SIGNAL & SHIFT

Market intelligence. Strategic impact.

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Three Emerging Retail Signals SMEs Are Missing



Helping businesses spot changing consumer expectations before they become mainstream.

Market trends ◊ Consumer behaviour ◊ Competitive signals ◊ SME opportunities

→ Need bespoke market intelligence? Get in touch.

At a Glance

Many businesses focus on reacting to current demand.
The most successful businesses identify changing consumer expectations early and adapt before competitors.



Three Signals Worth Watching

- Consumers are trading more for better
- AI is raising expectations for customer service
- Trust is becoming the new currency

What This Means

Businesses that can:

- [x] Demonstrate value
- [x] Reduce friction
- [x] Build credibility

will be best positioned for growth over the next 12 months.

Signal & Shift View

The next competitive advantage won't necessarily be lower prices.
It will be the ability to create confidence, convenience and connection.

Signal #1

Consumers Are Trading “More” For “Better”

Consumers are becoming increasingly selective with spending decisions.

Rather than purchasing more products, many are seeking better quality, longer-lasting options that justify the investment.



What We’re Seeing

- Greater scrutiny of reviews
- Increased focus on durability
- More considered purchasing decisions
- Growing interest in sustainability

What Brands Are Doing

Patagonia

Patagonia’s Worn Wear programme encourages customers to repair, reuse and trade in products rather than replacing them. The initiative is designed to extend product lifecycles and reduce consumption.

What This Means For SMEs

Positioning quality, reliability and expertise can often create stronger differentiation than competing on price alone.

Signal & Shift Recommendation

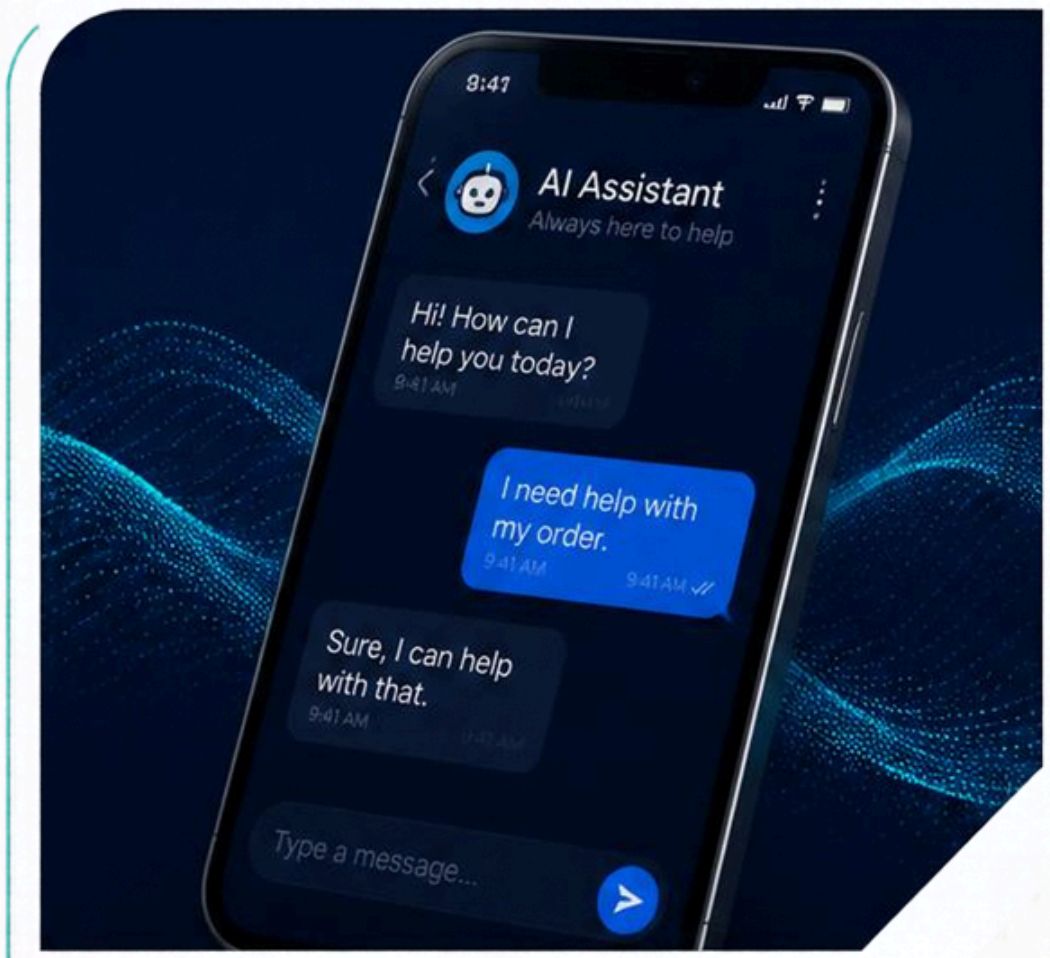
Stop asking: "How can we be cheaper?"
Start asking: "How can we be worth more?"

Signal #2

AI Is Raising Expectations For Customer Service

Consumers increasingly expect immediate answers and seamless interactions.

This expectation is being shaped by experiences across banks, retailers and digital platforms.



What We're Seeing

- Demand for faster responses
- Increased use of self-service
- Lower tolerance for delays
- Preference for frictionless journeys

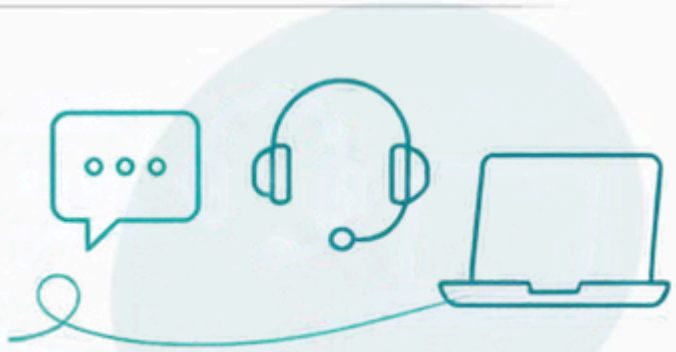
What Brands Are Doing

Klarna

Klarna reported that its AI assistant handled approximately two-thirds of customer service conversations during its first month, while helping reduce average resolution times from around 11 minutes to under 2 minutes.

What This Means For SMEs

You don't need enterprise-level AI.
Often, simple improvements such as FAQs, online booking tools and automated responses can significantly improve customer experience.



Signal & Shift Recommendation

Don't compete on AI. Compete on responsiveness.
Customers rarely care whether a response comes from a chatbot, automation tool or a member of staff. They care about getting the right answer quickly and with minimal effort.

Signal #3

Trust Is Becoming The New Currency

As consumers face increasing choice and information overload, trust is becoming a critical decision factor.

What We're Seeing

- Greater reliance on reviews
- Increased demand for transparency
- Preference for authentic expertise
- Higher value placed on recommendations

What Brands Are Doing

Gymshark

Gymshark has consistently emphasised community-building, creating a sense of belonging that extends beyond product purchases. The brand has highlighted community as a key driver of engagement and loyalty.

What This Means For SMEs

Customer stories, testimonials, case studies and educational content can become powerful trust assets.



Signal & Shift Recommendation

The businesses that teach often outperform the businesses that simply sell.

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What To Watch Next Quarter

OPPORTUNITIES

- Customer retention strategies
- AI-powered productivity tools
- Community-led marketing
- First-party customer data collection
- Expertise-driven content

POTENTIAL RISKS

- Generic AI-generated content
- Increased competition from AI-enabled businesses
- Shortening consumer attention spans
- Declining effectiveness of purely promotional messaging

BOTTOM LINE

The strongest businesses over the next 12 months may not be the largest or the cheapest.

They will be the businesses that:

- Build trust
- Reduce friction
- Deliver meaningful value
- Adapt to changing expectations early



ABOUT SIGNAL & SHIFT

Signal & Shift tracks market trends, consumer behaviour and emerging opportunities to help businesses make better commercial decisions.

BESPOKE SERVICES

Need Bespoke Market Intelligence?

Signal & Shift helps organisations:

✓ Understand competitors

✓ Monitor emerging opportunities

✓ Analyse consumer behaviour

✓ Identify future market shifts

✓ Make more informed strategic decisions