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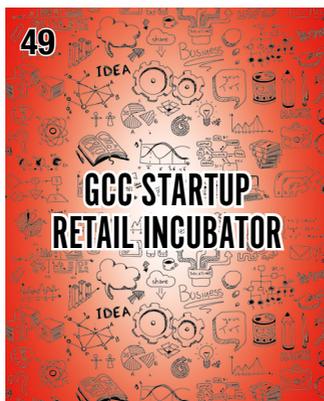


COVER STORY

Retail has a bright future; even though over 9,300 stores closed down, several others thrived and grew. Among factors driving the growth of retail concepts include predicting and exceeding consumer expectations. And these expectations can be clubbed broadly under three areas – convenience, choice and credence. Overall, rethinking and re-evaluating the rules of doing business and creating an experience-driven economy are the ways ahead for the success of retail.



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DEAR READER

Marketing a brand

The brand Dubai has grown phenomenally, and today it is spoken about in the same breath as more established cities like London, New York, Paris, Singapore and others. In Euromonitor International's Top 100 City Destinations Ranking for 2019, Dubai is named the first Middle East city and seventh-most visited city in the world.

As Expo 2020 Dubai draws closer, the city is all set to woo the world. Expo 2020 Dubai is forecast to boost the country's economy by \$33.4 billion and support more than 900,000 jobs between 2013 and 2031. During the peak six-month period from October 2020 to April 2021 of the World Expo, the most significant event to be held in the Arab World is predicted to add the equivalent of 1.5% to UAE GDP.

The visitor spending on tickets, merchandise, food and beverage, hotels, flights and local transport will propel economic activity. Expo 2020 Dubai expects 25 million visitors, with 70% coming from outside the UAE, providing the hospitality industry with a rewarding opportunity to show the world what the UAE has to offer.

From November 2013 – when Dubai won the bid to host the Expo – until its opening in October 2020, the economic impetus is largely driven by the construction sector. The work continues on the site and supporting infrastructures such as roads, bridges and the Dubai Metro Route 2020 line. Crucially, small and medium enterprises, a core component of the UAE economy, will receive AED 4.7 billion in investment during the pre-Expo phase.

As the Expo site prepares to give final touches to the 'world stage', Dubai will have succeeded in creating another 'superbrand' in World Expo. Although the history of the World Expo traces back to 1851, it is during the last six years that the brand World Expo has attained global status.

This year-end edition is also loaded with stories revolving around the retail metamorphosis. Reports suggest nearly 190 million consumers in the US – 14% more over 2018's 165.8 million – shopped from Thanksgiving Day (November 28) through Cyber Monday (December 2) in 2019.

At home, Amazon, noon and others did equally well. At the same time, shopping centres too had full houses. Convenience is the ability to access products and services anytime, anywhere. Does the online marketplace Namshi's physical pop-up space in The Dubai Mall ring a bell now?

Watch out for our January 2020 edition dedicated to retail transformation.



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aswaaq community mall, Barsha South

aswaaq reveals new identity keeping community at heart

Home-grown business, aswaaq Retail has launched a brand-new entity for the real estate division of the company called aswaaq Properties

aswaaq has developed 11 community-oriented properties. Four among those – launched since late last year – are new and fall under two formats – Mall and Community Centre. Of these four new properties, two each fall under the Mall and Community Centre categories. Two of the new Malls sporting an urban look and feel are located in Nad Al Sheba 4 and Al Quoz, while the locations of the new Community Centres are in Al Barsha South 2 and Al Warqa 3.

The obvious question is the strategy behind creating a new identity – aswaaq Properties?

“We felt the need for change based on the same rhythm with Dubai developments. Over the years, our properties have done very well, striking a chord in the communities. However, there was a need for a fresh look and feel – in sync with the design aesthetics of new Dubai and new consumer demand – alongside creating a distinct growth path. Thus, we decided to create a separate entity with aswaaq Properties and developed a new logo too,” explains Abdulhamid Khashabi, manager, aswaaq Properties.

The new design aesthetics render aswaaq’s newly launched retail properties cosy yet vibrant with an urban look-and-feel through the use of colours and modern architectural elements. While the aswaaq Malls sport box-style closed structures, aswaaq Communities Centres are open at the centre promoting an outdoors-in ambience.

Commenting on the decision to create a semi-open set-up for the Community Centres, Khashabi explains, “The UAE sees great weather for almost five months. That’s when we will host community-centric activations to

add excitement to the developments. In addition, we have ensured great accessibility into the Community Centres wherein visitors can place an order and have it delivered to their cars, not even stepping out. That’s how your neighbourhood *bakalas* used to operate; we will offer a similar – friendly – experience in a modern ambience.”

The new design has attracted a legion of new tenants. In keeping with its commitment to promote home-grown businesses, aswaaq has allocated 25% space to small-and-medium enterprises (SMEs) in its four new properties as well. “We have seen significant demand for



Abdulhamid Khashabi

home-grown brands in all our retail properties,” Khashabi shares.

Elaborating further, he cites, “Our new design has resonated so well with the communities that the word has spread far and wide. A while ago, we did an activity in Hatta, and the adjoining communities there expressed keenness for our new design aswaaq retail properties.”

aswaaq Properties’ smaller format Community Centres offer an average 13,000 sqft of GLA, which goes up in the bigger properties. “Right from inception, our idea was to get closer to the communities. Instead of the communities coming to us, we wanted to reach them. We are ever-keen to serve the communities we operate in, becoming their go-to destination for all kinds of daily needs,” Khashabi elaborated. “Thus, before planning the retail mix, we take a deep dive into what the catchment areas need, what kind of retail brands will survive and thrive in our properties and plan our tenancy mix accordingly. That’s why, in our retail

properties, you will always find the right mix – from a supermarket to pharmacy; salon to stationery shop; money exchange to florist; as well as select restaurants and cafés.”

Adding more on the F&B mix, he elaborates, “We try to create a healthy mix of cuisines, so the neighbourhood communities get the opportunity to eat at different places every time they visit us. Our loyalty programme, Wafa, has been very successful – the first in the UAE market to offer customers significant cash back on their purchases and there will be a future plan to enrol our tenants and partners into the programme. We always look at creating a retail proposition that is

beneficial for our tenants, our customers and us.”

In addition to the Malls and Community Centres, there are two more divisions under aswaaq Properties. These include aswaaq Warehouse and ‘Dakakeen’, which is reminiscent of the olden-day *souk*, where ready-made structures are created for SMEs to rent and sell their wares.

Going forward, aswaaq Properties will evaluate the need to upgrade its older properties. Whenever an upgrade happens, it will follow the design aesthetics from its new concepts. “For example, one of our properties is currently undergoing expansion and will sport the new design as part of the upgrade plan,” Khashabi reveals.

As part of future growth plans, aswaaq Properties will start construction of four new properties in 2020, scheduled for opening by 2021. “All four projects will fall under the Community Centre format and are in the design stage,” Khashabi reveals.

“What will always remain a prime objective is to stay as close to the communities as possible. aswaaq has reaped the first-mover advantage of getting into the communities, a trend that is now becoming common. After all, globally, the trend is towards building smaller brick-and-mortar spaces to cater to the needs of the immediate catchment areas,” he concludes. ■



The retail opportunity?



Rupkatha Bhowmick

Source: shutterstock.com

Are there enough opportunities for growth at a time when retail – world-over – seems challenged?

A glance at some recent statistics:

- Chinese e-commerce behemoth, Alibaba's Single's Day (November 11) sales touched \$38 billion, breaking last year's record of over \$30.8 billion.
- According to the National Retail Federation and Prosper Insights & Analytics, nearly 190 million consumers in the US – 14% more over 2018's 165.8 million – shopped from Thanksgiving Day (November 28) through Cyber Monday (December 2) in 2019.
- In the GCC, research firm RedSeer Consulting estimates, the online gross merchandise value to exceed \$370 million – a rise of 55-60% over last year – in the UAE and Saudi Arabia, during the November festive period, constituting the White Friday sale by Amazon.ae, noon.com and others.

So, yes, there are opportunities in abundance!

Retail has a bright future; even though over 9,300 stores¹

closed down, several others thrived and grew. A good example is reopening of a couple of Toys R Us stores in the US after the liquidation of more than 1,000 locations since 2017. The new feature in at least one of the stores is a seamless shopping experience.

Among factors driving the growth of retail concepts include predicting and exceeding consumer expectations. And today, consumer expectations are diverse across the age groups – Baby Boomers, Generation X, Millennials and Generation Z. While there is a massive variance of choice among the decision-makers – Baby Boomers, Generation X and Millennials – the influencer category comprising the Generation Z is also getting stronger. These expectations can be clubbed broadly under three areas – convenience, choice and credence.

Convenience is the ability to access products and services anytime, anywhere. Does online marketplace Namshi's pop-up space in The Dubai Mall ring a bell now? For a while now, the

omnichannel strategy has been key to the success of businesses. Research indicates that the share prices of global fashion retailers such as Inditex and H&M following an omnichannel strategy are beating the pureplay e-fashion retailers.² While e-commerce is growing, over 80% of business still happens in a brick-and-mortar environment, which must be a lively, experience-laden space.

Choice revolves around the ability to opt for multiple options. It could be eating a veggie burger at Burger King, shop at the convenience store located within the office complex, go to the gym or medical centre in a shopping mall or attend a concert in the open-air park around the home. Hence, the need for integrated spaces offering numerous choices.

Credence has many manifestations. It could be saying no to plastic. It could be tenants and landlords being mindful of reducing carbon footprint. It could be supporting home-grown brands and offering authenticity. An

excellent example in the UAE is KAVE – a space tucked in Dubai's Alserkal Avenue; a home-grown brand launched to support like-minded, responsible businesses.

Having that said, there are various challenges facing retail. Oversupply in some markets is a considerable challenge. Lack of differentiation is causing certain brands to perish. Creating retail spaces without imagination is resulting in footfall decline. Digitalisation for the sake of digitalisation is proving to be futile in delighting customers. Opportunistic relationship – between landlords and tenants, franchisor and franchisee – is hurting retail.

Overall, rethinking and re-evaluating the rules of doing business and creating an experience-driven economy are the ways ahead for the success of retail. Precisely this and much more was discussed and debated at the 25th edition of MAPIC – the international retail property market – with the central theme of the congress revolving around the new retail mix.

¹Business Insider analysis

²Colliers International

Creating an impact

What adds that human touch to retail? It could be anything from an entrepreneur's dreams of building a community as well as being authentic

At MRF 2019, we heard three such stories of origin, learning and outcome.

Creating a community

As the first independent arthouse cinema in the GCC, this home-grown concept banks on the currency of human connections. The obvious question: how does that happen? With a single screen, 133 seats and tickets priced at AED52.5, the theatre promotes free seating for any film. Cinema Akil is doing all of the above and more since 2014 as a pop-up, finally setting up its permanent home in Dubai at the Alserkal Avenue in September 2018.

"Our cinema looks nothing like what people are generally used to seeing at multiplexes in shopping malls. Instead, Cinema Akil offers a living room look and feel. The whole premise of Cinema Akil is to build a community that appreciates alternate content, creating an experience around it," pointed out **Luz Villamil**, deputy director, Cinema Akil.

"The journey hasn't been easy," she admitted. "But it has been a labour of love and, thus, incredibly fulfilling. We began screening content from around the world and the region. We also screened documentaries to an audience that didn't go beyond 10-15 initially. We

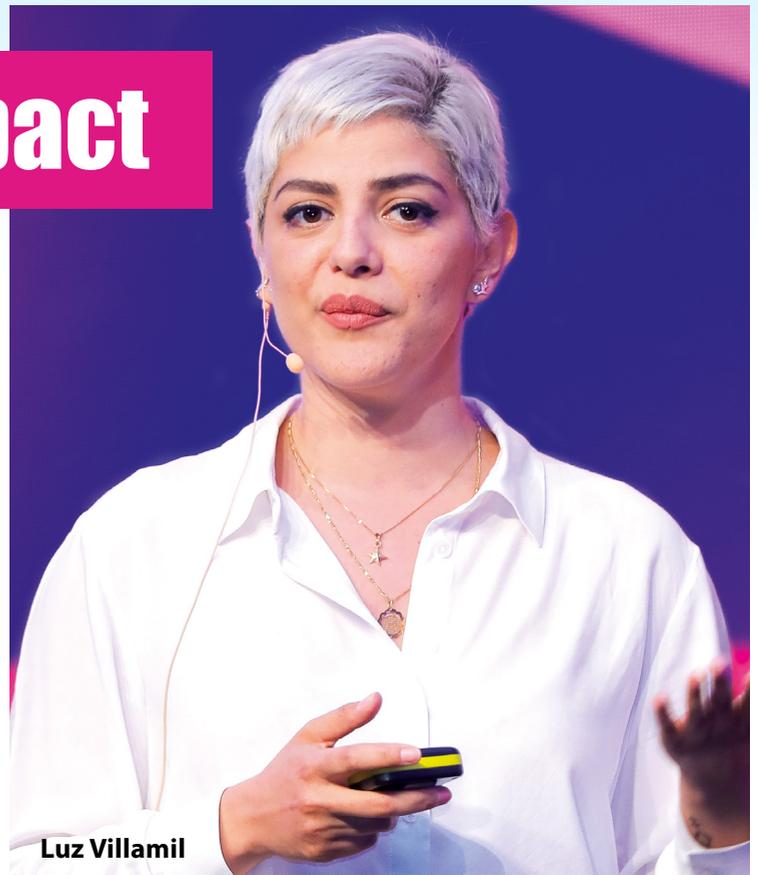
began with a small audience, which has grown over the years. What we see is a real interest for alternate content and the community gathering around films."

"Looking at plummeting numbers at multiplexes, we were apprehensive," Villamil continued. "However, we soon realised that the trick is to offer the right content and allow people to have conversations around it. Not everyone is keen to watch Netflix at home by themselves. There is an audience that appreciates a communal gathering around a beautiful story."

With the community at heart, Cinema Akil is ever-keen to collaborate and promote other local businesses. It houses a *chai* diner, another home-grown business Project Chaiwala, within its premises. "Also, we have built over 40 collaborations, having worked with brands like Vans and Cadillac. We also collaborate with embassies for specific events such as Alternativo Latino, a contemporary Latin American film festival, and Reel Palestine. For such film festivals, we lend space to relevant home-grown businesses to make the set-up mutually beneficial," Villamil elaborated.

Bouncing back

What does soul food mean to people? It is different for different people. What's interesting is how food is a great connector; how food creates memories that can be nurtured into business ventures. One such example is the home-grown Pakistani soul kitchen, Moti Roti.



Luz Villamil

Founder **Tahir Shah** has seen several ups and downs. Moti Roti was the result of one such low period when Shah was made redundant. Having nurtured the dream of setting up his own business someday, he pursued the entrepreneurial path rather than joining another corporate. That was the inception of Moti Roti back in 2012 as a pop-up within a supermarket.

"That supermarket happened to be below my erstwhile company, and several kind colleagues and friends began buying from us," Shah recollected. "I had no prior knowledge of food – except for my mother's recipes – logistics and rents. I was quite horrified after learning about the cost of setting up and running a restaurant."

Eventually, Shah decided to partner with another restaurant that used his mother's recipe and cooked

the food, while taking up pop-up space within the supermarket. "Thus, we began testing our concept, Moti Roti. Along the way, I started replicating the pop-up model, while foraying into the food truck space. Moti Roti is the world's first Pakistani food truck! But the food truck business in this part of the world is hard to sustain owing to seasonality," he stated.

"Then we started thinking about a low-cost, small location that would predominately deliver while offering limited dine-in option and found a spot in Jumeirah Lakes Towers. It was a nice transition, orders were going up, people were warming up, but we ran out of capital and had to shut down Moti Roti in 2017. That was an incredibly sad, difficult and tumultuous period," he shared.

"But eventually fate offered a generous hand,"



Tahir Shah



Leanne Sherlock

Shah continued, “as Careem was launching its food delivery business Careem Now – having acquired RoundMenu – they recruited me. It was also in part driven by the resonance of Moti Roti.”

As consumption behaviour has shifted with people ordering in, the concept of cloud kitchen gained prevalence, which are delivery-only locations. “Fate tipped back in my favour as my erstwhile business partner approached me to relaunch Moti Roti. And since the past couple of months, we have rebooted Moti Roti back into action. From a dark phase, we have gone into a dark kitchen,” Shah quipped.

According to him, one of the biggest learnings from this journey – besides resilience – is the way the entire retail landscape has become data-driven, right from people to food and everything in between. “No

one has it all figured out; we make plans based on data, run them in real-time and overcome hurdles along the way,” he opined.

Matters of the mind

“One in three people in Dubai require mental health support,” shared **Leanne Sherlock**, co-founder, Safe Space, which offers free mental well-being support in the community. “One in four people have some mental disorder.”

Nonetheless, what is the relevance of a session on mental health awareness at a retail conference? We expected this question. But to our pleasant surprise, no one, not a single person, brought up this question. That’s because mental health awareness is crucial, irrespective of industry or profession because each one of us has our struggles. It is essential to be sensitive and understanding – without judgement.

“Especially at a time when businesses are confronting big changes, people feel the pressure,” Sherlock observed. “Having worked as an account director for an advertising agency that took me to some amazing places and collaborated with some great brands, I still felt that pressure and struggled to cope that eventually led to anxiety and stress disorder.”

“Only when I began reaching out for help, I realised how mammoth mental health is and how many people are suffering and willing to help,” she shared. “I found the process of speaking to someone who understood quite uplifting. That’s how I came across Helen Hope, the founder of Heartknox – a brand built around raising awareness about mental health. Eventually, I became part of Safe Space that she had co-founded.”

“We have developed an ecosystem that not only supports those who need help with mental health issues, but we have seen a lot of entrepreneurial ideas arise. Like an app, for example, that connects therapists with people who need help as well as a social media platform that normalises conversations around mental health. We have partnered with several home-grown start-ups such as The Smash Room, Tania’s Teahouse and Raw Coffee, among others. What’s more, brands like Google are keen to partner with us,” Sherlock stated.

In summation, she suggested, “We are all people in the business. So, put people at the heart of what you do. Whether you are an employer or an employee or a friend, don’t be afraid to ask people if they are alright, because by doing so, you will open up a conversation around mental health. And together we can change the culture we live in.”



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