

RETAIL THOUGHTS
Tony Jashanmal

ANALYSIS
GCC retail strong

INTERNATIONAL VIEW
SPAR International

MALL WATCH
Al Ghurair Centre

CEO TALKS
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CHANGING TRENDS IN RETAIL



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regimen.



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Dear reader

Promoting happiness

The UAE has been at the forefront of promoting happiness and a new minister of happiness, Ohood Al Roumi was appointed in February 2016. "The role of the government is to create an environment where people can flourish – can reach their potential – and choose to be happy," Al Roumi said while speaking to a news channel.

During the World Government Summit in Dubai in March, HH Sheikh Mohammed bin Rashid Al Maktoum, vice president and prime minister of the UAE and ruler of Dubai, announced that minister of state for happiness would have the responsibility to 'align and drive government policy to create social good and satisfaction'.

"We want a government that works on building the skills of its people, aside from providing services ... a government focused on putting the happiness of citizens at the forefront of its priorities," Sheikh Mohammed stressed.

The UAE was the 28th happiest country in the world, according to last year's UN World Happiness Report. Denmark, Switzerland and Iceland occupied the top three slots. The UAE was the happiest country in the region.

Sheikh Mohammed also announced the formation of the World Happiness Council.

Headed by Columbia University Professor Jeffrey Sachs, the 12-member council will focus on six key areas: health, education, environment, personal happiness, happy cities and community standards for happiness, each with its own sub-council chaired by a different member of the team.

"The council aims to support international goals to standardise happiness as a measure of development, as we are doing in the UAE," Sheikh Mohammed noted on his Twitter account.

The council's responsibility includes compilation of an annual Global Happiness Report, highlighting international practices and achievements with regards to happiness and happiness research.

As a follow-up to this initiative, Dubai-based retail and hospitality operator Landmark Group recently unveiled a first-of-its-kind 'Happiness Movement' impacting over 40,000 employees across all GCC countries, aiming to become the region's happiest workplace. Landmark Group was the exclusive retail partner for the Global Happiness Dialogue at this year's World Government Summit (2017).

Have a happy summer and see you all in September!

Lawrence Pinto

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Don't cry over what's lost, face the challenge

A new era began after World War I with the formation of Iraq, Jordan, Palestine, Lebanon and Syria from what used to be the southern part of the Ottoman Empire. The leading powers were given administration rights over the newly formed countries - the French were to administer Lebanon and Syria, while the British had the responsibility for Iraq, Palestine and Jordan.

It was the era of British India at the time, so Iraq, given its proximity to India, was to be administered by the colonial power. The sea link to Iraq soon started prospering through its only port Basra.

My grandfather, Rao Sahib, came from the Sindh area of Karachi, which was closest to Iraq along the sea route to India. He decided to travel to Basra with his brothers and a few friends in 1919 to evaluate the prospects of doing business there. Subsequently, he set up a small retail business - akin to a department store that stocked luxury items for expatriates working in the oil industry - based on the simple principle of offering quality products and good value at fair prices. He started importing goods from the UK because the ships came from there. There were goods made in India too. His business grew quickly.

In conversation with Rupkatha Bhowmick, Tony Jashanmal, executive director and a member of the board of directors of the Jashanmal Group, shares his journey in retail



Our group went wherever oil was found

In the 1920s, the major ports in this part of the world were Colombo, Bombay, Karachi and Basra. The port after Basra was Aden. Ports in Bahrain, Kuwait and the UAE didn't figure in the world frame of territories back then. Driven by the oil industry, Iraq grew swiftly.

The demand for oil was on the upswing worldwide in the wake of the industrial revolution following the

World War I. Eventually, the oil companies began looking for oil outside Iraq and moved southwards, striking black gold in Kuwait and Bahrain. The British sent a gentleman called Colonel Dixon from Basra as their first political agent in Kuwait.

Colonel Dixon knew my grandfather well. He told him Kuwait, then a desert, would bloom as oil companies started coming in. Families would then look for a store like the one my grandfather had started in Basra. My

grandfather decided to go to Kuwait sometime around 1934, establishing a blueprint that the Jashanmal Group followed in the subsequent years.

Wherever oil was found, the group was asked to expand either by the British administrators or the rulers themselves. For example, His Highness the late Sheikh Rashid, the erstwhile ruler of Dubai, was in Bahrain where oil was discovered and we had gone in 1935. He visited our store there and asked

Majid Al Futtaim acquires **Géant** franchise operator in the Middle East

Dubai-based shopping mall developer and retail and leisure operator, Majid Al Futtaim, has announced the acquisition of Retail Arabia, the franchise owner of 26 Géant stores across the UAE, Bahrain and Kuwait as well as four Gulfmart supermarkets in Bahrain. The deal is agreed between Majid Al Futtaim and Retail Arabia's parent company BMA International.

All of the acquired stores, which include hypermarkets, supermarkets and convenience stores, will be rebranded under Carrefour. It will see Carrefour extend its leading position in the UAE by increasing its store count from 67 to 80, while in Bahrain and Kuwait, it will further establish the brand as one of the largest grocery retail operators by increasing its stores to 11 and 8,



Alain Bejjani

respectively. Majid Al Futtaim has confirmed that all Retail Arabia's employees will be retained following the acquisition and empowered to deliver Carrefour's world-renowned customer experience.

"This acquisition is a significant milestone for Majid Al Futtaim, one which further cements Carrefour's position as the largest and most successful grocery retailer in the region

and beyond. We are open to further prospects, through both organic growth and opportunistic acquisitions, and will pursue these in line with our disciplined strategic and financial approach. Our ambition is to expand our physical as well as our digital presence, and reinforce our omnichannel offering," says Alain Bejjani, CEO, Majid Al Futtaim - Holding.

"Carrefour is a brand already synonymous with quality, affordability, convenience and diligence to offer exceptional customer experience. By extending its reach, we will deliver these promises to more customers in more locations, while enhancing Majid Al Futtaim's overall ability to fulfil its vision of creating great moments for everyone," he adds.

Perella Weinberg Partners advised Majid Al Futtaim on the transaction.

EuroMena buys stake in Moroccan retailer

Beirut-based EuroMena Funds has acquired a 7% stake in Retail Holding, a Morocco-based diversified retail group for a total of \$22.5 million.

Retail Holding acts as a franchisee for French retail giant Carrefour, apparel retailer Kiabi, Virgin Megastore and Burger King.

The investment, which was carried out through the fund EuroMena III, will be mainly used to finance the expansion of Retail Holding. The retail group is positioned for a healthy growth rate in the coming five years in Morocco.

It is due to the Moroccan government promoting the development of the major retail spaces in Morocco, according to EuroMena Funds.

The private equity fund will assist the top management of Retail Holding in its growth strategy in north and sub-Sa-



haran Africa, in which the fund enjoys a vast network and significant market knowledge.

The retail group recently took control of Compagnie de Distribution de Côte d'Ivoire (CDCI), the country's second-largest food distributor.

It is the fourth deal for EuroMena III. The fund has invested in Credit Libanais and Elephant, a fast moving consumer goods company in Nigeria. It has also invested in Indigo Company, an apparel

retail franchising company in Tunisia, Morocco and Algeria.

EuroMena also says it plans to launch two new funds within the coming six months, Levant SME Fund and MEA Debt Fund.

"The Levant SME Fund will invest in the equity of small and medium enterprises in Lebanon and Jordan and would later invest in Syria too if the situation there improves," says Paul Khoury, partner, EuroMena Funds.

Events

MIDDLE EAST

Dubai Summer Surprises

July 1-August 12, 2017
Dubai, UAE

www.visitdubai.com/en/dss

Cityscape Global

September 11-13, 2017
Dubai World Trade Centre
www.cityscapeglobal.com

The Leisure Show

September 18-20, 2017
Dubai World Trade Centre
www.theleisureshow.com

GITEX Shopper

September 23-30, 2017
Dubai World Trade Centre
www.gitexshopperdubai.com



MRF & RetailME Awards 2017

November 27-28, 2017
One & Only Royal Mirage
www.middleeastretailforum.com

INTERNATIONAL

Online Retailer

July 26-27, 2017
International Convention Centre,
Sydney, Australia
www.onlinetailer.com

International Retail Design Conference

September 5-8, 2017
The Ritz-Carlton, New Orleans,
USA
www.irdconline.com

India Retail Forum 2017

September 19-20, 2017
Renaissance Hotel, Mumbai, India
www.indiaretailforum.in

MAPIC - The International Retail Property Market

November 15-17
Palais des Festivals, Cannes,
France
www.mapic.com



Dubai Summer Surprises celebrates 20 years

Dubai Summer Surprises (DSS) is back for a record year from July 1 to August 12, 2017. The 20th edition will offer residents and visitors an exciting six-week calendar of sales and family entertainment. Organised by the Dubai Festivals and Retail Establishment (DFRE), an agency of the Department of Tourism and Commerce Marketing (Dubai Tourism), this year's DSS will run for 43 days under the slogan 'Enjoy six weeks of sales.'

DSS 2017 will feature a series of retail promotions offering the best deals and discounts and the opportunity to win fabulous prizes at malls run in collaboration with the Dubai Shopping Malls Group. Thousands of retail stores will reward visitors with special offers and discounts of up to 75% on a broad range of merchandise. This year's DSS is also the time for families to make the most of their summer, with

a variety of entertainment, including Arabic concerts; Modhesh World, the region's most famous family indoor edutainment centre; and a variety of cartoon character performances and world-class shows (including Transformers, Aladdin, Ghostbusters, Pirates of the Caribbean) taking place at malls across the city.

With an aim to attracting many visitors from around the world, the organisers will launch a marketing campaign in international markets with a focus on digital platforms and social media.

Modhesh World 2017 to spread happiness

Modhesh, the ever smiling mascot of Dubai is back to entertain families and children this summer with a very fresh, imaginative and incredibly connected side of his world. This year, Modhesh World, one of the region's most popular indoor edutainment destinations,

Dubai Summer Surprises is back for the 20th edition from July 1 to August 12, 2017 running under the slogan 'Enjoy six weeks of sales.'

returns with more than just things to do, as an exciting line-up of activities allows every visitor to feel relaxed, joyful, curious, and, most importantly, happy!

For 54 amazing days, from June 20 to August 12, the 18th edition of Modhesh World will offer families and young ones of all age groups and cultural backgrounds the opportunity to enjoy an immersive experience this summer across six halls of the Dubai World Trade Centre. New, exciting and popular attractions including a never seen before Food Park and dedicated zones occupying an area of 247,480 sqft will allow guests to go on a seamless journey of adventure and fun.

This summer Modhesh is

on a mission to connect with each one of his guests at a personal level too. Running under the theme 'My Modhesh, My World' the experience will include edutainment workshops and seminars focusing on happiness and innovation for children and adults alike.

Visitors to Modhesh World, which is organised by DFRE, can avail themselves of value-for-money deals, starting with entry tickets as low as AED20. Admission is free for kids under the age of two.

Dubai Tourism is the principal authority for the planning, supervision, development and marketing of Dubai's tourism sector. It markets and promotes the emirate's commerce sector, and is responsible for the licensing and classification of all tourism services including hotels, tour operators and travel agents. Brands and departments within the Dubai Tourism portfolio include Dubai Business Events, Dubai Calendar and DFRE. ■

Dubai-based retail and hospitality operator Landmark Group recently unveiled a first-of-its-kind 'Happiness Movement' impacting over 40,000 employees across all GCC countries, aiming to become the region's happiest workplace.

Capturing the pride, positivity and a sense of purpose that Landmark Group's enthused employees bring to work every day, the Landmark Happiness Movement aims to reinforce the values such as passion, speed, simplicity, innovation, ownership and entrepreneurship, which form the core foundation of the group's philosophy of creating exceptional value.

The campaign has a great visual identity and an inspiring anthem, which

"I congratulate the Landmark Group on the launch of the 'Happiness Movement' initiative, which aims to create a happy and positive working environment"
- Ohoud Al Roumi

has been welcomed by employees across the group's warehouses, stores and offices. It reflects the group's culture of openness, agility and adaptability, which has been integral to its success in the region.

"I congratulate the Landmark Group on the launch of the 'Happiness Movement' initiative, which aims to create a happy and positive working environment. I am confident that this initiative will have a positive impact not only on Landmark employees but also on the UAE community as a whole. I encourage all private sector companies across the country to follow their example, so we all contribute, in our own way, to making the UAE a happier and more positive place," says Ohoud Al Roumi, minister of state for happiness.



Landmark Group eyes 'happiest workplace' accolade

"The retail business is changing rapidly, whether it is from online to bricks-and-mortar, or evolution to the retail shopping experience or expectations of the customers. In this dynamic, fast changing retail environment, we firmly believe that the value system that Landmark Group is built on - of innovation, entrepreneurship, ownership and passion - would help us succeed. Through the 'Landmark Happiness Movement', we aim to bring a positive change by empowering our people, and instilling the values of ownership, pride and belongingness within them," says Nisha Jagtiani, executive director and chief happiness officer.

"Landmark Group has always been a great place to work. We have grown because we have been able to nurture talent and recognise potential. Through the 'Landmark Happiness Movement', we aim to go one step further. We are creating an environment where our people are the compatible drivers of happiness and positivity, across the group, driving connectivity and togetherness

across warehouse and retail," she adds.

"We are thrilled at the response we have received from our people. Happiness is a journey, and we are just getting started," she affirms.

The Happiness Movement

The Happiness Movement was rolled out to 'Landmarkers', through a three-day power-packed celebration across the group's retail outlets, warehouses and offices, simultaneously engaging all 40,000 employees, irrespective of the country where they are based or the tasks that they perform. Leaders from Landmark Group also visited and interacted with as many Landmarkers from across the group's diverse network of retail and hospitality outlets, making it one of the largest simultaneously coordinated employee engagement initiatives in the region.

To significantly enhance work-life balance, the people-led movement witnessed the rollout of several initiatives to connect employees, increase overall engagement and drive focus towards employee health and wellness.

Motivated by a Happiness team at its core, the movement has identified ambassadors across its business to drive the initiatives being rolled out.

The group also introduced Workplace by Facebook to all Landmarkers across the organisation to provide their people, irrespective of designation or function, with one common platform to voice their opinions, engage with their leaders and colleagues and belong to one large happy community. The internal community has since been abuzz with thousands of photos submitted by proud Landmarkers who joined their leaders in celebrations held across over 100 cities in the region.

This platform will leverage technology to connect every Landmarker across the company through the common thread of happiness.

Landmark Group was the exclusive retail partner for the Global Happiness Dialogue at this year's World Government Summit (2017). The discussions at the summit's first Happiness Dialogue Day cemented the group's intention to create a region-wide Happiness Movement. ■



Shaping the future retail trends

The next decade is seen as the golden age of the consumer, with shoppers spoiled for choices with products and services – often personalised to their needs and wants. On the whole, it's all about making the retail experience inspirational, stirring, effortless and convenient to fulfil the consumer's ever-changing needs. The evolution in consumer demand, combined with transformative technological innovations, will continue to drive fundamental changes. Analysts predict these transformations will cause the retail landscape to change more in the next decade than it has in the past four.

The most debated hot topics of e-commerce is certain to dominate the next decade with penetration growing from approximately 10% today to more than 40% in 2026. Some product categories are likely to register higher rates of penetration of 50% or more, while others may not exceed 20%. Despite growth in e-commerce, the physical store will continue to be the channel that contributes the most revenue for the majority of the leading multichannel retailers until at least 2026. PricewaterhouseCoopers (PwC) in its 2017 Retail Industry Trends report highlights some of the major trends that will shape the future retail industry.

RetailME brings excerpts of the report...

Ever since Amazon began selling books online in 1995, retailers – and plenty of other commentators – have been asking what role, if any, physical stores might play in the retail arena. Some have gone so far as to predict the ultimate demise of stores, and others expound the virtues of various hybrid omnichannel solutions.

To be sure, the trends are not good for store-based retailers, who complain of challenging conditions and frugal consumers. Although overall retail sales performance is quite strong, during the last several years, essentially all of the inflation-adjusted gains in retailer revenue have been driven by online channels, which enjoy growth rates as much as 7% higher than retail sector growth as a whole (see Exhibit

1). Meanwhile, traditional retailers are faced with flat or declining sales and large, costly store networks.

Not surprisingly, legacy companies are restructuring their footprints. In 2016, large retailers such as Aeropostale, JC Penney, GAP, Walmart and Macy's have shuttered stores. At the same time, incumbent retailers are embracing omnichannel concepts, which aim to offer consumers a seamless experience – whether they are purchasing items online or in a store. The best of these offerings work well: consumers get the convenience of shopping on a computer, smartphone or tablet, or in person, and retailers may reduce marginal cost-to-serve by, for example, encouraging consumers to pick-up bulky items at a store rather than having them shipped to their home.



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No.1 Hypermarket Chain in the Middle East by PlanetRetail UK.

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