst millennials and Gen-Z consumers, who lead more transient, constrained lives, and don't want to be burdened with too much stuff.



- More than 6 in 10 millennials believe cities would be better off if people shared more and owned less; 4 in 10 would prefer subscription-based housing to traditional leases or ownership.

(Havas, September 2018)



WHY NOW?

> FASHIONABLE STANDARDS

Over the past few years, clothing rental and resale platforms have surged in popularity. Launched in 2009, Rent the Runway gave consumers access to designer dresses and accessories (and, more recently, home goods). It's a lucrative business with over 6 million members and USD 100 million in revenue. Retailers are tapping into the market via partnerships: in February 2019, Paris department store Le Bon Marché collaborated with luxury rental service [Armarium](#) to bring the service in store.

> PLANNED OBSOLESCENCE

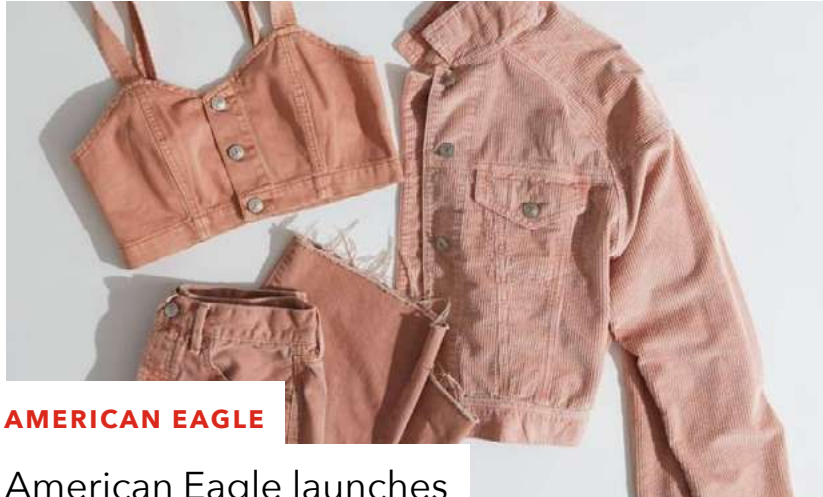
In Italy, Apple and Samsung have been fined EUR 10 million and EUR 5 million respectively for the 'planned obsolescence' of their smartphones. **As technology brands are held to account over the lifespan of their products, customers will start to think about all consumables in the same terms - including fashion.** But there's a long way to go. The growing awareness of 'fast fashion' isn't yet matched by changing behaviors. Many are buying and discarding clothes more often than in the past.



- Today, the average consumer buys 60% more items of clothing than they did 15 years ago. But consumers keep that clothing for only half as long as they used to. For example, a UK survey found that one in three young women consider clothes 'old' after wearing them once or twice.

(Business of Fashion, November 2018)

FEATURED INNOVATIONS



AMERICAN EAGLE

American Eagle launches a clothing rental service

February 2019 saw American Eagle launch [American Eagle Style Drop](#): a rental subscription service for clothing. For USD 49.95 a month, customers can rent three items at a time and exchange them an unlimited number of times. If customers want to keep an item, they are able to purchase it for a minimum 25% discount. The monthly fee also covers shipping, returns, rental exchanges and laundry. Other fashion brands that are experimenting with subscription services include [Express](#), [Ann Taylor](#), and [Vince](#).



The global online clothing rental market is predicted to surpass USD 3,299 million by 2026 (Coherent Market Insights, Dec 2018). Rentals and services might not be the solution for mass market retailers, but in an era where Instagram creates a constant desire for newness, they do serve a purpose. So whether it's showcasing the benefits of a subscription models or promoting a new service, how can these new expectations drive visits to shopping centers?



BA&SH

Fashion brand allows shoppers to borrow clothes for free

At [Ba&sh](#)'s New York store, opened in September 2018, shoppers can borrow the French fashion brand's apparel for free - as long as they are returned after the weekend. Customers can borrow garments every Friday between 5-7pm; items must be returned by the following Monday at 7pm. Ba&sh also takes care of the dry cleaning. Ba&sh will also host events - including monthly supper clubs and weekly French lessons - and there is a children's play area in store. The move is part of a bigger North American expansion strategy - the French brand has 200 stores globally but just five are located in the US.



How can rental schemes work for brick-and-mortar stores? In the case of Ba&sh it's allowed the brand to rethink the entire purpose of a 'fashion store'. Rather than a place to shop, it's an event and experience space where the focus is on building connections and creating a community, rather than shopping. Could tapping into the sharing economy allow URW to think more holistically about purpose of malls and shopping centers?

FEATURED INNOVATIONS



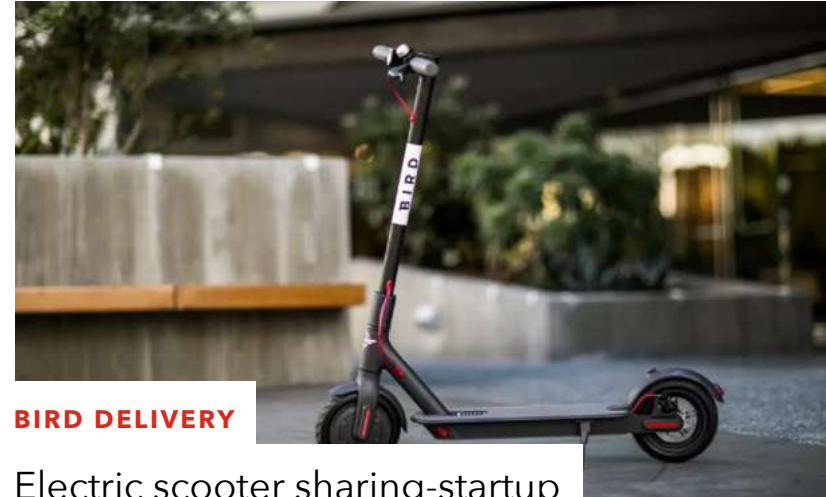
IKEA

IKEA to begin renting furniture as part of wider sustainable push

In January 2019, [IKEA](#) announced plans to pilot an office furniture leasing service in Switzerland. Part of the brand's commitment to creating a circular business model, IKEA claim the scheme could reduce carbon emissions by 15% and bring furniture rentals into the mass market. Users will be able to borrow items of furniture (primarily desks and chairs) for the agreed lease period. When items are damaged or no longer needed, they will be refurbished and resold at a discounted price. The scheme may eventually expand to home products, including kitchens.



IKEA's move towards a circular economy also includes refurbishing and reselling initiatives: in the UK, shoppers can also return some types of used furniture for resale or donation, and every store has repair and repackaging facilities so that items damaged in transit can be sold. But leasing furniture is still a radical departure from the brand's traditional business model, one that turns the whole concept of a 'furniture retailer' around. What would it look like if every brand started asking if their products were even needed in the market?



BIRD DELIVERY

Electric scooter sharing-startup delivers transport on demand

October 2018 saw electric scooter-sharing startup Bird launch [Bird Delivery](#): a new scheme that allows users to request a scooter to be delivered to their home or business. A Bird rep will drop the scooter off by 8am - the scooter is reserved exclusively for that user and can be used anytime throughout the day. The company also unveiled Bird Zero: an e-scooter designed by the startup that promises longer battery life, increased durability and improved stability.



As cities become more crowded, innovative new startups (and Bird are just the tip of the iceberg) are working to boost livability, reduce pollution and solve last-mile transport issues. Despite rapid expansion across the US, local authorities remain skeptical of electric scooter sharing services - Bird has been banned in some cities. If your take on sustainability involves improving infrastructure issues, first ask if you have the support you need to truly make a difference!

IMPLICATIONS FOR URW

Asking shoppers to consume less seems like a short-cut to sabotage. But in an era when consumption for its own sake is seen as increasingly disagreeable, an active stance against mindless shopping could have long-term benefits. Patagonia famously saw double digit sales growth after its 'Don't Buy This Jacket' campaign in 2011. Rethinking the entire purpose of 'retail' will appeal to consumers seeking something more.

EXISTING URW ACTIONS

To reduce URW's transport carbon footprint by 50% in 2030, URW promotes car sharing over personal car usage.

A partnership with BlaBlaLines in France encouraged carpooling amongst employees and shoppers. The partnership was not extended, but similar initiatives are being trialed.



GET TO WORK

> GO ALL IN

IKEA's furniture leasing initiative is part of a broader commitment to creating a circular business model, which - at its heart - challenges the concept of what it means to be a retailer. **What would it look like if your purpose wasn't to 'sell more stuff', but to ask 'is this needed?' or 'how can this be created with minimal impact?'** Yes, those are big ideas that challenge what it even means to be a brand today. But the brands that take the risk will be the brands that will prosper!

> BROADER IMPLICATIONS

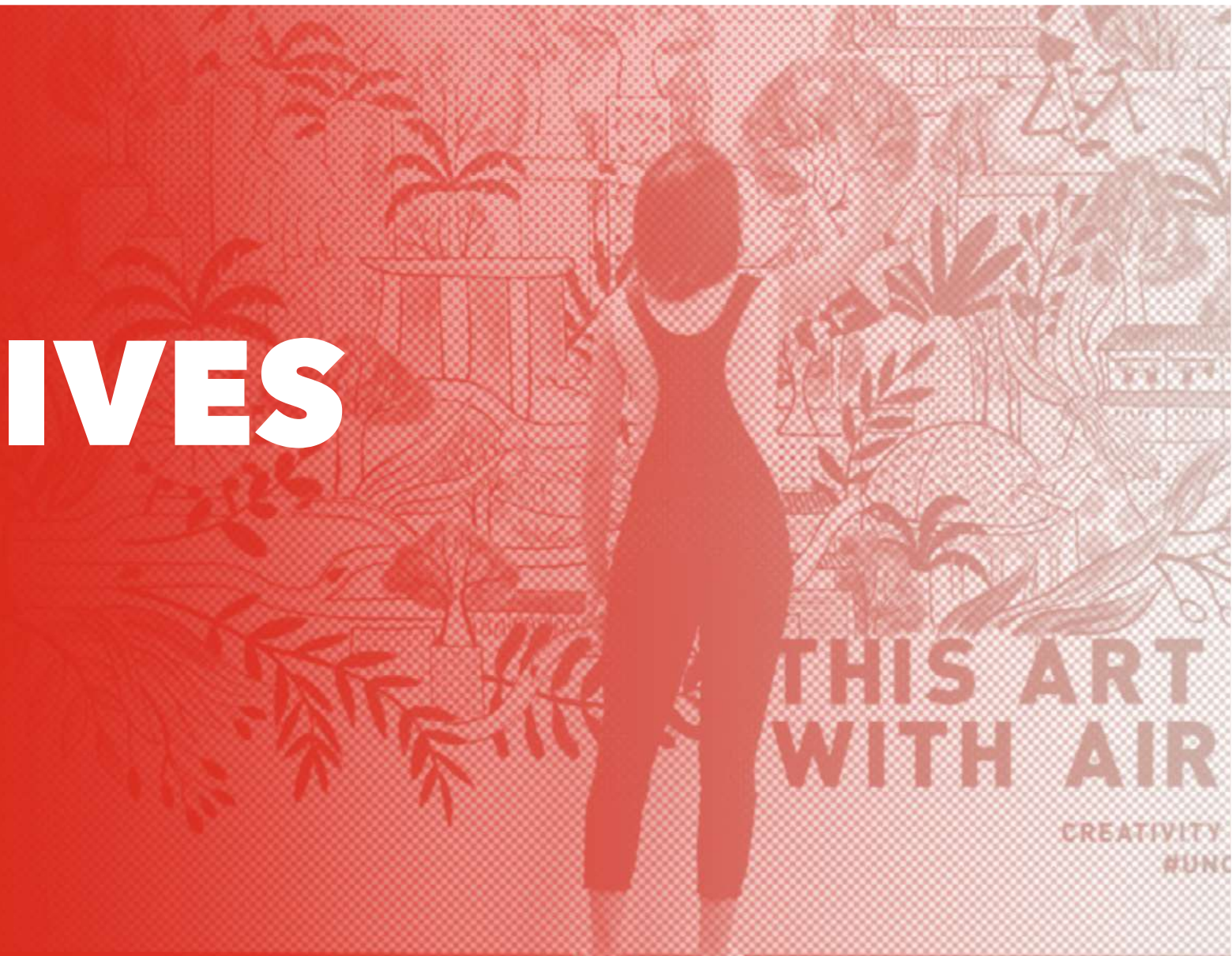
Will mass market retailers' experiments with clothing rentals sound the death knell for fast fashion? Probably not. But the rental market, combined with shoppers' awareness of their own excess (according to research from Greenpeace, 60% of German citizens admit to owning more clothes than they need), will impact consumer behavior. **As consumers re-evaluate how and why they shop, they will place increasing emphasis on shopping experiences. Are you ready for this shift?**

> CITY SOLUTIONS

Despite the controversy about the impact of dockless bike- and scooter-sharing services, the market is growing by 20% a year - global consultancy firm Roland Berger estimates it could be worth EUR 8 billion by 2021. There is an opportunity for shopping centers to become mobility hubs, centers of urban sustainability that improve local infrastructure and services. **How can URW use developments in other sectors (in this case, transportation) to rethink the definition of a shopping center?**

ECO- IMPERATIVES

Several ways to play.





ECO- IMPERATIVES

Sustainability is no longer optional. It's an imperative. From student 'strikes' over climate change to protests over plastic packaging and a growing interest in veganism, it's clear that consumers are looking for better solutions.

These shifts are also anchored in a desire for a more meaningful consumerism. And many consumers are looking to brands to show the way: **55% believe brands actually have a more important role than governments when it comes to creating a better future** (Havas, February 2019).

Many global businesses do have the scale and resources to enact real change. But there are many different ways that power can be used. Over the next few pages we'll present a few different angles on this big shift. So whether it's rethinking processes through the lens of sustainability, or driving positive restoration, there is opportunity for URW.

ECO-BOOSTERS

Doing *less* harm is no longer good enough! The only true sustainable future lies in positive impact.



MAX BURGER

Climate-positive burger have 110% of climate emissions offset

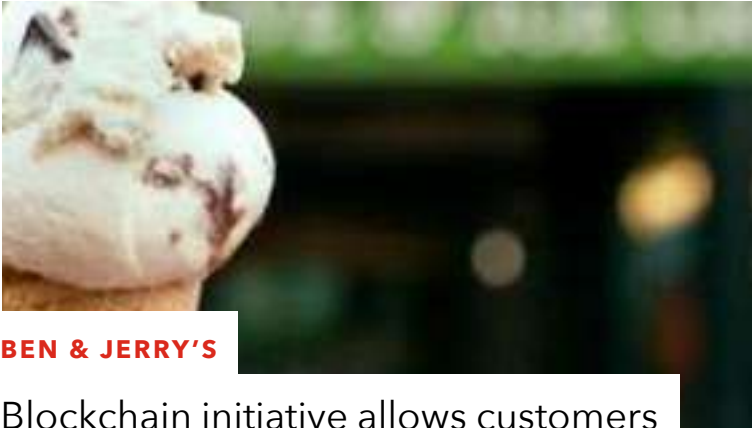
Swedish burger chain [Max](#) offers the ‘world’s first climate-positive burgers’ at outlets across Northern Europe and the Middle East. According to the brand, the burgers have 110% of their climate emissions offset. Max calculates production emissions (from farmers’ land to travel to the restaurant), works with startups to reduce emissions, and finally captures the carbon dioxide equivalent of another 10% of emissions. Max debuted the burgers during the Sustainable Brands conference, held in June 2018. In 2008, Max was the first restaurant chain to introduce carbon labeling on its menu.



POWERHOUSE BRATTØRKAIA

Energy-positive office building to open in Norway

Set to open in the Norwegian city of Trondheim in 2019, [Powerhouse Brattørkaia](#) is an eight-story office building developed by Powerhouse – a consortium of architects, engineers, environmentalists, and designers that aim to create energy-positive buildings. Brattørkaia will produce 485,000 kWh annually (the average Norwegian home uses about 20,000 kWh of power a year) – essentially able to supply electricity to Norway’s publicly-owned grid. The surplus energy will also compensate for the power used to produce the building materials.



BEN & JERRY’S

Blockchain initiative allows customers to offset their carbon footprint

[Ben & Jerry’s](#) has unveiled a blockchain initiative that allows customers to offset their carbon footprint. Launched in London in May 2018, the initiative (developed with the Poseidon Foundation) calculates the environmental impact generated from producing and purchasing a scoop of ice cream. Ben & Jerry’s pledged to purchase carbon credits to offset the negative impact of each scoop, customers could also offset their purchase by donating an additional penny. By the end of the one-month pilot, Londoners had helped save 1,000 trees, the equivalent of 77 tennis courts.

ECO-EFFICIENCY

Consumers will appreciate brands that develop efficient eco processes and allow them to enjoy a more sustainable lifestyle, easily.



ETSY

Etsy becomes the first global e-commerce company to offset all shipping emissions

In February 2019, [Etsy](#) became the first global e-commerce company to offset all of its emissions from shipping. The biggest part of Etsy's carbon footprint (98%) comes from shipping packages. Working in partnership with 3Degrees, Etsy will help protect a forest in Minnesota, build a wind and solar farm in India, and fund the development of a more sustainable method of making car parts. In total, the projects will capture the same amount of emissions created when Etsy's sellers ship handmade jewelry or vintage furniture to customers.



IKEA

Ikea makes every delivery in inner Shanghai by electric vehicle

[IKEA](#) have revealed that, as of January 2019, all home deliveries in the inner city of Shanghai are carried out by electric vehicle. The move builds on a 2018 pledge, made by Ingka Group (the parent company of Ikea), that by 2025 the company will deliver every item worldwide by electric vehicle. The first phase of that was switching to electric vehicles in five cities - New York, Los Angeles, Paris, Amsterdam, and Shanghai - by 2020. Ikea achieved the goal in Shanghai by working with DST, a Shenzhen-based company that leases out electric trucks and vans.



HURTIGRUTEN

Cruise liner uses dead fish as fuel

Norwegian expedition cruise line [Hurtigruten](#) plans to use fossil-free, renewable gas produced from dead fish and other organic waste to power its fleet of 17 ships. It is hoped that by 2021 at least six ships in its fleet will be running on a combination of biogas, liquified natural gas and large battery packs in a bid to boost sustainability and operate the ships emission-free. The company is building three hybrid cruise ships scheduled for delivery in 2019, 2020 and 2021.

LOCAL LOVE

93% of consumers claim it's important that businesses have a positive impact on local communities. 'Local' will forever find favor.



MASTERCARD

...not advertising.

Business owners receive free storefront revamp

An October 2018 program matched business owners in Poland with designers and specialists to revamp their storefronts. Initiated by Mastercard, [Business FaceLift](#) invited owners of small businesses to enter an online competition to win the free makeover. A partnership with NGOs Traffic Design and Miastodwa, entrants needed to instal Mastercard's POS technology to take part in the competition, which resulted in 100 registrations from stores for makeovers.



BIHOR COUTURE

Fashion line compensates and credits traditional craftspeople

Romania-based fashion line [Bihor Couture](#) debuted in Q2 2018. The label's items are crafted entirely by artisans in Bihor, Romania, who receive credit and compensation for their designs. Bihor Couture launched in response to cultural appropriation from high-end fashion designers, such as Tory Burch, who copied traditional styles from Bihor craftspeople.



STARBUCKS

Coffee brands work alongside nonprofits to revitalize Puerto Rico's coffee industry

[Starbucks](#) is part of a consortium attempting to revive Puerto Rico's coffee industry following the devastating hurricanes of 2017. Announced in September 2018, the consortium also includes the Hispanic Federation, The Rockefeller Foundation, Nespresso, TechnoServe and World Coffee Research. It aims to increase the long-term resilience and economic performance of the island's coffee sector by diversifying the coffee seed, introducing training and best business practices, and establishing networks and market opportunities for small farmers.

GUILT-FREE LUXURY

**Why guilt-free is the ultimate
luxury for consumers.**





GUILT-FREE LUXURY

Fueled by a pervasive awareness of the conflicts between their consumerist impulses and their aspirations to be 'good', consumers are wracked with guilt. There is a growing hunger for a new kind of consumption: one free from worry about its negative impact, yet that allows continued indulgence.

Most consumers know they could be doing better.

But a very human mix of status, conditioning, inertia and yes, genuine pleasure, mean it's often difficult to truly change consumption behavior and patterns.

Guilt 'triggers' encompass everything from personal awareness to hearing about tragic incidents (garment factory collapses to oil tanker breachings), media exposés of supply chains and worker welfare practices and vocal social media outrage. Meanwhile new brands, products and services that eliminate some - if not all - of the guilt provide a real alternative.

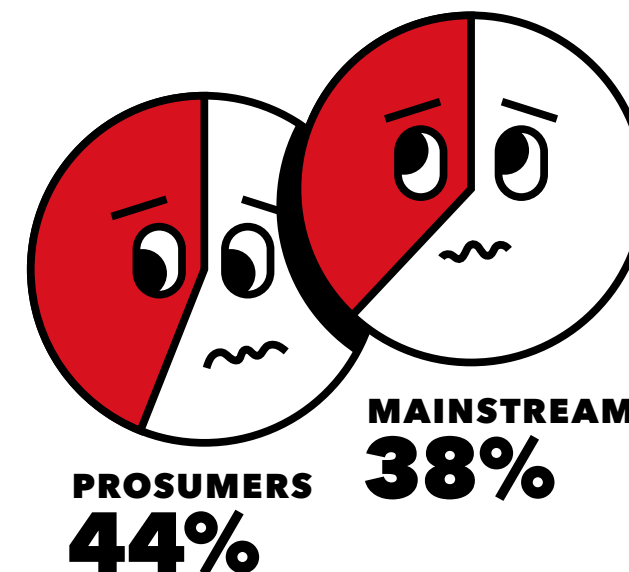
WHY NOW?

> GREATER KNOWLEDGE

Lettuces can be traced on the blockchain. Garment labels disclose every step of the manufacturing process. Apps allow shoppers to scan products and discover ingredient provenance. **As the world becomes more transparent, consumers are better informed than ever before about the impact of their consumption.** It's almost impossible for any individual in mature consumer societies to claim ignorance over the havoc their consumption is (and has been!) wreaking.

> NEW FORMS OF STATUS

Mass affluence and overwhelming material abundance has led many consumers to seek personal expression, meaning and self actualization via the products, services and brands they choose to engage with. **For many people, the act of consumption is a chance to say something about who they are, the values they stand for, and mark themselves out as better than the rest.**



➤ 44% of prosumers and 38% of 'mainstream' consumers say they sometimes feel guilty about what they buy.

(Havas, June 2018)

WHY NOW?

> CLEAN SLATE BRANDS

The success stories of ethical and responsible brands (Toms, Allbirds, Reformation, Free People to name just a few) have served to heighten the deeply flawed nature of many established products and brands. And whilst these brands might not have everything figured out – Reformation admits that the brand’s swimsuits aren’t sustainable enough but ‘they’re the best we can do right now’ – consumers welcome their honesty and humanity.

> BIG BRAND REDEMPTION

Brands at the opposite end of the scale are proving that it’s possible to combine profit and purpose. One example? Unilever. In 2018, the FMCG giant revealed that its most sustainable brands grew **46% faster** than the rest of the business and delivered 70% of its turnover growth. This portfolio includes well-known household names, such as Vaseline, and Dove. **Unilever proved that sustainable business models can deliver growth whilst also raising consumer expectations about the type of businesses that can be ‘sustainable’.**

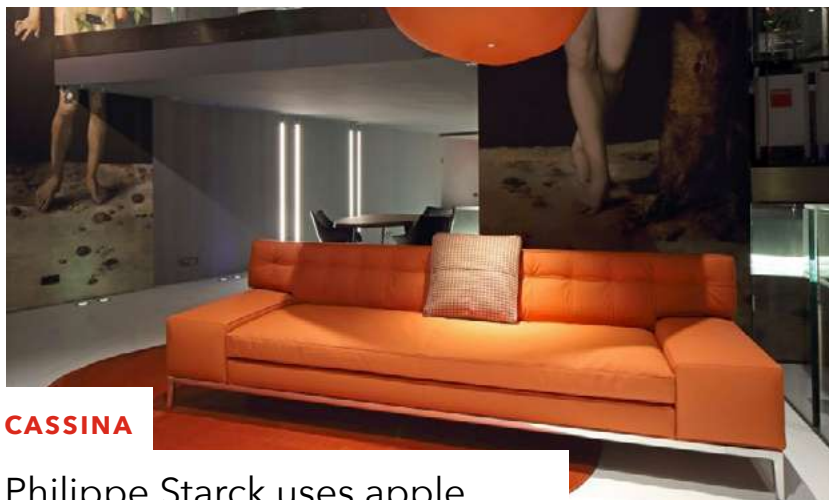


20%

➤ **20% of millennial luxury spenders always take ethics into account.**

(Statista, 2017)

FEATURED INNOVATIONS



CASSINA

Philippe Starck uses apple waste to create vegan furniture

Italy-based luxury furniture manufacturer **Cassina** collaborated with Philippe Starck to create a collection of furniture upholstered in vegan fabric Apple Ten Lork. Available in white, orange and black, the material is made from apple cores and skins. The collection is on display from January 2019 at Cassina's Rive Gauche showroom in Paris and features designs inspired by three apple-centered cultural moments: Adam and Eve, Newton's theory of gravity and Magritte's painting of a businessman.



You don't need us to tell you that veganism has gone from niche to mainstream. According to the Economist – which recently declared 2019 as 'the year of the vegan' – a quarter of 25 to 34-year-olds in the US now say they are vegetarian or vegan. The Starck/Cassina collaboration might be the latest in a range of leather alternatives, but it's tapping into a shift with real momentum. Are you constantly scanning the horizon for the shifts that URW should see coming?



YOOX

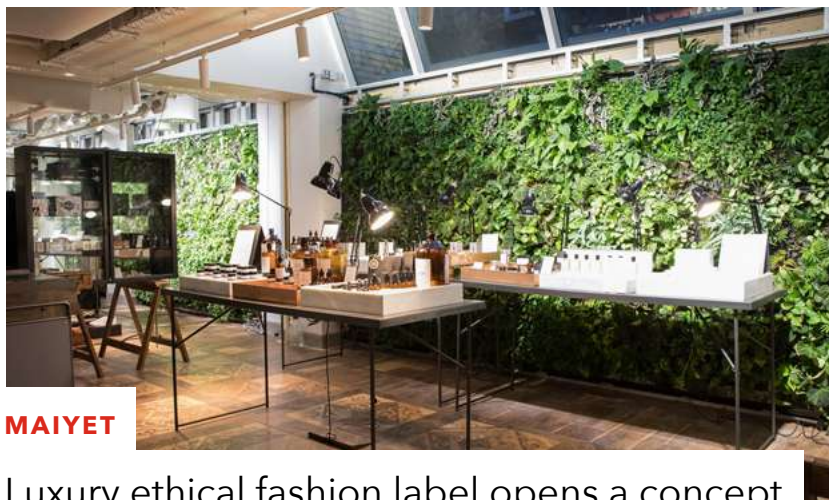
Event showcases upcycled sustainable luxury during Milan Fashion Week

At February 2019's Milan Fashion Week, Vogue Italia and **Yoox** presented the second edition of The Next Green Talents: an event showcasing how sustainable practices can elevate high-end fashion design. Seven brands were on display at the Palazzo Morando, displaying collections available to purchase on Yooxgen (Yoox's conscious platform) from September 2019. Vogue Italia also challenged the brands to upcycle unused Yoox samples into new garments, which were also available to purchase.



As consumers seek to understand the story behind their consumption, events that combine education and experience will be welcomed. Of course, partnering with an established voice (in this case, Vogue Italia) and centering that experience around a well-known event is another way to ensure put an event in the spotlight. Who could URW partner with to help tell a guilt-free story?

FEATURED INNOVATIONS



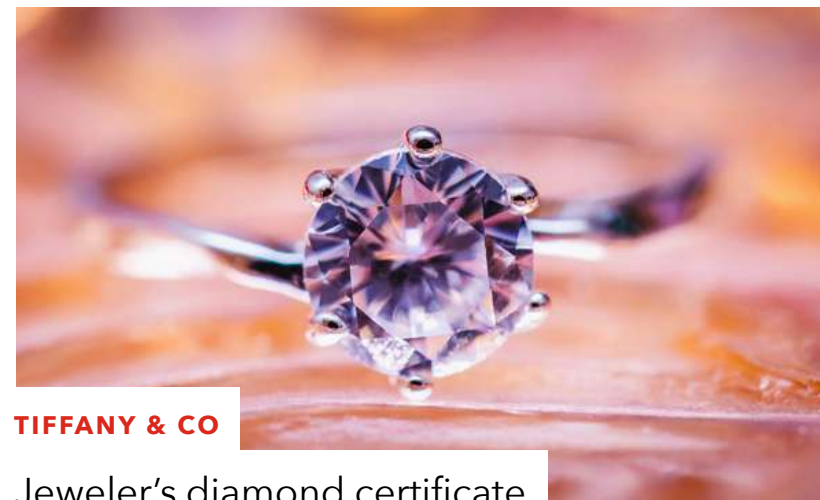
MAIYET

Luxury ethical fashion label opens a concept store focusing in positive social impact

Luxury ethical fashion label Maiyet opened [The Maiyet Collective](#) in London in October 2018. The concept store showcases sustainable luxury brands, and hosts designer-maker events, interactive workshops, and educational discussions. In its first iteration, the store was located in private members' club the Conduit, and was open from Thursday to Saturday. The second iteration was open within Harvey Nichols' Knightsbridge department store throughout February 2019. Co-founded in 2011 by three entrepreneurs - including a former human rights lawyer - Maiyet partners with artisans in developing economies.



The Maiyet Collective functions as an extension of the brand's philosophy, rather than a chance to market products. In a consumer environment in which status is ever-more about *who I am as a person* - including my sustainability credentials - sharing knowledge and expertise and building a community is one way to enable that. How can you help shoppers connect with other brands and consumers to have the sustainability conversations they are looking for?



TIFFANY & CO

Jeweler's diamond certificate to include country of origin

January 2019 saw US-based jewelry retailer [Tiffany & Co.](#) introduce a new diamond-sourcing initiative to bring transparency to its supply chain. All Tiffany-certified diamonds of 0.18 carats or larger will now include information on their country of origin in addition to the traditional four 'C's of cut, color, clarity and carat. A unique 'T&Co' serial number etched by laser and invisible to the naked eye, will provide consumers with geographic sourcing information specific to their diamond.



The UN first highlighted 'conflict stones' - stones sold to fund violence in wars in parts of Africa - in the 1990s. Since then, steps have been taken to provide greater transparency (the [Kimberley Process](#), for example) but the issue is far from 'solved'. And yes, other smaller retailers have provided similar information, but given the size and global recognition on Tiffany & Co., this is a important initiative. So even if industry standards already exist, ask how URW can go a step beyond them and become a true leader.

IMPLICATIONS FOR URW

A growing tension underpins this trend - a tension between the kind of consumption consumers would like, and the type they often find themselves left with. Of course, most acknowledge that zero impact is probably unachievable, but businesses are expected to minimize environmental damage and generate sustainable solutions. How is URW using resources to give back and generate value for society, not only for shareholders?

EXISTING URW ACTIONS

In December 2018, an innovative store, The Drop, was launched at Westfield Stratford City to raise money for Save the Children, capitalizing on the rising trend of rental retail.



GET TO WORK

> GENEROUS BRANDS

The Maiyet Collective is rooted in collaboration, conversation and consciousness. But beyond that, Maiyet understands that inviting other brands into the conversation and showcasing and uplifting other designers – rather than promoting their *own* credentials – is the way to truly create change. **So how could URW take advantage of the Westfield rebranding to be perceived as a generous brand?**

> DEMANDING BRANDS

This trend is being driven by the rising awareness that human consumption is wreaking on the planet. But that doesn't overcome the fact that change is hard. **Could URW become a demanding brand? Make it easier for consumers to make a positive choice by simply giving them no other choice?** Yes, it's a bold move. But it's one that rising numbers of guilt free-seeking consumers will be grateful for. What constructive change could you demand in 2019 and beyond?

> COMPELLING BRANDS

All these innovations are worthy of URW's attention. **Could you take this trend even further and compel your suppliers – or even the brands you work with – to raise their standards, for the benefit of everyone?** URW has already started doing that with an ambitious CSR strategy aimed at convincing retailers to commit more to sustainable behaviors. Driving positive change beyond the walls of your organization is perhaps the ultimate solution to absolving guilt. Are you prepared to take the extra step?



SPARE CAPACITY

**Time to unlock unused
sources of value.**



SPARE CAPACITY

With their expectations primed by the sharing economy, consumers are embracing smart retailers that broaden their thinking around sustainability to unlock unused sources of value or find creative ways to eliminate *any* wasted resource.

This trend goes far beyond zero-waste or recycling initiatives. Of course, those are still a good place to start but if you're looking to *surpass* consumer expectations when it comes to sustainability, **it's important to think more broadly about 'doing good'**. To drill down into every aspect of your business and ask: 'What's being wasted here? How could this waste be used in a *better* way?'

Once you start asking those questions, you'll be able to **unlock all sorts of previously untapped or idle resources for the good of the planet** and the wider society.

WHY NOW?

> MAXIMIZE IT

The sharing economy, peer-to-peer and the rise of access-over-ownership business have radically recalibrated consumer expectations around resource maximization and waste (see OWNER-LESS on page 14 for more). In an arena where customers are comfortable (or at least aware of the ability) to rent out their spare room, pay for cars by the minute, eat food cooked by their peers and more, 'traditional' business practices start to look ever-more wasteful.

> RESPONSIBILITY: OUTSOURCED

We've already discussed the guilt that rising numbers of consumers feel about the negative impact their consumption has on the world. But guilt isn't always reflected in customer actions: 64% of consumers believe that the best way to save the planet is to consume less, even whilst agreeing that buying new things makes them happy (Havas, June 2018). **Brands that can absolve consumer guilt with products, services and initiatives that are eco-friendly and socially sustainable will be welcomed.**

> CONSUMER APATHY

Havas Group's 2019 Meaningful Brands survey (which is based on 1,800 brands and 350,000 respondents across 31 countries) revealed that **81% of brands sold across Europe could disappear and consumers would not care.** Whilst that sentiment is tied to a brand's perceived inability to improve consumers' quality of life and wellbeing, working to make the world a better place is one way to become a more meaningful brand.

FEATURED INNOVATIONS



SPACIOUS

Out-of-hours restaurants used a co-working spaces

[Spacious](#) make use of restaurants' off-hours by offering them to members of the public as coworking spaces. According to the US-based startup, more than 2,000 restaurants in New York are closed before 6pm everyday, and Spacious sets up wifi, provides free coffee and manages a work-friendly playlist. Hosts are available to look after members, who pay USD 129 per month for unlimited access to all locations, with a share of the profit given to partner restaurants. [KettleSpace](#) also offer a similar service in NYC.



As the demand for coworking spaces grows – according to AllWork, the number of coworking spaces has exploded, with 200% growth in the past five years – there's opportunity for retailers to step in and repurpose empty storefronts or unused assets. And the benefits are twofold: freelancers and remote workers don't need to pay for a WeWork membership; for restaurants that don't open for lunch, it's an easy way to monetize online space. Where can you maximize your assets in a way that has benefits for URW and consumers?



TERRA HALE

Eco-friendly gym turns exercise into energy

UK-based personal fitness company [Terra Hale](#) opened a new studio in April 2018, where customers generate the electricity. Effort put in at the spin classes at the London gym is converted directly into watts, displayed on a large screen, and feeding into the national grid. Each spin session creates around 1,500 and 3,300 watts – enough to power a desktop computer for an entire working day. Everything at the gym is made from recycled materials, including yoga mats, door handles and the recycled rubber gym floor.



Researchers and technology companies like [Pavegen](#) have been experimenting with ways to turn mechanical energy into electricity, but most of their experiments are limited to one-off events or short-term trials. But when consumers hear about a gym that can convert exercise into energy, they're going to ask why all brands aren't doing something similar – especially brands that have large public spaces with lots of footfall at their disposal.

FEATURED INNOVATIONS



WHYHOTEL

Pop-up hotels occupy new apartment buildings

WhyHotel hosts luxury pop-up hotels in new (but not fully occupied) apartment buildings, aiming to provide the benefits of staying in a home-share property, while maintaining luxury hotel standards. Guests have access to the apartments amenities – such as rooftop pools – daily cleaning, and 24/7 support. All of the buildings WhyHotel uses obtain hotel licenses, and rooms are advertised through home-sharing websites like Airbnb. In December 2018, WhyHotel secured USD 10 million in Series A funding - the funds will be used to launch new pop-up hotels, beginning with three locations in Virginia.



Turning a brand new, yet-to-be leased luxury apartment unit into a temporary hotel is suite is so obvious it's impossible to believe it hasn't been done before. That's played out in the demand too: the first WhyHotel pop-up, at The Bartlett in Washington, lasted for five months and, 60 days after opening, had an occupancy rate of 85-90%. The apartments are aimed at business travelers - is there a specific demographic that could be better served by URW's spare capacity?



AUCKLAND TRANSPORT

Bus station also serves as a homeless shelter

In August 2018, the **Manukau bus station** in New Zealand was converted into a homeless shelter at night. As part of a trial, homeless individuals were given a mattress as well as dinner and breakfast. The shelter was open during the coldest part of the New Zealand winter, and was jointly run by Auckland Transport, the Auckland city council, and the Salvation Army. Although the shelter shut down one week early due to volunteers' scheduling conflicts, the involved parties plan to analyze the success of the trial.



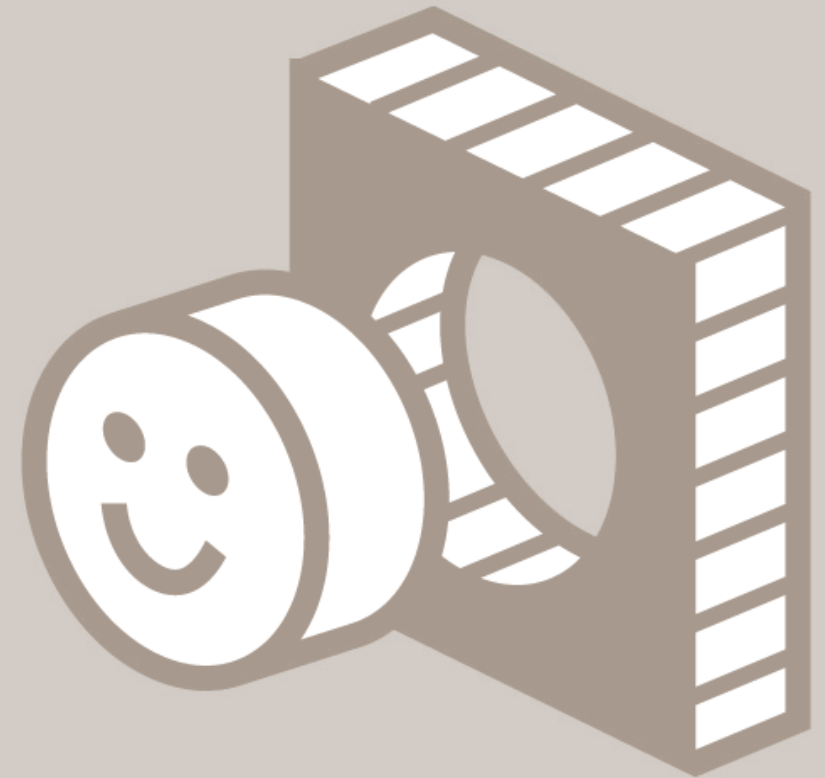
Kudos to the organizers for looking beyond the station's potential as a transport hub and allowing a a wasted resource to be repurposed without detracting from or devaluing the station's primary use. The scope of the potential from a widespread application of this idea is exciting - imagine if all infrastructure was required to provide service to the community! creating positive social impact doesn't necessarily require all-new resources - what can you repurpose for the greater good?

IMPLICATIONS FOR URW

Want to apply this trend? Start by looking at every area of URW and asking if any of the sharing economy's business models could inspire you (or your customers) to reduce or eliminate waste. Even better if you can generate positive value from previously untapped surplus.

EXISTING URW ACTIONS

In 2018, URW opened the first urban farm on top of a shopping center in France, relying on a circular approach to production and consumption. In addition, Phenix (a start-up helping companies reduce waste), will take over the entire waste management process at one of URW's shopping center's, aiming at zero waste to landfill.



GET TO WORK

> NEW RETAIL RULES?

The long-discussed retail apocalypse and the 'slow death of the high street' are still playing out. But despite the debate, there's a fundamental truth: bricks-and-mortar stores and shopping malls will need to evolve to meet customer expectations around services and experiences. Yes, there will be bumps in the road. **But could URW take inspiration from Spacious and WhyHotel and provide adaptable, sustainable spaces that meet the needs of a particular demographic?**

> PERSPECTIVE SHIFT

Take a new perspective on the services URW is already providing. Harper Wilde's try-before-you-buy was created as a customer perk, but the brand realized that it doubled up as an opportunity to help shoppers recycle unwanted bras. In the scale of things, Harper Wilde is a small startup, and the impact of this scheme will be limited. But for a brand like URW, repurposing waste resources could be gamechanger. **Are you prepared to take a bold new perspective on your spare capacity?**

> EXPECTATION TRANSFER

The sharing economy is one of the key drivers of this trend. But if you think this trend doesn't apply to URW because your business doesn't sit within that arena, think again! **No matter how 'traditional' your business, customer expectations created by the sharing economy will spread all the way to your doorstep.** Ignore them at your peril!

INCLUSIVITY IRL

**It's time to reimagine
everything around diversity.**





INCLUSIVITY IRL

Consumers demand retailers reimagine their offerings around the needs of a truly diverse set of customers. That means products, services, retail spaces and processes that cater to everyone – including traditionally marginalized groups.

From Aerie's long running [#AerieREAL](#) body positive campaign to Morphe's [60-shade](#) foundation range and the NFL's first [male cheerleaders](#), **inclusivity is everywhere.**

Of course, that's all a change for the better. But the cold hard truth? It's not enough. Consumers are no longer impressed by brands and retailers that only hint at diversity in their campaigns, products and services.

Those consumers will expect to see representation in physical spaces - from empathetic retail environments to adaptable and inclusive service design. The key here? **Making a conscious commitment to invest and improve, and create spaces that truly work for everyone.**

WHY NOW?

> NEW NORMAL

This trend taps into a broad social shift that's taken place over the past few decades. **Increasing numbers of consumers of all ages have begun shake off traditional demographic assumptions, based on markers such as age, gender, income and more.**

These consumers are constructing, inhabiting and celebrating lifestyles and identities that suit the individual they are, rather than the ones that are prescribed to them by society.

> CHANGING DEMANDS

Lawsuits against businesses whose websites cannot be navigated by the blind are on the increase: 2,250 website-access lawsuits were filed in US federal courts in 2018, up from 814 in 2017, according to law firm [Seyfarth Shaw LLP](#). As technology becomes more inclusive (in China, [Alibaba](#) have developed a smart silicone overlay that helps blind consumers use their smartphone), **consumer's tolerance for brands that don't make the same changes to their physical spaces will fall to zero.**

> SPENDING SHIFT

[Purple Tuesday](#) was the UK's first accessible shopping day, held in November 2018. The event aimed to tap into the estimated GBP 249 billion spending power of disabled people and their families. **Research suggests that 86% of marketers overestimate how much consumers under the age of 35 spend, whilst 72% underestimate how much consumers 55 and older spend** (Age of Majority, October 2017). Are you catering to the full spectrum of shoppers?

FEATURED INNOVATIONS



STARBUCKS

Starbucks branch staffed entirely by seniors

August 2018 saw the opening of a [Starbucks](#) coffee shop staffed entirely by people between the ages of 50 and 66. The shop, which is located in the Colonia del Valle neighborhood in Mexico City employs 14 people and was the result of a partnership between the coffee chain and the Mexican National Institute for the Elderly. Starbucks aims to increase the number of senior baristas in Mexican branches to at least 120 by the end of 2019. The move followed the July 2016 opening of a store in Kuala Lumpur staffed by [deaf employees](#).



Hiring people over the age of 50 *shouldn't* be a taboo. But in Mexico, where age discrimination is a real issue (55% of companies and government agencies post job ads [looking for applicants under 35](#)) many older people struggle to find work. Starbucks' strategy has long-term benefits - connecting senior staff with young employees has the potential to change attitudes about older workers for future generations. Has URW taken this broad social change into account in its programs in favor of local employment?



NBA

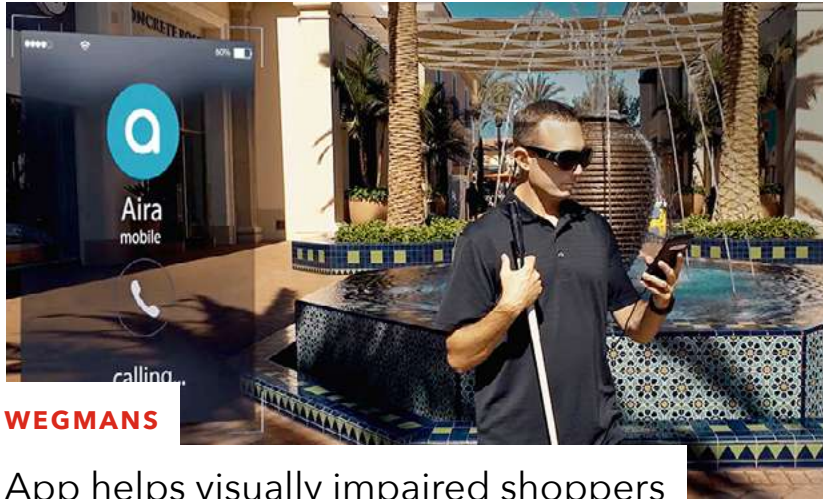
First sensory-inclusive retail location in the world opens in New York

Celebrating World Autism Awareness Day, April 2018 saw the [NBA's](#) New York flagship store reopen as the first sensory-inclusive retail location in the world. The NBA worked with nonprofit KultureCity to make the store accessible for shoppers who might be sensitive to regular retail environments. Bags with noise-canceling headphones are available, as well as weighted lap bands and fidget spinners, and all staff have received training on how to interact with and help shoppers who may have conditions such as autism, PTSD or dementia.



Todd Jacobson, the NBA's Senior VP of Social Responsibility, commented: 'This is a 24/7/365 initiative... regardless of when you go into the store, at any time during the year, you can feel comfortable that the experience will be a positive one.' For individuals with sensitivity to noise and over-stimulation, that's often not the case. How can you create retail spaces that are *truly* for everyone?

FEATURED INNOVATIONS



WEGMANS

App helps visually impaired shoppers navigate supermarket aisles

In September 2018, US supermarket chain [Wegmans](#) partnered with Aira to provide support for blind and visually impaired customers in its stores. Using a smartphone or a pair of smart glasses, shoppers can connect to a remote, trained professional who can provide assistance on-demand using a live camera stream, GPS, maps, and information sourced from the web. Aira agents can help shoppers navigate the store, find specific items, and identify the shortest checkout lines. Subscriptions start at USD 89 for 100 minutes.



Aira allows blind and visually impaired shoppers to turn their smartphone into a visual aid, with a human assistant helping users to navigate grocery shopping. The tech and human combination is essential to Aira's approach - grocery shopping can be complex, with shoppers looking for particular brands or favored products. In an era of task outsourcing (think TaskRabbit) could you use human input to supercharge the services you offer to shoppers that require additional support? How can URW use tech to enhance life for overlooked segments?



ASOS

Etailer uses AR to show outfits on different body types

April 2018 saw [ASOS](#) test a feature showing how the same outfit looks on people of different body types and sizes. The initiative uses AR technology to automate the process. The feature was part of a series of initiatives from the UK-based fashion etailer around positive body image and inclusive fashion, and followed the brand's pledge to stop airbrushing models' appearance.



It's taken some time, but AR is moving from 'entertaining' to 'empowering'. This example should inspire you to pull your team into a room and ask yourselves: can we use AR to solve a nagging pain point in our business? What customer experience issues are you aware of, but haven't been able to practically address? ASOS often stocks [over 10,000](#) items at any one time - photographing every one on multiple models is not feasible. But now there's a digital alternative!

IMPLICATIONS FOR URW

Great innovation starts with one question: how can we give people something of value? That means serving human needs. But for too long, marginalized groups have been overlooked when it comes to those human needs. How could you get to know those groups? What assumptions have you previously made about your shoppers? This isn't a foolproof way to 'perfect' innovations, but processes that start this way will be more inclusive, more often.

EXISTING URW ACTIONS

URW shapes communities by fostering local employment and development via the UR for Jobs program: 30 initiatives were held in 2018. Shopping centers also work in collaboration with local charities to promote social and environmental activities.



GET TO WORK

> HUMAN TOUCH

It's possible to create more inclusive spaces *without* relying on technology. Positive change can involve retraining staff, or creating kits for shoppers with sensory sensitivities, as the NBA did.

Could you use leverage existing URW resources and skills in a way that benefits a broader shopper base? And remember that every single customer benefits from improved accessibility!

> UPGRADED INFRASTRUCTURE

Applying inclusive design to new buildings, housing and transport services is expected. The bigger challenge is upgrading existing physical spaces - a task that's often left to local governments. **How can URW become an effective agent of local civic transformation and take positive impact that goes far *beyond* the mall?**

OPEN SOURCE SOLUTIONS

Consumers will embrace
brands who solve our biggest
problems, *for everyone.*





OPEN SOURCE SOLUTIONS

When it comes to positive impact and sustainability, it's time for brands to think bigger and bolder. In 2019 and beyond, the most inspiring organizations will give away innovative solutions and collaborate on society's toughest problems.

This shift is being driven by increasingly blurry borders between producer and consumer. Consider how Airbnb turned consumers into suppliers. How influencers changed what a brand looks like. How crowdfunding platforms opened direct-to-consumer channels for entrepreneurs.

All these disruptions continue apace. But we want to draw your attention to another epic shift: consumer's expectations around the limits of an organization's impact are evolving. Spoiler alert: it's no longer confined to the walls of that organization. Indeed, **76% of global consumers say that CEOs should take the lead on change, not wait for government to impose it** (Edelman, January 2019).

WHY NOW?

> GIANTS, DWARFED

Even global mega-brands are tiny players in the epic arena that is modern consumerism. One example? McDonald's and Starbucks *combined* still only distribute 4% of the estimated 600 billion cups used worldwide annually. **No brand can solve our toughest eco problems alone - but those willing to innovate - and then share - powerful solutions with the world could have a profound impact.**

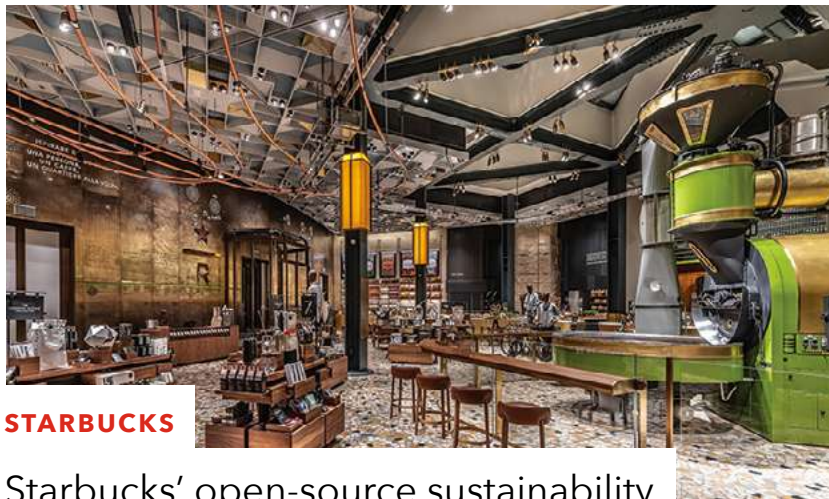
> PROGRESSIVE BRANDS

Telsa were early advocates of open-source patents, with CEO Elon Musk claiming that the company's competition is not *other* electric car makers, but 'the enormous flood of gasoline cars pouring out of the world's factories every day'. **Musk might be a maverick CEO, but his logic is sound: electric car makers can only get ahead of gas guzzlers when they work together.** In fact, Ford and Volkswagen recently signed a broad-ranging alliance that covers autonomous vehicle technology and electric cars.

> TABLE STAKES

In October 2018, the Ellen MacArthur Foundation announced that over 250 organizations, including PepsiCo, Coca-Cola, Unilever and H&M, had signed its pledge to eliminate single-use non-recycled plastics by 2025. But important and ambitious efforts to reduce negative impacts are little more than background noise for many consumers. Fair? No, but it's the truth. For organizations to differentiate themselves - to set expectations - they must do even more.

FEATURED INNOVATIONS



STARBUCKS

Starbucks' open-source sustainability framework helps retailers go green

In September 2018, [Starbucks](#) announced a global 'Greener Stores' commitment, which included an open-source framework to help other brands make their stores more sustainable. The Greener Stores Framework, which was developed in partnership with the US Green Buildings Council and the World Wildlife Fund, lays out six key standards - ranging from waste management to renewable energy. Starbucks committed to enforcing the framework at 10,000 stores by 2025, with progress audited by SCS Global Services, a third-party verification organization.



John Kelly, Starbucks' SVP of Global Public Affairs & Social Impact, estimated that the commitment could divert 50 million meals' worth of food to people in the US per year, and that participating stores could reduce water usage by 30%. Factor in the money Starbucks could save, and the business opportunities are obvious. But the altruistic move to make the framework open-source positions Starbucks as a leader when it comes to sustainability issues, a leader other brands can learn from.



PRIMALOFT

Synthetic insulation is made from 100% recycled, biodegradable fibers

January 2019 saw PrimaLoft partner with five outdoor brands to create [PrimaLoft Bio](#): a 100% recycled, biodegradable synthetic insulation fabric. Helly Hansen, Houdini, L.L.Bean, Norrøna and Vaude debuted concept apparel created from the new fabric at the Outdoor Retailer Snow Show in Denver in February 2019, with styles set to roll out in-store later in 2019. PrimaLoft Bio is made from 100% post-consumer recycled waste; the fibers have been enhanced to break down at a faster rate when exposed to specific environments (landfill or the ocean, for example).



The eco credentials of PrimaLoft Bio are obvious. But despite that, consumers still need to identify with the brand they are purchasing. So if, like PrimaLoft, you're brand consumers might not be aware of, can you partner with consumer facing businesses that can 'sell in' your innovations? Of course, the partnership can work in the opposite way, too!

FEATURED INNOVATIONS



OPENIDEO

Joint initiative aims to keep single-use cups out of landfill

The [NextGen Cup Challenge](#) is an initiative developed by McDonald's, Starbucks, Coca-Cola, Yum! Brands (owner of KFC, Taco Bell and Pizza Hut), and the World Wildlife Fund that aims to prevent single-use cups ending up in landfill. The challenge, managed by OpenIDEO, invites entrepreneurs to develop materials; create new cup designs; and devise systems to ensure the majority of cups are recaptured for recycling and/or composting. Submissions opened in October 2018, with the top ideas revealed in Q1 2019. Up to six ideas will enter a six-month accelerator program, receiving up to USD 1 million in funding.



McDonald's says that most chains are making cups out of the same fibers and plastics already. Packaging may provide a competitive advantage, but the materials within the packaging? They don't. It makes sense for McDonald's and co to optimize the impact of cup production - especially in an era where single-use cups (along with plastic straws), have become symbols of the unsustainable nature of today's consumer culture. What's URW's equivalent of the single-use cup? And what are you doing to improve that?



ALLBIRDS

No patent on brand's sugarcane shoe soles

In August 2018, US footwear brand Allbirds announced the launch of a sustainable material designed to replace environmentally-damaging EVA foam, which is normally used to sole shoes. Created from sugarcane, [SweetFoam](#) is the result of a collaboration with Brazilian petrochemical company Braskem, and the technology has been made freely available to other companies. SweetFoam has a molecular structure that is identical to EVA foam, and feels the same way on the foot.



This is the new frontier in sustainable business: where ambitious eco-pioneers trigger lasting industry-wide change. Gone are the days when companies kept their formulas top secret. But the real impact is on customer expectations: as awareness of these efforts grows, consumers will be skeptical - even hostile - to any brand that keeps important eco-innovations to themselves. Shared problems require shared solutions!

IMPLICATIONS FOR URW

We're not saying you're going to give away innovations or commercially sensitive info. But in an era when skeptical consumers are looking for brands to make a meaningful difference, sharing might be the only option. Working with - not racing against - the competition will prove that URW has everyone's best interest at the center of its sustainability strategy. And that will be welcomed by consumers looking for brands that truly align with their values.

EXISTING URW ACTIONS

To anticipate new modes of sustainable mobility, URW relies on an open innovation ecosystem to source solutions and works with start-ups and large corporations as part of VIA ID's Mobility Club.



GET TO WORK

> BRAND LEGACY

Allbirds' decision to make SweetFoam available to all is new, but the underlying thinking isn't: Volvo famously didn't patent its three-point seatbelt in 1959 in the interests of public safety. Now, 50 years later, the brand is still celebrating its positive impact. That's how powerful it can be to go against conventional thinking around maximizing short-term profits and instead focus on fundamental human needs. **What action could you take for the greater good that could form part of your brand legacy in 50 years?**

> DON'T GO IT ALONE

Don't wait until you've got a solution before you start collaborating and sharing. The truth is that most brands won't be able to solve huge, industry-wide sustainability issues alone. The NextGen Cup Challenge is supported by McDonald's, Starbucks, Coca-Cola, and Yum! Brands, who are looking to the next generation of entrepreneurs to solve the single-use cup conundrum. **Could URW use its scale to share and spread innovative solutions among its tenants, to increase their impact?**

> BROADEN YOUR THINKING

OPEN SOURCE SOLUTIONS isn't limited to eco-issues. **Purpose-driven brands that share their answers to society's big problems will increase the impact of those initiatives but will also improve their authenticity credentials.** Another example of that? Starbucks' decision to give away the racial bias training material the brand produced after the infamous arrest of two customers in Philadelphia. Which proprietary assets will you share to increase their positive impact?

GLASS BOX BRANDS

**In 2019 and beyond, your
internal culture is your brand.**





GLASS BOX BRANDS

Radical transparency has turned the walls of every business to glass. One consequence? A brand's internal culture is now a part – perhaps the most important part – of their customer facing brand.

Today, it's easier than ever for consumers to see inside a business. They can see the people and the processes. They can see the values. They can even see what the people inside the box *feel* about what they're doing.

Brands that recognize this can turn what happens *inside* the business into a powerful marketing asset. **Positive cultural changes can become a powerful external part of your brand.** One that drives millions of consumers to feel great about your business and actively *want* to engage with you. Are you ready for the era of GLASS BOX BRANDS?

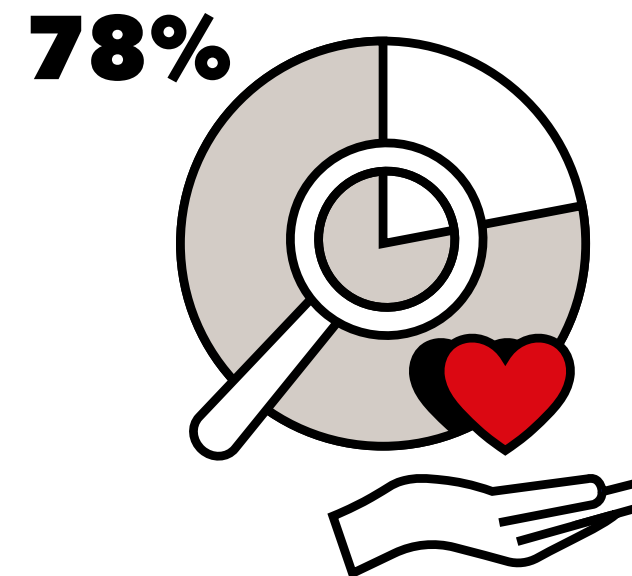
WHY NOW?

> CONNECTIVITY

Connectivity has fueled the radical transparency that's given rise to GLASS BOX BRANDS. Consider: employees can now document and share their working lives online (remember when an [employee blog post](#) revealed the culture of sexism at Uber?). At the same time more of everyday life is being captured in real-time video or livestreamed. Brands with less-than-perfect internal practices should expect that they can – and will – be shared with the world.

> THE QUEST FOR MEANINGFUL CONSUMERISM

It wouldn't matter that consumers can look right inside your business if they didn't care about what they saw there. But in rising numbers, and with rising intensity, they do. As the quest for status becomes ever-more entwined with '*who I am as a person*', **consumers will seek brands that can help them prove they are more ethical and enlightened than the rest.**



➤ 78% of global consumers agree that how a company treats its employees is one of the best indicators of its level of trustworthiness.

(Edelman Trust Barometer, January 2019)

WHY NOW?

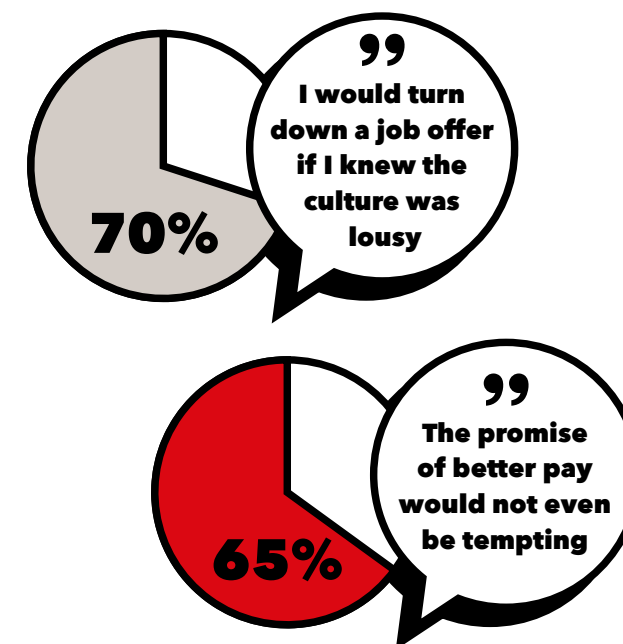
> CALL-OUT CULTURE

This trend is also fueled by an epic culture shift when it comes to the way stories of toxic individuals and internal cultures are treated.

Think about how the #MeToo movement was organized around a hashtag. Thanks to social media, it's easier than ever before for wronged individuals to corroborate stories and speak out in unison. And now, consumers around the world can hear those stories and push for change.

> AUTOMATION ANXIETY

Job automation is set to transform economies and the employment prospects of billions across the world. In the retail sector, estimates suggest that 47% of retail salesperson roles could be automated in the coming decades. **Automation, combined with rising inequality in many countries and ruptures in the social fabric caused by globalization, means millions are putting new emphasis on social good.** One way to build a better future? Create an internal culture that prizes ethics.



➤ In today's workplace, culture reigns supreme, with US professionals unwilling to tolerate a bad culture.

(LinkedIn, June 2018)

FEATURED INNOVATIONS



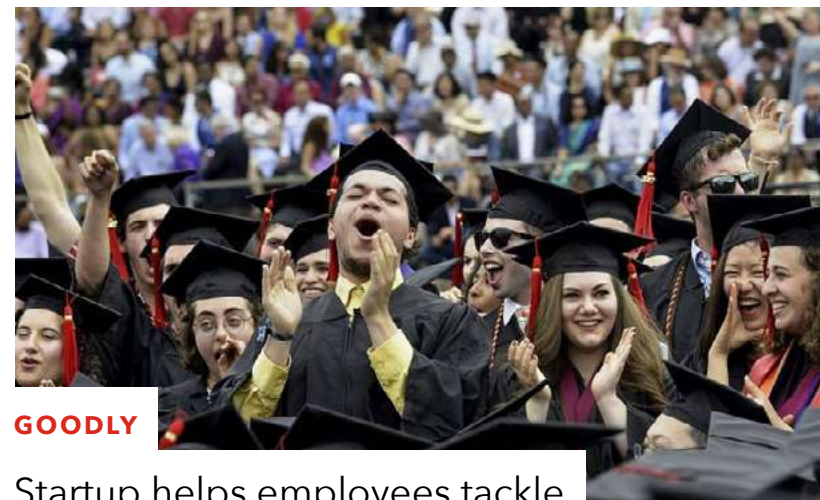
LEVI'S & NEW AMERICA

Blockchain system ensures factory worker welfare

Levi Strauss & Co. has teamed with the Harvard T.H. Chan School of Public Health, public policy thinktank [New America](#) and software development consultancy ConsenSys to develop a blockchain-based system to monitor worker wellbeing. The pilot program, announced in January 2019, will cover three factories in Mexico that together employ as many as 5,000 workers producing Levi's products. The workers will complete surveys on working conditions and their responses will be placed on the blockchain platform, meaning their feedback will be transparent, anonymous and in real time, with no risk of worker retaliation.



This initiative is part of Levi's existing [Worker Well-being](#) program. Launched in 2011, the program focuses on financial empowerment and improving wellbeing and, to date, has reached over 200,000 employees across the global. The takeaway from this new initiative? Even if you have employee wellness programs in place, are you considering the opportunities offered by new technologies (in this case, blockchain)? How can they supercharge or enhance the services you are already providing?



GOODLY

Startup helps employees tackle student loans

US-based B2B service [Goodly](#) helps employers offer student loan repayment as a workplace benefit. Part of the August 2018 Y-Combinator incubator program, Goodly enables companies to make contributions towards the student debt of their employees. The scheme works like a 401(k) retirement plan, in which employers match the contributions that employees make towards their fund. Goodly say offering this benefit can help employers attract and retain talent. They charge employers USD 6 per employee per month for their service.



In 2018, US student debt levels set a new record, with borrowers owing more than [USD 1.5 trillion](#) in student loans. Over 2.7 million borrowers owe in excess of [USD 100,000](#). Many young people are looking for brands and businesses to help them pay off those loans, but Goodly takes this one step further by helping employers offer that as a workplace benefit. Maybe your employees are looking for brands to help them reach other goals - owning a house, for example - but can helping them reach them become a powerful story to tell?

FEATURED INNOVATIONS



In February 2019, the [council of South Ayrshire](#) in Scotland became the first in Europe to guarantee 'safe leave' to any of its employees who are impacted by domestic violence. The new policy offers employees up to 10 days of paid leave, with no reduction in their vacation time or wages, so they can focus on any court proceedings, therapy, medical appointments, and more. The 10 days can be used all at once or over the course of the year. South Ayrshire collaborated with the local women's aid organization to draft the policy and educate their staff on domestic abuse.



There are plenty of things that seem radical but quickly become the norm. South Ayrshire isn't actually the first council to pass such a law: the '[safe leave law](#)' was first introduced in New Zealand in July 2018. But think about the expectations such legislation is creating. How long will it be until your customers start holding you to similar standards? And if the answer is 'soon', why wait to act?



August 2018 saw [Microsoft](#) announce that all suppliers will be required to provide their employees with paid parental leave. Expanding on a 2015 initiative to only work with companies offering paid time off, this policy will see Microsoft help their suppliers implement parental leave provision over the course of the next year. Microsoft's partners will be required to grant employees at least 12 weeks of paid parental leave, after they give birth to or adopt a child. The electronics giant cited Washington state's recently-announced parental leave policies, as well as increased morale and productivity among both men and women, as inspiring the requirement.



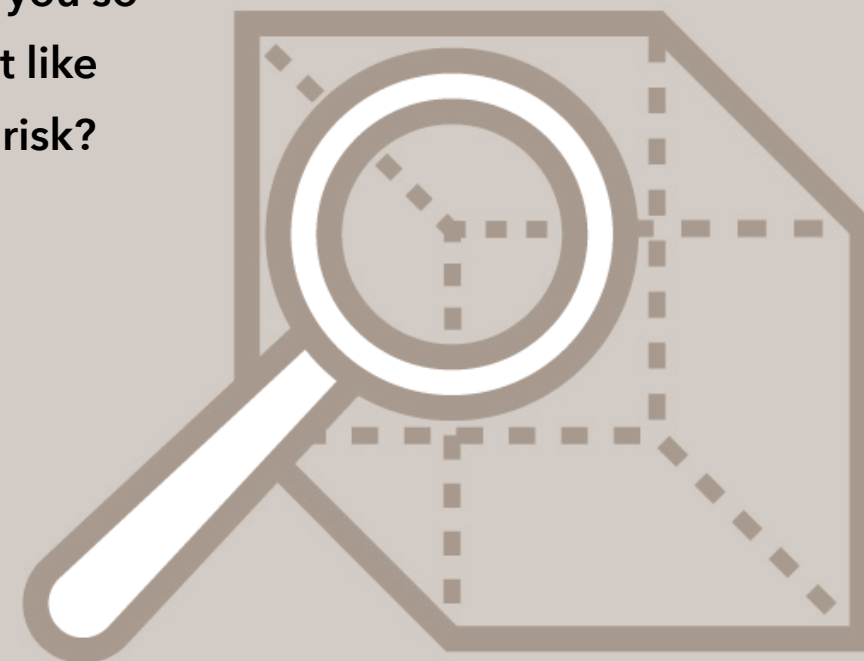
Taking GLASS BOX BRANDS to the next level, Microsoft are imposing their internal values on other companies and creating a positive impact that goes beyond the brand's own employees. [Dev Stahlkopf](#), Microsoft's general counsel, said: 'we understand this may increase our costs, and we think that's well worth the price'. Which causes are you prepared to take a short-term hit on in your pursuit of long-term value?

IMPLICATIONS FOR URW

The forces driving the emergence of this trend are powerful, and they're not going away. Once you accept that your internal culture is now public facing, then the question becomes simple. Are you so good that if consumers do look inside the business and don't like what they see, they'll stick with you? Don't want to take that risk? Then it's time to respond...

EXISTING URW ACTIONS

Adopting environmentally-friendly behaviours is a key aspect of URW's internal culture: the Work Greener program promotes eco-gestures across the Group, raising awareness of low-carbon mobility, mindful consumption, zero paper policy and waste management.



GET TO WORK

> EMPLOYEE FOCUSED

The first step? Seeing a GLASS BOX BRANDS strategy through the eyes of the people it's designed to served. Although initiatives for professional development can be extremely powerful, this trend goes far beyond making employees more 'productive'. **How can you make sure URW continues to help employees develop, perhaps in dimensions that have no direct link to their work?**

> INTERNAL VALUES

Want to make an ultra-powerful statement via a change to your internal culture? Take action that makes a loud, resounding statement about who you are and the values you hold. It could be a 'small' action, such as the [flexible public holiday policy](#) Spotify offers. Or it could be a 'big' commitment: helping employees pay off their student loans. **So no matter the size, how can URW create an authentic and sincere GLASS BOX BRANDS statement?**

> SHARE THE STORY

Organizational change is hard. Telling compelling stories about that change is hard, too. That's why, to create effective GLASS BOX strategies, every team needs to be empowered to effectively tell the world their progress stories. In short: every department needs to think like a marketing department. **How can you create a culture where each team is able to do that?**

KEY TAKEAWAYS FOR URW

> END OF EXCESS

As consumers focus on the long-term impact of ephemeral objects, they will demand brands reimagine all single-use products. Could URW turn its challenges into opportunities, think mindfully about waste and challenge consumers to do the same?

> OWNER-LESS

Asking shoppers to consume less seems like a shortcut to sabotage. But as consumption for its own sake becomes increasingly disagreeable, putting the planet before profit and rethinking 'retail' will appeal to consumers who are seeking something more.

> GUILT-FREE LUXURY

Aware of the conflicts between their consumerist impulses and their desire to be 'good', consumers are wracked with guilt. Could URW pioneer a new kind of consumption: ones that's free from worry about its negative impact yet allows continued indulgence?

> SPARE CAPACITY

Their expectations primed by the sharing economy, consumers are looking for retailers to unlock unused sources of value or untapped surplus. What SPARE CAPACITY exists within URW? Can that be repurposed for good?

> INCLUSIVITY IRL

Consumers are no longer impressed by brands that hint at diversity. They demand retailers reimagine their offerings around the needs of diverse set of customers. Can you cater to marginalized groups and build on the community initiatives already in place?

> OPEN-SOURCE SOLUTIONS

Can URW collaborate with other brands to solve some of society's toughest problems? This is a win-win approach: it's good for the planet and for brands seeking to prove to skeptical consumers that they're committed to meaningful change.

> GLASS BOX BRANDS

Radical transparency means that a brand's internal culture is now a fundamental part of their customer-facing brand. Can that culture become a powerful marketing tool to communicate compelling stories about URW's values, sustainability commitments and more?

GET GOING!

We opened this report with some urgent calls for action. But the truth is that this is just the beginning of the journey.

A journey that starts with remembering that each trend is an innovation opportunity. That is, an opportunity for URW to lead on sustainability issues. An opportunity to build a better business that's focused on people, the planet and profits.

So take these trends and featured innovation examples back to your team, and challenge them. What can we do with this? How can we adapt this trend around URW, our markets, our customers, our values? What can we do to meet and exceed these emerging customer expectations?

We can't promise that it will be easy. But it will be deeply worthwhile. So get started today!



HAPPY INNOVATING!