



What's New In Retail Edition 3

Emerging Global Concepts



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INTRODUCTION



The world of retail is always changing. Retailers big and small globally are trying new things to add value to the standard shopping trip. As competition increases and consumer preferences evolve, retailers continue to advance the way consumers browse, shop and buy.

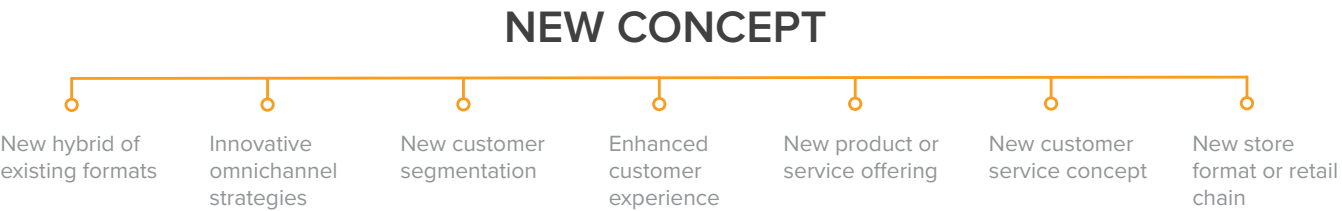
Euromonitor International's Passport Retailing database provides comparative analysis across more than 30 channels in 99 markets worldwide. Euromonitor International delivers a comprehensive

view of the global retailing landscape to help businesses uncover new opportunities, identify how shopper behaviours are driving change and understand forecast growth and decline in this highly fragmented industry.

What’s New in Retail Edition 3: Emerging Global Concepts highlights the evolution and reinvention of the retail environment around the world. Using seven criteria, ranging from innovative omnichannel strategies to new hybrid formats, Euromonitor International’s global retailing experts reviewed more

than 100 submissions from our analysts worldwide to identify top concepts seen across the globe within four categories: grocery, non-grocery, non-store and digital. These winning concepts represent the future of retail.

Emerging Retail Concepts Criteria



Source: Euromonitor International



GROCERY WINNERS

THIRD PLACE

EatalyWorld Srl FICO Eataly World — Italy

SECOND PLACE

JD.com, 7Fresh — China

FIRST PLACE

Udea BV, Ekoplaza — Netherlands



Source: www.eatalyworld.it

World's largest food theme park

FICO Eataly World, the world's largest food theme park, opened in November 2017 following the success of the food specialist chain Eataly.

With the ultimate purpose of promoting Italian biodiversity, FICO Eataly World sprawls over two hectares of land near Bologna. The theme park contains 40 production operations, 45 restaurants and 150 retailers offering a variety of premium, local food products.

THIRD PLACE FICO EATALY WORLD

GROCERY WINNERS

As consumers are increasingly seeking to experience more in their shopping outings and to better understand where their food comes from, the theme park also serves as an education centre. This allows visitors to learn about local food production and quality certifications. Visitors attend tasting events and classes to learn about how various Italian products, such as cheese, pasta and cured meats are made.

This interactive and educational shopping experience attracted three million visitors and generated 50 million euros in revenue in its first year. FICO Eataly World is strategically located at the heart of the Italian “Food Valley” with easy access to motorways. Entry to the park is free, attracting locals and tourists. It remains to be seen if the concept is scalable.



Source: www.eatalyworld.it

SECOND PLACE 7FRESH

GROCERY WINNERS

Internet pure player opens fresh food store

One of the largest internet retail companies in the world, JD.com, launched the supermarket 7Fresh in January 2018. With 4000 square meters of selling space, this modern grocery store focuses on fresh, cooked-to-order and ready-to-eat packaged foods sourced from 2000 partners worldwide.

As the brick and mortar competition among China's tech giants rises, JD.com is well positioned to set a new benchmark for supermarkets in Asia. The company leverages its large logistics network, delivery systems, warehouses and in-store technologies to deliver an exceptional customer experience. For example, smart shopping carts follow customers around as they shop.



Source: JD.com, 7Fresh

SECOND PLACE 7FRESH

GROCERY WINNERS

Blockchain technology tracks every product from production to delivery. When a customer picks up an item, “magic mirrors” display the item’s nutritional information on a screen in real time. Customers check out using facial recognition and purchases are delivered to their home within 30 minutes. Additionally, 7Fresh’s mobile app allows customers to make purchases on the go and have items delivered quickly.

JD.com plans to open 500 7Fresh supermarkets over the next five years. With JD.com’s digital presence, a wealth of customer data, global partnerships and on-the-ground supply chain and logistics capabilities, it is uniquely positioned to bring this premium-quality offline shopping experience to Chinese consumers and set itself apart from the pack.



Source: JD.com, 7Fresh

Plastic-free supermarket

The Dutch organic grocery retail chain, Ekoplaza, launched “the world’s first plastic-free supermarket” pop-up store in February 2018. It opened at a time of accelerating public debate about plastic waste and possible ways to reduce it in Western European countries.

The Ekoplaza chain is a high-end organic grocery specialist in the Netherlands. The company targets an affluent, health-conscious consumer base and is increasing in popularity due to the rising demand for organic products. A British environmental initiative, A Plastic Planet, challenged Ekoplaza to create a plastic-free pop-up store in Amsterdam called “Ekoplaza Lab”. From February to April 2018, the pop-up store carried an assortment of nearly 700 products with plastic-free packaging made of compostable biofilm, a compelling alternative for the environmentally conscious consumer.



Source: Udea BV, Ekoplaza



Source: Udea BV, Ekoplaza

The demand for plastic-free products encouraged Ekoplaza to expand their grocery range from just below 700 items to nearly 1400 items, roughly 30% of the grocery items for sale in an Ekoplaza outlet. As organic labelling and products are becoming increasingly mainstream,

the use of plastic-free products will allow Ekoplaza to differentiate itself from and remain ahead of the competition.



NON-GROCERY WINNERS

THIRD PLACE

Alza.cz as, Store of the Future — Czech Republic

SECOND PLACE

AS Watson Group, CKC18 — Hong Kong

FIRST PLACE

Alibaba Group Holding Ltd, Smart Baby Care Rooms — China



Source: Alza.cz as, Store of the Future

Lockers to collect online and in-store purchases

In January 2018, the largest internet retailer in the Czech Republic opened its first Store of the Future. These small format (60m²) stores are open 24 / 7 and serve as a locker pick-up

location for click-and-collect purchases. Future Stores also offer the option to purchase a limited selection of electronics, gadgets and sports equipment via the in-store computers. Online orders and in-store purchases are collected through designated lockers. In-store navigation with LED lighting leads the customer to the correct locker.



Source: Alza.cz as, Store of the Future

In the current economic and legal environment, retailers are finding it difficult to attract employees and provide customers with the convenience they desire. The Store of the Future allows Alza.cz to bypass these restraints by operating with minimum human resources, providing customers with around the clock service without increased labour costs.

Alza.cz opened three stores in 2018, proving this format successful so far. However, it is not expected that pick-up stores will replace the more traditional store-based format. Instead they should be seen as a complement to both internet and store-based retailing by providing convenience to the consumer.



AS Watson Group, CKC18

Shopping and lifestyle hub

In May 2018, AS Watson Group opened a store, CKC18, promoted as a shopping and lifestyle hub targeting consumers looking for an innovative shopping experience. CKC18 spans over 2400m² and integrates four categories: food (Food Le

Parc), beauty (WatsonsLab), tech (TechLife by FORTRESS) and drinks (Bar 0001 by Watson's Wine).

CKC18 incorporates a number of technologies to enhance the customer experience. For example, the checkout and payment process supports various mobile payment options. Customers can use AlipayHK and the Scan & Go function in the MoneyBack app to pay at unmanned checkout counters.

SECOND PLACE CKC18

NON-GROCERY WINNERS

At WatsonsLab, beauty shoppers utilise “Style me” magic mirrors equipped with AR technology offering customers a virtual makeover experience. Additionally, CKC18 offers expert sessions to shoppers. Events include gaming demonstrations by eSports players, cooking demonstrations by a sushi master, sake tastings led by professional brewers and personalised makeup designed by makeup artists.

The premium customer experience makes this new concept stand out. In the year ahead, we expect more stores to pop up in new markets showcasing a mix of emerging technologies that provide an enhanced customer experience.

Improved mothers' rooms

In late 2017, Alibaba Group launched Smart Baby Care Rooms located within department stores and shopping malls. The store offers improvements on traditional lactation rooms with smart home furniture. An intelligent speaker, Tmall Genie, allows customers to control lighting, milk mixers, the humidifier and music through voice assistance. The speaker also tells stories and sings songs to children. Other features include Cloud Shelf, a smart vending machine.



Source: Alibaba Group Holding Ltd, Smart Baby Care Rooms

FIRST PLACE SMART BABY CARE ROOMS

NON-GROCERY WINNERS

By scanning QR codes on the Cloud Shelf, customers can purchase products such as individual diapers and baby formula. Cloud Shelf allows customers to use the Tmall platform and make purchases for home delivery. Payment through facial recognition allows for a handsfree experience. While lactation rooms can be difficult to find, Smart Baby Care Rooms can be easily located using the Gaode Map app.

Smart Baby Care Rooms are transforming the traditional concept of a lactation room, recognising mothers as savvy customers with specific needs. There is an opportunity for this concept to expand in China and beyond.



Source: Alibaba Group Holding Ltd, Smart Baby Care Rooms



NON-STORE WINNERS

THIRD PLACE

Servicios Para Eventos Instaclick Ltda, Bolf — Chile

SECOND PLACE

33, Treinta y Tres — Mexico

FIRST PLACE

Snaga doo, BERT — Slovenia

“Polaroid” vending machine

In mid-2017, a new vending machine, Bolf, emerged in Chile offering customers the ability to print photos from their phones. By connecting to the machine via Wi-fi or Bluetooth, customers can select photos from their mobile phone photo gallery and Instagram accounts to print in traditional polaroid style. Alternatively, customers can take and print a selfie with the vending machine, much like a photobooth.

Located in busy shopping malls, these machines offer a convenient service for the tech-savvy consumer. There are opportunities for similar services to exist around the globe.



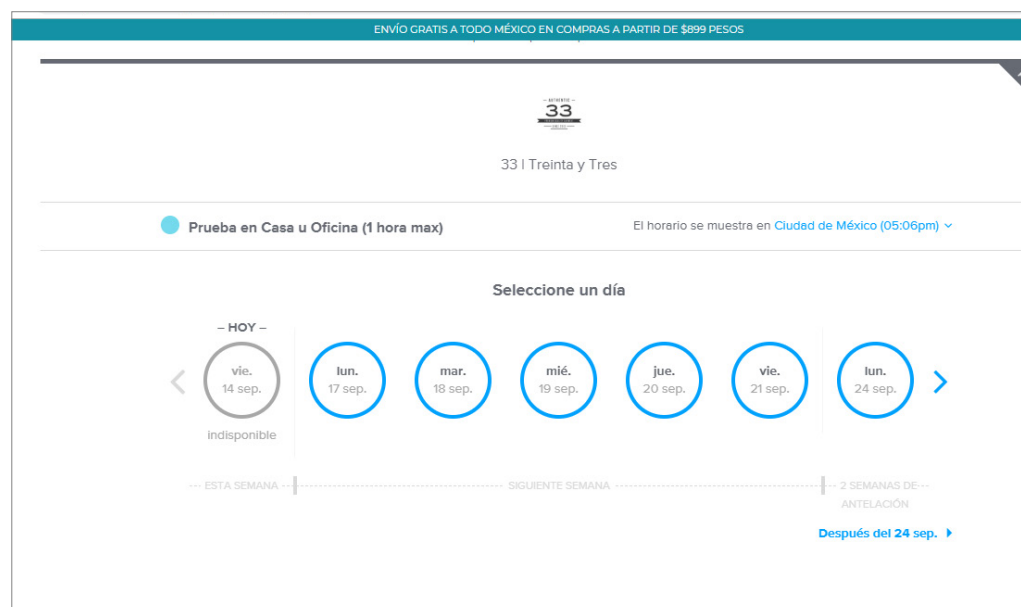
Source: Servicios Para Eventos Instaclick Ltda, Bolf

At home retail appointments

Mexican men's apparel brand Treinta y Tres offers a service for customers to try their products at home. By selecting the “try at home” option on the company website, a representative will show the customer their products and answer questions in the comfort of their home or office.

This new retail model eliminates consumers concerns about online shopping. Customers can try on products before making their purchase, pick what they want, touch the fabrics and see the colours and patterns in person without visiting a store. While saving time, this model also helps the consumer avoid returns and paying associated delivery costs, which Euromonitor's Global Consumer Trends Survey identifies as a major concern for Mexican consumers when shopping online.

While this service is currently limited to the high-income segment in Mexico City, there is potential to expand since people are willing to pay a premium to be in the comfort of their own home.



Source: 33, Treinta y Tres



Source: Snaga doo, BERT

Packaging-free vending

In 2018, a new vending concept launched in Ljubljana, offering consumers a packaging-free alternative for food, home, beauty and personal care products. Consumers can bring their own containers or alternatively buy them on the spot.

The vending machine offers a selection of bio / eco-friendly products including laundry detergent, dishwashing detergent, shampoos without parabens or artificial colours as well as vinegar and pumpkin seed oil. Made by a local family run producer, they contain ecologically sourced ingredients without toxic chemicals. These products aim to reduce packaging waste and the resulting ecological burden on the environment.

FIRST PLACE BERT

NON-STORE WINNERS

As the European Commission encourages circular economy principles and consumers become increasingly concerned about the environment, companies are offering zero waste alternatives. Additionally, cutting packaging costs offers an additional motive for retailers to adopt this concept.

With the growing demand for sustainable products and waste reduction in retailing, packaging-free vending provides a compelling solution. Millennials, a group that is increasingly demanding sustainable business practices, will most likely be the first adopters.



Source: Snaga doo, BERT



DIGITAL WINNERS

THIRD PLACE

Walmart Inc, Walmart — USA

SECOND PLACE

NTUC FairPrice Co-Operative Limited, FairPrice@
SingPost — Singapore

FIRST PLACE

FoodIn, FoodIn Mobile App — Croatia

Refrigerated pick-up kiosks

Walmart Inc, the largest retailer in the world by value sales, is investing in grocery to fight off Amazon.com Inc. Striving to be on the cutting edge of the omnichannel wave in the US, Walmart introduced click-and-collect curbside grocery pick-up. Customers can pre-order grocery items and a store associate loads them into their car.

In August 2018, Walmart enhanced the click-and-collect feature by adding five automated grocery pick-up kiosks at a Walmart Supercenter in Sherman, Texas. To use the kiosks, customers must complete a click-and-collect order using the Walmart Grocery mobile app. A store associate gathers the ordered goods and loads them to the appropriate kiosk compartments.



Source: Walmart Inc., Sherman, TX Walmart Facebook page



Source: Walmart Inc., Sherman, TX Walmart Facebook page

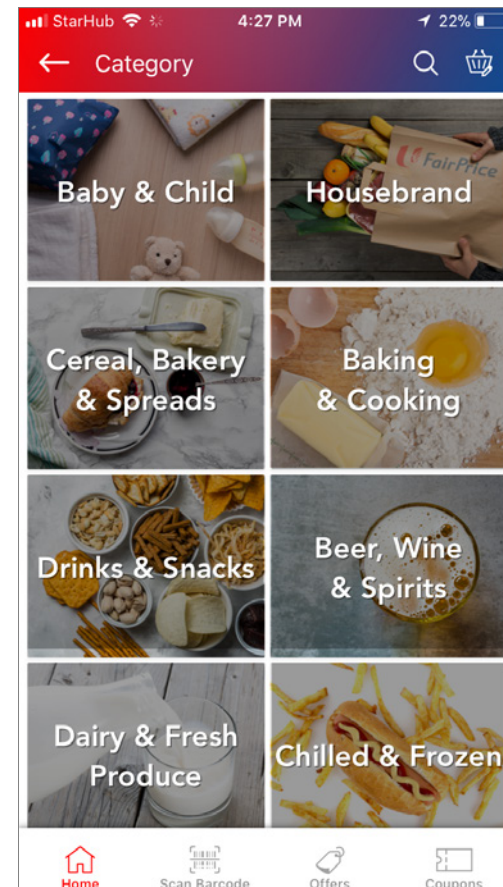
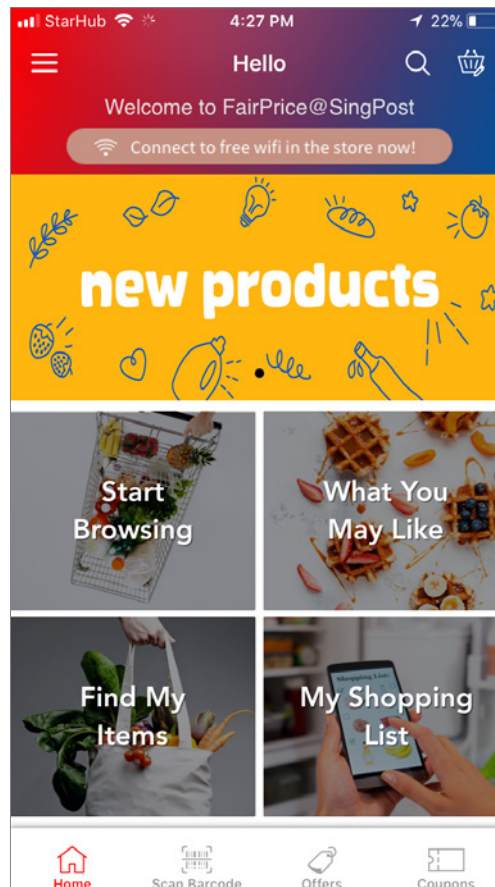
To pick up the order, the customer drives to the designated kiosk at a predetermined time and scans the order bar code. The customer retrieves their order from the vending window without interacting with a Walmart employee.

Grocery retail in North America is moving towards an omnichannel, click-and-collect model. With the explosion of curbside services, automated grocery pick-up is the next step in the retail progression. The round-the-clock access and convenience to a vast selection of inventory prove to an unbeatable combination, especially in suburban areas.

In-store navigation

NTUC FairPrice Co-Operative Limited, the largest supermarket chain in Singapore, introduced a technology-driven supermarket at the SingPost Centre in October 2017. With an aim to test innovative retail technologies in the grocery retailing sphere, the brand created the FairPrice@SingPost mobile app to improve the customer experience and save time.

With FairPrice@SingPost, customers can browse products, create a customised shopping list and locate the selected items in the physical store. It also provides an optimised route through the store and functions as a barcode scanner, allowing for self-checkout. Moreover, the app utilises cloud-based big data analytics to send personalised promotions to target the right shopper at the right time.

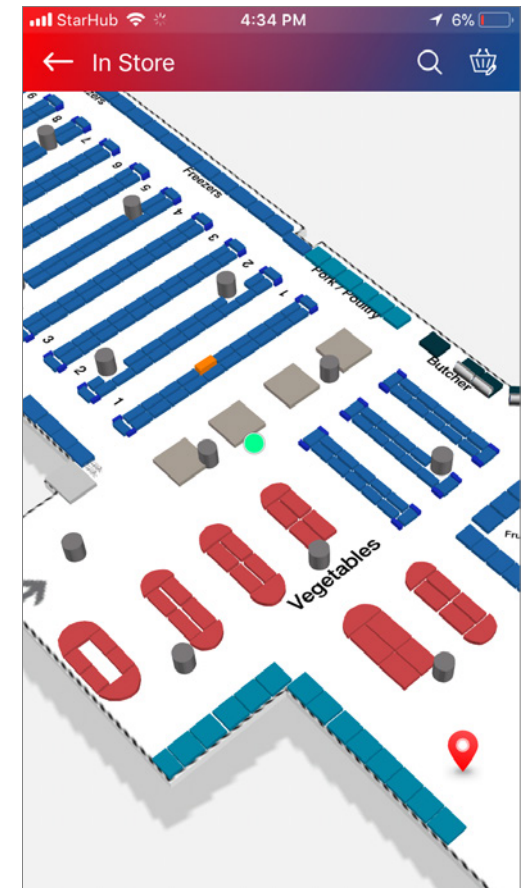
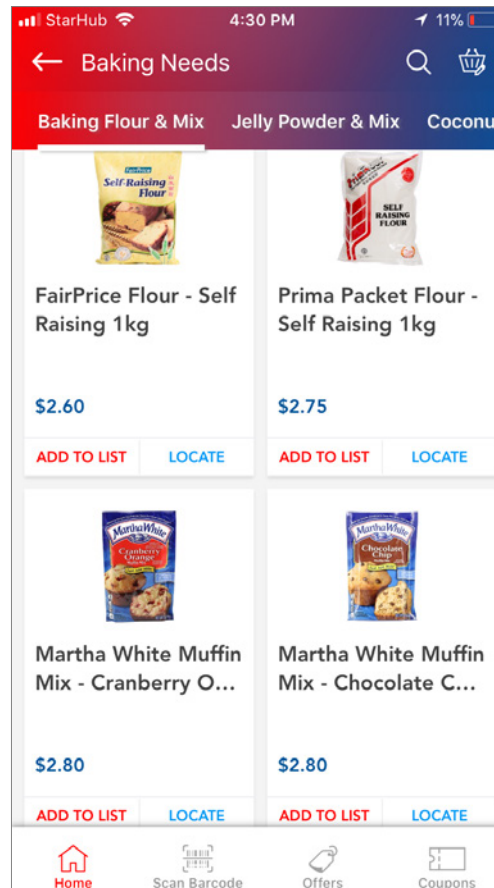


Source: NTUC FairPrice Co-Operative Limited, FairPrice@SingPost

SECOND PLACE FAIRPRICE@SINGPOST

DIGITAL WINNERS

While the app primarily acts as a shopping assistant, it also boosts retailer productivity by shifting labour resources to machine learning data analytics. As customers in Singapore are increasingly seeking a seamless and convenient retailing experience, uptake is expected to start slowly, primarily by younger tech-savvy customers. However, there is potential to expand as consumers across the globe continue to seek time-saving measures for their shopping.



Source: NTUC FairPrice Co-Operative Limited, FairPrice@SingPost

App for recipes, grocery orders, and delivery

Zabreb University students created the mobile app, FoodIn, in an attempt to answer the question, “What shall we cook tonight”? Customers can choose recipes created by the user community. Based on the selected recipe, the app identifies which ingredients need to be purchased, orders the food and arranges for delivery.

This is an excellent example of an all-in-one platform. The app provides recipe inspiration all the way through grocery delivery. The initial target demographic are students. FoodIn will eventually expand to individuals with busy lifestyles or those that lack experience in the kitchen and are looking for a more convenient way to cook at home.

While the app is still a work-in-progress, it is expected to launch soon. Challenges it will face include crowdsourcing recipes and managing partnerships with other businesses. While it remains to be seen how FoodIn will perform, we expect to see more examples of this concept in the years to come.



Source: FoodIn, FoodIn Mobile App

CONCLUSION



The global retailing landscape continues to evolve at high speed. Shoppers' demand for faster, more convenient services at any time through any channel or device continues to accelerate, and retailers across a wide range of global markets are innovating to keep up. Advances made by retailers in each of the four categories covered in this report—grocery, non-grocery, non-store and digital—will continue to spur further innovations as competition rises.

The grocery category polarisation will continue as shoppers' interests in mid-market grocery positions decline. On the high end, grocery retailers will continue to invest in creating premium experiences for their customers. One key area of innovation for grocery retailers is creating transparency in their

supply chain as consumers demand more information about the sourcing of their groceries both for health and sustainability purposes. Moving forward, innovation in the grocery retailing landscape will take aim at reducing environmental impact.

Within the non-grocery category, achieving omnichannel proficiency is an even more significant priority for retailers as the role of the physical store changes to meet evolving shopper behaviour. These stores are becoming a place for experiential shopping while transaction-only purchases continue migrating online due to greater convenience. Retailers offering unique in-store experiences, often enabled by digital technology will be on the rise.

Within the non-store category, retailers are prioritising innovation around convenience and services that were previously lacking. In both developed and emerging markets, customer demand for convenient fulfilment options continues, and retailers in the non-store category are innovating to better serve their customers with varied delivery concepts. The continued evolution and expansion of vending will be a trend to watch.

Within the digital category, innovative concepts continue to be focused on mobile commerce in the context of omnichannel retailing. Empowered by advances in technology and developments in offline retailing, innovations focused on providing seamless and personalised shopping experiences, while integrating both physical and digital realms, are likely to prevail. A continued focus on customer convenience will be the driving force behind developments in the digital category.

HOW CAN EUROMONITOR INTERNATIONAL HELP?



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Our global market research database, [Passport](#), provides statistics, analysis, reports, surveys and breaking news on industries, countries and consumers worldwide. Passport connects market research to your company goals and annual planning, analysing market context, competitor insight and future trends impacting businesses globally. And with 90% of our clients renewing every

year, companies around the world rely on Passport to develop and expand business operations, answer critical tactical questions and influence strategic decision-making.

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GROCERY

Sara Rovai: EatalyWorld Srl, FICO Eataly World — Italy

Xinjiao (Arianna) Zhai: JD.com, 7Fresh — China

Stefan Eichinger: Udea BV, Ekoplaza — Netherlands

NON-GROCERY

Vladislav Kacij: Alza.cz as, Store of the Future — Czech Republic

Ting Huang: AS Watson Group, ckg18 — Hong Kong

Dorrit Chen: Alibaba Group Holding Ltd, Smart Baby Care Rooms — China

NON-STORE

Rocio Guzman: Servicios Para Eventos Instaclick Ltda, Bolf — Chile

Marisol Rauda: Treinta y Tres, 33 — Mexico

Aleksander Brankov: Snaga doo, BERT — Slovenia

DIGITAL

Bob Hoyler: Walmart Inc, Walmart — United States

Deepika Chandrasekar: NTUC FairPrice Co-Operative Limited, FairPrice@SingPost — Singapore

Sasa Vignjevic: FoodIn, FoodIn Mobile App — Croatia