

# Future of retail is consumer-driven

 By [Cindy Peters](#)

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eBay's current VP of Marketing Jody Ford made some interesting predictions for the not too distant future of shopping at this year's Net Prophet conference.



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"I believe there's a new retail emerging," said Ford, "We're going to see more change in retail in the next three years than we've seen in the last 10 years, and this change is enabled by technology, but ultimately it will be the consumer that drives it and decides how that change happens."

Ford used professional driving service Uber as an example of how the customer decides how technology is embraced. In San Francisco, Uber's service faced competition from other providers who brought something cheaper and cooler to the market, with all sorts of added value in the form of a consumer-driven service. In response to this competition, Uber had to launch its own consumer-driven service Uber X, in order to stay competitive in the market.



"The technology is the same, but ultimately the consumer decides how that technology's embraced. We don't get to decide that, the customer gets to decide that," emphasised Ford.

The mobile phone, according to Ford, will have the most significant impact on retail - it has, over its evolution, become the essential remote control to our lives. eBay conducted research to understand how people use their phones - they found that the average user connects with their device 40 times a day, and is engaged for two minutes each time.

## On a priority scale, these are the types of engagement of the average user:

1. Check in - "Am I popular?"
2. Check in - reaching out to other people.
3. News - current, lifestyle, gossip etc.

## The next three are dependent on the type of user:

4. Gaming
5. Retail
6. Managing life - calendar, appointments etc.

## What does that mean for retail?

"In this world, you have to try and retail to people 40 times a day, and you're not just competing against other retailers,

you're competing against all those other needs. The challenge for retailers is how are you going to produce content that's engaging them throughout the day. How are you going to be relevant, and that's a fundamentally different challenge for retail as we know it," explained Ford.



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## Evolution of retail

In 2014, online and offline shopping don't exist separately anymore, the fusion of the two have resulted in a crossover, said Ford. It is this trend that will shape how retail will emerge over the coming three to five years.

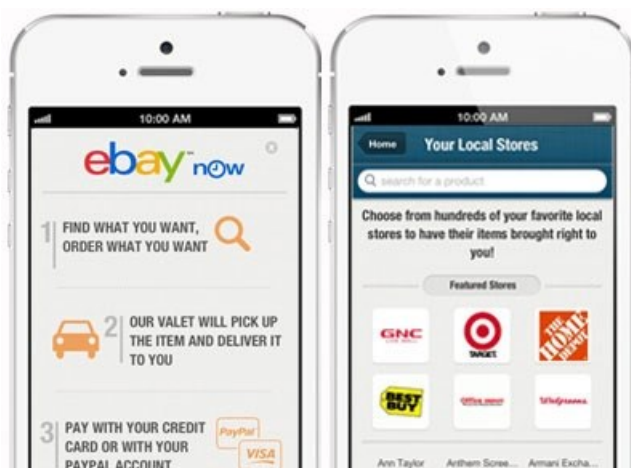
"People now want to get what they want, when they want it, wherever they are," explained Ford. We see this evident in data presented from the US and UK markets - 39% of US, and 55% of UK customers paid online and picked up in-store. They choose to do this for two reasons; control and value.

## Examples of innovation from eBay catering to these needs

eBay partnered with Best Buy in the US, and allowed customers free in-store pickup: this is great for the sellers - bringing people into the store, and great for the buyer - they have more control and save on shipping costs.

eBay partnered with Argos in the UK, and allowed customers to buy Argos products and pick it up from Argos stores, and also buy products from other sellers and pick it up from Argos: this works well for sellers - more distribution and pick-up options, it works for Argos - bringing new people into their stores, and it works for customers - gives them control and another option that fits into their life.

The eBay Now app is a premium service that allows customers to fast-track the process from purchase to delivery to within minutes, and they're able to see the whole process carried out from the job accepted by the courier, the confirmation of product pick-up, right to it being delivered on your doorstep - very premium indeed...



In terms of offline retail, eBay partnered with New York fashion brand Kate Spade, creating an interactive storefront, not a

store, where items were physically on display - customers could browse and their goods were delivered on the spot, or to a preferred location. Kate Spade was able to test different locations in New York - note the foot traffic in the area, the items being bought and customer engagement. Kate Spade was able to make a decision about where to open a full store.

In San Francisco, eBay partnered with shoe brand TOMS to create a digital storefront in a mall where customers could either take delivery in the mall or have the items delivered to their homes.

## What has eBay learnt so far?

"From a customer point of view, this control thing is really interesting - customers love the ability to control how they get things. The challenge is to present it to them in a way that doesn't become overwhelming," explained Ford.

"From a retailer point of view, the most interesting thing is the technological partnership - small- and medium-sized retailers don't have that level of innovation, so they're really looking at how they can partner to do this. From a technology point of view, it's great, and the front-end works fantastically. The challenge is always how to bring the back office and offline systems to work such that when you do have that experience of buying, and then going to a store, it's seamless - you arrive in the store, there's not a long line, and the item is there for you and you're ready to go," concluded Ford.

Net Prophet 2014 took place on Wednesday, 21 May, at the Artscape Theatre in Cape Town.

*Jody Ford spent six years in consulting at McKinsey and PriceWaterhouseCoopers. He joined eBay in 2006 as the head of eBay Motors in the UK, moving on to helm the development of eBay's worldwide mobile business strategy before assuming his current role. He now focuses on merchandising and personalisation across multiple platforms, including mobile, web and email.*

## ABOUT SINDY PETERS

Sindy Peters (@sindy\_hullaba\_lou) is a group editor at Bizcommunity.com on the Construction & Engineering, Energy & Mining, and Property portals. She can be reached at [sindy@bizcommunity.com](mailto:sindy@bizcommunity.com)  
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