

2019

Global Retail Trends & Innovations



N° 14 | PRESENTED BY:

J.C. WILLIAMS GROUP
GLOBAL RETAIL ADVISORS

Ebeltoft Group
International Retail Experts

sas
THE POWER TO KNOW.

The retail, real estate, manufacturing, municipal and financial industries continue to face disruptive challenges. So what J.C. Williams Group does is give clients advice and insights that are creative yet practical—from advisors who are acknowledged as industry leaders. As global thought leaders, we serve clients in Canada, USA, Middle East, Russia, North Africa, and Southeast Asia.

Leaders in Service

- Our broad-based team works in partnership with clients.
- Research goes beyond “just facts” and offers observations, conclusions, and recommendations.
- Strategy always starts with your customers and ends with profits.
- Our breadth of services creates cross-functional strategies and action plans that are superior and implementable.

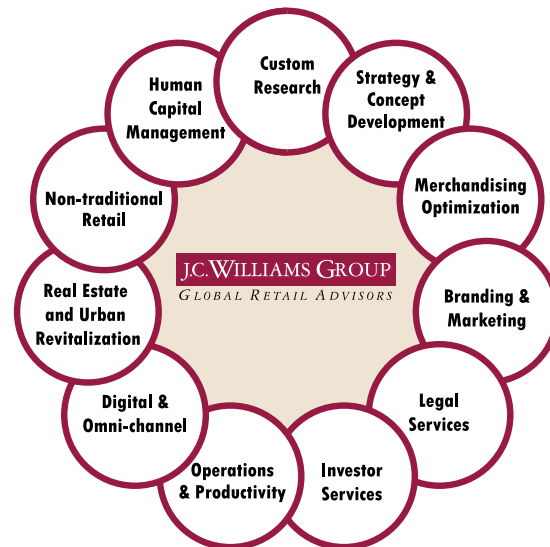
Leaders in Business Knowledge

- We are passionate about retail and retail-related business.
- We have written books and research articles for the National Retail Federation, International Council of Shopping Centers, and Retail Council of Canada and self-published specialty books.
- We regularly blog, release a monthly National Retail Bulletin, contribute to Retail Insider, and comment on business issues in the media.

Leaders in Client Benefit

- Clients receive cutting-edge, consumer-focused strategy and tactics—that work.
- Businesses get new concepts from creative research and thinking.
- Clients receive competitive power from a cross-functional team.

Serving retailers, shopping centers, manufacturers, financial investors, governments, universities, and hospitals.



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Les industries de commerce de détail, de l'immobilier, de manufacturiers, des municipalités et des finances continuent de faire face à des défis perturbateurs.. Le Groupe J.C. Williams aide les entreprises à réaliser la vision de leurs stratégies clients. Nos conseillers réputés guident les clients à l'aide de conseils à la fois créatifs et pratiques. En tant que chefs de file mondiaux, nous servons notre clientèle au Canada, aux États-Unis, au Moyen-Orient, en Russie, en Afrique du Nord et en Asie du Sud-Est.

Chefs de file en service

- Notre équipe diversifiée travaille en partenariat avec les clients.
- Notre recherche va bien au-delà des faits et offre des observations, des conclusions et des recommandations.
- La stratégie débute toujours avec les clients et se termine par des profits.
- Nos services multidisciplinaires permettent de créer des stratégies et des plans d'action interfonctionnels supérieurs et exécutables.

Chef de file en expertise d'affaire

- Nous sommes passionnés pour le commerce de détail et les activités connexes.
- Nous avons écrit des livres et des articles de recherche pour la Fédération Nationale du Commerce de Détail, le Conseil international des centres commerciaux et le Conseil canadien du commerce de détail ainsi que des livres spécialisés auto-publiés.

- Nous publions régulièrement des blogues, diffusons mensuellement un bulletin national du détail, contribuons au bulletin Retail Insider et commentons les questions commerciales dans les médias.

Chefs de file des avantages - clients

- Les clients prennent les devants grâce à des tactiques et à des stratégies de pointe axées sur le consommateur.
- La recherche et la créativité permettent aux commerces d'acquérir de nouveaux concepts.
- Les clients puisent leur compétitivité dans une équipe interfonctionnelle.

Nous servons des détaillants, des centres commerciaux, des manufacturiers, des investisseurs financier, des gouvernements, des universités et des hopitaux.



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Ebeltoft Group

International Retail Experts

We are a global alliance of consultancy companies with members in more than 25 mature and emerging retail markets.

Since 1990, we have helped retailers, as well as suppliers to the retail sector, remain competitive and achieve their goals by blending global retail expertise with our members' local insights.

Ebeltoft Group serves 36 of the top 100 retailers and 29 of the top 50 manufacturers worldwide.

Since its founding, Ebeltoft Group has been analyzing global retail innovation trends and, since 2005, presenting this analysis in our annual publication, Global Retail Trends & Innovations, focusing on emerging trends and the most interesting cases worldwide.

Ebeltoft Group's global studies and publications include:

- Digital Impact to Retail (2018)
- Horizontal Retail (2017)
- Services at Retail (2017)
- Global Cross Channel Report (2014)
- Retail Internationalization (2013)
- Global Cross Channel Report (2012)
- NeoConsumer (2011)
- The Trust Factor (2011)
- Environmental Sustainability (2010).

AMERICAS



ASIA-OCEANIA AND AFRICA



EUROPE



Retail Innovation Services

Partnering with retailers and brands to improve awareness of global trends that are shaping tomorrow's retail landscape.



With a decade of global retail trend analysis and more than 20 years of supporting our local retail communities around the world, Ebeltoft Group helps today's retailers and manufacturers prepare for the ongoing changes shaping the retail marketplace.

The study and adoption of innovative ideas lead to major changes in the way we see businesses go to market. It is easy to spot these changes when we reflect back on retail history. It is more difficult, but ultimately more important, to understand and react to these changes as they are happening now. Through presentations and workshops, our local Ebeltoft Group retail experts develop dynamic sessions to help your management team better understand these changes and explore the following key concerns:

- What are the main game-changing ideas that are propelling retail forward?
- How does this apply to me and my local retail market?
- How can I incorporate elements of cross-channel retailing?
- How do I incorporate new technologies into my retail concept?
- How can I think about my business model in a new way?
- How can I blend the online and offline experiences?
- How can I increase the role that the customer plays in creating and determining product?

In addition to presentations and workshops, Ebeltoft Group also provides customized trend-tracking services for your company or retail sector.

Global sponsor of Global Retail Trends & Innovations 2019





77%

of winning
Retailers rated
Analytics as
"Very Important"
to their
Retail Success



Drive results and enhance the customer experience through analytics

SAS helps you make sense of your data. As a leader in the business of analytics software and services, SAS transforms your data into insights that give you a complete perspective on your business. You can identify what's working. Fix what isn't. Discover new opportunities. SAS can help you turn large amounts of data into usable knowledge about your customers.

Retail stopped being just about running physical stores a long time ago. It's been over two decades since the lines between offline and online started to blur. But in recent years, the list of retail possibilities has expanded tremendously, with new players with often disruptive models popping up constantly. This has made the entire retail landscape much more complex than it was in the past. The new reality is that customers are mobile and have more control over the purchasing process – which means retailers must rethink how to use customer data and insights from analytics to know their customers better and improve customer engagement.

You can learn how to bring together all your data to connect with shoppers at every step of the customer journey. Make decisions to satisfy customers who can shop anywhere, anytime, in a personalized market. Gain a better understanding of who your customers are in order to stay competitive.

Know exactly what customers want. And make sure they get it.



Raise the bar on
**Customer
Experience**

SAS analytics solutions lets organizations manage interactions along the customer journey in a more personalized and profitable way.

You can:

- Efficiently rationalize assortments by becoming more customer-centric.
- Predict customer demand by channel and strategically plan key initiatives.
- Understand true omnichannel demand and use automated processes to predict sales.
- Increase margin potential by understanding historical sales through size or pack optimization.

Inspiration and further information:

Levi's

www.sas.com/retail/levis

Matas

https://www.sas.com/da_dk/customers/matas-en.html

Magasin

https://www.sas.com/da_dk/customers/magasin-en.html

Read more at www.sas.com/retail.

SAS® Omnichannel Analytics Powers Retail



Retail transformed

The future landscape of global retailing

Brick-and-mortar stores have never been more relevant, as consumers seek experiences worth posting about on social media. At the same time, retail has never gone through greater transformation. We see a big shift in consumer behavior and values driven by technology and new, innovative industry players, who constantly disrupt and drive consumer expectations upward. We also see a younger consumer group – Millennials and Generation Z – who grew up alongside digital transformation and now pave the way for brand new shopping behaviors and values. Now, online is fully integrated into consumer life and technology innovations are constantly improving shopping experiences across channels. IoT and artificial intelligence are breaking ground for ultra-personalized shopping experiences, where new disruptive waves – such as voice-activated shopping – again turn shopping behavior upside-down.

Change is happening fast. Experiences are paramount for physical retail, as busy consumers assess the value of the store experience

based on “time saved” vs. “time well spent” parameters. In other words: Retailers and brands must be either worth spending time with or save consumers time. The moment for innovation is now.

TRENDS TO WATCH IN 2019

Ebeltoft Group has been monitoring brand and store innovations for more than a decade, uncovering trends both underlying and emerging in modern retail. Our retail experts around the world join forces to share insights from their local markets that will inspire your ideas to innovate and future-proof your business. We have evaluated more than 40 innovative cases from more than 18 countries, revealing four different retail trends to create a detailed big picture of what’s to come.

Contents

Global Retail Trends & Innovations 2019

Ebeltoft Group	3
Ebeltoft Group Retail Innovation Services	5
SAS: Global sponsor of Global Retail Trends & Innovations 2019	6
Top Four Retail Trends	10
Award-winning Innovation Case	12
Ebeltoft Group Locations	120

GLOBAL RETAIL TRENDS & INNOVATIONS 2019 CASES

OMNIEXPERIENCE

16

IKEA	18
Evertos	20
Tom Ford Beauty	22
Omnistory	24
Brandless	26
PIER X	28
Ponto Frio	30
Worten	32
Envie de salle de bain	34
eobbuwie.pl	36
Huawei	38
AMARO	40
Hao Mai Yi	42

SMART SHOPPING

44

More Mall (Alibaba)	46
Soolife	48
Tmall Automated Supermarket	50
Saturn	52

SKIPPEN at Spar University	54
Zara	56
Spyce	58
Amazon Go	60
Nordstrom Local	62
KaDeTe	64
Comptoir Boulanger	66
E.Leclerc drive piéton	68

ENGAGEMENT

70

mymuesli	72
L&T Sports	74
The Daily Edited Flagship Store	76
Suncorp Discovery Store	78
ImaginCafe	80
Leroy Merlin	82
The Lobby	84
Mundo Fantástico da Sardinha Portuguesa	86
Muji Hotel	88
Glossier	90
Innisfree	92
RealReal NYC Store	94
John Lewis – White City	96
X Bank	98
Connections – Travel Concept Store	100
Lee Valley	102

ACTIVISM

104

ECOALF	106
DMG Salvation	108
Social Foodies	110
Balagan	112
Sois Blessed	114
Everlane	116
SPEEDFACTORY	118

Award-winning innovation case

China

Hema

蔬菜专区



China

Hema

Hema is a supermarket that functions as a retail – as well as a fulfillment – center for online shopping. It looks and feels just like a regular supermarket, as well as a restaurant and fresh seafood market. Hema fulfills the needs of online shoppers by having in-store staff pick up orders and deliver them in 30 minutes. One key feature is the fresh seafood section, where shoppers can choose their seafood and have it prepared and cooked in-store. A section for dining allows shoppers to consume what was chosen and cooked.

At the store, shoppers are able to shop as they do in other supermarkets, but with the mobile app, details about the food product and other similar/related recommendations are made available.

Hema merges offline and online shopping experiences by satisfying Chinese shoppers' needs. Using the data collected from every shopper, Hema studies consumers' shopping habits and individual preferences. Shoppers also engage in the shopping experience through seamless payment. Hema is able to retain its satisfied customers for future visits.

The retail store is also a concept store for touch-and-feel experiences, especially for Chinese consumers.

KEY DATA

Country: China

Retailer: Tmail (Alibaba)

Format: Automated and technology supermarket, loop of online-offline supermarket

Website: tmail.com.cn

While satisfying shoppers with offline/online strategy, it also restructures its operations by integrating fulfillment into the retail store, eliminating the need for warehousing.

One major innovation is the use of mobile apps to track literally everything in the store: customers' time and food, where the food is kept in a vending machine, and the payment process.

WHY IS IT INNOVATIVE?

▶ Integrated retail store and fulfillment center

In a cost-sensitive business environment, it is critical for businesses to streamline their operations while maintaining, or even improving, the overall customer experience within the supermarket. Hema combines both the retail experience with the online fulfillment center into one consolidated venue. It brings seamless experience for retail customers and efficient service delivery for online customers, since all its locations are situated near customers' locations.

▶ Redefinition of one-stop shop

While the supermarket shopping experience will very much remain as it is in most situations, Hema created an experience that redefines the term "one-stop" shop. Not only can customers buy fresh produce and seafood, they are given the opportunity to eat at an in-store restaurant, much like having their meals cooked after their grocery shopping is completed. Such a

concept brings customers back into the store repeatedly, creating stickiness in customer loyalty.

With the use of the mobile app, the store is able to analyze the shopping trends of customers, who are engaging actively with best-buy or special deals as they walk through the aisles.

▶ Active customer engagement

The use of mobile apps is integrated with the shopping experience, online and offline. Customers can whip out their mobile devices and scan the items they want to buy when they are in-store. Via the mobile apps, the store can provide recommendations and suggestions to the customer to guide selection among other similar options. Each of these selections can be placed in the virtual shopping cart and e-payment and delivery of their groceries to a consumer's home within 30 minutes can be arranged.



Ebeltoft Group Expert Comment

Hema has the ability to integrate retail experience without interfering with fulfillment operations for online orders. Integrating two distinctive functions brings operational efficiency and baseline profitability.

Another aspect of innovation worth mentioning is how it redefines and changes customer lifestyle, thanks to speed and instant satisfaction in a single location, while giving customers high-quality products and services. It also captures and analyzes customer shopping preferences and provides recommendations via the mobile apps, providing choices for the customer.

The seamless transaction gives customers time to enjoy the service and shopping experience at the store.

Trend #1

EVERYWHERE COMMERCE | DIGITAL & PHYSICAL FUSION | GENERATION Y & Z

Omniexperience

The rapid change in retail is especially driven by new technological and digital opportunities that put constantly connected consumers in the driver's seat and inspire the emergence of "everywhere commerce": shopping anytime, anywhere and any way consumers want, including in physical stores, online, via mobile or voice activation, or click & collect.

Physical and online/digital universes are no longer separate entities, but complementary universes that customers, especially Millennials and Generation Z, do not consider two separate channels. Instead, they expect a complete shopping experience in a fused digital/physical reality outside of "channels," supplanted by omniexperience. Today, retailers must create customer experiences that, viewed through customers' lenses, are smooth, seamless, integrated and consistent.

Customers do not distinguish between digital and physical – why should you?

An omniexperience melds online and physical universes for the convenience of the customer. Click & collect is the classic example, where customers can order online and pick up in-store at the preferred location and time, as well as order online and return or exchange products in-store. In addition, customers can choose items online to try in a physical store, or order and pay for food and drinks online to be picked up quickly in-store. It can also mean interacting digitally in-store, e.g., via augmented-reality assistants that lead you to the product, ordering out-of-stock items for home delivery, seeing customer reviews in-store, etc.



Spain

IKEA

After two very successful pop-up shops and an equally successful temporary store focused on bedrooms (see Retail Innovations 2018), IKEA opened a permanent urban concept in Madrid's city center on June 10, 2018. One of six international pilots of IKEA's "store of the future," the company will use it to test new concepts of stores designed to be in city-center locations.

The store, dedicated entirely to the living room, is 2,000 sqm on three floors, shows 1,000 physical products and sells the full range onsite via online tools.

On the ground floor, the product display is a tribute to Madrid, with four living rooms inspired by charismatic neighborhoods around the city. There is an area dedicated to novelties, which opened with the worldwide launch of a collection that celebrates IKEA's 75th anniversary. It was exclusively available at this new concept for a short time. Another area shows IKEA's most successful pieces of furniture for the living room and how to customize them.

KEY DATA

Country: Spain

Retailer: IKEA

Format: Urban store with a greater entertainment focus

Website: www.ikea.com/ms/es_ES/campaigns/tienda-goya/

On the lower floor, the main area is occupied by "5th floor neighbors," a series of four living rooms storytelling about their inhabitants, their lifestyles and how they designed their perfect living room. There is a "Salon Lab" (living room lab), in which customers are guided by expert advisors to design their dream living room in five steps.

On the top floor, there is a market-style area to buy smaller products (e.g., candles, flowers, frames, jars, etc.); there is a textiles area, where fabrics can be made to measure or customized for your living room; areas to host workshops; and a café and Swedish food shop.

WHY IS IT INNOVATIVE?

▶ Services

In contrast to IKEA's traditional DIY philosophy, it is a huge innovation to adapt its business model to a new "you shop online, we will prepare your order and deliver it to you" concept (The standard stores and business model encourage customers to do virtually everything themselves.) Services become part of the offering.

▶ Proximity

This format is IKEA you can walk to while doing other things in the city.



▶ Entertainment

The store offers a high level of entertainment. The usual trip to IKEA for inspiration is taken a step further by engaging customers in many different ways:

- Lots of storytelling on the product display reflecting specific local neighborhood styles. Customers feel they are "snooping" into neighbors' lives – not just their rooms;
- Teaching customers to customize their own products.
- Customizing products for customers.
- Hosting events (such as living room concerts) and workshops.
- Giving customers expert advice on how to decorate.
- Fun and dynamic visual merchandising, displaying products: physically, on screens, via projections.



Ebeltoft Group Expert Comment

This innovative urban concept is new proof that IKEA is great at engaging with customers. Now that IKEA products can be bought online, they offer customers a new, more exciting, unique experience at this store, which has been specially localized for Madrid consumers, and is much closer to them, as customers demanded. Digitalization is used for both making the full range accessible and delivering a higher level of entertainment, inspiration and brand engagement at the store.

It also responds to shoppers' requests for free-flowing foot traffic – no more compulsory IKEA path to follow.

Romania

Evertoys

The three young founders conceived this toy and game rental business while studying for their MBA and launched with a 55k € investment. The toy-rental site is a flat-fee subscription service enabling parents to provide meaningful, diverse, fun learning experiences for their children. Focused on educational and STEM toys, the system targets medium- and high-income urban families with children aged 1 to 14.

Evertoys offers Basic, EduBox and Supertoy subscriptions:

- A level that gives access to a certain number and types of toys chosen for the client's next Evertoys box.
- An option for a prepackaged box of premium selected games and toys for educational and science activities for children aged 2 to 8 years.
- Monetized marketplace for toys and toy-/children-related goods, including acquisition of used toys from the clients.

Evertoys aims to be the region's leading toy-and-game rental provider, excelling in diversity, ease of ordering and good customer relations.

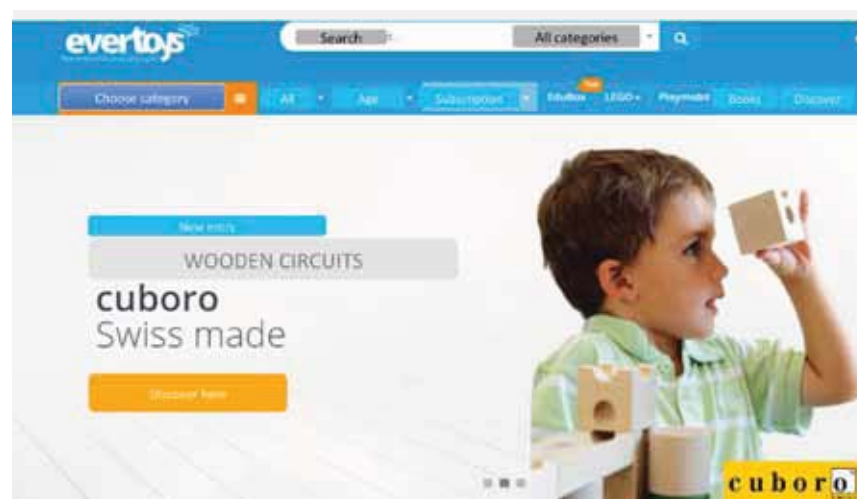
KEY DATA

Country: Romania

Retailer: Evertoys

Format: Online shop

Website: www.evertoys.ro



WHY IS IT INNOVATIVE?

▶ Everchips

For each subscription level, the client receives a certain number of credits, which can be used for selecting toys. Unused credits go into the vault for later use, or can be used to earn bonuses from other business partners.

▶ STEM box

Subscription to games and toys dedicated to children's education and development in the field of science, technology, engineering and math (STEM). The customer pays a monthly fee and Evertoys selects one to three STEM toys, games or books and sends them automatically to the customers, every four to six weeks. Each box includes a surprise for the customer.

▶ Buy-back system

Evertoys offers buy-back service for toys and games, even if the customer is not a subscriber. The process is very simple and quick: the client takes pictures of the products, Evertoys evaluates the toys and sends the offer within 24 hours. If the customer agrees to the price, Evertoys loads Everchips into the client's account. The service is completely supported by Evertoys.



Ebeltoft Group Expert Comment

The toys are differentiated by high quality, since a product can be rented only three to four times, after which it is removed from the rental circuit and either donated or kept for spare parts. For each subscription, customers can get loyalty credits and donate them to disadvantaged children.

The platform is user-friendly and offers a wide-ranging selection of toys, grouped by age category, subscription type and brand, allowing customers to easily select the preferred products, without spending time shopping in stores. The child can keep a toy as long as he/she wants, since there is no return deadline. (The toy can be kept, while the parent maintains the subscription.) Also, Evertoys offers free delivery, regardless of the type of subscription.

U.K.

Tom Ford Beauty

The first stand-alone store comprises six specialized rooms and features grey glass, marble counters, mirrors and technology. Fragrance, color and grooming have dedicated rooms within the two-level boutique. Features include mirrors that record your make-up tutorials and email them to you and virtual lipstick trialing. There is a personal scent laboratory, where customers can have a customized fragrance appointment to sample the Private Blend collection. There's also a private make-up room for master classes and bridal services, a VIP event space for private make-up and fragrance sessions and a grooming room for men.

KEY DATA

Country: U.K.

Retailer: Tom Ford Beauty

Format: Offline

Website: www.wallpaper.com/lifestyle/tom-ford-beauty-store-london



WHY IS IT INNOVATIVE?

- ▶ **Fun with fragrance**
The way the customer interacts with the scents and the displays featuring scents are unique.
- ▶ **Savvy screens**
The digital displays will only show up on the screen when you are about to approach or pick up a product.
- ▶ **Personalized experience**
Mirrors can record make-up tutorials, which are emailed to the customers, along with a shopping list of products used.
- ▶ **Scent styling**
Interactive scenting installation, where guests can explore and experiment with the Private Blend Collection, and a bar for scent styling.
- ▶ **Learning about lips**
Customers can virtually try on shades from the lip collection.



Ebeltoft Group Expert Comment

Digital features are embedded well into the store and customer experience. For example, when a customer approaches a specific perfume, the digital screen will display information about that specific perfume, or when a customer is getting make-up done by a salesperson, the tutorials and products used are recorded and can be emailed to the customer.

As digital features can always be separate from or within the store, these are very visible to the customer and used to enhance engagement.

While it isn't particularly large, as Tom Ford's first beauty store, it still covers all aspects of beauty and is both functional and reflective of the brand's aesthetic.

Brazil

Omnistory

Omnistory is more than a point of sale or e-commerce store. It is a lab platform which provides new concepts and innovative solutions focused on retail. The store offers an omnichannel experience, with customer facial recognition, showing different content and promotions based on age and gender, as well as enables click & collect services and mobile payment systems. Digital and RFID labels, providing price, information and special features in digital monitors, are located around the store. The store also offers a VR experience.

People: Assisting the client on the journey to guarantee a personal and memorable experience.

Results measurement: Monitoring the consumer's behavior and operations performance through a face recognition tool.

Sustainability: A sustainable and purposeful store that goes beyond the business transaction.

Digital activation: The physical store operation is the same as the online environment in an integrated and fluid way.

Design: Integration of every single digital experience in a modern and flexible environment that changes throughout the year.

Technology: Offering the best purchasing experience to consumers. Integrating different channels. Productivity improvement.

KEY DATA

Country: Brazil

Retailer: Omnistory

Format: Omni store

Website: www.omnistory.com.br/



WHY IS IT INNOVATIVE?

► Innovative solutions

Omnistory is a lab platform which provides new concepts and innovative solutions focused on retail.

All tech solutions were designed to support overarching business management, providing different KPIs through the most advanced digital resources:

- digital signage
- facial recognition
- RFID smart labels
- mobile check-outs
- VR experience
- pick-up in store
- click & collect
- vending machines and lockers.



Ebeltoft Group Expert Comment

The Omnistory project was developed and designed so that retail brands could have a real omni-retail laboratory. The concept of the “store of the future” is operating within a shopping mall in São Paulo and is the most advanced integrated retail project ever developed to meet the omni consumer.

Omnistory completed one year of operation in August 2018 and has already inspired large retail chains to develop digital stores in Brazil. Omnistory is a milestone for Global Retail.bn

U.S.A.

Brandless

Brandless launched in 2017 as an online store that sells everything, including organic and specialty goods, for \$3. As a new e-commerce startup offering a wide assortment of own-brand household and food items, Brandless can add value for the consumer by selling quality merchandise without a so-called “brand tax.” Instead of a big logo emblazoned on a product, the actual attributes of it are listed on the package. Much like other direct-to-consumer startups, such as Everlane and Warby Parker, Brandless wants to cut out the hidden middleman mark-ups from many national brands in grocery stores. Brandless also abides by its own set of values when manufacturing products. All food products are non-GMO and preservative-free, while beauty products do not contain harmful ingredients, such as parabens, phthalates and sulfates. Founded by serial entrepreneurs Tina Sharkey and Ido Leffler, Brandless has so far garnered \$50 million in funding and is set to grow quickly, providing consumers an alternative to Amazon.

KEY DATA

Country: U.S.A.

Retailer: Brandless

Format: Online and pop-up

Website: www.brandless.com



WHY IS IT INNOVATIVE?

► Cost innovation

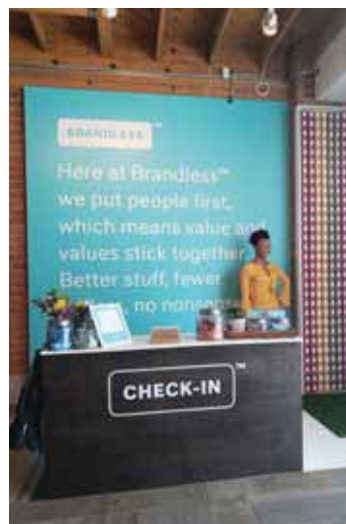
Brandless sells bundles of products, making it easier to take care of needs in one click, at a low cost of \$3. Membership eliminates shipping costs and removes the friction of price-comparison shopping.

► Convenience driven

Its online-first platform reflects the current convenience-driven era of shopping and its mission statement seems tailored to connect with a value-driven Millennial demographic. Add to that Brandless' partnership with Feeding America (a meal is donated for every Brandless order) and it's a pretty convincing option for busy, health-conscious consumers who want to feel they're making a difference.

► Experimenting with bricks and mortar

The pop-up did a spectacular job of educating customers on why its products were different. Brandless emphasizes value and values, making the point that this is not generic product. In fact, Brandless has a very strong brand ethos. The store featured a full table, as an example, of vegan products, another of gluten-free and another of organics. The range was impressive and Brandless has broadened its reach into beauty products, again, at a \$3 price point.



Ebeltoft Group Expert Comment

Brandless is rewriting brand narratives by selling plainly packaged, high-end staples. Consumers, overwhelmed by choice and conducting chaotic lives, are fatigued by the narratives brands have constructed about themselves. Brandless has taken a bold step forward in reconciling the paradox of choice for consumers. If it can create this much energy around commodity products, we are intrigued to see how it can expand its lines further.

Brazil

PIER X

Pier X is a multi-purpose space based on technology and proposition.

The shopping experience is facilitated by the Pier X app, which allows a credit card or money to be exchanged at an ATM located at the entrance, converting it to digital credit.

Clothes, accessories and other products can be scanned and paid using a QR code printed on the label. All services, like yoga or guitar lessons, or a cup of coffee at the coffee shop, may be ordered via the same app. The customer can order a cup of coffee even before reaching the store.

KEY DATA

Country: Brazil

Retailer: Pier X

Format: Phygital marketplace

Website: www.pierx.com.br



WHY IS IT INNOVATIVE?

It's a store; it's a meeting point, it's a coffee shop, it's a phygital marketplace.

► Phygital marketplace

More than a simple space, Pier X describes itself as not just one of the first phygital marketplaces, but as a phygital marketplace with a proposition. All brands displayed in the space are based on the concept of a healthy and sustainable lifestyle.

► Flexible space

From clothing to surfboards, from yoga to guitar lessons, Pier X is a flexible space that can be used for rock performances, speeches, or other events, and can be rented for these uses.

► Innovative payment system

One of the essential features of the space is that neither money nor credit card can be used to pay. All is purchased using the Pier X app. An ATM system at the entrance converts real money into digital credits for use in the space.



Ebeltoft Group Expert Comment

It's not about what retailers see, but about how customers do: The most impressive thing about Pier X is real omnichannel experience, using the phygital marketplace concept to describe it, but with a technology that worked well during our experience test.

It's when you join this new experience with a surfer-rocker-healthy-sustainable lifestyle that you create a unique scenario that seems complex all together, but makes sense when you are really enjoying the space. You can have a coffee, a guitar lesson, and then use the same place to relax or study. It's almost an everyday-needs space.

Technology is just a way to make it all happen. Moreover, it works. As they say, it's more than a store. It's a culture.

Brazil

Ponto Frio

Via Varejo is the biggest electronics retailer in Brazil, with approximately 1,000 stores nationwide featuring two brands: Casas Bahia and Ponto Frio.

The company has developed a new format, more compact, efficient, connected and sustainable.

Launched in January 2018 as a lab format of the Ponto Frio store, with 170 sqm, it definitely signals a paradigm shift in the market. It is digitally connected, showcases more than 1,500,000 SKUs available on the web, offers click & collect, a multi-skill team and numerous experiences to the consumer. VR, test drive of products ready for trial, face recognition and full analytics are possible.

KEY DATA

Country: Brazil

Retailer: Ponto Frio

Format: Compact and digital

Website: www.pontofrio.com.br



WHY IS IT INNOVATIVE?

► A range of innovations

It is innovative in many ways. The company is testing software enabling face recognition and turning insights into action, as well as using satisfaction results to remunerate staff. Ponto Frio learned that technology enhanced store operations beyond the buzz it caused in the media.

In addition, technology-facilitated engagement by store associates creates a personalized shopping experience. A customer can be orientated by AI, have a VR experience, click & collect and access more than 1.5 million items powered by the marketplace.

Also, there is space dedicated to the trade, where industry representatives can show new arrivals and demonstrate them to the public.



Ebeltoft Group Expert Comment

Ponto Frio Digital was the very first initiative undertaken by the company to create a lab thinking store, ready to test and learn about many technologies to build a relevant in-store experience, as well as operate efficiently, doing more with less space, people and inventory.

The goal has been reached so far. With this new format, the store earns the same revenue as a traditional model, with three times more space and twice the staff. Bottom line, the new format has proven to be an enjoyable experience for buying and selling.

Portugal

Worten

In late 2016, Worten presented a new 5,000 sqm store concept aimed at reinforcing its innovative image and improving its omnichannel shopping experience. The ambiance was conceived to persuade the consumer to spend time discovering what's new and best fits his or her needs among physical and digital products. Aisles, furniture, lighting, temperature and "expert points" (desks where customers and expert advisors meet) are designed to make shopping at Worten fun and informative, with areas to try products such as gaming devices, drones or DJ equipment. Worten's promise is that items purchased online or through the store's digital catalog can be picked up within two minutes at click & collect counters. The after-sales area, Worten Resolve, adds value to the experience by having certified technicians repairing smartphones, computers and household appliances on site, even if it was not bought at a Worten store.

Across the Worten network, including at smaller formats, all products can be ordered via digital catalog and received in another store or at the client's own home.

KEY DATA

Country: Portugal

Retailer: Worten

Format: Store and online

Website: www.worten.pt



WHY IS IT INNOVATIVE?

▶ Details are an asset

Everything is thought out in detail at the Worten store, from the innovative image to the living environment, decor, expert points, product test areas and pick & collect points. The role of after-sales, with Worten Resolve as a business area that provides expert assistance even to those who did not buy from the store, is also a huge asset.

▶ One-stop convenience

Having everything inside the same store: concentrated display areas, experimentation, conversations with experts (at "expert points") and Worten Resolve motivates the consumer's desire to shop Worten.

▶ Digital catalog simplicity

Thanks to the digital catalog, the omniexperience can be lived with an order completed in smaller stores (or, if an item is unavailable in that store, via the catalog) with pick-up in another store or received at home.



Ebeltoft Group Expert Comment

The new environment of the Worten store has revolutionized the customer's willingness to stay in the space and try out new products in specific areas.

By concentrating exhibit areas, experimentation, conversations with experts ("expert points") and Worten Resolve, the space can respond to all the needs of each client.

By responding to the information needs of clients at "expert points," customers' confidence is reinforced.

The fact that Worten Resolve accepts products even if they are not from Worten helps to create loyalty and more connection with potential customers. As a business area, it generates more margin and revenue (usually the technical assistance area does not have this added value). Buying online and collecting here is now easier and faster in the click & collect area.

France

Envie de salle de bain

Cedeo brand was originally a B2B bathroom and plumbing brand. By opening a new type of showroom, called “Envie de salle de bain,” Cedeo wants to target not just craftsmen, but also other contributors to this type of project, such as architects and end-users.

The showroom is 500 sqm and comprises areas including:

- Projects: 10 bathroom displays, shown by theme, to accommodate all budgets (from 1,000 to 20,000 €) and all types of end-users (single, large family, elderly people, etc.).
- Advice area: A dedicated area for all contributors meetings.
- Product display: Products are displayed in a flexible merchandising format, making it possible to take them from shelves.

Contributors can also use 3D software on digital devices to model their projects and simulate some items, like floor tile, that they find on display.

On the Envie de salle de bain website, contributors have access to 3D software and can request a project estimate.

KEY DATA

Country: France

Retailer: Saint Gobain Distribution – Cedeo

Format: Bathroom showroom

Website: www.enviedesalledebain.fr/



WHY IS IT INNOVATIVE?

- ▶ **A showroom where all project contributors can interact**
Remodeling or building a bathroom is a complex project with different contributors: architect, craftsmen, suppliers and end-users.
Envie de salle de bain creates one place where all these contributors can meet and co-create the project.
- ▶ **Good balance between digital devices and samples**
Envie de salle de bain offers digital innovations, like 3D software, in the showroom. Customers can take samples from shelves, thanks to flexible merchandising.
- ▶ **Envie de salle de bain becomes a work tool for craftsmen**
In this new place, craftsmen can show their progress to their end-users and help them plan and have confidence in their investment.



Ebeltoft Group Expert Comment

By opening Envie de salle de bain, Cedeo created a new type of B2B store, where all contributors (end-users, suppliers, craftsmen) can interact and together build the project.

The store is more than a place just to buy products or just a showroom, but is a place to make progress on a project with all contributors involved. Customers can interact around the project with expert sellers, get inspired and project results with 3D modelling.

By providing all these opportunities to craftsmen, Cedeo wants to reinforce their loyalty and become a network of shops inspiring specialists and end-users.

Poland

eobuwie.pl

Polish online footwear retailer eobuwie.pl has opened its first concept store in a shopping mall in Wroclaw; more are planned. Eobuwie.pl is owned by CCC, Central Europe's largest footwear retailer and the largest footwear manufacturer in Europe. Eobuwie.pl's brick-and-mortar store debut presents a different purchase journey than a traditional retailer: the store has no physical product on the floor and is supported by a vast stockroom for a free-flowing experience mirroring its online service. A pair of digital screens next to the entrance draws shoppers and the entrance is designed for quick transactions, with high stools and interactive touchscreen tablets, where customers can search and order. Products are delivered within three minutes from a warehouse behind the check-out line. For customers seeking a slower journey, the heart of the store is designed for browsing and trying shoes. Eobuwie.pl offers a wide selection – some 450 brands and 40,000 styles. Digital displays replace traditional visual merchandising, delivering a sleek, minimalist environment and unique, seamless customer journey.

KEY DATA

Country: Poland

Retailer: eobuwie.pl

Format: Online and brick-and-mortar store

Website: www.eobuwie.com.pl/



WHY IS IT INNOVATIVE?

- ▶ **Transformative, seamless experience**
A transformation from online store to physical experience.
- ▶ **Easy to purchase**
Allowing consumers to experience online purchases in a brick-and-mortar environment, addressing key purchase barriers.
- ▶ **Different purchase journey**
The store has no physical product on the shop floor and is supported by a vast stockroom for a free-flowing experience mirroring its online service.
- ▶ **Upgrading to digital**
Digital displays replace traditional visual merchandising, adjusting products displayed to what is being browsed.



Ebeltoft Group Expert Comment

This concept shows that online needs offline as much as the other way around. Consumers are reluctant to buy shoes online because they are not sure if they would like them and what to do if not. To address this, eobuwie.pl allows people to experience an online purchase supported by very friendly floor staff. The whole concept is designed to make the purchase as efficient as it gets. Shoes also can be delivered to a customer's home.

Italy - Milan

Huawei

In Italy, the smartphone market turnover shows no signs of diminishing.

Huawei, the Chinese telecommunications giant and the world's third smartphone manufacturer, is present with products and services in more than 170 countries. Huawei chose Milan, Italy, to launch its first European flagship, opened at the end of 2017, with an Italian retail design.

The store is located in the prestigious CityLife shopping district, in the heart of Milan, the largest urban mall in Italy.

In line with the core message of the brand, "Make it possible," Huawei has created an experience hub where customers, in addition to trying out the brand's novelties, can live their passions, such as attending courses, finding companions for a race, teaching their children coding and more.

The petals of the Huawei logo are presented visually in different ways: on the tables, with LEDs (which the customer can change in color while waiting for his or her turn), or as a graphic motif that runs along the floor. The furniture is dominated by light colors, the walls are in wood or decorated with vertical gardens and the back wall is made up of a giant LED wall with rotating views and images that create ever-changing scenes and atmosphere.

KEY DATA

Country: Italy - Milan

Retailer: Huawei

Format: Flagship store

Website: www.huaweixperiencestore.com



WHY IS IT INNOVATIVE?

▶ "Lively" walls

It is a technological store with smart walls that speak multiple languages. The store windows, through customer smartphones, animate stories, such as, for example, a Christmas advent calendar in digital form.

▶ Symbols and symbiosis

The interactive garden symbolizes the connection between life and technology, where real plants coexist with LED flowers. There is also symbiosis in a green floor featuring a new technology built on a flexible circuit that can transform people's traffic into electrical energy.

▶ A broad offer

The team is trained and qualified, available to consult, and can be booked online or during events with special guests. Among the services organized are free courses conducted by experts from different sectors, by reservation, designed for all age groups and interests (e.g., photography, sports, languages, arts, coding). The courses also can be booked in-store or on the website.

▶ A personal touch

Thanks to the trade-in service, the customer can have his or her old smartphone evaluated and, if suitable, exchange it for a voucher to be spent immediately on a new purchase. Also, the smartphone, tablet and PC can be personalized in 10 minutes in a "tattooing" area via a touchscreen panel, which facilitates a guided procedure. The customer can personalize his or her device (smartphone, tablet or laptop), printing on a cover or directly on the object. Drawings or one of the available themes, consisting of embossed elements and text, can be added (e.g., a name, motto or initials).



Ebeltoft Group Expert Comment

Huawei decided to open its first flagship store in Milan, choosing the prestigious and innovative setting of CityLife. The goal, which has been achieved, is to communicate the values of innovation and research associated with the brand and products. Huawei has developed the concept, emphasizing the emotional aspects of the retail experience. Its challenge will be to maintain the high standards that characterized this first phase of opening.

Brazil

AMARO

Amaro defines itself as a digitally native fashion brand that innovates through technology and creativity to change the way people relate to fashion. It innovated being the first Brazilian brand direct-to-consumer model using large data sets, (e.g., what fabric is preferred, what skirt length women like most), to plan more targeted collections. These are sold online and in Guide Shops, a physical store similar to a showroom with only one piece available in-store for each product model and size. In the Guide Shops, the brand uses face-to-face interaction as a complement and for client convenience. At the store's tables, consumers find iMacs and iPads instead of a cash desk, all transactions are completed online. You can also scan a product's barcode and buy via your mobile app. Amaro provides same-day delivery for São Paulo to increase conversion rates and provide an excellent consumer experience.

KEY DATA

Country: Brazil

Retailer: AMARO – Fashion

Format: Online + 12 Guide Shops

Website: www.amaro.com



WHY IS IT INNOVATIVE?

- ▶ The first brand to test and have Guide Shops in Brazil.
- ▶ Collections are planned based on cross-checked data.
- ▶ Same-day delivery for Sao Paulo and D+1 for capitals like Rio de Janeiro and Curitiba.
- ▶ All transactions must be completed online, via app or website.



Ebeltoft Group Expert Comment

AMARO was the first Brazilian brand to implement Guide Shops in Brazil. It convinced malls about the model and persuaded consumers that they could buy, but not have to take home, purchases. Clients would receive their purchases at their homes on the same day in Sao Paulo and, in other main cities, Day+1.

Another exciting aspect is that AMARO is a technology company that sells fashion. It plans more collections based on data collected through physical stores, app and e-commerce.

China

Hao Mai Yi

HaoMaiYi is a technology vendor specializing in the use of artificial intelligence (AI) technologies in the retail industry. Currently working with more than 100 brands, including major brands like Marks & Spencer, Guess, and Massimo Dutti, its technology goes beyond the traditional augmented reality. The technology surrounds the users (shoppers) by bringing them into the augmented world through the use of a touch-sensitive mirror and embedded artificial intelligence engine. The technology requires some data entry on the user side, using the data to create an artificial silhouette of the shopper in 30 seconds.

Combining the data, the AI engine, as well as the products (e.g., clothes, cosmetics, etc.) database, the whole technology can effectively show the outcome of a certain outfit on the person's body based on his or her augmented reality form. At the same time, the engine also will provide personalized recommendations of other related outfits suitable for the shopper. This technology creates a virtual fitting room connected to the database of available outfits without physically having the entire series of designs available at the retail store. It allows the shopper to try on any garment available in the virtual dressing room.

KEY DATA

Country: China

Retailer: Various retailers (e.g., Massimo Dutti, Bershka, Pull&Bear, Guess, Marks & Spencer, etc.)

Format: Artificial intelligence

Website: www.haomaiyi.com

This has helped retailers to ensure sales throughput without causing inconvenience to the shopper, and at the same time upsell/outsell without human intervention.

For more discerning shoppers, the technology allows the shopper to download the augmented images into mobile apps to reuse and consider the purchase.

With this technology connected to the e-commerce platform, shoppers can also make the purchase via the online store.

WHY IS IT INNOVATIVE?

▶ Enhances customer shopping experience

Online shopping is made more realistic using augmented technology featuring more than 100 name brands. Customers now can visualize themselves in the outfit via the mobile apps at the retail store, which creates a virtual fitting room at a customer's fingertips and connects the customer with the retail shop in the in-store fitting room. These technologies bring unique experiences to customers, connecting online and offline.

▶ Matching customers' shopping preferences and trends automatically

Online shopping is made more realistic using augmented technology. Customers now can visualize themselves in outfits from various brands and decide if the selection is suitable. Personalized recommendations are also proactively provided to complement the selected outfit to upsell. All are made possible by the artificial intelligence engine.



Ebeltoft Group Expert Comment

The use of augmented reality to enhance product offerings for customers inspires refreshing experience. It redefines the speed at which brands can introduce new products, without having to stock physical items at each retail outlet. It brings the store to customers through their mobile apps. The integration of AI brings unlimited possibilities to proactively engage customers.

Trend #2

RETURN ON TIME | CONVENIENCE | SIMPLICITY | SERVICES @RETAIL

Smart shopping

The modern consumer is busy. Millennials, especially, feel they are busier than ever. Between career, job, school, family time and social life, not much time is left for other chores. So, retailers' focus is on bringing value to the consumer and return-on-time is the new currency. Consumers look for convenience in the purchasing experience and solutions that both optimize and save time. Smart shopping makes consumer life easier, simpler and more efficient, without compromising the quality of products or the shopping experience. Retailers increasingly offer several services in one place to reinvent and increase their business and, at the same time, offer time-starved consumers simplicity by providing the opportunity to handle several errands in one place.

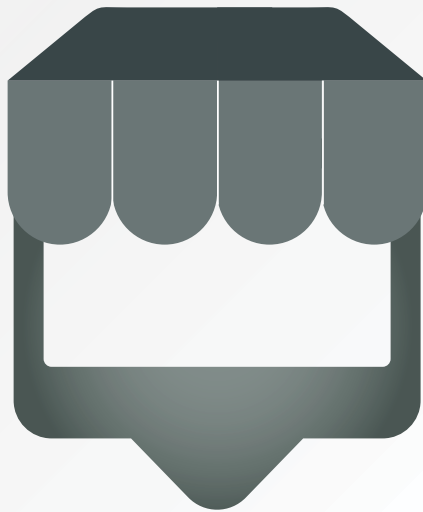
Smart shopping often is driven by smart use of technology and an integrated omnichannel experience. Simplicity is a key driver for saving time. In retail, it means a simple and convenient offer, often with technology as enabler. Focus is on smart in-store solutions that make the buying decision simpler, easier, faster. Optimizing the layout of the

store, convenient delivery options, subscription plans, fast check-out, easy store navigation and fast, on-the-go food are just a few examples of how retailers and brands can make shopping smarter for customers.

On-demand is also a key word for smart shopping, as consumers' expectations for speed skyrocket. Most popularly, on-demand is known for services such as Netflix, Uber and food delivery, but, in retail, it also means offering consumers what they want, when and where they want it, e.g., manufacturing and producing on demand, resulting in fresh, personalized products.

This often means knowing what the customer wants, even before he or she does. Artificial intelligence and IoT are increasingly ensuring a personalized shopping experience or even ensuring products are stocked before the customer realizes he or she is running out. Personalization is key when creating a smart shopping experience, as tailored experiences and products cater to individual needs.

#2 SMART SHOPPING



China

More Mall (Alibaba)

Last April, Alibaba opened its first brick-and-mortar shopping mall in Hangzhou. The mall, 'More Mall' or 'Alimall', is where the tech company is testing its future vision on physical retail. Here, technology is not a gimmick, but provides more convenience and experience to stimulate O2O commerce (online to offline). A few concepts in the mall include the first Hema concept store, Tmall Genie and the Guess AI store. In these stores, Alibaba encourages shopping with technology on a whole new level. It's used to surprise, engage, play and create product transparency and faster shopping. The only ways to pay are via AliPay or cash. The Chinese are on their way to a cashless society and cards are no longer accepted. After payment, the customer journey continues via phone; content and media creation are continuous; influencers vlog constantly and have live conversations with customers and employees to reveal more about experiences and products. At Alibaba, the customer journey never ends.

KEY DATA

Country: China

Retailer: More Mall (Alibaba)

Format: Mall

Website: www.Alibaba.com



WHY IS IT INNOVATIVE?

► Experience 'new retail'

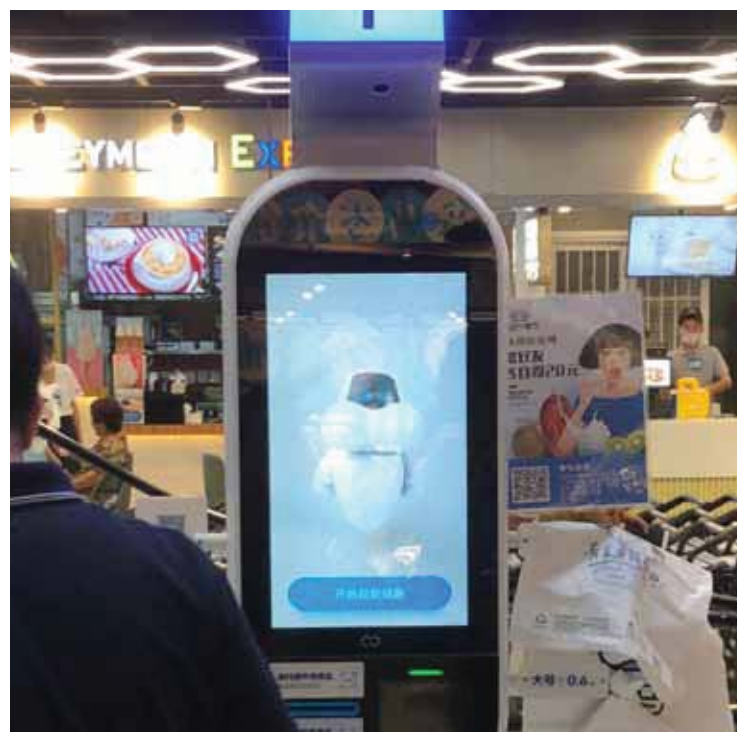
- **Hema supermarket:** The Hema store from Alibaba exemplifies the growing O2O business model in China. Choosing online purchases is possible in-store. Customers get their shopping list from a central terminal. As soon as they have chosen their order, it is placed on the conveyor belt system in the store. The orders go to the distribution hub to be completed and shipped. The store is more than a supermarket, it's experience alongside convenience, as well as a place to dine or buy a meal on the go.
- **Tmall Genie:** The Tmall AI lab created its own Alexa with various identities. The kids' version is as simple as a cat that will listen to and play with kids. The interactive smart speakers start at 12 euros, based on functionalities and audio. The fun, interactive X-space at Tmall surrounds consumers with technology.
- **Guess AI:** The Guess store in More Mall has, perhaps, the best new version of a magic mirror. Buying clothes has never been easier. This is how it works:
 - Step 1: Make a personal scan.
 - Step 2: An avatar of you is created.
 - Step 3: Make a slighter 'better version' of yourself.
 - Step 4: The mirror suggests some styles.
 - Step 5: Swipe and browse for what you want.
 - Step 6: Save your avatar on your phone in your preferred ecosystem environment (e.g., WeChat). After finishing your shopping experience, you can share it online and buy products via phone.

► Mobile payment

The only way to pay is via a QR code generated on the phone and connected to an AliPay wallet. The employee scans the QR code and the transaction is set.

► Content creation

Why shop at More Mall? Influencers will tell you. In the mall, vloggers constantly share live content with consumers and there is also a huge screen sharing content in real time.



Ebeltoft
Group Expert
Comment

This mall shows what retail can be: online-offline merged, as well as fun alongside convenience. Alibaba shows that future malls will be more than bricks and mortar, but will test new innovations and technologies in a real consumer environment, replace cards and cash and create experiences, relevant, shared content, memorable moments and lifetime engagement – not just transactions.

China

Soolife

Soolife is an online e-commerce platform that provides two levels of experience. First is the online-to-offline experience for the customer. The online mobile app enables customers to shop; the offline stores in city centers enable customers to experience services and products hands-on. Centrally clustered offline stores serve customers as a one-stop experience, offering a hair salon, bakery, playground and gaming area for children, fitness/yoga room and nail salon, with many more possibilities.

In another element of experience, Soolife provides a comprehensive solution for businesses, especially small-to-medium size, to more effectively and efficiently store, warehouse, advertise, manage the physical store and perform other necessary services. Soolife consolidates services and provides buying power. What stands out is that Soolife allows and encourages startup retailers to more easily establish an offline and/or online retail environment without extensive knowledge and capital, reducing the barrier to entry for people who want to be part of the e-tail industry.

KEY DATA

Country: China

Retailer: Soolife

Format: Online-offline retail platform

Website: www.soolife.cn/



WHY IS IT INNOVATIVE?

► Provides aggregate platform for new retail startup

It provides a platform for any retailer to bring offline and online e-commerce together. Similar to the concept of store within a store, it extends the experience to the online store, giving customers a one-stop shopping location. The location is chosen specifically to be close to the market. Customers can simply enjoy the day shopping for an outfit, getting some pastries and getting their hair done.

► Creating low barrier of entry to new startup

With the available assistance services, Soolife is more than a platform for aspiring retailers to market their products and services. It is a platform that reduces the difficulties of running a retail business and encourages entrepreneurship, even on a small scale.

► Co-op business model

Makes business owning a little easier, Soolife brings operational values to the retailers with services such as the e-commerce platform, marketing services, warehousing services and more. Such convenience allows group buying of services that eventually benefit the retailers by helping them reach their customers around the physical location and online.



Ebeltoft Group Expert Comment

Soolife is a platform that brings startup retailers together to form a co-op-like environment for aspiring business people. These retailers bring their products to the retail location and online platform of Soolife for immediate market access. While retailers focus on their main business, they subscribe with Soolife for marketing, warehousing and other operational services to make running business a little easier. This results in an environment conducive to entrepreneurship.

China

Tmall Automated Supermarket

Tmall Supermarket is a self-service supermarket that leverages new and existing technologies, including behavior trajectory analysis, emotional recognition and eye-tracking technology to reengineer the service experience of the shopper through service automation. It adds emotional marketing as part of the strategy to incorporate human experience.

Unlike the traditional vending machine, the technology seeks to understand the shopper's profile, including previous purchase habits and preferences, to analyze what the shopper will buy, bridging the gap between tech-only and human shopping experiences. Through understanding the trends and habits of the shopper, the system will create a convenient experience at the automated supermarket. This also gives the retailer clearer, in-depth data, providing a more accurate and optimized service to the shopper.

KEY DATA

Country: China

Retailer: Tmall/Alibaba

Format: Automated supermarket,
online/offline

Website: tmall.com.cn



WHY IS IT INNOVATIVE?

▶ Bringing human experience into an automated shop

Leveraging an existing automated system, Tmall incorporates new visual sensors, combining them with artificial intelligence technology to develop a more human experience in a totally automated retail shop. Data are used to analyze trends and behavior.

▶ Analysis marketing

With the advancement of technologies, AI can analyze the trajectory of customer behavior, recognize customer emotions and implement eye-tracking technology. Using these data, the company can develop an environment that humanizes automated services.

▶ Automated customer satisfaction

Using the outcomes of the analysis, the automated system can customize service and value propositions based on individual customers' moods, buying patterns and behavior. The system can predict data and make instantaneous adjustments to the service/products that will drive purchase.



Ebeltoft Group Expert Comment

Tmall's advances in automated shopping using the next level of artificial intelligence and visual sensory technologies to understand and analyze customer behavior bring about what we can expect to be a more pleasurable shopping experience. Such experience is not only for the general public, but potentially brings about customized service and a unique value proposition to each customer, tailored to each individual's behavior and buying pattern.

Germany

Saturn

Consistent with the brand's new positioning "Technik (er) leben," experiencing technology and showcasing how technology can enhance life are the main goals of the new flagship store of Saturn, one of Germany's largest consumer electronics retailers. With its 6,500 sqm, the store offers customers numerous opportunities to experience the latest trends in technology and a vast offer of consumer electronic products. The location in the city center of Cologne reflects the heritage of Saturn, which was founded there in 1961.

KEY DATA

Country: Germany

Retailer: Saturn

Format: Flagship store

Website: www.mediamarktsaturn.com



WHY IS IT INNOVATIVE?

▶ Experiencing technology in a new dimension

The store provides diverse opportunities for the customer to experience new technologies. For example, a demo and test of noise-canceling headphones takes place in an original part of a DC-9 aircraft cabin. The home appliances department on the first floor is devoted to wellness, body care, good cuisine and healthy eating and features a show kitchen for live cooking events and related product presentations. A drone cage allows customers to experience one of the latest trends in technology at no cost. When customers enter the store, they are greeted by a 21 sqm LED wall displaying new products and fascinating pictures to showcase one possible use of this technology.

▶ Shop-in-shops as an important concept

One typical element of the flagship is a series of shop-in-shop concepts, including a Samsung Galaxy World presenting the brand's latest products, ready for testing. Another highlight is the 3D-photo studio, where customers can take 3D pictures and get figures modeled based on these pictures. The Plattenkeller, part of the 1,000 sqm entertainment area, offers a wide variety of CDs and vinyl records. Saturn also integrated a jazz and classical music lounge and a broad selection of "Kölsche Lieder" (Cologne songs) to meet customers' desires.

▶ Providing additional services

The 25 m service counter features a pick-up area for online orders, demonstrating strong focus on customer service. The store also offers smartphone repairs within 60 minutes and express, same-day delivery. To adapt to consumers' strong dependence on smartphones, the store offers free charging docks in its lounge. Since all customers do not find product use intuitive, instruction is available.



Ebeltoft Group Expert Comment

This store is the first to perfectly complement Saturn's new brand positioning via numerous interaction points with new products and innovations. The flagship is able to create significant consumer engagement, which is necessary for survival in the face of pressure from e-commerce.

The strong focus on customer service allows customers to make their shopping trip as efficient and convenient as possible and differentiates from online.

The Netherlands

SKIPPEN at SPAR University

With the new concept, 'skip the line and pay with Tikkie'.

SPAR University started in 2013 as the first store in the world with 100% self-check-out; now it's time for the second step in the development of simple, smart and fast shopping. SPAR University introduced a cashless concept in its stores: SKIPPEN! Open the app, choose to "skip the line" and, literally and figuratively, you skip the cash register. You scan products you want with your smartphone, which are added directly to the (digital) shopping basket and you pay with Tikkie, a payment app from ABN AMRO. Smarter, faster and easier. Finally, after skipping, you scan the QR code at the skip screen and immediately see if you receive a reward for your next visit (i.e., a free coffee or lunch). By introducing SKIPPEN, SPAR University gathers more relevant data about its customers to create smarter app deals. SPAR can also provide the customer better information about what they want to know, such as allergens present or number of calories. SPAR will have rolled out SKIPPEN in all stores by the end of 2018.

KEY DATA

Country: The Netherlands

Retailer: SPAR

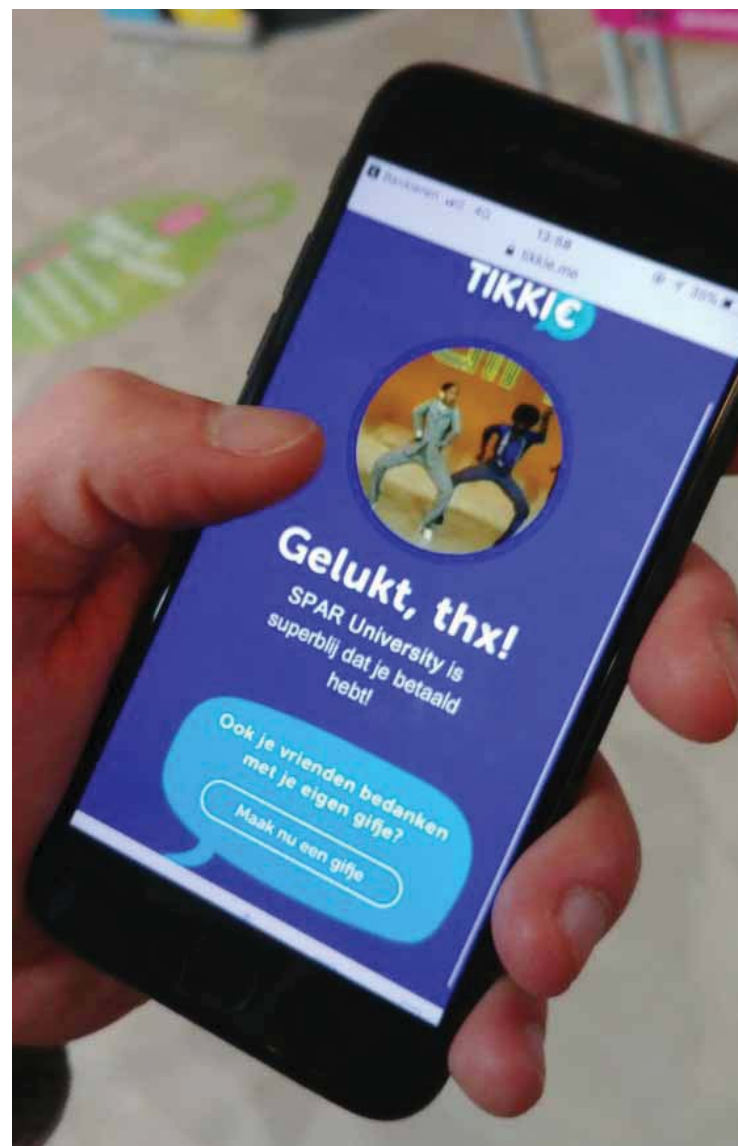
Format: Convenience store –
"Skip the line!"

Website: www.sparuniversity.nl/



WHY IS IT INNOVATIVE?

- ▶ SKIPPEN ensures the consumer can save the most valuable asset: time.
- ▶ SKIPPEN makes the purchasing process quick and easy. There's no hassle with complicated technologies, only scanning QR or bar codes with a smartphone.
- ▶ Collaboration with Tikkie is a win-win for both retailers and consumers.



Ebeltoft Group Expert Comment

SKIPPEN makes shopping easier, simpler and more efficient, because every consumer can use a personal smartphone. Also, SPAR provides valuable customer data, enabling a more personal approach. The cooperation with payment app Tikkie ensures the experience is embraced by the consumer. More than 2 million Dutch people have adopted this app in less than two years. Cooperation between SKIPPEN and Tikkie is a good example for other retailers. This app is simple for retailers to use and can make the shopping process for consumers faster and easier. Stores can be innovative without purchasing expensive technologies.

U.K.

Zara

Zara introduced the pop-up click & collect store while the flagship store is being refurbished. This store is the first of its kind to accommodate online orders. Customers will be able to pay via mobile phones, the Zara app and even self-check-out. It has also introduced a product-recommendation system embedded in changing-room mirrors; when a customer scans an item using radio frequency identification (RFID) technology, the system will show compatible sizes and suggest coordinating items. Customers can also receive their online orders by 2 p.m. the same day. Moving toward a more sustainable footprint, the pop-up operates on a smart system designed to reduce emissions and save money.

KEY DATA

Country: U.K.

Retailer: Zara

Format: Click & collect store (offline)

Website: www.zara.com/uk



WHY IS IT INNOVATIVE?

- ▶ There is a dedicated online area for purchase and collection of online orders, featuring two automated online-order collection points.
- ▶ For a customer to pick something up online, the customer just needs to scan the QR or pin code in the email receipt and a robotic arm will deliver it in seconds.
- ▶ There is a self-check-out area with a system that automatically identifies garments purchased.
- ▶ There's a product-recommendation system in changing-room mirrors.
- ▶ There is also a digital mirror with RFID (radio frequency identification) that can detect the garment the customer is holding, and the mirror will show how it's worn as an outfit.
- ▶ Customers can receive their online orders the same day.



Ebeltoft Group Expert Comment

One of the first stores dedicated to click & collect.

The collect process is very quick and efficient and the customer does not need to interact with staff.

While there are digital features within the store, staff could do more to raise awareness of these features and demonstrate use.

U.S.A.

Spyce

Spyce is the world's first restaurant featuring a completely robotic kitchen that cooks complex, nutritious, tasty meals.

Located in Boston, the restaurant is the brainchild of four M.I.T. graduates based on a vision of cooking affordable, healthy food, robotically.

The restaurant offers meal bowls at low prices, starting at \$7.50, prepared in an automated kitchen using fresh ingredients. Every step of the process, from mixing ingredients to cooking and serving, is automated. This allows for quick cooking - meals are prepared in under three minutes.

The restaurant features top culinary talent, as well as its fully automated kitchen, with Michelin Star Chef Daniel Boulud serving as culinary director. Boulud provides menu direction along with Sam Benson, executive chef; together they decide the menu, do the tasting and train the staff on how to enhance the customer experience.

KEY DATA

Country: U.S.A.

Retailer: Spyce

Format: Restaurant

Website: www.spyce.com



WHY IS IT INNOVATIVE?

- ▶ **Spyce is innovative because of its robotic kitchen.**
- ▶ **Efficiency**
The robotic kitchen promotes efficiency in time and cost for preparing, inexpensive, healthy food in under three minutes.
- ▶ **Culinary excellence**
The restaurant kitchen is robotic; however, the menu is directed by Michelin Star Chef Daniel Boulud, along with an executive chef.



Ebeltoft Group Expert Comment

In an age when labor wages are rising, retailers are investing in automated enhancements to improve the customer experience, while reducing labor costs. Robots and AI are entering every industry to bring more efficiency to the process. Spyce is one of the leaders in benchmarking industry standards. Balancing robotics with culinary excellence can be tough, but the enterprise is succeeding in every way.

U.S.A.

Amazon Go

Amazon broke into bricks and mortar this year with the first-of-its-kind concept Amazon Go, near company headquarters in Seattle. The innovative idea was to design a store where you “just walk out,” a cashless experience enabled by the store app and no check-out lines. The store lets consumers simply pick up items they want and walk out with auto-paying.

Customers simply scan the app as they enter, then proceed to pick up items they desire. Amazon’s app then registers which product they picked up and adds it to their cart using “just walk out” technology. When the customer finishes shopping and walks out, the total amount is charged to his or her Amazon account. The store offers a variety of food and grocery products, including ready-to-eat meals and snacks, as well as bread, milk, cheese, chocolate and more. There’s also a liquor department. Plans are to open a larger store in the area.



KEY DATA

Country: U.S.A.

Retailer: Amazon

Format: Store

Website: www.amazon.com/b?node=16008589011

WHY IS IT INNOVATIVE?

► Efficiency

Amazon Go has eliminated the need for cashiers and registers, or a point of sale of any kind, through “just walk out” technology, which can identify items that have been picked up or put back and charge customers for items they have taken as they walk out. This system cuts costs by reducing labor.

Customers do not have to scan items or wait in lines.



Ebeltoft Group Expert Comment

Amazon has completely reinvented the experience and created a unique retail store. This technology will be replicated moving forward and we will be seeing more of this style format in years to come. Consumers expect and demand a quick and seamless experience in stores. Amazon Go delivers just that.

U.S.A.

Nordstrom Local

Nordstrom opened up a new model of store, Nordstrom Local, which is very different from the traditional format. The new store footprint is much smaller, with only 300 sqm, and doesn't stock merchandise. Instead a limited number of products are available for customers to view and to try on. The store will focus on offering services, including click & collect. Currently, there is only one Nordstrom Local, in Los Angeles; more are in the works.

The L.A. Nordstrom Local offers numerous services, such as alterations for clothes, personal stylists and shoe and handbag repair, in addition to same-day delivery. Customers are able to pick up online orders at this store. The store also features a nail bar offering a number of different services for customers, as well as a juicery.

KEY DATA

Country: U.S.A.

Retailer: Nordstrom

Format: 1 store

Website: www.shop.nordstrom.com/c/nordstrom-local



WHY IS IT INNOVATIVE?

▶ Efficient

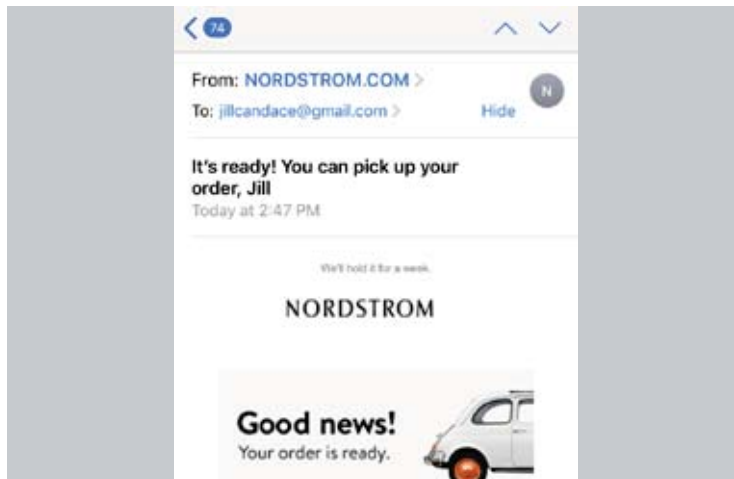
By eliminating most of the merchandise from the store, the company reduced its store space, freeing it to focus on services, while creating an omnichannel experience.

▶ Simplicity

Reducing the size of the store and the amount of merchandise allows for a simpler store design and greater ease for customers to find what they're looking for.

▶ Services

The store provides alterations for clothes, personal stylists, shoe/handbag repair and same-day delivery. Customers can pick up online orders. The store also features a nail bar, as well as a juicery.



Ebeltoft Group Expert Comment

We are seeing more retailers develop alternative formats to reach consumers in new ways. Nordstrom is a key innovator in this space with the inventory-less store. This location provides customers the ability to pick up their products within a few hours, as well as try on merchandise before taking it home.

Germany

KaDeTe

KaDeTe is a new German supermarket that brands itself the first “startup supermarket.” The store is geared toward helping new food and beverage startups.

The founders came up with the idea after they personally experienced the difficulty of bringing a food startup to a large market when they launched their startup brand, “liquid matter.” This convinced them of the need to make it easier for startups to enter the wholesale business.

The store helps new startups by providing a place to sell products and is dedicated to selling new products from startup companies. There is space to sell 150 different products. The store also helps provide market research on these products, which can help other stores determine their right inventory, so customers will buy more and participate in market research studies, which, in turn, affects how the product turns out.

KEY DATA

Country: Germany

Retailer: KaDeTe

Format: Store

Website: www.foodnavigator.com/



WHY IS IT INNOVATIVE?

▶ Support for startups

The company brands itself the first “startup supermarket.” The store is geared toward helping new food and beverage startups.

▶ Space for startups

The store helps new startups by providing a place to sell their products and has space to sell 150 different products.

▶ Market research through store

Customers will buy these new products and then participate in market research studies, which can, in turn, affect how the product turns out.



Ebeltoft Group Expert Comment

KaDeTe brings showrooming to a new category where we haven't seen it before: food. This concept makes it possible for small brands to showcase their product without having to make a significant investment in pop-up or store space. Both KaDeTe and the brand benefit from customer data that can help influence better space decisions and category offerings in the future.

France

Comptoir Boulanger

Boulanger is a technical home goods store, usually around 1,500 to 2,200 sqm, located in suburbs.

In 2016, Boulanger launched a new concept, called “Le Comptoir,” located downtown in smaller stores (300 sqm vs. 1,500 to 2,200 sqm) with a reduced offer (1,000 to 1,200 skus).

The client can try the best technical home goods (e.g., VR) that have between four to five stars on the website. The concept focuses on product interaction vs. the depth of offer; clients can try everything from coffee machines (bringing their own coffee) to washing machines.

Staff members are called “Coach.” An average of 10 coaches per store demonstrate products and advise. Sales are not top priority, (Le Comptoir is surrounded by Boulanger big boxes), interaction and education are. Cooking lessons, workshops and more are offered. Each coach is versatile, but masters a chosen field. On the website and in-store, coaches are introduced by their names, skills, specialties and the reason they like their job.

Services aim at simplifying the customer’s daily life, i.e., replacing a smartphone glass, organizing home installations, etc.

KEY DATA

Country: France

Retailer: Boulanger (Mulliez Group)

Format: Small format, 300 sqm of home-technical goods

Website: www.boulanger.com



WHY IS IT INNOVATIVE?

- ▶ **Downtown location**
The suburb features big boxes, but Boulanger is coming to a downtown location.
- ▶ **Product interactions**
The client can try all the products.
- ▶ **“Coach” instead of salesman**
Strong advice, product demonstrations, workshops, cooking lessons and more.
- ▶ **Services simplify clients’ daily life**
Home installation, smartphone glass replacement, etc.



Ebeltoft Group Expert Comment

The general trend in mass retail in France is to move back to downtown locations; suburbs are suffering from the reduced attractiveness of hypermarkets.

The household technical-goods sector has been challenged by pure players that sell a huge assortment at low prices.

Comptoir Boulanger exemplifies a new generation of stores, where product availability matters less than interaction among customers, products and sellers.

France

E.Leclerc drive piéton

E.Leclerc drive piéton is a pedestrian click & collect grocery located in city centers. Orders are prepared in a suburb warehouse and delivered in the pedestrian click & collect.

The first E.Leclerc drive piéton 50 sqm store opened in Lille city center, another opened in March 2018 in Lille. This concept gives the customer the opportunity to access a wide range of grocery products (12k skus) at a hypermarket price, where prices in the city center are usually higher (average 17% lower prices, compared to global distribution, in the city center).

12,000 skus are available in two hours in the pick-up store, 10 a.m.-10 p.m.

Catering is available in hypermarkets. Delivery is available in one hour via a special trolley.

128 euros are spent per customer, per month, (an average of four visits per month, per customer; average basket 30-40 €), for a total turnover estimated at around 1.5 million by year.

With high customer loyalty, this shop is the main grocer for the majority of customers (54%).

Huge recruitment driver; this pedestrian click & collect is new for 90% of customers.

KEY DATA

Country: France

Retailer: E.Leclerc

Format: City pedestrian click & collect grocery

Website: www.leclercdrive.fr/



WHY IS IT INNOVATIVE?

▶ New means to penetrate urban market and consumers

The city grocery market is crowded by multiple actors with traditional shops. This new concept offers opportunities for retailers to address the city market in an innovative way, including hypermarket strengths (wide range with low hypermarket products prices).

▶ Low-cost model

This model prevents last-mile delivery costs (the most expensive part of the delivery), thanks to the click & collect model.

With only a 50 sqm format, this shop has low rent, but good visibility in city centers

▶ New innovative service

This model is innovating at several levels:

- A wide range of products (12,000, compared to 6,000 in a regular city supermarket).
- Fast access to the product, with two-hour delivery time in the shop.



Ebeltoft Group Expert Comment

E. Leclerc has a dominant position in peri-urban areas with hypermarkets, without any downtown format. This E.Leclerc drive piéton is a new way to develop sales and reach new customers in city centers, where the company is lacking.

E. Leclerc brings a quick delivery solution in city centers, while home delivery has proven profitability, a new market-leading concept: As soon as this new concept was launched, E.Leclerc competitors announced the same strategy.

The idea of the first E.Leclerc drive piéton came from an E.Leclerc local member, like a lot of good ideas in the company (E.Leclerc is a cooperative of independent store owners).

Trend #3

EXPERIENCE | PERSONAL | SOCIAL | EMOTIONAL

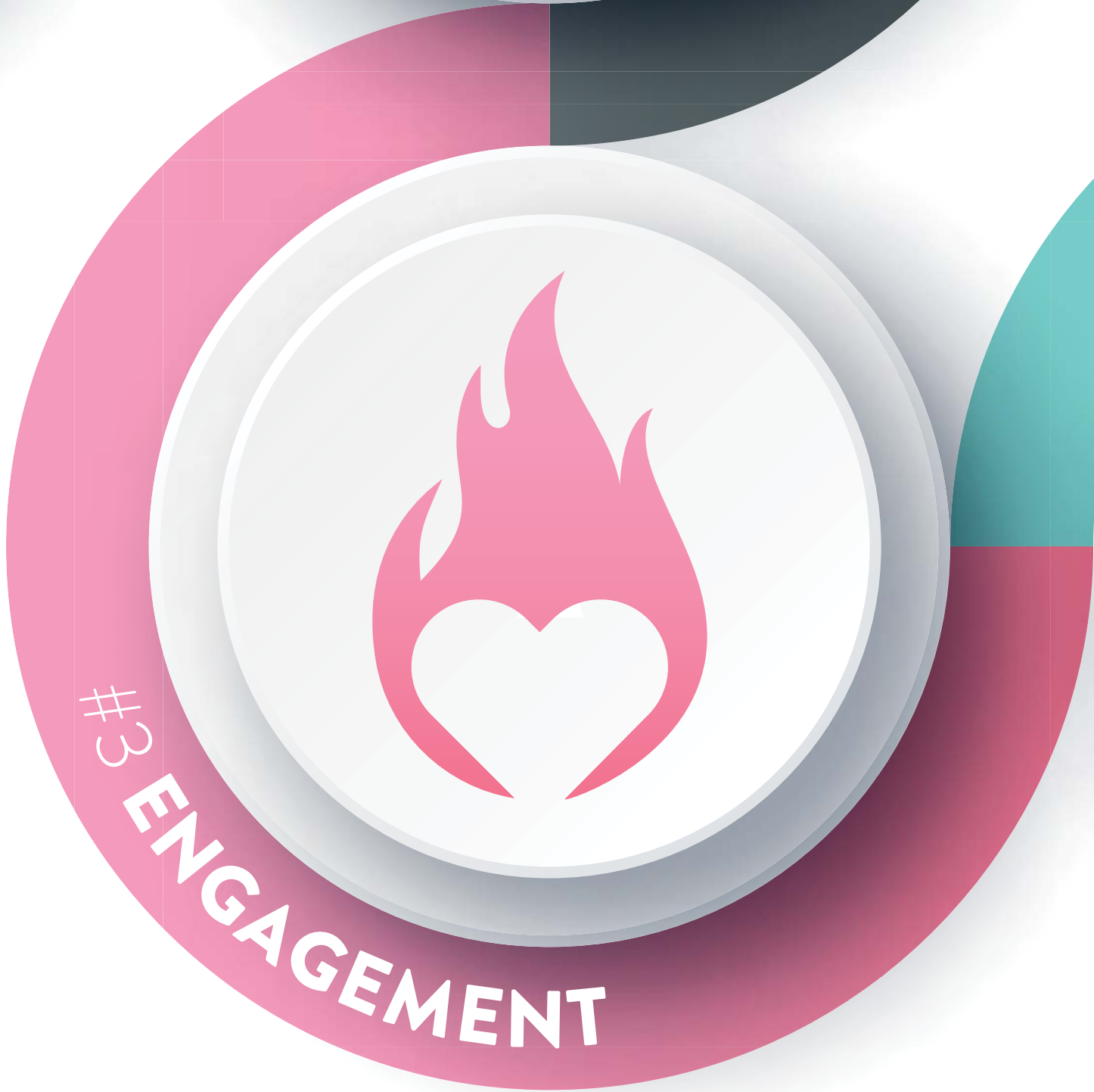
Engagement

In retail, interaction between customers and staff sets the stage for a personal shopping experience. When consumers choose to shop in brick-and-mortar stores, they are looking for the personal, human experience that the online world cannot provide. Interaction and engagement in the store with products, staff and brands are essential, allowing for more accurately identifying customer needs, building relationships and loyalty and personalizing the shopping experience.

Engagement is driven by staff and their expertise. With the ever-increasing devotion to e-commerce, staff must fill a new role and offer what neither machines nor e-commerce can provide: engagement, to build relationships with customers through interaction and share expertise by educating, guiding, training and entertaining to create a sense of presence and personal experience. Consumers do not choose products based solely on functional value, but, rather, based on emotions that engagement and

experience ensure. Intensive storytelling and strong content are paramount in creating resonance, identification and emotional ties and boosting brand loyalty.

The customer-to-customer relationship is also important for the brick-and-mortar experience. Retailers and brands can differentiate the experience by providing a social dimension beyond interaction and engagement with staff and with other customers (strangers, family, or friends). By establishing the store as a provider of social experiences, e.g., as a community hub, where customers come both to buy products, as well as to form social relationships, customers are tied emotionally to the brand. This can be encouraged by anchoring the store within the local environment; for example, by bringing in the local hairdresser or bookstore. Mash-up concepts connect shopping with socializing and engagement.



#3

ENGAGEMENT

Germany

mymuesli

Founded in 2007, mymuesli was the first cereal company in Germany enabling muesli friends to customize their own cereal mix online with fully organic ingredients. Additionally, there is a wide range of pre-mixed cereals and breakfast products available online and in more than 50 mymuesli stores.

The new store's layout offers muesli friends and employees room for interaction and communication. Check-out takes place at a kitchen island, where muesli friends can also order smoothie bowls, coffee or to-go products. In the muesli library, guests find a wide selection of muesli creations and lifestyle products.

Multichannel services, such as the "muesli mixer app" and Instagram story wall, also are implemented in the store.

The store concept was developed based on brand positioning and target-group analysis. The store's look and feel and all touchpoints along the customer journey were designed to meet specific customer segments, such as hedonists, open-minded and harmonizer. The new mymuesli store concept opened in July 2018.

KEY DATA

Country: Germany

Retailer: mymuesli

Format: Concept store

Website: www.mymuesli.com



WHY IS IT INNOVATIVE?

► Unlimited possibilities

Every customer has his or her own taste and today fewer are willing to compromise when it comes to food choices. More than 566 quadrillion mymuesli mix combinations enable customers to create the product they love. The store offers a wide range of pre-mixed mueslis specifically adapted to the needs of different consumers, including cyclists, kids or superfood enthusiasts. Because it is a multichannel retailer, mymuesli customers can create their own muesli via the mymuesli app using the ingredients wall in the store.

► More than muesli

The new mymuesli store not only offers a wide range of cereals for different individual requirements, but also serves as a social, interactive space. Customers feel welcome in a warm and inspiring atmosphere, where the check-out point is a kitchen island. There is no barrier between staff and muesli friends. Muesli friends are invited to share their mymuesli experiences on Instagram.

► Organic and innovative

Health-conscious nutrition is becoming more important in the marketplace. In response to this worldwide trend, mymuesli uses 100% organic ingredients without additives, helping customers enjoy the healthiest muesli mix possible. All products offered in the new store are organic. By sharing information and storytelling, the store educates customers about the healthy choices the brand offers.

As a young and modern breakfast brand, mymuesli developed new products, such as cereal drinks and smoothie bowls, for the new concept.



Ebeltoft Group Expert Comment

The new mymuesli store concept was developed and designed based on key customer segments and the innovative multichannel brand DNA of mymuesli. Offering many products besides muesli, the store invites customers to linger and get a healthy smoothie or breakfast. Based on target group needs, mymuesli developed new products, such as smoothie bowls and cereal drinks.

The store's layout and design create a warm and welcoming atmosphere, allowing maximum interaction with the products and staff and seek to strengthen the mymuesli experience.

Germany

L&T Sports

As an answer to the e-commerce trend, L&T has created a holistic shopping, leisure and sports experience space for customers with its new flagship, setting new standards for experiential shopping.

In more than 5,500 sqm retail space, L&T aims to integrate sports activity into the store by providing numerous possibilities for testing new sports equipment. The store features a wave pool and fully functioning gym to enable customers to actively engage in sports. With its modern sports features, the L&T Sports store has become a central element in Osnabrück, attracting people from outside city borders and promoting the city of Osnabrück in German retail.

KEY DATA

Country: Germany

Retailer: L&T (Lengermann & Trieschmann)

Format: Sports flagship store in Osnabrück

Website: www.l-t.de/sport



WHY IS IT INNOVATIVE?

▶ 7.5m x 15m

These are the dimensions of the heart of the L&T Sports store: the indoor wave pool. Customers can test their new surfboards on a standing wave or just enjoy surfing in the city, off the ocean. From stands installed next to the pool and glass railings on upper floors, customers can view the entire layout, including the wave pool. Opening the large windows next to the wave pool creates a perfect city surfing environment as the Hase, a river running through Osnabrück, is located just outside.

▶ Technology is key

Another highlight of the L&T Sports store is the integrated 800 sqm gym on the first floor. To provide customers with a unique training experience, the cardio and class areas of the gym are designed to recreate the conditions of altitude training at a level of 2,500 m.

▶ Keeping the customers interested

The store accommodates numerous designated action areas designed to surprise customers by showcasing changing brands, innovative concepts and new products. Changing events take place in these action areas, such as a soccer skill event, allowing customers to actively participate in sports and test their new equipment. L&T also organizes meetings and talks with athletes to provide customers with more interesting touchpoints with sports. The goal of L&T is not only to attract customers who need new sports equipment, but also to draw customers to the store in their leisure time, creating a new kind of customer relationship. The L&T Sports store also offers nine time-out zones, where customers can relax and enjoy the new store. The store does not want to be seen as a pure retail format, but rather as part of the leisure industry attracting people from outside Osnabrück with numerous activities.



Ebeltoft Group Expert Comment

L&T Sports store is an example of how to respond to pressure from the e-commerce sector. The numerous opportunities to enjoy and experience sports in an exceptional environment is a maximum differentiator from e-business and will continuously attract customers. With its innovative gym and large wave pool, L&T Sports store is unparalleled in German retail.

Australia

The Daily Edited Flagship Store

Conceived by co-founder Alyce Tran and designed by Pattern Studio, the TDE Apartment is a flagship store like none other. The store is a sequence of “rooms” that mirror the apartment of a chic-savvy person. There’s a bedroom and a bathroom; each is stocked with relevant TDE products.

The interior is refined and feminine, executed with luxurious materials, including Italian terrazzo flooring, sheer curtains, brass detailing, designer pendant lights and natural stone fixtures. Custom and design furniture, including a bed, bath and desk, are featured in-store to complete the residential theme. Stepping into the store, a customer gets a sense of the breadth of TDE’s range, spanning 120 sqm of premium retail space.

Artwork, objects and floral installations will be on rotation, making the TDE apartment continually fresh and Instagrammable. Highlights at launch included work by Ted O’Donnell x Vicki Lee, artwork by Caroline Walls, floral installations by Seed Flora, furniture by Space Furniture and Living Edge, as well as lighting by Henry Wilson.

KEY DATA

Country: Australia

Retailer: The Daily Edited flagship store

Format: Offline retail store

Website: www.thedailyedited.com/journal/fashion/the-tde-apartment

Customers can also shop for fashionable homeware items such as bedsheets, abstract paintings, vases, chairs and mirrors. The Daily Edited’s signature monogrammed pieces can also be ordered and made on the spot; initials can be added quickly to on an iPhone case or dainty pouch.

According to one founder, TDE Apartment was created for customers to have a chic shopping experience from the moment they step through the doors. It was also created for TDE to sell products in a natural living environment and for customers to envision how products can work in their everyday lives.

WHY IS IT INNOVATIVE?

▶ Personalization cultivates loyalty

Compared to the traditional brick-and-mortar setup, residential-style stores create a more personalized look and feel that connects customers more emotionally to the store, which translates to loyalty.

▶ Room to relax

The retail store also provides more breathing room for customers, which is relaxing compared to traditional stores typified by a small space packed with products.

▶ Home sweet home

The apartment store also makes the shopping experience more accessible. Customers feel more at ease in an environment that is homey, but still manages to evoke an atmosphere of exclusivity.

▶ Style for sale

There are two models of apartment stores. One is traditional-style stores with some apartment-like styling; the other is the true shoppable apartment featuring beautifully curated home-styled spaces, where nearly everything is for sale.



Ebeltoft Group Expert Comment

This is a good example of lifestyle retailing that encourages customers to imagine how products would look inside their own homes. The traditional retail shop model is transformed into immersive, interactive retail.

This retailer exemplifies the trend of customization and fulfillment, immediately creating individual products for the consumer.

Australia

Suncorp Discovery Store

The two-story Discovery Store by Suncorp offers customers an immersive retail experience, where they can attend live events and interactive workshops and explore solutions for their different life journeys. The new marketplace strategy highlights the first financial-services company to adopt this model. The store is a destination for customers, where they can experience the marketplace firsthand, have solutions tailored for them, draw on everything offered by Suncorp, as well as benefit from innovative solutions from the company's third-party partners.

The store does not have teller desks or fixed machines. Staff use Wi-Fi-enabled laptops and "zones" target activities where people need a bank or insurer, such as in buying a house. It also runs workshops on these topics, referring customers to other relevant businesses, such as pest inspections. The store also provides beverages, has a "digital wall" and features an area for entertaining children.

The aim of the Discovery Store is to create a physical space where customers can be educated and inspired throughout their entire research and purchase process for large milestone moments, like buying a car, home, or investment property, or retiring. Key to the success of the Discovery Store is a range of digital and visual media. For example, some screens display tailored content, based on the particular time of the year, or key events; others highlight different events and promotions; and tablets are used to better understand customer needs and match them with the staff member best prepared to help them. The 446 sqm store is located in the heart of one of Australia's most prominent retail areas, which attracts more than 8 million people each year.

KEY DATA

Country: Australia

Retailer: Suncorp Discovery Store

Format: Concept store

Website: www.suncorp.com.au/banking/concept-store/pitt-street-mall.html

WHY IS IT INNOVATIVE?

▶ **A place to share**

What the Discovery Store is trying to achieve is merge with the community, making the retail store a place for customers to share experiences and collaborate with the community.

▶ **Responding to desires**

It is innovative because the days of visiting a store because you have to, instead of want to, are in the past. This is a significant shift from a product-selling approach to an approach that focuses on what the customer cares about most.

▶ **Experience first and foremost**

Companies like Starbucks and Apple are examples of retailers that make buying a product secondary to the overall experience, and not the focus, of the visit. It's the store experience that draws customers to return.

▶ **Twice the success**

- Suncorp's strategy has proven to be a success, as evidenced in two areas:
- Improvement in Suncorp's net promoter score (NPS) for customers visiting the Discovery Store. NPS is a measure of customer satisfaction and measures how likely the customer is to recommend Suncorp.
 - Broadening the conversations Suncorp is having with its customers.



Ebeltoft
Group Expert
Comment

Suncorp is creating an interactive experiential hub for customers, breaking down traditional barriers associated with retail banking.

The use of digital/omnichannel supports the challenge of the brand status Suncorp enjoys, as well as provides, which is an interactive and assisted experience for customers.

The stores are positioned in prime high-street locations and relevant shopping centers, providing high brand visibility.

It also represents customer-centric thinking and innovation not usually synonymous with retail banking distribution models.

Spain

ImaginCafe

The well-established Spanish bank, Caixabank, has a mobile-only bank, called ImaginBank, targeted to young people who only need an account and a debit card. Everything is digital and very simple.

After two years of operation, a physical retail concept was opened in Barcelona, called ImaginCafe. It is a space where creativity, innovation and human contact set the tone, with several areas to create a different and engaging retail experience:

- A coffee shop.
- Several co-working rooms that can be booked free by customers or non-customers who register to become an “imager.”
- Agora, a large, central space for activities, such as music concerts.
- Vacio, an exhibition room with a calendar of events.
- Gaming Arena, an area in the basement dedicated to gamers.
- Shop Up, a space to show the newest creations by rising fashion designers to support local talent.
- Multimedia Labs, where customers can experiment with the latest digital technologies.

KEY DATA

Country: Spain

Retailer: ImaginBank (mobile-only bank from Caixabank)

Format: Concept space (1.200 sqm)

Website: www.imagin.cafe/

It is an experiential community hub where numerous events and services appealing to the target audience take place. Events can be experienced live or through streaming. Some activities, such as the “Rising” program, which aims to promote emerging talent and startups, as well as premium content, are exclusively for ImaginBank clients.

WHY IS IT INNOVATIVE?

▶ **New concept for physical space**

A new use for retail physical space to engage future customers: Banks used to be on every corner, but digital banking convenience advantages have made those physical outlets redundant. Giving new purpose to those spaces, pure brand engagement, as well as customer data capture, can yield profitability. In Malaga, CaixaBank is piloting a consumer electronics retail store that could be a potential use of its physical retail space.

▶ **Making it relevant**

Friendly retail and relevant services to engage new customers, especially the young target who does not enter traditional banks.

▶ **A warm welcome**

Open to everybody: People are welcome to the community hub to enjoy/learn/share, although “imagers” (non-clients who register) have service advantages and ImaginBank clients, in addition, have access to premium content.

▶ **Showcasing talent**

Brand engagement through relevant content, often created by the users. In addition to an appealing agenda of innovative cultural events by established artists and organizations, there is a program, called “Rising,” that allows emerging talent in any innovative field to show their work and proposals in the physical space and on the digital channels.



Ebeltoft Group Expert Comment

The retailer becomes the facilitator, the promoter of the interests of its target customer and part of their social life, by providing a free space with a full calendar of activities and a place to meet, work, play, have coffee and hang out. It's an investment in engaging Millennials with the banking brand, to attract young new customers and, ultimately, to benefit the bank because that Millennial will seek services from the brand (ImaginBank). As the customer's needs grow and become more complex, he or she can move on to the “grown up” bank (Caixabank).

Portugal

Leroy Merlin

Leroy Merlin (LM) has everything you need in its first showroom, a new concept that complements the current LM offer. Located in Alfragide, on the first floor, it is 1,500 sqm of innovative solutions, exclusive design products from the best brands and potential personalized environments for those who already have an idea of what they need, as well as those seeking inspiration.

There are two major point of differentiation in this concept: inspiration and service.

Everyone can experience every detail of a living project (inside a realistic setting), as if it were real. Everything works (e.g. faucets, flushing cisterns, showers, lighting, etc.). Even the kitchen is used for cooking demo workshops.

For different environments - such as the kitchen, bathroom or garden - this showroom presents endless possibilities. There will always be a team of specialists from LM dedicated to each customer's project.

KEY DATA

Country: Portugal

Retailer: Leroy Merlin

Format: Showroom

Website: www.leroymerlin.pt/Site/Lojas/Alfragide/Showroom-Alfragide.aspx

The inspirational component caters both to clients with resources, who can make their dreams come true, as well as those who have less money, but who can still find solutions to fit their budget. The LM showroom features projects in "real" settings, so customers can visualize it in their own space. Project managers are available to accompany customers on the project journey, ultimately connecting them with Melon (the LM partner company for execution).

"We design together and we realize it for you," is the motto of the LM showroom.

WHY IS IT INNOVATIVE?

▶ **Something for everyone**

The inspirational component of having your dream decor, capturing customers with more resources, as well as accommodating those who have less money, but will find solutions in the store at lower prices.

▶ **At your service**

The service component offers project managers in the showroom who accompany the project from beginning (project design) to conclusion (execution), including the connection with Melon (the partner company of Leroy Merlin that executes the projects).

▶ **In working order**

All elements in the showroom are operational, so customers are able to visualize and experience the reality and design of their projects.

The Leroy Merlin showroom, through its interaction, expertise and guidance, engages the client with the LM brand.



Ebeltoft Group Expert Comment

There is genuine concern for clients about their desired design details and available surrounding space demonstrated in the showroom, as well as project managers present who help clients design and realize their projects. These factors are significant assets in the Leroy Merlin showroom.

Also, the possibility of seeing environments and finished decorations really working inspire customer confidence in the final result they desire.

A range of prices draws and increases the number of consumers, who might have different buying capacities, making it possible to enhance every home, which increases store sales.

Sweden

The Lobby

The concept store The Lobby defines itself as the “marketplace of tomorrow,” focusing on Scandinavian design and innovations, offering brands the opportunity to be showcased in a different and innovative retail environment for 30 days or longer. The Lobby sees itself as a lifestyle “magazine,” with constantly updated and curated content. The products change, as different brands sell their products in the store for a short period of time. Every month or so, consumers can experience new brands and products.

The Lobby comprises several sections:

The Galley: Here, brands showcase their collections and ideas in flexible spaces using interactive and digital elements.

The Edit: Curated and hosted by lifestyle magazine Scandinavian Man, this features best brands for the modern, contemporary man.

The Lobby Market: Emerging brands and exclusive items from both Scandinavian and international sources are featured.

KEY DATA

Country: Sweden

Retailer: The Lobby

Format: Stand-alone store

Website: www.thelobbystockholm.se

The Lobby also offers “phygital services,” including click & collect (with the option to try on items in-store and return or exchange them directly in the store), a concierge service, digital shopping tools and experienced retail personnel.

The store also has several social spaces for hanging out, an area for working and a culinary concept with snacks and beverages. Brands can host events, both B2B and B2C, e.g., fashion shows, music events, product launches, etc.

WHY IS IT INNOVATIVE?

► Expertise and interaction

Customers can browse products from curated brands and interact with experienced and professional retail staff, as well as other customers in the social spaces.

► Value-added services

The range of phygital services makes it easy and convenient for the omni-consumer to shop the brands at the store. The extended click & collect service offers the opportunity to try on orders in a fitting room equipped with digital tools to set the lighting and play music. This enables customers to create the perfect ambience for their fitting, similar to where they intend to wear the outfit.

► Innovative retail model

The concept boasts a plug-and-sell format, providing access to brands, as well as everything they might need to set up a shop in The Lobby: new technology, staff and access to the consumer. It is also a space for tech companies to try new technologies and products, as well as access a retail innovation lab, Epicenter, the neighboring company of The Lobby.



Photos: Beata Cervin

Ebeltoft Group Expert Comment

The Lobby offers unique retail space for both emerging and established Scandinavian brands. It serves as a great opportunity for brands to reach consumers in nontraditional ways, showcasing products and brands, providing exposure for brands, without companies having to invest in their own stores in the marketplace.

Portugal

Mundo Fantástico da Sardinha Portuguesa

COMUR – Fábrica de Conservas da Murtoza recently opened a format in Lisbon that pays tribute to the Portuguese sardine and what the popular fish already has done for the country. Two key differentiators of O Mundo Fantástico da Sardinha Portuguesa are the cans' packaging and employees' roles.

The concept highlights the last century of Portugal's history. Cans feature specific dates since 1916, spotlighting the births of prominent personalities on the noted date. The cans are sold only at check-out and employees who sell them receive a bonus, as the purchases increase overall sales.

The cans are designed as a collection. Each decade is represented by a basic color and each can within the time frame is assigned a unique tone (within the color range). This creates an appealing aesthetic for the brand, which is enhanced by a distinctive soundtrack, lighting and individualized make-up for the entire store team. The effect is a "circus" celebrating sardines, which are, according to COMUR, the "greatest show in the world."

KEY DATA

Country: Portugal

Retailer: Mundo Fantástico da Sardinha Portuguesa

Format: Shops + online

Website: www.mundofantasticodasardinha.pt

The unique cans engage customers with a strong marketing message: "I've been there!" The purchase of a can represents a milestone in the customer's journey through the store, which involves shoppers viscerally with the brand.

WHY IS IT INNOVATIVE?

“Why should we pay 7 euros for something that costs 1 euro?”

There are two success factors for O Mundo Fantástico da Sardinha Portuguesa:

► Décor

The decorations at the entrance of the store and on the ceiling have movement, which attracts the attention of the consumer and draws him or her into the store.



► Incentive

Cashiers receive a bonus if they sell the “can of the year,” available only through the cashier, which contributes to the increase of the average ticket.



Ebeltoft Group Expert Comment

The format demonstrates abilities to both recover a canning industry that was dying in Portugal and to add value to a product that was undervalued. A can of sardines today costs, on average 1 euro in supermarkets; the Comur wrapped the product in a “dream” and transformed it by valuing it, increasing the cost by seven times. The Circus Imaginarium infused a grey industry with color.

The décor and music surround customers in the imaginary circus, so the time a customer spends in the store is extended, the propensity to buy a product increases and the value of the product also increases.

The cashier’s recommendation increases the average ticket and earns a high bonus for sellers, who are cashiers. Every year, there’s a new can proclaiming, “I’ve been there!”, meaning every year there is a good reason to return and buy a new “can of the year.”

China

Muji Hotel

The Japanese company Muji, famed for its contemporary lifestyle products, recently opened its first hotel in Shenzhen, China's fastest-growing city. Located in Shenzhen's central Upper Hills neighborhood, the hotel is designed to provide a physical experience of the Muji philosophy and its minimalist Japanese style.

The hotel has 79 guest rooms, with five different types offered, spanning the fourth to sixth floors. Walls and courtyards are created with materials recycled from the pillars and walls of traditional Chinese houses. The hotel design projects a luxurious concept.

In addition to offering a soothing sanctuary, the hotel is also home to the biggest Muji store in China, spread across 1,726 sqm, on the second and third floors. The store includes features like an embroidery workshop and custom-made Muji curtains. Another unique feature of the hotel is that everything on display in the hotel rooms is available to purchase. The hotel also boasts additional features such as a diner, library and gymnasium. The hotel is reasonably priced, ranging between 950 RMB (¥16,428) to 2,500 RMB (¥43,208), including breakfast.

KEY DATA

Country: China

Retailer: Muji Hotel Shenzhen

Format: Hotel

Website: www.hotel.muji.com/shenzhen/en/



WHY IS IT INNOVATIVE?

Muji Hotel is innovative because it promotes the brand by providing a physical experience of the Muji philosophy and its minimalist Japanese style and through use of its products in the hotel.

► Hotel/store

Besides being a hotel, it is home to the largest Muji store. Everything on display in hotel rooms is for sale at the store in the hotel.

► Unique features

The hotel includes an embroidery workshop, where customers can purchase custom-made Muji curtains. The hotel also boasts additional features, such as a diner, library and gymnasium.



Ebeltoft Group Expert Comment

A different approach to brands going retail. Retailers are opening new and innovative formats that reinvent the wheel. Muji can utilize its retailer and customer expertise to bring a new experience to the forefront.

U.S.A.

Glossier

With a slogan, “Skin first. Make-up second,” Glossier is the latest ‘It’ beauty brand, offering a carefully curated selection of products across skincare, make-up, body care and fragrance.

In addition to the formula, the brand has a commitment to the intersection of skincare and make-up, features Millennium-pink packaging and has created a lifestyle. The brand has built a cult following purely via social media platforms and its blog, “Into the Gloss.” It uses customers as the “voice” of the brand, sharing their stories and experiences. Buying the brand is like joining a cool, supportive community. Customers include celebrities and a wide range of diverse consumers, from 14-year-old high-school girls to 29-year-old trendy women. The online store offers options to customize the color of packaged sets at check-out and free returns. While the company is still heavily focused on e-commerce, it has showrooms in L.A. and New York.

KEY DATA

Country: U.S.A.

Retailer: Glossier

Format: Online + 2 showrooms (N.Y. & L.A.)

Website: www.glossier.com



WHY IS IT INNOVATIVE?

► Brand built through social media

One of the most innovative aspects of Glossier is how it has built the brand to develop a cult following purely via social media platforms and its blog, "Into the Gloss," by using customers as the "voice" of the brand, sharing their stories and experiences. This has made the experience of buying the brand equivalent to joining a cool, supportive community.

The online store offers options to customize the color of packaged sets at check-out and free returns. While the company is still heavily focused on e-commerce, there are showrooms in L.A. and New York.



Ebeltoft Group Expert Comment

The digitally native brand has caught the eye of Millennials and experienced significant growth through social media outlets. Social engagement is an instrumental part of brand growth today and Glossier has capitalized on that.

As a digitally native retailer, Glossier has moved into opening stores to reach consumers in new ways and provides opportunities for the customer to create memories, share experiences and grow the brand.

South Korea

Innisfree

Innisfree is a Korean beauty brand owned by the Amorepacific Group. The brand produces natural and eco-friendly beauty products from the island of Jeju, off the southern coast of South Korea, using 80% natural ingredients and encouraging efforts to recycle old bottles. In 2013, it opened its first flagship green café on Jeju Island. The success of this store led the company to open more stores, including one in the Myeong-dong area of Seoul.

The Innisfree Green Café in Myeong-dong is a three-story store with a shop on the first floor and café on the second and third. The café's interior is designed to be relaxing and natural, decorated with plants, water ponds and wooden tables and chairs. The café serves a variety of unique food, such as salads, desserts and drinks, like Matcha or green tea, for reasonable prices. Menu cards at the café provide information on the items served, including the recipe and ingredients used to make it. Unique, exclusive products are sold in the café for customers to take home.

Another cool feature of the store is the VR experience, which enables customers to “travel” beautiful Jeju,

which inspired the brand and where its beauty products are produced. The tour is narrated by famous Korean celebrities.

KEY DATA

Country: South Korea

Retailer: Innisfree

Format: Store

Website: www.innisfree.com/kr/ko/Main.do



WHY IS IT INNOVATIVE?

► Highlights brand values

Innisfree's values are highlighted throughout the store in its use of a natural-setting atmosphere in the café, created through the use of many decorative plants, water ponds and wooden tables and chairs. The café reiterates this theme with healthy food and drinks, as well as transparency provided through the menu cards.

► Experience at the store

The various features of the store, such as the café and VR experience, turn visiting it into a special occasion. Visitors can order and enjoy drinks and food in the relaxing environment of the café, or witness the splendid beauty of Jeju Island via the VR tour.



Ebeltoft Group Expert Comment

Innisfree is yet another brand and digital native entering the physical retail space. Innisfree brings choice and customized solutions for all kinds of skin concerns and make-up needs. Everyone who visits an Innisfree store can find products designed especially for them, enabling customers to express who they are with their own curated beauty items.

U.S.A.

RealReal NYC Store

RealReal, a luxury online consignment company, keeps the promise of ensuring products are authentic through inspections by staff members with expertise in identifying such products before they go on sale.

The company recently opened its first physical store in New York after the success of its pop-up store. The store in New York offers an array of products from its inventory. Also unique is that all of the items in the store are available for purchase online via the company's website, which means they could be sold and removed from the store at any time. This mirrors the feel of the online experience in the store.

The store also features a café, flower shop and collaborative, curated space. Services offered include personal shopping, free evaluations of products and luxury item repair services. There are also weekly events and expert workshops held at the store, featuring a variety of topics, such as how to authenticate different luxury brands.

KEY DATA

Country: U.S.A.

Retailer: RealReal NYC Store

Format: Store

Website: www.therealreal.com/soho



WHY IS IT INNOVATIVE?

▶ Retail based off digital

The store fits with the recent trend of digitally native companies opening physical stores.

▶ In-store/online products

One unique feature of the store is that all items are also available online. This gives the store a similar feel to shopping online.

▶ New services at retail

The store offers many services, including personal shopping, free evaluations of products and luxury item repair. There are also weekly events and expert workshops held at the store exploring topics such as how to authenticate different luxury brands.



Ebeltoft Group Expert Comment

Digitally native brands moving into bricks and mortar are hot in today's retail industry. RealReal is another brand that has created an in-store experience for customers. The flagship store brings designer products to life and offers a space where customers can interact with sellers and see the consignment process firsthand.

U.K.

John Lewis – White City

The 23,000 sqm store is John Lewis' 50th in the country and forms part of the Westfield White City expansion. In addition to the categories that it normally carries, (e.g., home, fashion and technology), this store emphasizes "personalized relationships." It includes 23 bespoke services, including technical support, personal styling services for men and women, home design services and smart-home product advice. There will be an in-house optician and three areas for food and drink, including a 182-cover Place to Eat restaurant. There is a style studio and experience desk, as well as a "discovery room," which hosts educational sessions in subjects ranging from marbling workshops to calligraphy lessons. As part of its goal to improve customer service, all staff have been trained by The National Theatre on how to improve body language and communications to help them engage with customers and provide excellent customer service.

There are also elements of London, e.g., London buses and pigeons, scattered throughout the department store, to reflect London and White City.

KEY DATA

Country: U.K.

Retailer: John Lewis

Format: Department store
(online and offline)

Website: www.johnlewis.com



WHY IS IT INNOVATIVE?

- ▶ Houses numerous personalized services which can be intertwined.
- ▶ The Experience Desk is the starting point for any customer who wants to book appointments or participate in classes or talks in the Discovery Room.
- ▶ Because of its affiliation, Waitrose recipes can be used at kitchen demos.
- ▶ There is a sense of community, as well as a purchasing environment and designated play areas for children, if parents want to shop or attend a demo cooking class.
- ▶ Differentiates itself by carrying brands exclusive to John Lewis White City, e.g., Madewell, and offering special product lines in collaboration with brands such as Whistles.
- ▶ It has the first immersive Apple Smart Home experience set-up in Europe.
- ▶ Sofa Studio allows customers to design their own sofa or armchair, and Design Your Own Rug and Carpet Color Matching allow customers to create their own unique flooring.



Ebeltoft Group Expert Comment

Unlike other department stores, the John Lewis White City store tries to differentiate itself by focusing on customer service and offering services and experiences within all of its product categories, not just beauty and fashion (the two categories in which department stores tend to offer services).

This creates a holistic service proposition for the customer and encourages customers to linger in the store, rather than just going in to make a purchase.

In terms of products, it also carries brands that are only available in this store, as well as collections/collaborations limited to this store.

The Netherlands

X Bank

X Bank is a boutique, exhibition hall, gallery and meeting point for everyone who loves fashion, design and art. X Bank offers a stage for promising and established Dutch designers under one roof, representing about 180 brands. Some designers create a special collection for this Dutch format. At X Bank, customers don't feel they're in a multi-brand store. Every brand – established or emerging – receives equal attention. For example, a €80,000 product by Ted Noten is located next to a €4.95 box of tea. The products of different brands are spread throughout the hall in cohesive units based on the color. The coherent feeling in the store is reinforced by all products being labeled with an X Bank price tag.

X Bank fulfills the modern customer's demand for innovative design, unique execution and local support. New exhibits are regularly launched in the store to give a platform to local artists. For every new exhibit, an event is organized. The changing exhibits give customers an opportunity to discover something new in the store.

X Bank is located in 700 sqm of special significance in Amsterdam. X Bank shares its monumental building with W Hotel Amsterdam, a complementary mix of uses. The W houses its luxury spa in the old bank.

KEY DATA

Country: The Netherlands

Retailer: X Bank

Format: Multi-brand concept store

Website: www.xbank.amsterdam



Combining the concept store with a spa and small lounge with a bar evokes the feeling of a luxurious resort. This is a gem in the middle of the Amsterdam metropolitan area.

WHY IS IT INNOVATIVE?

▶ Multifaceted space

X Bank is the next step in viable fashion, design, art, purchase and dialogue. X Bank is an active store, exhibit hall, installation gallery and meeting point for anything and everything in cutting-edge fashion, design and art.

▶ Near and far

By providing an international platform for local artists, designers and creators, X Bank presents the new Dutch DNA — one that is equally local and global and is a clear reflection of the current creative industry. X Bank gives the public access to unique Dutch products year-round.

▶ Cohesive presentation

X Bank does not present itself as a multi-brand retailer, but as a single retailer. The price tags are always X Bank price tags. You only see which particular brand it is when you look into the product. As a result, consumers look at brands and products without bias.



Ebeltoft Group Expert Comment

X Bank is able to present a multi-brand concept in a disruptive way. Although various products from 180+ brands are offered, the shopper experiences the store as carrying one brand. X Bank knows how to create an impression of cohesiveness that is great for a multi-brand retailer.

Each product has a similar price tag and different products and brands are shown side by side, which promotes buying brands that might not have been considered.

Belgium

Connections – Travel Concept Store

The Belgian travel organization Connections opened its new travel concept store in Antwerp. Visitor experience is unique in this travel mecca of more than 300 sqm, where customers are immersed in their next destination.

Connections unites a shopping area with a chill-out and discovery zone. In this store, customers get to know different destinations in different corners, (e.g., U.S.A., Asia or a beach), and via new technologies. For example, you can take a virtual walk through NYC, thanks to 3D glasses. In addition, there is an interactive wall comprising 19 screens that shows a world map, photos, videos, tweets and live data, creating a “real” airport atmosphere. There is also a shopping area with more than 5,000 travel-related items, including suitcases, backpacks, travel clothing and accessories.

KEY DATA

Country: Belgium

Retailer: Connections

Format: Travel concept store

Website: www.connectionstravelstore.be/nl-nl/content/tcsa.aspx



WHY IS IT INNOVATIVE?

▶ Remaining competitive through technology

Whereas many travel agencies have had to close their doors in recent years because of the increase in online, Connections succeeds in putting a competitive concept on the market. The difference is that it enables consumers to experience a unique shopping and travel experience by combining a shopping area with a chill-out and discovery zone, which adds an extra dimension to a travel store. Using innovative technologies, Connections encourages people to dream and travel by allowing consumers to “really” experience the destinations.



Ebeltoft Group Expert Comment

This travel concept store is a true mecca for travelers. It offers travel trips and a travel-related shop under one roof, appealing to a broad target group. Consumers who want to get inspiration and ideas, buy something for the holiday, or need help making reservations all can be served here. With this unique concept, Connections can compete well with online travel providers. Because Connections knows the consumer has already started to orient extensively online, the store helps these consumers in the final phase of the customer journey by asking the final questions and finalizing reservations.

Canada

Lee Valley

Lee Valley is a 40-year-old Canadian company that sells both online and through its 20 retail locations across Canada. Its product is rooted in woodworking and gardening, but expanded its customer offering to include hardware, home and gift products. Through its growth, Lee Valley realized that the knowledge and information it provides customers was just as important – if not more important – than the products. This set a course of creating customer engagement opportunities across its retail network, including in-store events, seminars and drop-ins, online woodworking and gardening newsletters, as well as digital outreach through social media. Each Lee Valley store is outfitted with its own seminar room to host new and existing customers and also offers ongoing demonstrations and engagement opportunities on the showroom floor. Lee Valley is committed to skill building and sharing the joy of creation—this makes it a trusted source for information and knowledge, giving customers the confidence to try.

KEY DATA

Country: Canada

Retailer: Lee Valley

Format: Online and 20 retail locations

Website: www.leevalley.com



WHY IS IT INNOVATIVE?

- ▶ While many of Lee Valley's products and programs are not novel in themselves, their combination with a coordinated purpose to ensure success for their customers is innovative.

These products and programs include:

- Canadian-designed woodworking tools through its Veritas brand, one of the most respected woodworking brands in the world.
- A combination of selling channels that include stores, catalogs and websites that work together to serve the customer better.
- In-store seminars and workshops, where customers can find out how to use the tools they have bought or just learn about shortcuts and new skills in their area of interest. These can include everything from woodworking and bookbinding to gardening and DIY.
- For customers who cannot make it to a workshop, Lee Valley provides monthly woodworking and gardening newsletters which share techniques, tips and tricks for learning. Many of the articles feature projects from Lee Valley employees, which further emphasize the company's expertise.
- All of these products and services have created a community of Lee Valley customers who are fiercely loyal and committed to the brand.



Ebeltoft Group Expert Comment

Lee Valley is a true omnichannel operator that started with catalogs and specialized in woodworking, but has expanded in purpose and brand. Lee Valley now provides tools to make everyday tasks in customers' homes, workshops and gardens easier and better. This evolution has been natural, as the customer base tends to be people who find joy in doing for themselves.

Because Lee Valley evolved from serving very knowledgeable and skilled customers to serving those who want to learn to do it themselves, the company provides instruction that helps customers be successful.

This makes a Lee Valley store the center of a community of like-minded people who find reward in the creative process.

Trend #4

CONSCIOUSNESS | PURPOSE | RESPONSIBILITY

Activism

Consumers care, and so should you. They care about the environment – both locally and globally. They care about other people and about themselves, what they eat and production conditions, etc., and, therefore, we quite often experience consumer outcry when businesses are discovered to violate social norms. Conscious consumers used to be a small, elite group, but now are mainstream. Brands and retailers must adapt and incorporate social responsibility and sustainability into their brand identity. Consumers want to feel they are part of something greater when buying a brand, meaning that brands must evoke the sense of supporting a good cause.

Activism is about demonstrating social responsibility and highlighting an ethical, honest and responsible business code. It is about making the world a better place by exemplifying solidarity and making an effort to preserve and protect what is natural. Activism is taking responsibility by offering

consumption in good conscience by producing environmentally sound and responsible products and services. Sustainability, animal welfare and fair trade are in high demand.

Consumers are increasingly looking to align with brands and retailers that share their values. Activism also, and most importantly, means that brands no longer can be a neutral onlooker. It means taking a stand on social and political issues and letting consumers know that you are actively fighting for a better world. It is about demonstrating responsibility through the entire value chain and far beyond the brand's core products or service. This is how retailers offer the consumer the opportunity to feel they are contributing to a greater purpose when buying or representing a particular brand, which is increasingly important for both consumers and employees.

#4 ACTIVISM



Spain

ECOALF

ECOALF is a Spanish clothing company that has been doing things differently since 2009. Its initial goal was to produce nice clothing made with high-quality fabric obtained only from recycled materials. Thanks to many R+D investments, it has developed textiles from plastic bottles, old fishing nets, used ground coffee, old tires, etc., and designed production processes for these fabrics that use less natural resources (electricity, water) and produce less CO² emissions.

ECOALF is also behind initiatives and collaborations to promote upcycling and sustainability. In 2015, ECOALF started a project with a fishermen's association to collect plastic waste from the ocean. In the last year, the company has cleaned 250 tons of plastic out of the ocean. The success of this project has spread the idea to other fishermen associations in Spain and Thailand.

ECOALF opened a flagship store in Madrid in 2012 and one in Berlin in 2017 as extensions of the brand's identity. In addition to demonstrating its products and philosophy, these stores were made with reused materials and host conferences, exhibitions and screenings to promote sustainability.

KEY DATA

Country: Spain

Retailer: ECOALF

Format: Flagships (2, Madrid and Berlin), e-commerce and wholesaler

Website: www.ecoalf.com/gb/



WHY IS IT INNOVATIVE?

▶ New approach to fashion

"Because there is no Planet B." It wants to change the customer's perspective on fashion by offering beautiful, high-quality, timeless clothing and products, while promoting consciousness of the excessive use of natural resources and excessive waste production due to our current lifestyle.

▶ Involvement and leadership in upcycling

It works on creating the most sustainable possible recycled fabrics and leads projects to source the raw material in a way that has a positive impact on the environment.

▶ Sustainability with a chic and innovative attitude

Collaborations with Apple, Sybilla, Goop and will.i.am, as well as a presence in Harrod's and Barney's, with limited seasonal products, prove high style and good-for-the-environment can go together.



Ebeltoft Group Expert Comment

A sustainable brand whose fashion designs are for an urban lifestyle, making customers look and feel good while contributing to planet sustainability.

The brand's most outstanding successes involve promoting and leading collaborative projects among groups and companies with excellent results in upcycling and higher-quality recycled materials, which has given it visibility and a relevant competitive advantage. Today, with a higher level of credibility and a stronger brand image, ECOALF's products are selling in multi channels (i.e., flagship stores, online shop, department stores and multi-brand shops).

U.S.A.

DMG Salvation

The Salvation Army's DMG Foods is a nonprofit grocery store in northeast Baltimore designed to provide healthy and affordable food for all members of the community. This is important, as many communities nearby have limited access to affordable produce. Spread across a 700 sqm area, DMG Foods resembles a traditional supermarket, while still providing healthy and affordable food. It also has a loyalty program, the Red Shield Club, which allows customers to receive exclusive offers on top of existing low prices. Along with this, the store offers a variety of social services, including nutritional guidance, shopping education, workforce development (including retail soft skills) and meal planning. All are enhanced by the experience taking place in a traditional supermarket environment.

This is the first grocery store in the nation to combine social services with a traditional grocery shopping experience.

KEY DATA

Country: U.S.A.

Retailer: DMG Salvation Army
(mission-oriented food store)

Format: 1 store

Website: www.dmgfoods.org



WHY IS IT INNOVATIVE?

▶ **The first nonprofit grocery store with a traditional shopping experience.**

The store provides affordable healthy food, particularly important in an area where there is not a large amount of affordable produce. SMG Salvation Army offers a traditional supermarket environment. The store features its own rewards program, which enables customers to receive exclusive offers on top of existing low prices, enhancing the experience.

▶ **Combines store with social services**

The store provides many social services along with the traditional shopping experience. These services include nutritional guidance, shopping education, workforce development (including retail soft skills), and meal planning. All are provided within the space of a traditional supermarket.



Ebeltoft Group Expert Comment

DMG Salvation Army Foods brings brand extension to a new level. It is the first supermarket offering discount groceries to nutritional assistance beneficiaries and anyone else who walks through the door and remains focused on “doing the most good”. The store opened in an area of Baltimore where residents lack adequate access to healthy food – bringing low prices and access to this community.

Denmark

Social Foodies

Social Foodies is a chain that sells sustainable, high-quality sweets, mostly chocolate and ice cream, to consumers in Denmark, to support farmers in Africa to achieve a better life. Most products in the stores are made from raw materials from Africa, where the chain has built a chocolate factory and employs locals from Cape Town to operate it, similarly to a dairy in Mozambique, where locals received 300 cows and an education in agro-business and are able to put food on the table.

Social Foodies works within the same business principles as other retail chains, but much of the profits are reinvested in social projects in Africa, with the aim of helping African peasants achieve a better life through employment. The chain now has seven stores; most include a small sitting area or café, where customers can enjoy their ice cream or breakfast. The store also presents workshops, so customers can learn how to make its famous cream puffs.

KEY DATA

Country: Denmark

Retailer: Social Foodies

Format: E-commerce + 7 stand-alone stores

Website: www.socialfoodies.dk



Photos: Social Foodies

WHY IS IT INNOVATIVE?

- ▶ Social Foodies has created a sustainable concept that, as a way to help small farmers in Africa, sells sustainable sweets to consumers. The concept taps into consumers' desire to do good through their purchases, but, whereas many retailers and brands today want to explore how they can cater to consumers who are increasingly aware of their own consumption, Social Foodies wishes to help push consumer behavior into an even more conscious direction.



Ebeltoft Group Expert Comment

Social Foodies produces great products and the sweets are very popular among the consumers. The chain has several times been nominated by AOK, a renowned guide to Copenhagen, as the "Best Sweets in Town," a prize the company won in 2018.

In addition to making great products, the chain is run by enthusiasts with a common goal to create jobs and education and improve the local economy in third-world countries. Social Foodies is involved in the production process from the small farmer to the final products in the store and controls the entire supply chain.

Poland & Israel

Balagan

An example of “transparent shopping,” Balagan allows the customer to check out the product and learn what is included in the price. Balagan goods are designed by friends, Agata and Hanna, who live in two cities, Warsaw and Tel Aviv. In Balagan, they merged the simple elegance of Polish design with the casual, universal look that characterizes Israeli streetwear. The production is based in the Warsaw area, creating jobs for the local community. Traditional craftsmanship and careful attention are prioritized. Balagan produces everything locally, in Europe, mainly Poland, Italy and Spain. Also, Balagan uses only fine materials that age well.

In addition, shoppers at Balagan support the Social Initiatives Program that supports improved quality of life. At least 2% of revenue generated in-store is donated to various social initiatives.

KEY DATA

Country: Poland and Israel

Retailer: Balagan

Format: Brick-and-mortar store

Website: www.balaganstudio.com/en/12/collective



WHY IS IT INNOVATIVE?

- ▶ **Pioneer of “transparent shopping”**
Transparency of price, production and the Social Initiatives Program.
- ▶ **Reveals the basics**
Customers can learn about basic factors in total price.
- ▶ **Social initiatives**
2% of revenue is donated to various social initiatives.
- ▶ **Environmentally friendly production**
Balagan products are made of natural fabrics and natural leather. For most products, plant-tanned leather is utilized, which means that production is environmentally friendly.



Ebeltoft Group Expert Comment

This is a bold initiative from ambitious designers who want to make the world a better place. Product quality and design are first class, while prices are reasonable for the local market. The concept addresses a number of initiatives, including transparency, fair wages, contributing to the local community, as well as environmental protection and other social causes.

Germany

Sois Blessed

Sois Blessed is a 600 sqm concept store and an inspiring place for all who understand fashion, lifestyle and interior as a statement, not a status.

The store presents brands and products with unique stories behind the labels. One hundred percent of the profits of the Sois Blessed collection go to the children at Hope School, a charity project in East London, South Africa. Sois Blessed invites customers to linger in the Day Bar or enjoy modern floral arrangements, vases and ceramics in the beautiful Flower Studio.

KEY DATA

Country: Germany, Munich

Retailer: Sois Blessed

Format: Concept store

Website: www.soisblessed.com/



WHY IS IT INNOVATIVE?

▶ **Creating a place of encounter and engagement**

The Sois Blessed concept store is making a difference far beyond an opportunity for shopping. The Day Bar and Flower Studio entice customers to spend time, have lunch or just meet for coffee. The Sois Blessed team has created a cozy, but chic, atmosphere, which makes the stay as pleasant as possible. Frequently, events, such as readings, concerts and workshops, etc., contribute to create a place of encounter and exchange.

▶ **Creating values and moments, not just selling products**

Values are Sois Blessed's priority. This is why it is called a *'place of values'*. Values define the store's choice of partners and suppliers. Cordial cooperation, respect and team spirit are central to those responsible. The store wants to welcome guests into an atmosphere and interior that invite lingering. The Herzstück is meant to symbolize the clear connection of both store sections, as well as its relevant meaning — the nonprofit collection of Sois Blessed. The Sois Blessed team is creating unique, patterned fabrics based on and inspired by the children's drawings. One hundred percent of the profits go to Hope School, are invested in new education projects and offer the children what they need most: love and appreciation. To increase the impact of Sois Blessed, the designers are currently working on accessories and interior fabrics.



Ebeltoft Group Expert Comment

Social responsibility is becoming more and more important for retailers, if they want to make a real difference. Sois Blessed focuses on encouraging and supporting others. With regular events and its unique fashion line, Sois Blessed takes responsibility and emphasizes a major issue of our time, all within an inspiring and welcoming atmosphere.

U.S.A.

Everlane

Everlane, a digital native, is a U.S.-based apparel retailer with a focus on ethical production of clothes. The company has expanded into bricks-and-mortar retail. Stores were launched with the goal of increasing interaction with customers; layout is simple and spacious and the product line is updated weekly. The store features a lounge and will host a variety of events, such as classes and panels. Check-out locations around the store are loaded with customers' purchase history.

The company focus on ethical production and transparency is clearly reflected throughout the store in signs, pamphlets, photos and tags on products, with information on the factories where products are produced and where each comes from. There is also a pair of headphones where customers can listen to sounds from the L.A. factory and hear about the company's donations to charities.

KEY DATA

Country: U.S.A.

Retailer: Everlane

Format: Online+store

Website: www.everlane.com



WHY IS IT INNOVATIVE?

▶ Transparency

Everlane provides a model for how to communicate that the quality is what it says it is. Everlane's forthright messaging, coupled with its fashion-forward aesthetic, has turned customers into loyalists and inspired the start up of other fashion brands.

▶ Data driven

Everlane uses its waiting lists, along with real-time data and customer feedback, to make inventory decisions. When in doubt, it stocks less. When items sell out, Everlane can restock quickly due to its close relationships with more than two dozen factories worldwide. All of this generates the specter of scarcity, which the company leverages. Customers sign up for early access to new clothes and to be notified when popular items are back. Last year, when Everlane's new ballet-inspired heels sold out within three days, 28,000 people added their names to the waiting list.



Ebeltoft Group Expert Comment

Since launching the company in 2011 as a direct-to-consumer clothing brand committed to "radical transparency," the company has been defying the reign of fast-fashion heavyweights like Zara and H&M. Everlane uses its website and social media handles to offer customers a glimpse into its factories around the world, gives voice to the workers making its garments and shares a price breakdown of each product it sells. Shoppers can see that Everlane's original \$15 American-made tee costs \$6.50 to produce and that the company's markup is significantly less than the \$45 that traditional designer brands tack on.

Germany

SPEEDFACTORY

With the SPEEDFACTORY concept, adidas entered a completely new age of developing and producing shoes. Using state-of-the-art technology, the SPEEDFACTORY accelerates the production process and increases its flexibility in terms of production capacities, allowing for immediate response to the latest trends.

The first 4,600 sqm SPEEDFACTORY in Germany and the newly opened SPEEDFACTORY close to Atlanta will allow adidas to produce 1 million performance sneakers in close proximity to customers, with minimal time-to-market.

KEY DATA

Country: Germany,

Retailer: adidas

Format: SPEEDFACTORY

Website: www.adidas.de/speedfactory



WHY IS IT INNOVATIVE?

▶ **Creating a new age of producing footwear**

The SPEEDFACTORY of adidas innovates how running shoes are produced today. Using state-of-the-art technology, the production process is fully automated and allows the creation and launch of new series of shoes within a very short time. The close proximity of the production facilities to the customers further improves time-to-market.

▶ **Adapting to customer needs**

Today, people's needs and desires are changing rapidly; they expect companies to satisfy their needs immediately. The SPEEDFACTORY allows adidas to adapt the production of shoes perfectly to the needs and desires of customers. Based on data collected from professional runners and the input of "running influencers," the SPEEDFACTORY creates footwear that matches current trends and is optimized for the running experience and running conditions of consumers.

Co-creating footwear together with the individual athlete is the ultimate goal of the SPEEDFACTORY, to ensure a unique solution for the specific needs of each athlete.

▶ **Responsible and eco-friendly**

As the fourth model of the serial production of the SPEEDFACTORY, adidas launched the AM4LA ("adidas Made for Los Angeles"), a running shoe with an upper created out of recycled plastic waste (Parley Ocean Plastic®), collected from coastal areas. The cutting-edge technology of the SPEEDFACTORY circumvents the use of glue, as the upper and sole get fused together efficiently. Due to production in Germany and the United States, the entire supply chain has been abbreviated.



Ebeltoft Group Expert Comment

With its new production concept, adidas attempts to set a new, more environment-friendly and customer-centric standard for footwear production. The combination of maximum customization and reduction of negative environmental effects is unparalleled in the footwear industry so far and will provide adidas a competitive advantage. Accelerating the production process allows the company to produce new series of shoes faster, supporting adidas in adapting quickly to newly emerging trends and the needs of its customers without waiting months for new shoes to be produced and shipped from the Far East.

Tracking Retail Innovation trends around the world...

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Global Retail Trends & Innovations

INNOVATING FOR CUSTOMERS

For the past 14 years, Ebeltoft Group has been tracking innovative retail concepts across the globe. Many factors are pushing retailers to accelerate the rhythm of their reinvention: digitalization and retail-tech creativity; new, more horizontal relationships between brands and customers; and the surge toward radical differentiation in stagnating markets.

In addition to new game-changing retailers developing disruptive formats, more traditional retailers have launched reinvention as well. The 26 member companies of Ebeltoft Group witness this through consulting projects across all regions, formats and industries. Retailers are racing to create new formats, offer new added values and explore new frontiers. Global Retail Trends & Innovations highlights a selection of these bold initiatives.

What Global Retail Trends & Innovations also does is demonstrate the intimate involvement of the customer in the innovation process. If technology remains a major driver for innovation, it must be applied usefully to serve consumer needs. Most of the innovations showcased in this issue rely on a deep, intimate understanding of how people live, dream and shop.

What if the next retail revolution is...the customer?

Vive le commerce!

Ebeltoft Group International Retail Experts

We are a global alliance of retail consulting companies with member companies in more than 25 mature and emerging retail markets.

Since 1990, we have been helping retailers and their suppliers remain competitive and achieve their goals by blending global retail expertise with members' local insight. Ebeltoft Group serves 36 of the top 100 retailers and 29 of the top 50 manufacturers worldwide.

Ebeltoft Group's global studies and publications include Digital Impact to Retail (2018), Horizontal Retail (2017), Services at Retail (2017), Global Cross Channel Report (2014), Retail Internationalization (2013), NeoConsumer (2011), The Trust Factor (2011) and Environmental Sustainability (2010).

For a personal presentation about current retail innovations, trends and cases, or information about our latest global publications, research and services, please contact Ebeltoft Group or visit www.ebeltoftgroup.com

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