

“Irrational” Startups Disrupt the Landscape

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Shoptalk Europe was buzzing with an array of topics ranging from tech predictions of the transformative impact artificial intelligence tools will have on retail to the roles of robots and augmented reality in store. One of the other themes that stood out was the fast evolution of the industry’s ecommerce models. Retailers don’t know where their next competitor might come from, online or off. At the core of new retail models is a response to the fundamental consumer protest against the way goods are made and sold. Disruption is being forced by an agitated consumer who challenges the norms and demands a better mousetrap.

- Of note was a keynote speaker most everyone has already heard of, Michael Dubin, founder of Dollar Shave Club. His company was part of the movement of retail entrepreneurs who envisioned better ways to sell goods. When I interviewed Mike nearly five years ago, he was focused on the delivery of one product: men’s razors. He singled out this grooming item because of the pure frustration he personally experienced when trying to purchase razor blades. Not only did he feel the available products were needlessly expensive and over-designed, but the process of shopping for them was a hassle. He questioned why it was necessary to locate a sales assistant in order to unlock a case referred to as the “razor fortress” to access an everyday item. At this year’s Shoptalk, Michael shared his company’s journey from launching an idea based on one product, to evolving Dollar Shave Club to a full line of men’s grooming products for “regular guys.” He says his Act Two is to fulfill the

high-minded mission to help guys be the best versions of themselves. He says he has a soft spot for real men, normal guys, with feelings, and his Club is designed to engage with real men in a digital space. As a direct to consumer business, he amasses considerable data on a hard-to-reach audience, which in part sparked the interest and recent acquisition by Unilever.

Other industry entrepreneurs presenting at Shoptalk Europe have taken a page from the innovator's playbook to launch all types of new subscription and direct-to-home delivery concepts.

- Joris Beckers, co-founder of Picnic, based in the Netherlands, has an idea inspired by the sentimental Milkman model to deliver groceries to your doorstep. This is a darling in the startup world, having raised 100 million Euros in fewer than 18 months. Unlike other online food delivery schemes, Picnic has a neighborly face with their friendly "runners" who drive the eco-friendly delivery trucks and become part of the community. Picnic developed electric delivery trucks that move at about four miles an hour, adding to the retro charm of the original milkman delivery system. But don't kid yourself that this is an old-world model, Picnic is highly rationalized with sophisticated data management making the inventory, supply chain and delivery process efficient, cost-effective, nimble and satisfying for customers.
- Cheryl Kaplan of M.Gemi took aim at traditional Italian upmarket leather goods to launch a line of high-quality shoes at reasonable prices. She didn't want to disrupt the supply chain but rather disrupt the pricing of luxury brands. Her mantra, "made the old way, sold the new way" is groundbreaking in an era of promiscuous shoppers who value great style and great value. [M.Gemi is lighting up social media](#) with shares of their elegant boots, shoes and sneakers.

Don't just sell it better, make it better! Given the surge in online retailers, the new disrupters also need to innovate superior products.

- Casper co-founder and CEO, Philip Krim, shared their journey as they set out to transition sleep as a fundamental need to a platform for wellness. While the health and wellness space is crowded with exercise and nutritional players, Casper elevates the role of sleep in our daily routine. They also challenge the mysterious pricing and branding practices of an industry that makes comparison-shopping almost impossible. And creating a new category of sleep/wellness, they innovate with new mattress designs that enhance the quality of sleep. Target is now an investor and sells a limited assortment of Caspar bedding (pillows and sheets) in store.

Collaborations between entrepreneurs and legacy retailers (such as Target) highlight some of the inspiring retail concepts shared at Shoptalk. Everyone knows change is a mandate. But it takes creativity to deliver meaningful innovation. The range of new ideas shared from re-imagining the neighborhood milk truck to augmented reality and conversational commerce raise the bar for retailers and technology partners alike.

You can rely on Shoptalk for a provocative conversation with speakers who predict new levels of collaboration that will mix technology, culture, personalization, entertainment, wellbeing and, of course, shopping in creative models that fulfill the unmet needs of consumers, worldwide.



About Gwen Morrison

CEO of WPP's The Store Gwen Morrison's career has been devoted to building brands in the retail space. She is CEO of WPP's The Store, responsible for extending WPP's leadership in retail innovation and supporting global resources for WPP group companies across the Americas and Australasia. She has contributed to Harvard Business Review, Brand Week, and Journal of Brand Strategy. Based in Chicago, she is a guest lecturer at Northwestern University, University of Chicago, and University of

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