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November 2019

REIMAGINING RETAIL SPACES



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**COVER STORY**

Retail isn't dead; only boring retail is! In the age of Netflix and Uber Eats, how can retail developments bring in guests through their doors? The answer lies in a single word – experience. It is experience that sits at the heart of what the consumer wants. Retail is at a rather important crossroads; pure online players are investing in brick-and-mortar, while traditional players, in some cases, are shuttering shops. While there is a general shift towards e-commerce, world-over, there is a clear demand for physical retail. It is, thus, a fine balance between e-commerce and brick-and-mortar. And within brick-and-mortar, retailtainment and foodtainment are crucial footfall drivers, leading developers to rethink and re-strategise the way they plan retail spaces.

DEAR READER

Reaping the rewards of digital transformation

Retail isn't dead; only boring retail is! That's what Nike Direct president Heidi O'Neill said, and we hear its echoes at every retail platform. What makes retail boring? Most existing and upcoming developments appear like clones of one another with little or no sense of differentiation. The same set of brands and similar category split.

Now, the big question is, how can retail developments bring in guests through their doors? The answer lies in a single word – experience. It is an experience that sits at the heart of what the consumer wants. Around the world, experience is created in many ways. It could also be a Magic Mirror in beauty stores like Faces and Sephora or gelato and pizza making sessions at Eataly. It could also be a simple bar code scan system at a grocery store that provides ingredient-related information, traceability as well as easy checkout.

Retail is at a rather important crossroads; pure online players are investing in brick-and-mortar, while traditional players, in some cases, are shuttering shops. While there is a general shift towards e-commerce, world-over, there is an apparent demand for physical retail. It is, thus, a delicate balance between e-commerce and brick-and-mortar.

Analysts estimate F&B and entertainment to account for up to 50% of the commercial mix. It is interesting to see how developers are changing their strategy in the 'online ordering and in-store pick-up' age, and at a time when retailainment and foodtainment are no longer buzzwords. These are crucial footfall drivers, leading developers to rethink and re-strategise the way they plan spaces.

There are some excellent examples of foodtainment right here in Dubai at La Mer and The Pointe. La Mer combines distinctive retail and leisure attractions, including a range of retail and F&B concepts. The Pointe offers some unique dining restaurants, cafés and shopping experiences on Palm Jumeirah.

We also have a detailed report on the Images RetailME Awards gala 2019, the finale of an exciting two-day Middle East Retail Forum (MRF). It was an inspiring and historic night to endorse innovation and achievements of more than 100 brands in the business of retail in the Middle East.

Look out for the last edition of 2019 in December and a bumper first edition of 2020 in January.



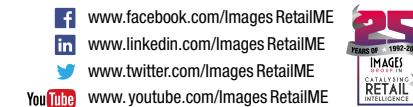
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Reimagining retail spaces

Rupkatha Bhownick

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So, what makes retail boring? Similar looking developments with little or no sense of differentiation? The same set of brands and similar category split?

Now, the big question – in the age of Netflix and Uber Eats, how can retail developments bring in guests through their doors? The answer lies in a single word – experience. It is experience that sits at the heart of what the consumer wants.

A good example is French department store Le BHV Marais created in

1865 as part of the Galleries Lafayette Group. It offers over 2,000 brands – across home & decoration, fashion and beauty categories – and sees close to 70,000 people per day. The Galleries Lafayette Group is heavily investing in the brand to recreate the experiential environment that goes beyond shopping by infusing art, culture, gastronomy and retail in Le BHV Marais.

This exercise helps in driving brand awareness in the international markets. There's more; when tourists visit and shop at Le BHV Marais, they get a free offer to tour the famous Marais district in Paris.

Around the world, experience is created in many ways. It could be green spaces showcasing the cool gadgets in Apple stores – by the way; Apple is planning to do away with the word 'store' and

replace it with terms like 'town squares'. adidas' stadium-inspired, concept stores house interactive zones and digital screens, highlighting product categories. A climbing wall for children in multi-





New game plans for retail

Rupkatha Bhownick

Transitioning from shopping to social spaces – that's a big one on the agenda for retail businesses in the Middle East and around the world. Brick-and-mortar spaces must be made more exciting. It must be made seamless and experiential, integrating technology and human touch. In doing so, convenience can't be forgotten – Amazon Go is a great example; there is no queue, no checkout, simply grab and go.

While brick-and-mortar isn't going anywhere, why else would the globally largest, 8,075 sqft, GANT store open in The Dubai Mall? Why would home-grown, online brand The Luxury Closet set up two experience centres? However, brick-and-mortar must be made more engaging.

What's 'dead' is the traditional ways of doing business. Those sticking to the conventional models are gradually becoming obsolete – most of what happened in the last decade is rendered redundant by the new consumption dynamics. Today consumers wake up in the morning and check their iPhones to see what an influencer is wearing and subsequently shop for similar products through a push notification on their apps or social media. The user journey to shop has transformed significantly. Customer preferences change rapidly, and retailers must cautiously keep pace.

Speed sits at the centre of all this. The key is to re-energise and innovate swiftly to keep pace with the changing buying behaviours while staying focused on the big goals – around people, products and processes.

Growth is the keyword

Growth has been a focus area for a lot of businesses in the Middle East. Taking into account the current subdued business climate, retailers have been strategic in their expansion plans. It is no longer about opening 30 stores in all

existing and upcoming shopping malls; it is more about selecting the right location around the right catchment and creating a competitive advantage. It is also crucial to be agile to adapt to the needs of the location, while offering a seamless shopping experience.

"Growth and change – despite existing challenges – building relationships and trust – with brands and landlords – along with digital transformation were some of the big focus areas for us in 2019," said Mark Tesseyman, CEO of Abu Dhabi-based retail conglomerate

Felicitating the stars of retail

Lawrence Pinto

The region's retail community once again came together at Le Méridien Hotel & Conference Centre, Dubai on October 15 to celebrate excellence and felicitate the celebrities in the business of retail at the Images RetailME Awards 2019.

A gala night

The Images RetailME Awards are more than just about winning in a competitive retail market like the Middle East. The awards recognise excellence across a range of retail categories, benchmarking innovations and best practices in this dynamic and vibrant industry. They also serve as a motivational platform for retailers across the region and the world.

With the spotlight on the best-performing retailers in the Middle East for 2019, the dazzling ceremony was graced by nearly 350 professionals, specialists and VIP guests representing the who's who of the retail industry. The celebrities of the evening sparkled on this gala occasion hosted by UAE-based radio and television presenter Tom Urquhart.



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