

WESTFIELD HOW WE SHOP: THE NETHERLANDS FACT SHEET

THE FIVE TRENDS: SUMMARY

ANTI PRESCRIPTION

THE TREND: ANTI-PRESCRIPTION: WELCOME TO THE AGE OF ANTI-PRESCRIPTION. FRUSTRATED SHOPPERS REJECT INACCURATE PRESCRIPTIVE RETAIL EXPERIENCES THAT RESTRICT CHOICE, IN FAVOUR OF FREE-RANGE BROWSING AND IMPULSE SHOPPING.

SUB-TREND: DIGITAL BRICKS: IN LINE WITH THE ANTI-PRESCRIPTION TREND, DIGITAL-ONLY BRANDS PLANNING TO OPEN PHYSICAL STORES SHOULD USE THEIR RETAIL SPACE TO CREATE MORE RANDOM, SERENDIPITOUS BRAND ENCOUNTERS.

Dutch shoppers are frustrated when it comes to prescribed retail experiences. Over a third of all shoppers from the Netherlands are annoyed by inaccurate online recommendations. Over two-thirds also want whole collections rather than curated edits, exceeding the European market average. In fact, Dutch shoppers are some of the most frustrated in Europe when it comes to curation. The vast majority of these shoppers enjoy the vibe of real-world shopping and 80% get pleasure from browsing for fun – this is a nation of free-range browsers, more so than most other markets in Europe. When they do shop in physical stores, nearly three-quarters of them buy on impulse.

| | THE NETHERLANDS |
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| FRUSTRATION WITH INACCURATE ONLINE RECOMMENDATIONS | 41% |
| PREFER WHOLE COLLECTIONS TO EDITED SELECTIONS | 69% |
| BROWSE FOR FUN IN PHYSICAL STORES | 80% |
| BUY ON IMPULSE IN PHYSICAL STORES | 73% |

UPSIDE-DOWN RETAIL

UPSIDE-DOWN RETAIL: THE ENTIRE RETAIL MODEL IS ABOUT TO TURN UPSIDE-DOWN. 2025 IS THE TIPPING POINT YEAR WHEN MORE THAN HALF OF RETAIL SQUARE FOOTAGE WILL BE DEDICATED TO EXPERIENCES RATHER THAN PRODUCT.

Dutch shoppers will be early adopters of this trend with 60% believing that the retail tipping point will happen by 2025, exceeding the European market average. Already, the Dutch think that over a third of the floorspace should be dedicated to this. Creative-based experiences are the most desired by these shoppers, followed by health-based experiences like meditation classes and cultural experiences, such as immersive theatre. As well as wanting these experiences instore, Dutch shoppers also want the products sold in there to be more magical and surprising. For example, over half of these shoppers want products that can mend themselves and more than a third want inspiration destination spaces, such as technology stores that offer installations and talks to inspire creativity.

| | THE NETHERLANDS |
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| BY 2025, STORES WILL DEDICATE MORE SPACE TO EXPERIENCES THAN PRODUCT | 60% |
| AMOUNT OF SPACE A STORE SHOULD TODAY DEDICATE TO OFFERING EXPERIENCES | 39% |
| DESIRE CREATIVE EXPERIENCES | 34% |
| WANT PRODUCTS THAT MEND THEMSELVES | 55% |

SELF-SUSTAINING STORES: RETAILERS WILL REIMAGINE THEIR BUSINESS MODELS FROM THE BOTTOM UP, TO CREATE FACTORY STORES THAT ARE 100% SELF-SUSTAINING. THE WHOLE SUPPLY CHAIN WILL COLLAPSE DOWN TO THE POINT OF SALE. **SUB-TREND: RENTAL LIVING:** RENTING WILL BECOME A WAY OF LIFE, RATHER THAN JUST AN OCCASIONAL LIFESTYLE CHOICE. SHOPPERS OF TOMORROW WILL RENT ITEMS ON AN ONGOING BASIS, NOT JUST SPORADICALLY.

SELF SUSTAINING STORES

More than four-fifths of Dutch shoppers demand that retailers prioritise being self-sufficient – broadly in line with the European average – and nearly three-quarters feel that stores should do more to address environmental concerns. Over half of Dutch shoppers want retailers to prioritise making products more durable, to stand the test of time and nearly as many want them to prioritise banning single-use plastic. Waste is a particular issue for the Dutch, with over half wanting to see zero-waste restaurants in their ideal retail environment and nearly as many wanting to see retailers selling more sustainable products. The Dutch are keen to take sustainability further still with almost half of all these shoppers wanting stores to make products in-store and on-demand as a solution to sustainability issues. Having more green and outdoor spaces is also high on their list. Renting rather than owning products is another option to solving sustainability issues and one that over a third of Dutch shoppers are keen on. They are also interested in renting items on an ongoing basis,

| | THE NETHERLANDS |
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| DEMAND THAT THE STORES OF THE FUTURES PRIORITISE BEING SELF-SUFFICIENT (EITHER BY HAVING EVERYTHING UNDER ONE ROOF OR BY IMPORTING THE MATERIALS THEY NEED) | 84% |
| STORES SHOULD DO MORE TO ADDRESS ENVIRONMENTAL CONCERNS | 71% |
| PRODUCTS SHOULD BE PRE-MADE OR MADE-TO-ORDER INSTORE | 65% |
| WANT PRODUCTS THAT MEND THEMSELVES | 39% |

especially transport. More than half of Dutch shoppers would also like to rent items for their home on an ongoing basis, particularly technology.

RETAIL SURGERY

RETAIL SURGERY: FORGET RETAIL THERAPY. THE FUTURE IS RETAIL SURGERY. CREATING A MARKET THAT COULD BE WORTH UP TO €4 BN PER YEAR¹ IN THE FUTURE, RETAIL OUTLETS WILL BECOME MORE LIKE DOCTORS' SURGERIES, DIAGNOSING OUR PRECISE NEEDS BASED ON FACT, NOT PRESUMPTION.

There is already some interest in Retail Surgery amongst Dutch shoppers. Over a third of shoppers there want personal retailer consultations to identify the perfect products for them. There is also appetite amongst these shoppers for these retailers to provide DNA testing or use other health measures in order to provide better recommendations, including diet and health solutions. Indeed, more than a third of shoppers from the Netherlands are interested in this. And almost a quarter of Dutch shoppers are interested in using data such as saliva tests to create personalised 3D-printed food to fit their health requirements.

| | THE NETHERLANDS |
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| WANT FUTURE RETAIL ENVIRONMENTS TO OFFER PERSONAL CONSULTATIONS TO IDENTIFY THE PERFECT PRODUCTS FOR THEM | 39% |
| HAPPY TO SHARE MY DNA OR HAVE MY HEALTH ACCURATELY MEASURED TO GET BETTER PRODUCT OR SERVICE RECOMMENDATIONS | 28% |
| INTERESTED IN DNA ANALYSIS TO CREATE SOLUTIONS LIKE PERSONALISED DIET AND HEALTH WARNINGS | 34% |
| WOULD WELCOME RETAILERS USING DATA SUCH AS SALIVIA TESTS TO CREATE PERSONALISED 3D-PRINTED FOOD TO FIT THEIR HEALTH REQUIREMENTS | 23% |

LOCALLY-MORPHED

LOCALLY-MORPHED: RETAIL SPACES WILL MORPH TO FIT THEIR LOCAL ENVIRONMENT AND COMMUNITY, PROVIDING EVERYTHING FROM LOCAL BRANDS TO NOSTALGIC COMMUNITY EXPERIENCES.

The Netherlands is one of the most progressive when it comes to this trend. Over two-thirds of Dutch shoppers want future retail environments to morph to fit the people who live in the local area, in line with the European average. These shoppers are also extremely supportive of local brands, with more than half of them preferring to have local brands over well-known ones in their ideal retail environment, exceeding the average. Moreover, over half of Dutch shoppers want fresh, locally-sourced food in their dream retail destination. Their desire for Locally-Morphed retail also extends to the kinds of experiences they want in these spaces, with over a third of Dutch shoppers asking for nostalgic social clubs and nearly a quarter of them wanting more community experiences, like book clubs.

| | THE NETHERLANDS |
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| WANT FUTURE RETAIL ENVIRONMENTS TO ADAPT TO REFLECT THE PEOPLE WHO LIVE IN THE LOCAL AREA | 70% |
| WOULD PREFER LOCAL TO WELL-KNOWN BRANDS | 52% |
| WANT RETAIL ENVIRONMENTS TO OFFER MORE COMMUNITY EXPERIENCES | 27% |
| WANT RETAILERS TO OFFER NOSTALGIC SOCIAL CLUBS | 41% |

HOT-TO-WATCH DIGITAL BRICKS BRANDS

THE NETHERLANDS

BOL
VERY
YOUTUBE
WISH
STEAM
OTTO
CONRAD
TINDER
COOLBLUE
WEHKAMP

OTHER INTERESTING FACTS

SELF-SUSTAINING STORES

53% OF SHOPPERS IN THE NETHERLANDS WANT ZERO-WASTE RESTAURANTS

39% OF SHOPPERS FROM THE NETHERLANDS WANT GREEN AND OUTDOOR SPACES IN THEIR IDEAL RETAIL ENVIRONMENT

ANTI-PRESCRIPTION

89% OF SHOPPERS IN THE NETHERLANDS LIKE THE OVERALL VIBE OF SHOPPING IN PHYSICAL STORES

UPSIDE-DOWN RETAIL

41% OF SHOPPERS FROM THE NETHERLANDS WANT AN INSPIRATION DESTINATION, SUCH AS A TECHNOLOGY STORE THAT OFFERS TALKS AND INSTALLATIONS TO INSPIRE CREATIVITY

LOCALLY-MORPHED

53% OF SHOPPERS FROM THE NETHERLANDS WANT FRESH, LOCALLY-SOURCED FOOD IN THEIR DREAM RETAIL SPACE

¹Total retail spend in the second quarter of 2019 within the European Union was 2,022,368.50 million euros. Source: Trading Economics. Therefore, spend per month is 674,122 million euros. 51% of European shoppers want retailers to offer personal consultations to provide them with the perfect product (Source: Westfield How We Shop, 2020). Therefore, up to 51% of this spend (343,802.645 million euros per month) could be spent on personal consultations, equalling 4.124 billion euros per year, using European billion definition. Source: Unibail-Rodamco-Westfield, 2019.