



THE JOHN LEWIS RETAIL REPORT

HOW WE SHOP, LIVE & LOOK

2016

John Lewis

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2016... WHAT A YEAR

This year has been remarkable in many ways. Significant political, cultural and economic upheaval felt confusing and disorientating at times and it is still unclear how Brexit will affect customer confidence in the long-term. In the face of these changes, a more confident customer is emerging, who deftly switches between the multitude of shopping channels and has embraced a braver, bolder style.

Retailers today must constantly evolve to be successful, and to meet customers' increasingly sophisticated expectations. Products have to be fantastic, in-store experiences have to be stimulating and websites and apps need to inspire.

At John Lewis, we approach this challenge by treating all our customers as individuals and looking closely at the shopping missions they embark on. Whether they are seeking entertainment, inspiration, trusted advice or a fast, convenient transaction, we aim to understand their mindset and meet their needs at any given moment.

Far from playing it safe at a time of uncertainty, customers chose to get out of their comfort zones

and make a statement this year. The 2016 John Lewis Retail Report reveals plenty of evidence of "brave, not beige" purchases in the home, where ornamental pineapples and flamingos made an appearance, and in wardrobes, where men turned sleepwear into streetwear and ladies opted for expressive, colourful prints.

However, customers did not make self-expressive purchases flippantly. With a world of options available to them, only the most inspiring, unusual and best quality products would do.

Read on to discover the definitive products and behaviours that epitomised how the UK shopped, lived and looked in a year that was full of surprises.

Chapter One

WHAT SHAPED THE WAY WE SHOPPED

The buying habits of John Lewis customers tell a fascinating tale of how British people responded to the political, cultural and economic shake-ups of the last twelve months.



2016 has truly been a year of big events. Two of the world's most influential music icons are no longer with us, the UK is leaving the EU and has a new Prime Minister, Wales did better in the Euros than England, and our Olympians and Paralympians led us to stratospheric victory at Rio.

Twelve months of unpredictable weather

The weather did not adhere to convention this year either, having a huge impact on what customers bought and when. After a mild January, in which we saw strong sales of lightweight linen, there was snow in April. Consequently we sold 31% fewer sunglasses this April than April '15, while sales of scarves, faux fur throws and slippers rose 41%, 200% and 300% respectively. After a brief warm spell in May, early summer was also unseasonably cool, leading to a 13% rise in ladies' thermal underwear purchases (page 25).

More is more

In this year of unexpected weather and events, people decided to shake things up in their lives, wardrobes and homes, getting out of their comfort zones to make braver, bolder purchases. The passing of Prince and David Bowie, two of the most iconic figures in music and fashion, perhaps reminded the nation of the true power of self-expression. Men's fashion, for instance, broke all the rules, mixing casual with formalwear, re-visiting nineties grunge and, taking its cue from Jared Leto, turning sleepwear into streetwear (page 31).

Other famous faces that shaped the nation's style this year included the usual suspects (Victoria Beckham, the Kardashians and the Royal children), plus some new and somewhat surprising additions in the form of *Ab Fab's* Patsy and Edina, Theresa May and Jeremy Corbyn (page 4-5).

In the home, this was the year customers abandoned beige in favour of bold colour contrasts, clashing prints, statement lighting and quirky curiosities such as golden pineapples and inflatable flamingos (page 18). The explosion of social media stimulated these bolder choices in both home and fashion, giving customers the confidence to showcase their individuality.

Simple pleasures helped Brits escape the chaos

Perhaps feeling overwhelmed by change, people looked for ways to physically and metaphorically escape the chaos and enjoy the more whimsical side of life. To some, this meant getting far away from the UK (our Kuoni travel agents saw a 40% rise in long haul holiday sales). Many who stayed in the UK distracted themselves by Pokémon hunting in the park, as sales of our portable mobile phone chargers soared over 200% in July. Others took to tending to their beehives (searches for "bee house" climbed 62% in March) or colouring in (adult colouring book sales increased 91% in October '15).

With the political world in turmoil, it appears the pro-EU voters drank away their sorrows, with Sipsmith gin sales increasing 103% the week after Brexit. But while gin was in, the nation did not falter in its ongoing quest to live and eat well. 2016 was the year of the avocado, with searches for avocado-related products 85% higher than last year. The nation was also inspired to live well by Olympians; Fitbits saw a 131% spike in popularity following Rio 2016.

Home tech got smarter

Perhaps the one place where customers did feel in control this year was in their own homes as we entered a more connected age, where, with the right technology, the implausible is not only possible but practical. We saw an 81% increase in sales of smart home products in the past year, ranging from lighting that changes colour to suit your music to a thermostat that learns your room temperature preferences (page 20).

So, all in all, 2016 was a momentous year for the UK. But whatever life had in store, John Lewis remained stalwart in its commitment to offer a rock of familiarity in an unfamiliar Britain.

2015 SEPTEMBER



Four months of rain

The start of four wet months and a season of flooding and blizzards, with searches for wellies 31% higher than last year

Jeremy gets in

Jeremy Corbyn is elected as Labour leader. Sales of red socks rise by 11% following his choice of footwear before his Party Conference speech

2015 OCTOBER



Bond's back

Spectre premieres. The Kin suit worn by vlogger Jim Chapman to the premiere increased in sales by 80% the following week

2015 NOVEMBER



Biggest ever Black Friday

Black Friday sees a 932% increase in wearable tech sales

John Lewis launches *Man on the Moon*

The *Man on the Moon* Christmas ad campaign launches and we see a 507% uplift in web searches for "telescope" compared to last year

2015 DECEMBER



Star Wars The Force Awakens launches

BB8 droids are our most popular Christmas tech toy following the film's appearance

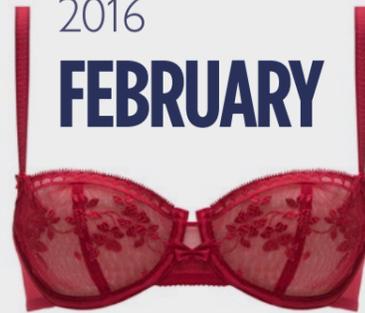
2016 JANUARY



Prince George starts pre-school

Sales of quilted, hooded navy jackets similar to the one worn by the Prince on his first day of nursery see a 447% sales uplift

2016 FEBRUARY



Valentine's Day boosts lingerie sales

Love is in the air as lingerie sales rise, including red bras (46%) and black lace chemises (190%)

2016 MARCH



House of Cards season four airs

Searches for Water Rowers rise 52% the same week, inspired by Frank Underwood's rowing obsession

Princess Charlotte in the Alps

The Princess sports a John Lewis snowsuit, resulting in a sales uplift of 420%



2016 APRIL



Snow in spring

Chilly temperatures and snow see sales of sunglasses down 31% compared to last April, while electric blankets, faux fur throws and gloves rise 62%, 200% and 300% respectively

Brits get fit as Marathon approaches

Sales of sports technology products are 74% higher the week before the London Marathon

2016 MAY



Peaky Blinders sparks a craze for flat caps

Sales of flat caps rise 27% after episode one of the third series of *Peaky Blinders* and 83% following episode two



Britain brightens up

A brief, early hot spell brings sales uplifts in garden furniture (130%), barbecues (60%) and men's swim shorts (81%)

2016 JUNE



The UK votes to leave the EU

Sales of Sipsmith gin rise 103% as Brexiters toast the result or Bre-mainers seek to console themselves

The Queen's 90th birthday celebrations

The Queen celebrates her official 90th birthday. Royal Collection items rise 42%



Euro 2016 kicks off

Sales of 50 inch TVs are 50% higher than last year ahead of the Euros

2016 JULY



"Pokémania" hits the country

Portable mobile phone charger sales soar over 200% as the nation scours the country for Pokémon

Absolutely Fabulous: The Movie is released

Taking a leaf out of Patsy and Edina's book, our kaftan sales climb 80%



2016 AUGUST

The UK triumphs at Rio '16

Johnlewis.com sees a 20% spike in late night traffic on "Super Saturday" as Brits wait for their favourite Olympians to compete



2016 SEPTEMBER

Bridget Jones's Baby arrives on-screen

Big pants are back as the next *Bridget Jones* film premieres. Sales of Spanx shapewear were 71% higher this September than last



THE PRODUCTS THAT DEFINED THE YEAR

1

The white trainer

The footwear of choice was a pair of classic 90s-style white trainers, sported by Victoria Beckham, Kendall Jenner, Gigi Hadid and Alexa Chung. Taking inspiration from this, sales of white Converse at John Lewis were higher than any other women's shoe line.



2

The statement water bottle

There wasn't an office meeting that took place across the UK without a filter water bottle on the table. With an increasing understanding of the health benefits of regular water intake and a knowledge that all those plastic bottles are harming the planet, our sales increased 35%.

3

The wireless headphones

Wireless headphones helped customers enjoy their favourite tunes in and outside the home, without getting in a tangle. Formula One star Lewis Hamilton was rarely spotted without his Bose headphones and we saw sales increase 150%.



4

The supersonic hair dryer

The Dyson Supersonic hair dryer is blowing away the public, celebrity stylists and vloggers alike. Customers have bought more Dyson hair dryers since its launch than any other hair dryer.



5

The pink flamingo

This year was characterised by the mass migration of this exotic pink bird into customers' homes and wardrobes. Searches for flamingos on johnlewis.com increased 200%, with flamingo-themed wallpaper, fairy lights, cushions and mugs all selling well.



7

The avocado

The avocado was the super ingredient of 2016. The green goodness was everywhere, with customers wanting it in their beauty regimes as well as on their plates. Searches for avocado storage pods increased 61% compared to the last six months, searches for avocado slicers were up 62% in May and avocado beauty products increased in popularity. Overall, searches for avocado products increased 85% compared to last year.



6

The designer light bulb

Sales of statement light fittings rose 15% this year, as customers invested in a bolder look for their living spaces. Light bulbs themselves are now a design feature too, with decorative LED filament bulbs adding a touch of "industrial chic" to the home of 2016.



WHAT WE LEFT BEHIND

1

Alarm clocks

Alarm clock sales declined 9%, although travel alarm clocks saw a 200% increase, perhaps suggesting customers do not trust their phones to wake them up when they are abroad.



2

Tablecloths

Sales of tablecloths were down 10% compared to last year. However, customers are finding other ways to dress their tables today, with table runners increasing in popularity. Sales of trays also rose, suggesting many are taking a more casual approach to home dining.



3

Big hats

This year, ladies ditched broad brims in favour of statement disc fascinators. Sales of these millinery creations increased 54%.



4

Valentine's Day chocolates

The way to a partner's heart may no longer be through their stomach. Sales of Valentine's confectionery dropped this year, with lacy lingerie the preferred choice of gift.



5

Laptops with disk drives

Disk drives are becoming redundant as applications and information increasingly live in the cloud.



6

CD and DVD storage

With Netflix, Spotify and other on-demand services now the go-to for entertainment, customers are slimming down their DVD and CD collections and their need for storage.



7

Selfie sticks

These are so 2015! Searches for "selfie stick" reduced 50% compared to last year.



Chapter Two

HOW WE SHOPPED

The customer of 2016 designed their shopping experience around their own personal mission. Our most sophisticated shopper ever, they have replaced loyalty to a particular way of shopping with switching between shops, mobile and desktop.



The new customer shopping missions

Today purchase behaviour is more closely linked to customers' goals than ever before. Their individual needs are at the centre of the journey, whether they are shopping with a phone, on a laptop or visiting a shop. Through mixing and matching channels they can cater for any possible scenario, from seeking inspiration to making an emergency purchase.

From analysing the preferred options selected during these journeys, we have seen four common customer missions emerge.

Mission 1: I Need it urgently

Customers on an urgent mission are not interested in taking their time to enjoy the shopping experience; they know what they want and they need to get hold of it as quickly and conveniently as possible.

Often on-the-go, they are likely to buy using their smartphones. We also see this approach in commuter destinations such as our St Pancras shop, where top-selling items include hosiery, phone chargers, headphones and ties.

Mission 2: Entertain and inspire me

When customers are in the mood to be entertained or inspired, shopping is not just about the products they buy; it is the experience that counts. These customers come for an enjoyable day out with friends and family, rather than to shop for the essentials. This includes special experiences such as tastings, spa visits and testing out new tech and gaming products. Our customers increasingly use social media when embarking on these missions to find inspiration and source ideas.

Mission 3: Advise me

The range of products and services on offer for every area of modern life is constantly expanding. While social media and online reviews can be fantastic for inspiration and information, they can be overwhelming, leading customers to feel confused and in need of more personalised advice.

In this mindset, customers want to consult a trusted authority to help make the right choice. They often turn to John Lewis Partners, particularly for investment purchases.

Mission 4: I buy on a whim

Not everyone who comes into a John Lewis shop has a particular mission in mind; 37% of customers are just browsing. While on the shop floor, they may spot some items that are missing from their lives and pick them up on a whim.

They are not as likely to have done any research, with 67% of everyday items purchased in a shop. They are also not in a rush but enjoy browsing a broad range of options. This kind of shopping behaviour is usually seen when buying products with a lower price point.

There is no typical customer

These are not typologies as there is no stereotypical customer; a single customer could embark on any of these missions at different points in the week, or even the day. But in all cases, customers flit between online and in-store shopping in a way that suits them, with broadly two thirds using both physical shops and online channels during a single purchase.

While these missions are common to many shoppers, they cannot always be associated with a particular product category. An "advise me" or "I buy on a whim" mission could be behind the purchase of a new dress. The mindset a customer is in when they buy a product also depends on the product's life cycle; tablet computers used to be chiefly an "advise me" purchase, needing an explanation from a Partner. Now they are often bought in a "need it urgently" fashion.

MODERN SHOPPING MISSIONS

TYPICAL SCENARIOS

Distress purchases

When an essential item in life goes wrong, it needs replacing urgently.

+97%
increase in large electricals, washing machines and ovens ordered via smartphones.

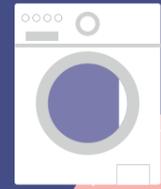
Reacting to weather

With a year of unpredictable weather, there were plenty of spontaneous weather-based purchases.

+245%
more umbrellas sold this April than last.

THE SHOPPING LIST

Tights, umbrellas, washing machines



I NEED IT URGENTLY

TYPICAL TRAITS

Speedy decision-making

When shopping online, those who "need it urgently" typically take **less than six minutes** to make their order.



On the way to work

+86% Hosiery
+55% Men's ties

increase in sales at John Lewis St Pancras since last year, suggesting a last minute purchase on the way to work.

TIMING

Weekdays 6am to 9am

Mobile is the most popular device to shop on johnlewis.com at this time and average browsing time is at its shortest.

TYPICAL SCENARIOS

Buying a mobile phone

The world of mobile phones can baffle even the savviest shoppers. John Lewis Partners can help customers navigate the options.

Personal styling

+43%
rise in John Lewis stylist appointments in the last six months. A trial with digital fashion personalisation experts, Dressipi, is also underway online.

THE SHOPPING LIST

Curtains, beds, cameras, speakers



ADVISE ME

TIMINGS

Any time

Purchases that need advice happen over an extended timeframe of days, weeks or even months, using all channels and days of the week.

TYPICAL TRAITS

Seek out an expert

63%
of these missions are researched in a shop, and involve talking to a Partner.

Want personalised advice

+46%
increase in the number of appointments booked online for John Lewis services such as Home Design and Personal Styling.

TYPICAL SCENARIOS

In-shop pampering

A growing range of beauty treatments helps enhance a trip to the shops. Our first in-shop spa in Birmingham has seen customers typically visiting nine times a year.

Toying with tech

Whether perusing smart ovens at John Lewis Oxford Street's Smart Home space or experiencing virtual reality gaming with Oculus Rift, testing tech in-store is part of the fun.

THE SHOPPING LIST

Home accessories, makeup, artisan perfumes



ENTERTAIN & INSPIRE ME

TYPICAL TRAITS

Plenty of time

Those in an "inspire me" state of mind spend an average of **26 minutes** browsing before purchasing via johnlewis.com.

Inspired by social media

+60%

rise in customers visiting johnlewis.com via visual content shared on social media.



TIMINGS

Saturdays and Sundays

Our busiest day in shops is Saturday, when customers enjoy browsing with family and friends. People are most likely to mobile shop on Sundays, suggesting a leisurely end-of-week scroll.

TYPICAL SCENARIOS

Repeat beauty purchase

59%
of beauty purchases are not researched beforehand, suggesting many customers know exactly what they want from the category or are replenishing their favourite makeup.

Gifting

66%
of gift purchases are made in a shop. One in ten customers come to us with a mission to find the perfect present.

THE SHOPPING LIST

Cookware, mascara, going-out tops, shirts and greetings cards



I BUY ON A WHIM

TIMINGS

Saturdays and Fridays

The most common day for these purchases is Saturday, followed by Friday. Tablets are another popular channel for this mission, with browsing on tablets peaking on a Sunday evening.

TYPICAL TRAITS

Buy on the day

Our top ten most purchased items in shops include light bulbs, sellotape and moth killer. Dresses and tops are often spur of the moment buys too.

No need to research

46%
of shop purchases are not researched beforehand.

HOW WE SHOPPED ON MOBILE

Today, smartphones are rapidly gaining popularity to become the device of choice for browsing and buying on johnlewis.com. This year, orders placed via smartphones increased by 60%. This significant increase shows that customers fully expect that, whatever their mood or goal, many elements of their shopping experience will take place on their smartphones. Even when purchasing a new phone, many customers did this on their mobiles. During the first three weeks of the iPhone 7 launch 20% of all iPhone 7s were purchased via an iPhone.

To meet these expectations, we have upgraded our digital platform over the last 12 months, rebuilt our mobile site to offer a richer, faster experience and added new features to our apps to make shopping even easier at home, on the go or in a shop.

Orders placed via smartphones increased

+60%



The beauty section of johnlewis.com saw a

+76%

increase in visits from smartphones compared to last year



30%

of johnlewis.com online traffic now comes through smartphones



There was a

+38%

increase in the percentage of online traffic coming from mobiles to our site



The average mobile browsing time on johnlewis.com is

six minutes and eight seconds

(3% longer than last year)



Traffic on smartphones to johnlewis.com via a link shared on social media rose

+126%



HOW WE SHOPPED IN SHOPS



The Goldilocks effect: Tried and tested

Just like the fabled tale of Goldilocks testing the porridge, armchairs and beds of the three bears, customers do not always know what they want until they have tried a few different options for themselves. Today our shops are designed to stimulate the senses, giving customers the opportunity to see, feel, smell, listen or even taste before they buy. As well as helping customers decide what is right for them, this sensory journey is designed to increase the pleasure of a trip to the shops, in keeping with today's "experience economy" (the increasing value placed on meaningful, personal experiences).

Here are a few of the ways that customers use their five senses within our shops.



Smell:

Naturally, customers follow their noses when buying a new scent or candle. Artisan scents are growing in popularity and 62% of all sales of Cire Trudon (the luxury candle brand) are made in shops.



See:

Home purchases, where customers want to see the exact colour and detail of their future furniture or wallpaper, are often vision-led. We have now added Computer Generated Imagery to some sofas on our site to show even more detail.



Touch:

Whether feeling the fine leather of a Mulberry bag or the weight of a quality saucepan, the need to touch is often a prerequisite for investment purchases.



Taste:

We carry out hundreds of tastings a year in our shops, as sampling edible and drinkable products such as chocolate and gin can boost sales by up to 300%.



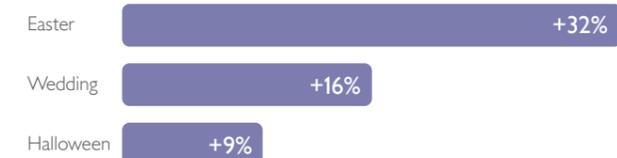
Listen:

It isn't just audio technology that needs to be heard. Listening to Partners' advice is a valuable part of many investment purchases, with 39% of shoppers citing Partners as a source of inspiration.

Customers increasingly invested in family celebrations

Customers are spending more on family celebrations such as Father's Day, Easter, Halloween and even the Queen's 90th birthday, helping turn them into even more special and memorable occasions. Easter celebrations, in particular, are growing, with Easter-related product sales rising 99% in the last five years.

Sales of occasion-related items have grown significantly since last year.



Chapter Three

HOW WE LIVED AT HOME

This was the year customers found a new confidence and favoured bold colour contrasts, clashing prints and statement lighting in the home.

Brave, not beige

Today's home features clashing prints and brave style choices that express the personality of the owner. Gone are the days of playing it safe in British homes as sales of beige paint, wallpaper and home furnishings diminished. Matching the carpet with the three piece suite, curtains and wallpaper is also a sign of a bygone era. Modular L-shaped sofas are favoured now, with sales up 103% over the last year.

It takes a certain confidence to layer several contrasting patterns in one room but the John Lewis customer of 2016 embraced this challenge. Our most popular patterned wallpaper was a multicoloured hummingbird pattern, while patterned china increased in sales by 52% and sales of printed cushions were plumped up. Even the stark minimalism of the "Scandi" look was updated with a series of bold graphic prints.

Velvet was on trend

Seen on the catwalks of Prada, Gucci, Fendi and Dries Van Noten this summer, velvet has also made its mark in the home of 2016. This plush fabric increased in sales by 450% compared to last year, making it one of our fastest growing finishes for sofas and armchairs. Often in jewel-inspired shades such as rose quartz, emerald green and sapphire blue, the luxurious look emulated the chicness of a boutique hotel and epitomised the bolder choices customers are making in their homes.

Home styling services were in demand

Despite evidence of this growing confidence in self-expression, customers looked for help to navigate the explosion of home mood boards on Pinterest and the immaculate styling of many Airbnb properties. The John Lewis interior design team came to the rescue for those who found themselves in a home styling crisis, seeing an uplift of 49% in appointments. Our shops continued to guide and inspire customers in this brave new world of interior styling by offering a growing number of themed room sets.



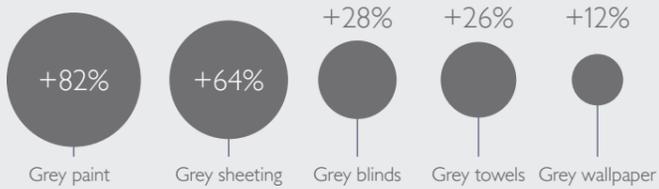
Wallpaper went beyond the feature wall

Bold printed wallpaper was favoured by customers this year, moving beyond the feature wall to cover entire rooms. We saw significant increases in sales of the following prints:



Grey was the new neutral

Grey was the backdrop of choice on which to layer more adventurous palettes and prints, with sales of grey paint making a big splash (up 82% on last year).



The year of copper

Copper accessories, including light fittings, barware, plant pots and decorative pieces, added elegance and sophistication to the homes of 2016. The Tom Dixon range of mouth-blown glassware emblazoned with copper banding increased in sales by 80%, while rose gold cutlery is predicted to be a best-seller this Christmas.

Tom Dixon's rose gold barware increased in sales

+159%

this year



70

golden pineapples were sold a day at the height of their popularity

Statement lighting gets bolder

Customers are now completely switched on to the power of lighting to finish a room, as statement lighting saw a sales rise of 15%. The huge growth in this category reflects the ongoing technical progress in the LED sphere. 14% of our lighting sales are now LED and in the last twelve months we launched Philips Hue smart lighting, which offers a range of colours and ambient effects.

Interiors went tropical

As well as investing in stylish classics, many home purchases had a distinctly playful feel this year. The somewhat whimsical golden pineapple was one of our best selling decorative pieces ever. And this summer the world turned its attention on Rio. Flamingo-themed home accessories were all the rage, emblazoning wallpaper, line lights, cushions and mugs as people looked to Brazil for inspiration.

Searches for "flamingos" on the John Lewis website have increased by 200% since last year

Our outdoor bamboo bars sold out and colourful chairs and tables created a fiesta-inspired atmosphere in the British backyard. Other best sellers included quirky accessories such as clip-on tropical birds, brightly coloured picnic plates and giant inflatable pineapples.



THE UK'S HOMES GOT SMALLER

Today, Britain's homes are the smallest in Europe, with the average new UK home only 92% of the recommended size. How to get the most from these small spaces is a constant conundrum; evident in the growing appetite for multi-purpose storage, compact furniture and practical features. Designed for smaller, more open plan homes, our HOUSE collection was updated this year for the increasingly sophisticated tastes of the space-conscious customer.



Bulky furniture is a no-no in small houses. The Airframe White Desk is among our best sellers



Smart hallway solutions will soon be introduced at John Lewis, including a mirror that doubles as a coat rack



Sales of small sofas known as snugglers increased 12% on last year



Compact four foot-wide beds increased in sales by 53%



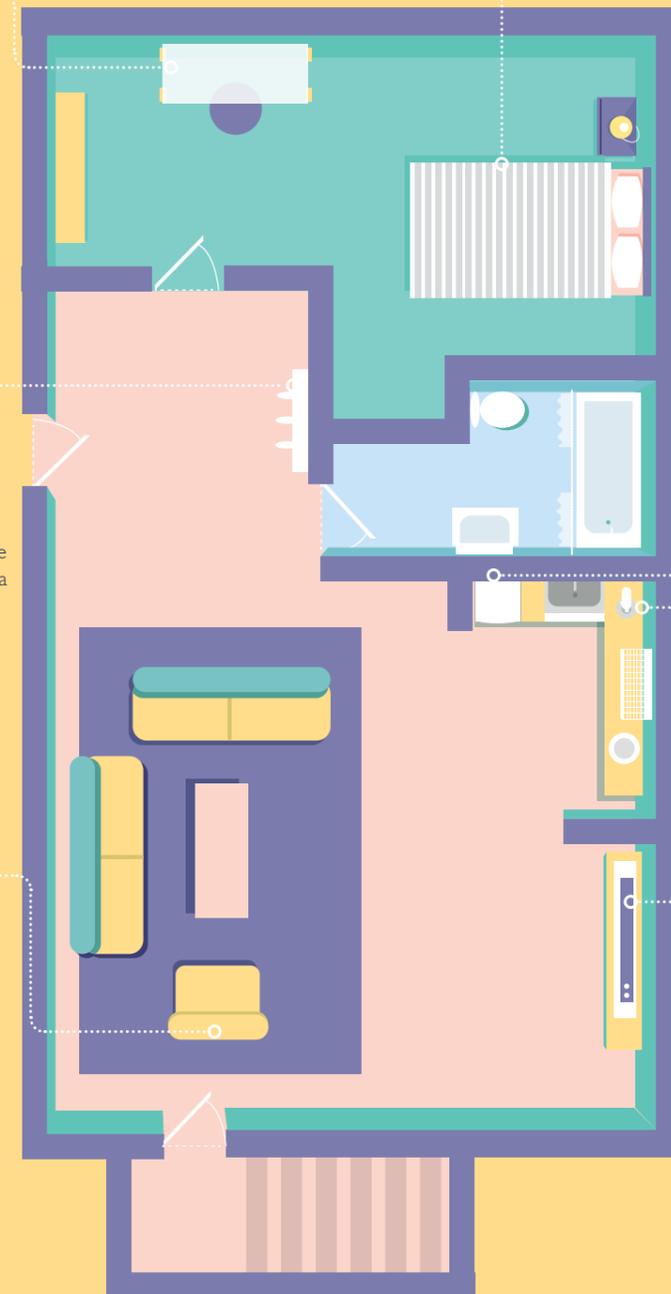
Quiet Mark sales increased 10%, ensuring that multi-purpose living spaces are not overwhelmed with invasive, noisy tech



KitchenAid Mini launched in the UK, aimed at bakers who lack workspace



While homes are shrinking, TVs are growing. We've seen a 40% increase in sales of 60 inch plus TVs as better image quality means sitting close to a screen is easier



HOW WE LIVED SMART HOME

From thermostats that learn our heating preferences to security cameras that recognise their owners' faces, smart technology products broke through to the mainstream, becoming part of customers' everyday lives.



Welcome to a "smarter" life

Last year's key trend in home technology was retro-inspired "tech-nostalgia". This year customers combined this design-savvy approach with a nod to the future. A host of connected products launched, including the Nest Learning Thermostat, the Dyson Pure Cool air purifier and the ResMed S+ sleep tracker, meaning it is now possible to live a smarter life than ever before.

Today's connected technology in the home brings a host of life-changing possibilities. It allows people to cut down time spent on chores, create a safer, healthier living environment and experience a whole new world of home entertainment.

Demystifying the smart home

To help customers understand the many possibilities of today's connected home, we introduced a space where customers can try out the products in a real home setting at John Lewis Oxford Street, with Partners on hand to demonstrate these devices and their benefits.

Innovation in phones and wearable tech

The last 12 months have seen ongoing innovation in the smartphone, tablet and wearable tech space, including the arrival of the iPhone 7, iPad Pro and Apple Watch at John Lewis shops nationwide. These devices are essential for the acceleration of smart tech in the home as they provide the control centre for all connected home technology. We sold:

- Enough iPhone 6 and 6s devices to stack to the height of 45 London Shards
- Enough FitBit trackers to reach the height of 113 "Gherkin buildings"
- Enough tablets to stack to the height of 665 "Walkie Talkie" buildings

The next wave of smart entertainment

Smart technology is already having a big impact on home entertainment, with 95% of TV sales now Internet-connected, far outweighing non-connected options. In the toy space, the BB-8 App-Enabled Droid, which is controlled by a smartphone app, was our most popular Christmas gadget.

Virtual reality is soon to become a mainstream part of home entertainment, with Oculus Rift now available through John Lewis and a growing range of 360 degrees cameras coming onto the market. These developments are hugely significant for the gaming category, with the next Playstation set to make full use of virtual reality settings.

Smart tech in numbers

The smart home category at John Lewis has exploded over the past year, as a growing number of customers switch on to the benefits of connected living.

+670%



Searches for smart home products on johnlewis.com were up 670%

+207%



Searches for Philips Hue smart lighting increased 207% over the last 12 months

+100%



Dyson Pure Cool (purifier) lifted our air treatment product sales by 100%

+30%



Nest thermostat sales across all products increased 30% compared to last year

+265%



Home monitoring technology sales grew 265% as we introduced six new brands in this space

+89%



Our Connected Home category has grown 89% in the last year

A DAY IN A SMART LIFE

Here is a snapshot of some of the many ways our customers are now using smart technology to make a difference in their daily lives.

6:45

As you wake, you glance at your S+ ResMed app: "Your deep sleep was short last night at 48m. Try to fit in some exercise today to lengthen your sleep time," it advises.



7:00

Still in bed, you activate your Nespresso Prodigio from your phone so your coffee is ready and waiting when you head downstairs.



7:57

A quick tap of the wrist using your Apple Watch, and you've paid for your bus journey to work.



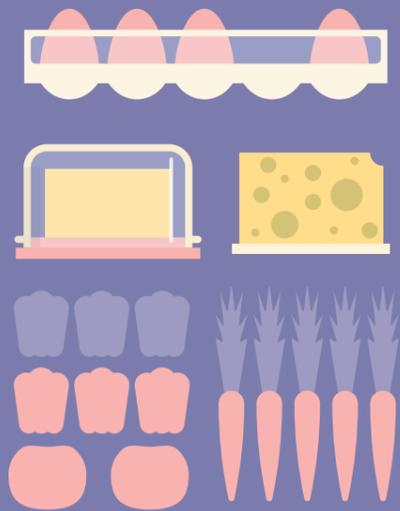
17:45

It's chilly outside. As you're on your way home, your Nest Learning Thermostat detects your location and switches the heating on automatically.



18:35

On your way home, you check the fridge cam in your Samsung Family Hub and realise you've run out of butter. You stop en route to pick some up.



8:09

While on the bus, you programme your washing machine to start its cycle an hour before you arrive home.



12:00

Back at home, Robomow finishes its weekly lawn trim before returning to its base station to charge.



19:30

As evening draws in, the blinds are drawn automatically, both up and downstairs.



20:33

Time to chill: Sonos sound system is synced to Philips Hue lighting to create a relaxing ambient lighting, perfect for your choice of songs.



13:31

After lunch, you check your Fitbit to see if you are on-target for the number of calories you want to burn. A quick stroll in the park will help you get on track.



15:19

Your Netamo Welcome camera alerts your phone that an unfamiliar face is approaching the house but it is just the delivery man. He leaves your John Lewis parcel by the back door, as instructed.



23:07

Before you turn in, you check the Dyson Pure Cool for an analysis of the air conditions of the room. Tonight you'll breathe easy with low quantities of pollutants and allergens recorded.



Chapter Four

HOW SHE LOOKED

A year of unpredictable weather brought an end to season-based buying in womenswear, while the ever-growing explosion of social media inspiration meant eye-catching purchases took centre stage.



Bold printed dresses and loose-fitting tailoring were popular choices in an expressive year for fashion

British weather: a deciding factor in fashion

The mild winter of 2015 and wet summer of 2016 informed expectations for instantly accessible season-appropriate items. If you wrapped up in December '15 you would bake, while flipflops in June would only result in soggy feet. Layering up was key to a weatherproof wardrobe and customers stocked up on "coatigans" (lightweight yet warm wool garments) and ponchos.

Customers took a "buy now, wear now" approach to shopping in response to an unpredictable British climate:



Light layers for a mild winter

- Linen saw strong sales in January



Spring too cool for sunnies

- Sunglasses sales were down 31% this April compared to April '15
- Sales of John Lewis Kin coats and jackets rose 300% in April
- Scarves, gloves and slippers all performed strongly this spring, rising 41%, 300% and 11% respectively



A cold start to summer

- There was a 13% increase in sales of ladies' thermals this May

Fewer, better things

There was an increased appreciation of fine tailoring, craftsmanship and sustainability in purchases this year, with average spend per item increasing in womenswear on johnlewis.com. Customers invested in versatile classics, including Breton striped t-shirts, wide-legged cropped trousers and white shirts. The John Lewis modern rarity collection, launched in September '16, is designed to meet this growing need among customers to buy fewer, better things, that withstand seasonal trends.

The death of the season

As well as instantaneous weather-based purchases, Burberry's decision to make its clothes available instantly after a show, instead of having a lead-up of several months, fuelled a move away from season-based shopping. Customers today expect to 'See Now, Buy Now', with images from catwalk shows streamed live around the world.

The power of social media

Weather aside, Pinterest, Instagram and other social media channels are increasingly influential in helping people to express themselves through their appearance. As a result, customers are more comfortable than ever in curating their own look, rather than collectively buying into The Next Big Thing. In fact, we saw a 127% rise in customers visiting johnlewis.com via a link shared on social media from a mobile phone, and there was huge growth (54%) in social driven orders from smartphones compared to last year.

Bold, attention-grabbing pieces that express the owner's personality were favoured. For instance, we saw a huge appetite for printed dresses, which rose 168% compared to last year. Far from being classic or floral, these dresses were abstract and eye-catching. Statement oversize tailoring defined a contemporary look, with the trapeze-shaped dress from Kin making up 43% of the brand's dress sales.

LOOKS THAT DEFINED THE YEAR

IRIS APFEL



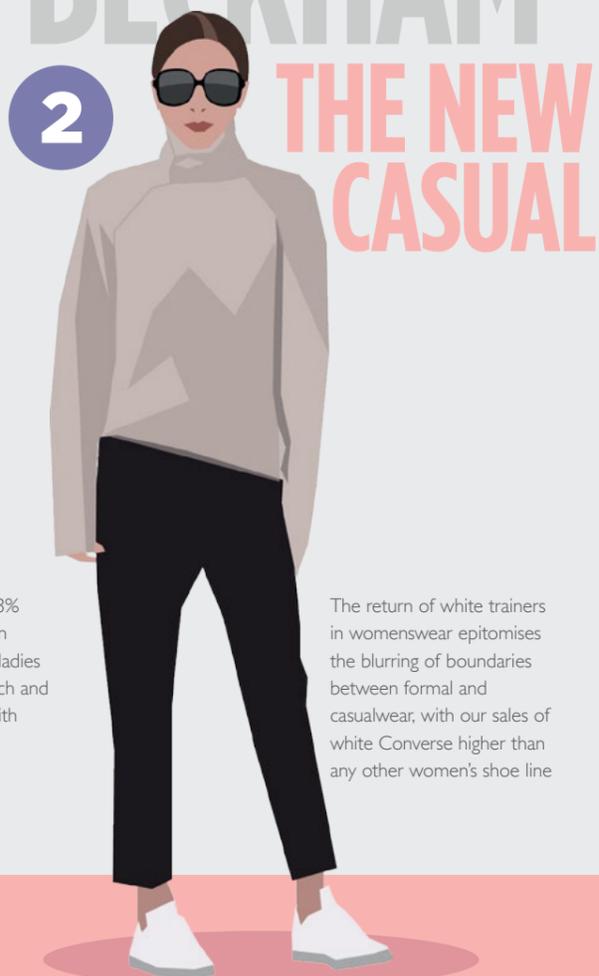
1

MORE IS MORE

Jewellery sales were up 23% over the Christmas season compared to last year, as ladies took a maximalist approach and enjoyed experimenting with accessories

Never one to shy away from a kooky look, business woman and fashion icon Iris Apfel is famed for her "brave, not beige" approach. Pictured backstage at New York Fashion Week, she proved that more is more by piling beads, bangles and faux fur on top of a multi-coloured jacket.

VICTORIA BECKHAM



2

THE NEW CASUAL

The return of white trainers in womenswear epitomises the blurring of boundaries between formal and casualwear, with our sales of white Converse higher than any other women's shoe line

Victoria Beckham shook things up this year by swapping her trademark stilettos for a pair of white trainers when she appeared on the catwalk of her New York show. While her footwear was casual and understated, she still looked chic and well-put-together, a look customers emulated through their choice of white trainers, cropped wide-leg trousers and tailored white shirts.

KENDALL JENNER



3

ATHLEISURE

Sales of women's Calvins at John Lewis were 22% higher this summer than last, with the Modern Cotton range surpassing all projections

Today, leisurewear can be worn for all occasions, from going to the gym to heading to the theatre. But this doesn't mean the UK is mooching around in faded tracksuit bottoms and old trainers. Today's leisurewear is more sophisticated, as demonstrated by Kendall Jenner and her penchant for Calvin Klein crop tops.

Ms Jenner wasn't the only member of her family influencing underwear trends. The Miraclesuit waist-cincher was a huge seller at John Lewis, outstripping predicted sales by 92%, after Kim Kardashian revealed her penchant for waistline trainers.

THERESA MAY



4

POWER DRESSING

Following the new PM's first public appearance, John Lewis saw a rise of 14% in kitten heels, with leopard print proving particularly popular

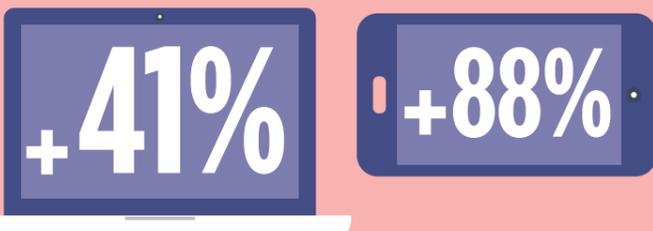
By pairing a yellow, block print jacket with her signature leopard print heels, May has created a new way for women in positions of power to show just the right amount of deference to the fashion world. Her choices hint that she enjoys having fun with fashion, and doesn't kow-tow to trends. Equally, John Lewis customers had an eye for detail, seeking out simple pieces with flourishes such as brightly coloured linings, embroidered edging or jewelled embellishments.

A BEAUTY UPGRADE

Over the last twelve months, customers have developed an increasingly sophisticated approach to skincare and makeup. We broadened our in-store and online offering by adding the famed makeup artist Charlotte Tilbury's range and doubling our in-store MAC range. Increasing the choice available and having beauty experts on hand for advice in shops has helped give customers the confidence to try new products and looks.

Investing in the basics

Since 2008, we have seen a broadening range of must-have makeup products, suggesting customers are increasingly adept at applying their make-up, whatever their chosen look.



We saw a 41% increase in visits to beauty pages on johnlewis.com (and an 88% increase in visits from smartphones).



of online purchases by women are in beauty, wellbeing and leisure.

of visitors to our &Beauty Spa in John Lewis Birmingham were men.

Premium perfumes performed strongly

Customers looked to artisan perfumeries, rather than the big brands or celebrity-endorsed products, to give them a more distinctive scent, with boutique perfume houses such as CREED and Maison Francis Kurkdjian growing their share of the market. Sales of Maison Francis Kurkdjian scents increased 48%.

Sophisticated skincare

Customers understand that caring for the skin from the inside out is the foundation of any beauty routine, which means sleeping well, drinking lots of water and healthy eating. As a knock-on effect, we saw an increase of 35% in water bottle sales. Added to this, a diverse range of skincare products now form part of a daily beauty routine, moving on from the traditional "cleanse, tone and moisturise", with the addition of high-end day oils, night oils and eye creams.

Sales of premium beauty products of £200 or more grew by



in the last seven years.

THE UK BEAUTY MAP

A closer look at data from our shops reveals the top products found in customers' makeup bags and bathroom cabinets vary significantly up and down the country.



Chapter Five

HOW HE LOOKED

This year, UK men made up their own dress codes, pairing tuxes with t-shirts and silk pyjama shirts with jackets and investing more in quality items.



Men spend more on fashion than they used to; we saw a 3.5% increase in spend on menswear this year.

Men invested more in their appearance

The evidence is clear. Men are taking an increasing interest in their outfits. They spend more on fashion than they used to; we saw a 3.5% increase in spend on menswear this year compared to last and the menswear market is predicted to grow 22%¹ by 2020. Male spend on beauty, wellbeing and leisure also increased comparatively more than female spend over the last twelve months.

As well as upping their spend, men took a more rebellious approach to fashion. This was the year that one of the most extreme rule-breakers of fashion, David Bowie, passed away. Perhaps taking inspiration from his maverick approach, men mixed bright colours with prints, casual with formal and even turned sleepwear into streetwear. This summer saw huge hikes in sales of men's coloured t-shirts. Pink, yellow and orange t-shirts increased in sales 70%, 93% and 99% respectively.

Nightwear as daywear

One of the bravest looks of the year was pyjamas as outerwear, with the likes of Jared Leto, Chris Evans, Harry Styles and male fashion editors on the front row sporting the look. While it is hard to tell how many John Lewis customers took the plunge and broke their pyjamas out of the bedroom, sales of our jersey pants did increase 59%. A classic navy spotted set was our most popular set of pyjamas.

They were drawn to luxury

But far from succumbing to fashion fads, quite the reverse is true; our purchasing patterns show that although men are spending more they are likely to be buying fewer items. A rising appreciation for fine quality fabrics and

finishing, provenance and durability are all notable buying trends. For instance, cashmere clothing increased in sales by 33%. We expect this appetite for quality over quantity to continue this autumn, with luxurious fabrics such as sheepskin, tweed, velvet and silk all featuring prominently in our collection.

A nod to the nineties

As well as investing in fine fabrics and finishing touches, "athleisure" was big news for men this year. Harking back to the nineties, this year saw strong sales of collarless grandad t-shirts, plaid lumberjack shirts, chunky knit cardies, white trainers and classic Calvin boxers. But this was not a scruffy look; nineties fashion returned with a cleaner, smarter twist:

- There was a 16% increase in sales of men's chunky knit cardigans
- We saw a 7% rise in sales of men's white trainers
- The most popular pants were from nineties favourite Calvin Klein, with sales increasing 20% on last year



Breaking the rules of formality

One of the statement pieces of the year was a velvet tuxedo jacket. Traditionally reserved for formal occasions, velvet jackets are now styled down, as well as up, with a polo neck, hoodie or t-shirt.

Traditional black tuxedos still have a place in the modern man's wardrobe, but are increasingly peppered with flashes of personality. It was all about the detailing as pocket squares sales increased 89%. Subtly textured fabric, shawl collars and patterned silk dress scarves also attracted customers' attention. An eye-catching sapphire blue velvet tuxedo is predicted to be a best-seller ahead of the Christmas party season.



Vlogger Jim Chapman teamed his Kin navy dinner suit with a white pocket square when he attended the *Spectre* Premier, leading to a spike in sales for the jacket of

27%
the following week



These leather brogues with blue suede detail were among the top three most popular men's shoes, showing men had an eye for detail

Searches for tuxedos in November were

69%
higher than last year

Total spend on men's formalwear on johnlewis.com increased by

28%
this year

WHAT WAS IN HIS MAN BAG?

Gentlemen are prepared for any occasion with a well-stocked man bag at their side. The typical contents of today's man bag include:

1

Wireless headphones

It was good riddance to tangled cables. Wireless headphones now account for 75% of this category's sales

2

Phone

Predictably, the iPhone 7 was an instant best seller. A must-have for today's man bag

3

Water bottle

Wherever he went, he wanted to stay hydrated. Aladdin was the best selling water bottle in our range

4

Wallet

Leather remains the fabric of choice, but customers now seek textured finishes

The bag

This Messenger bag by "Made in Italy" in chocolate brown was the best selling man bag of 2016



1

2

3

4

8

6

5

7

5

Portable phone charger

A fully charged phone is an essential part of daily life. Sales of portable phone chargers increased 30%

6

Lip balm

Men avoided chapped lips with Gentlemen's Hardware lip balm; such a popular choice that it has now sold out

7

Tablet

The Microsoft Surface Pro 4 Tablet was one of our best selling tablets - slim and lightweight, it fits easily into the man bag

8

Hat

Following the third series of *Peaky Blinders*, sales of flat caps rose 83%

LOOKING AHEAD

1

The outdoors will come indoors

Next year bringing a touch of nature into living spaces will create a contemporary design statement. Cacti will be the pot plant of choice. And for the less green fingered, faux plants will prove a popular alternative. Also taking its cue from nature, green will be the interior colour of the year.



2

Brass will be the new copper

2016's fondness for metallic finishes on light fittings, tech gadgets and other home accessories will not lose its shine in 2017 but the metal of choice will be brass, replacing today's preference for rose-tinted copper.



3

Furniture and tech will merge

Technology will become increasingly embedded into home products, with speakers built into upholstery, TVs that make a design statement and bedside tables that charge your phone. Designs will continue to become more stylish and sympathetic to their surroundings.



5

Wide-leg trousers will slink into fashion

This winter extremely wide leg trousers will be en vogue. Team with a loose-fitting jacket or oversize jumper for a contemporary silhouette. The recently launched John Lewis modern rarity collection epitomises the new slouchy chic.



4

Kids will get coding

We will see an increasing range of toys and games to teach kids coding in a creative, fun way. DIY kits for speakers, gaming and even "electro dough" (for adding sound and light to a dough-based sculpture) have already hit the market. Our offering in this area will grow next year and we anticipate strong sales this Christmas.



6

Connected cooking will be on the menu

We'll see a raft of smarter home cooking gadgets served up in coming years, such as slow cookers where you can control the temperature from your smartphone or ovens that adjust their settings based on your dish of choice.





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