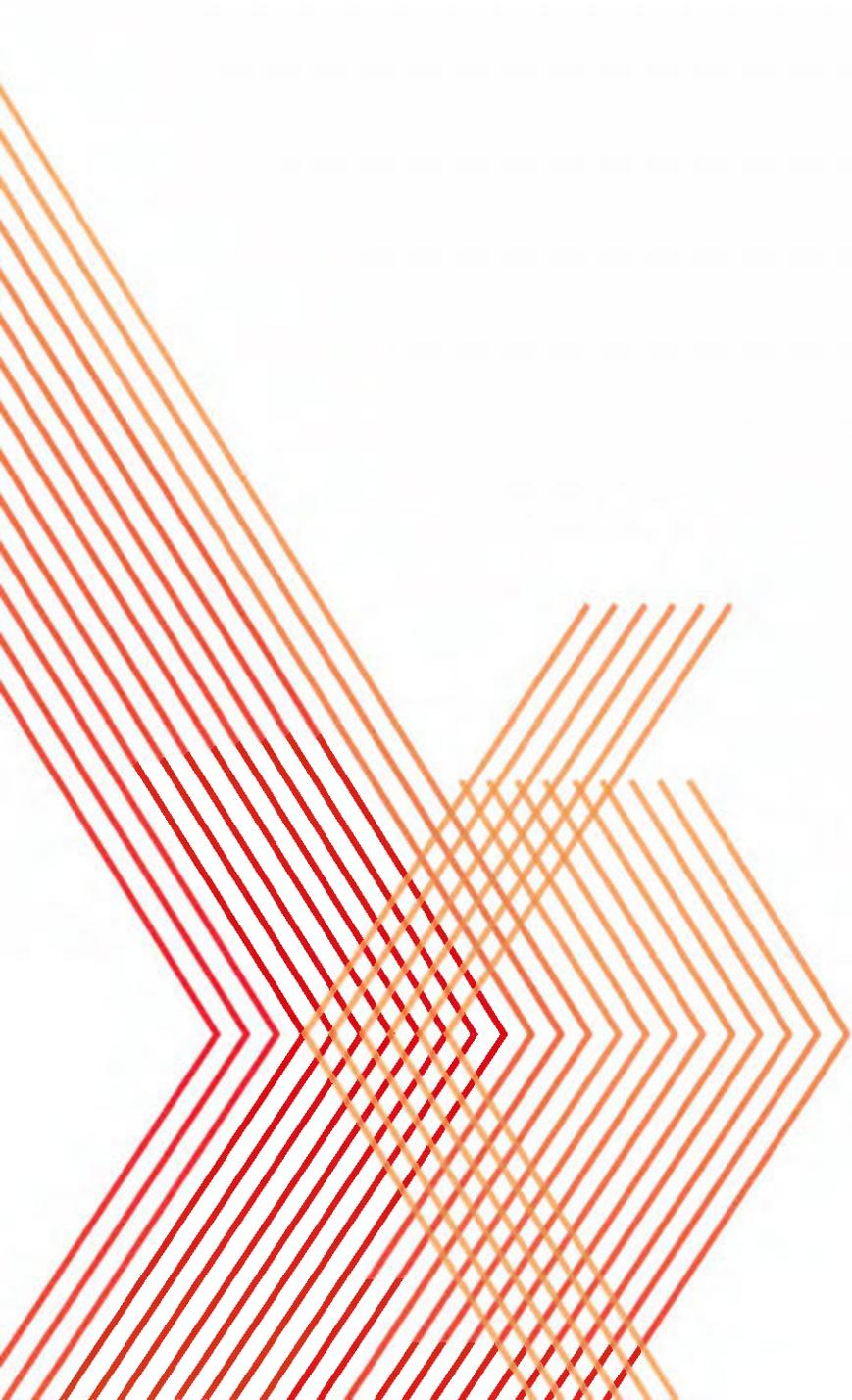




What's New In Retail Edition 4

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 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, with comparative analysis across more than 30 channels in 99 markets worldwide.

“What’s New In Retail Edition 4: Emerging Global Concepts” highlights the evolution and reinvention of the retail environment around the world. Using seven criteria, ranging from innovative omnichannel strategies to hybrid formats, Euromonitor International’s global retailing experts reviewed more

than 100 submissions from our analysts worldwide to identify the 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

Extra, Coop Norge SA — Norway

SECOND PLACE

Colruyt, Etn Franz Colruyt — Belgium

FIRST PLACE

Too Good To Go ApS — Denmark

Mobile app provides 24-hour in-store access

In June 2019, Norwegian operator Coop Norge SA opened an Extra supermarket with technology that allows the store to operate unattended overnight.

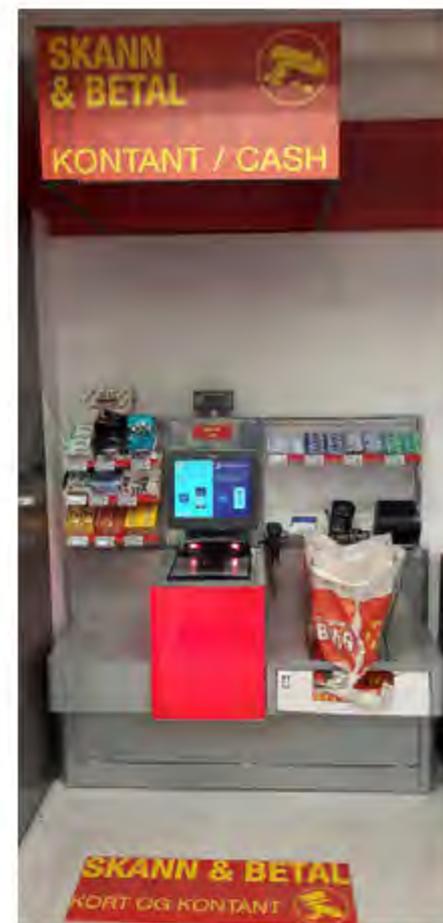
The store operates as usual with employees on duty between 7 a.m. until 11 p.m. Between 11 p.m. and 7 a.m., the store is unattended, but customers can still access the premises using Extra's mobile app. Customers scan a QR code from their mobile app to enter and exit the store during unattended operating hours. For security purposes, the app uses Norway's BankID system for personal identification in order to generate the QR code. Security cameras at the door ensure that only one person per QR code is granted store access.



Upon entry, customers can roam the store, excluding the alcohol aisle, and pay for purchases through self-checkout kiosks.

This retail model gives customers 24-hour access to shop for groceries, even when employees are not physically present. Though pioneered in Asia, the unattended store concept will play a significant role in many European markets where laws and regulations governing retail operating hours are strict due to labour unions. Using a mobile app to give customers access to stores when workers are not on duty helps grocery retailers circumvent these regulations and compete with e-commerce retailers.

Currently, most unattended stores resemble convenience stores in terms of size and product selection, meaning selling space and inventory are limited. This concept is one of the first supermarkets to operate unattended, showing the potential for larger brick-and-mortar retail formats to adopt this technology. As digital and physical continue to merge, remaining accessible to consumers on their time will be more important than ever.



Smart camera identifies produce at checkout

Grocery retailer Etn Franz Colruyt installed smart cameras to identify produce at checkout counters in one of their Colruyt supermarkets in August 2019. The AI-powered cameras work in conjunction with scales to differentiate between 120 fruits and vegetables with 97% accuracy.

These smart cameras help increase efficiency and save time at checkout. Employees no longer need to search for product codes and can continue scanning other items while customers weigh their produce using this technology.



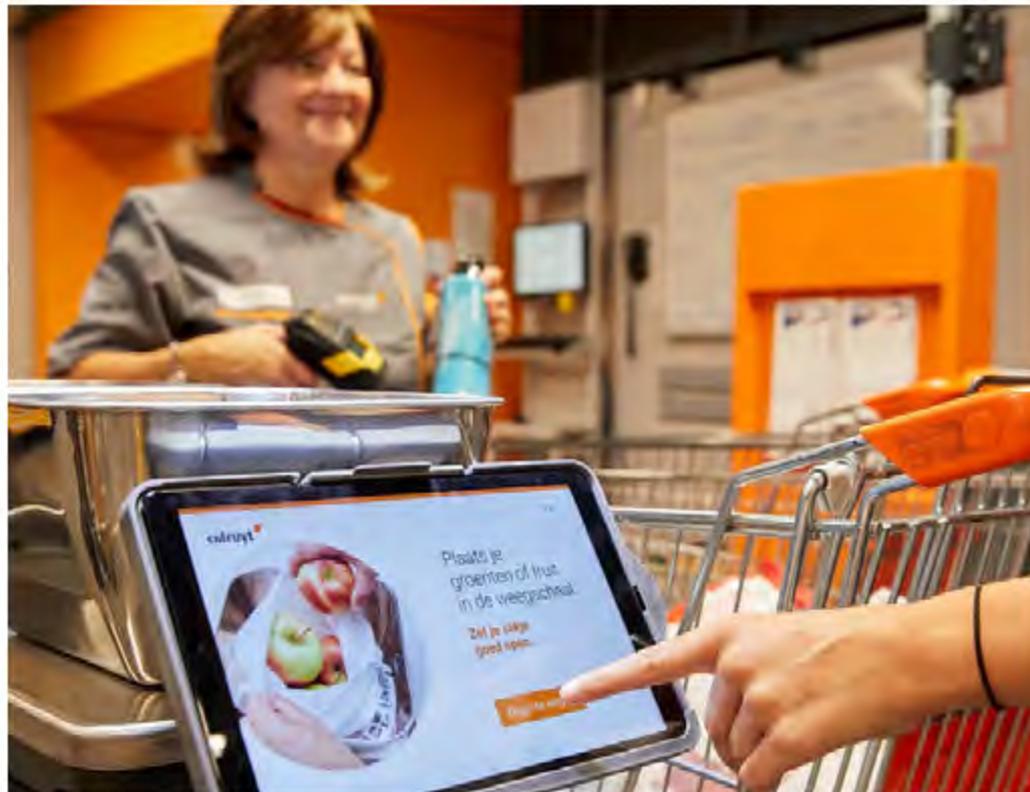
Source: Etn Franz Colruyt

SECOND PLACE COLRUYT

GROCERY WINNERS

This technology also eliminates the need for pre-packaged produce in cellophane or for loose produce to be sorted into multiple plastic bags. The cameras instantly recognise when a reusable bag provided at the store is used, automatically excluding the weight of the bag from the purchase weight.

Grocery retailers continue to integrate the latest technologies like smart cameras to improve efficiency, increase convenience and reduce waste. Looking ahead, similar developments for self-checkout kiosks are expected.



Source: Etn Franz Colruyt

FIRST PLACE TOO GOOD TO GO

GROCERY WINNERS



**Rugbrødschips m.
sesamfrø**
HOUSE OF DENMARK
15,00 kr



Proteinbar m. chokolade
NUPO
6,00 kr



Cashewnødder - Hvidløg
KRAGHS
13,00 kr



Cashewnødder - Chili
KRAGHS
13,00 kr



Edgy Veggie
EDGY FOODS
10,00 kr



Source: Too Good To Go

The quest to reduce food waste

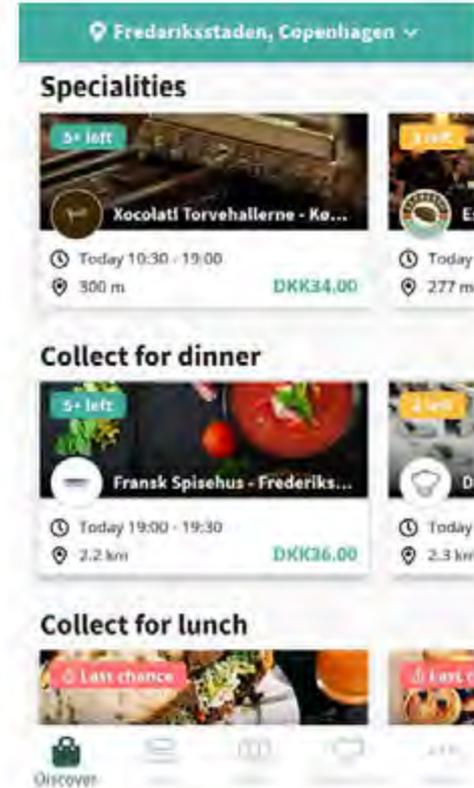
Danish company Too Good To Go ApS, best known for their mobile app that connects consumers with stores that have unsold surplus food, opened their first brick-and-mortar store in August 2018.

The store sells surplus and imperfect groceries at lower prices than marketable items. Products range from craft beer and organic juices to chocolate and spices. In August 2019, Too Good To Go added an online store so consumers can order products offered in their brick-and-mortar location via the app or website.

FIRST PLACE TOO GOOD TO GO

GROCERY WINNERS

A growing portion of the global population is embracing sustainable consumption. These eco-conscious consumers are gravitating towards retailers that promise to minimise waste. Retailers can leverage technology to deliver environmentally friendly solutions across channels that cater to these values.



Source: Too Good To Go



NON-GROCERY WINNERS

THIRD PLACE
Nowpet — Israel

SECOND PLACE
Autsome at Sunway Putra Mall, Sunway Real Estate Investment Trust
— Malaysia

FIRST PLACE
Fashion Connect, Bonprix Handelsgesellschaft mbH — Germany

An automated pet food store

Nowpet is a fully automated pet food store that opened in August 2019. The 40-square-metre outlet is the first unattended store in Israel. Customers must register with their name, phone number, credit card and fingerprint. After registering, customers scan their fingerprint to enter the store and open the large glass display cases to access products. Items are automatically charged to their accounts when removed from the smart shelves.

This concept provides a convenient way to purchase economically priced pet food. Nowpet can offer lower prices due to minimal labour costs associated with the unattended store format. Nowpet also uses shelf sensors to determine which products are purchased or if a product is stolen; these shelf sensors are less expensive than the smart cameras that are



traditionally used in unattended stores. These cost savings for the retailer translate to lower prices for the customer.

Beyond competitive pricing and convenience, this concept moves the unattended store format beyond grocery into other store-based channels. Nowpet serves as an indicator of how other non-grocery retailers could adapt this format in the years ahead.

Autism-friendly shopping experience

In January 2019, Sunway Putra Mall launched the Autsome initiative to advocate acceptance and inclusiveness towards the autism community.

Several facilities are available to provide a better shopping experience for individuals with Autism Spectrum Disorder (ASD), including two sensory walls and a calm room with dimmed lights, sensory toys and noise cancellation headphones. The mall has designated Autism Friendly Shopping Hours from 10 a.m. until 5 p.m. every Tuesday. During this time, music volume is lowered and lights are dimmed to create a calmer ambience. Wristbands are available for customers who might require additional support so employees can easily identify them, and these wristbands also grant access to special offers at selected stores.



Retailers can build robust loyalty, make a lasting impact on society and truly differentiate themselves from their competitors when social responsibility and inclusion are core values.



Source: Bonprix Handelsgesellschaft mbH

Next-gen apparel retailer uses digital for seamless in-store shopping

Bonprix, a leading e-commerce player in Germany, opened Fashion Connect in February 2019.

The women's apparel outlet combines digital and physical retail to provide a fully integrated app-based shopping experience in store.

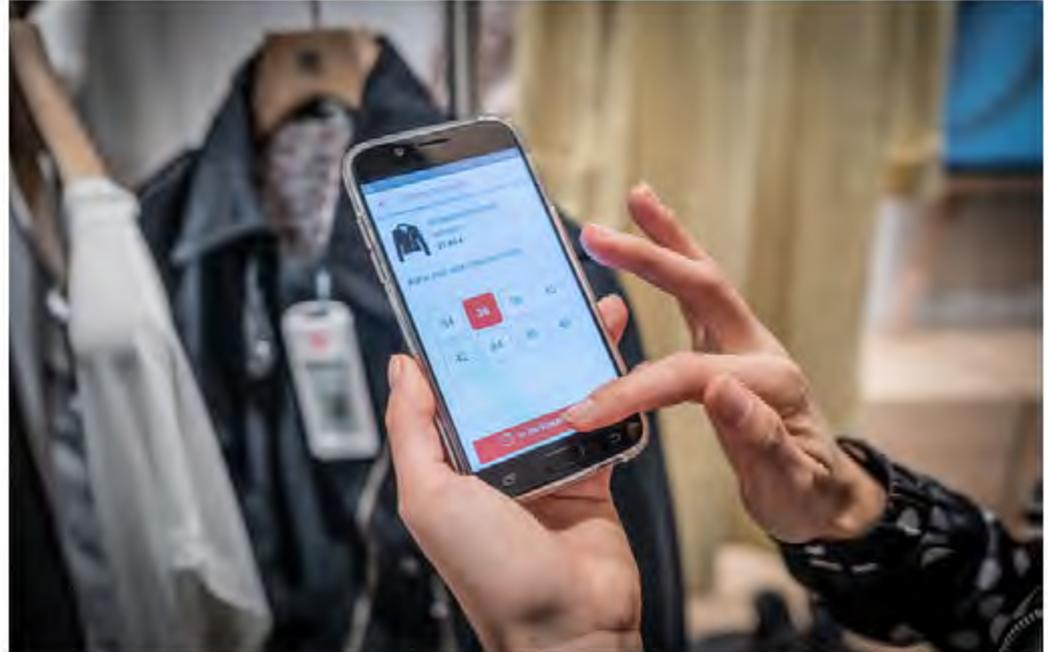
After checking into the store via the Bonprix mobile app, customers scan products, choose sizes and place the items in their digital shopping cart.

FIRST PLACE FASHION CONNECT

NON-GROCERY WINNERS

Once all items are selected, customers request and are assigned fitting rooms via the app where their products are ready to try on. Smart mirrors and integrated wardrobes allow consumers to choose different sizes and styles without having to leave the fitting rooms. When the customer is done trying items on, their cart updates automatically with the items they plan to purchase in the Bonprix app.

This customer-oriented model avoids drawbacks often associated with apparel retailers, including long wait times and overwhelming product selection. In this concept, smartphones become the retailer's tool, assisting and enhancing the shopping journey. Innovative e-retailers are experimenting with different omnichannel strategies, blending online and offline spaces for a seamless experience.



Source: Bonprix Handelsgesellschaft mbH



NON-STORE WINNERS

THIRD PLACE

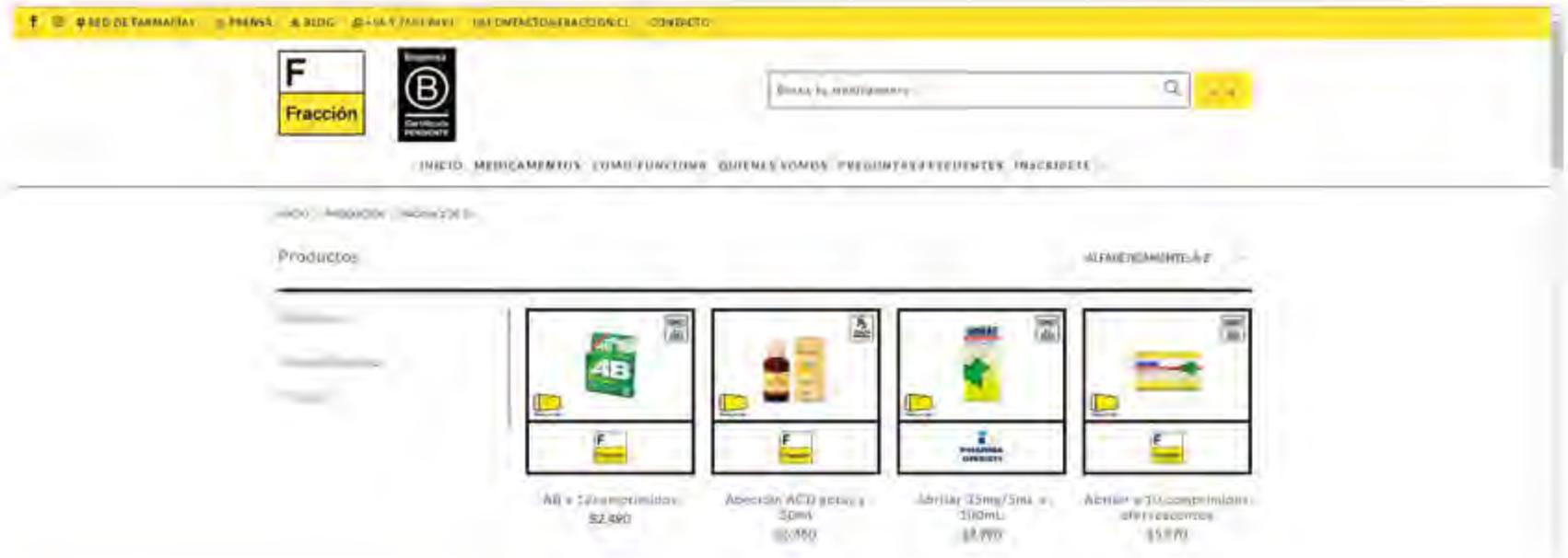
Fracción, Algramo — Chile

SECOND PLACE

Every Pass, acure, JR East Water Business Co Ltd — Japan

FIRST PLACE

Rebake, Quagga Inc — Japan



Source: Fracción

Online-only pharmacy

Fracción is an online-only pharmacy where consumers can order over-the-counter and prescription medications for delivery to their homes or for pick up from a nearby independent pharmacy within 24 hours.

Fracción offers competitive and transparent prices, partners with independent pharmacies and enables consumers to purchase smaller doses of medications. Consumers can purchase the exact amount of medicine needed, reducing packaging and waste and saving money as a result.

In the age of digital health and the rise of prevention over treatment, consumers are relying on the internet to search for the most effective medications and make their purchases, bypassing in-store and in-person consultations. Pharmacies are employing new models to remain accessible and respond to consumer demand for convenience.



Source: Fracción

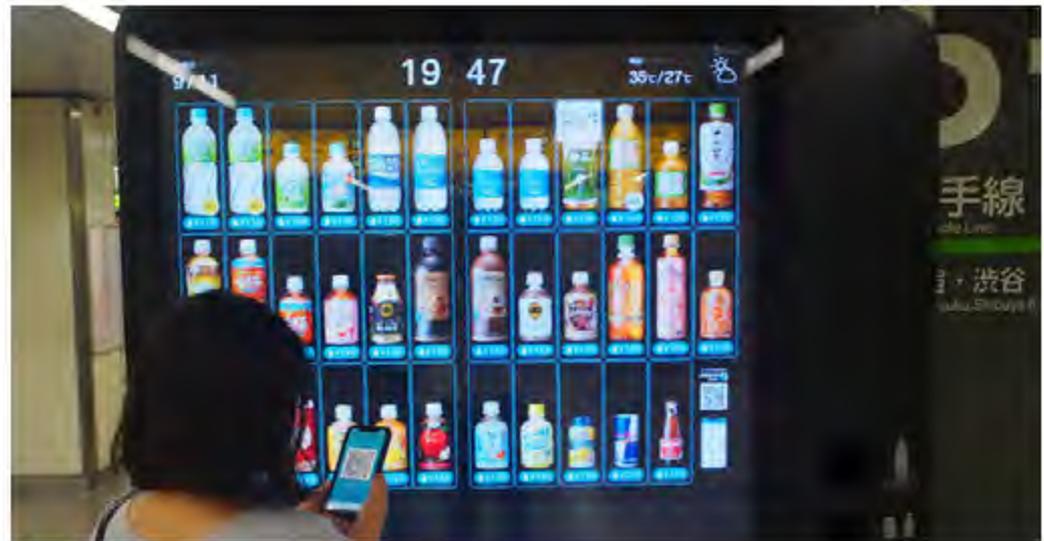
Subscription service for vending machines

In October 2019, Japanese vending retailer acure began piloting the country's first vending machine subscription service, Every Pass, in JR East train stations.

The service offers two subscription plans that allow customers to select one beverage per day from the vending machines. Subscribers can choose one acure brand drink per day for US\$9 per month or one drink from any brand per day for US\$23 per month. Using acure's app, consumers can pre-order their drinks while commuting and pay on arrival at the station with a QR code.

Every Pass offers benefits to both the consumer and retailer. While the upfront monthly fee might seem expensive, the cost is lower than

purchasing individual beverages daily. Centred around commuters, the vending subscription offers time savings to on-the-go consumers. For retailers, subscription models help increase brand loyalty, especially in vending where the machine does not typically play a significant role in the customer's purchase decision. Most subscription models involve monthly or weekly deliveries, but there are opportunities for these services to be applied to less expensive items purchased on a more frequent basis.





ロスパン 8人份
低温長時間発酵のおまかせパンセット
Bakery BREAD&GLASS ¥1,500
¥2,500



ロスパン 8人份以下
おまかせたっぷりパンセット ※送料込み
東京包パン Boulangerie pain ¥1,000
¥4,000



ロスパン 8人份以下
柔らかな歯ごたえに待ってねセット
天然パン工房 株式会社 ¥1,000
¥2,000



おすすめセット
季節の手捏ねおまかせパンセットA
ATELIER SAINTE ¥1,500
¥2,000

新着お取り寄せパン

rebakeでしか出会えないパンをみつけよう。



おすすめセット
おすすめの10点セット
こもごも-BAGEL & COFFEE ¥4,000
¥2,500



ロスパン 8人份以下
OZのこだわりパンセット
BREADPLANT OZ ¥1,500
¥2,000



ロスパン 8人份以下
キニニョンの生クリームスコーン15個 お試しセット
キニニョン ¥1,500
¥2,160



ロスパン 3人份以下
ル・トレフルのおまかせパンセット
BOULANGERIE Le・trefle ¥1,000
¥1,800

Source: Rebake (Quagga Inc)

An online bakery marketplace

Rebake is an online marketplace connecting consumers to more than 100 brick-and-mortar bakeries across Japan.

Launched in December 2018, Rebake offers bakeries a platform to sell their leftover bread and other baked goods at a discounted price to help reduce food waste. Consumers sign up to a waitlist to purchase their preferred frozen leftover bread. The platform also lets customers know the amount of food saved from their order. For example, one order saved 3.75 square metres of a wheat field.

FIRST PLACE REBAKE

NON-STORE WINNERS

Although it's common for bakeries in Japan to sell leftovers at a discount, Rebake is the first platform that expands the potential customer base from a local to a national level. Rebake's online retail model also helps reduce food waste, appealing to eco-conscious consumers.

Consumers are looking for convenient solutions to improve their consumption patterns and reduce their impact on the environment. As a result, online business models are emerging that embrace the prevention of food waste as a core business value.





DIGITAL WINNERS

THIRD PLACE

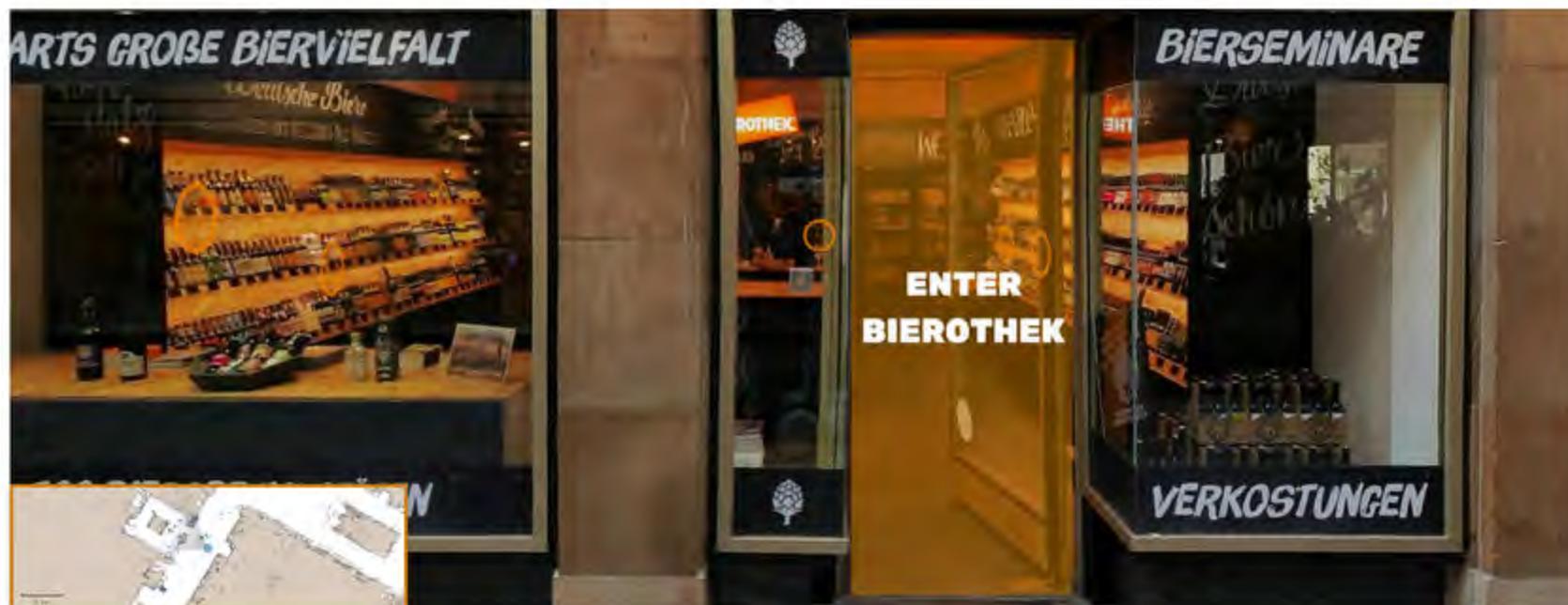
CUUUB, Acameo GbR — Germany

SECOND PLACE

Trendmatch ApS — Denmark

FIRST PLACE

Reima Play, Reima Oy — Finland



Source: Copyright CUUB/Acameo

3D shopping with virtual reality

In 2018, German digital communications company Acameo launched CUUB, a virtual reality e-commerce solution that offers an innovative 3D-shopping experience.

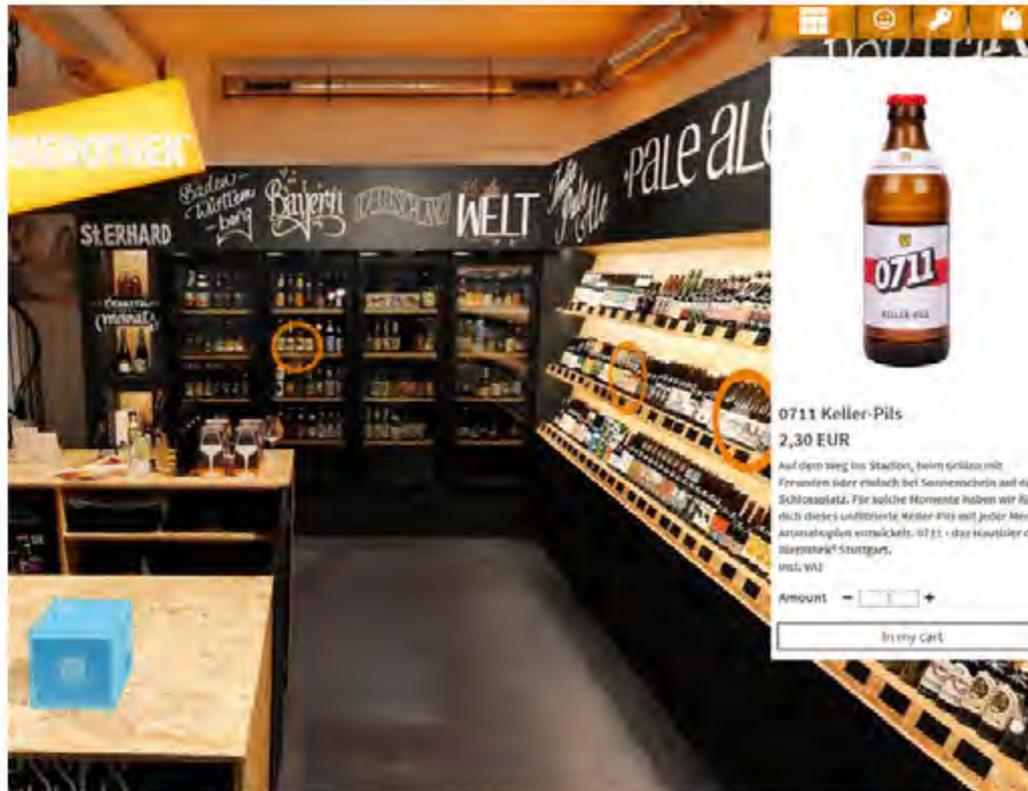
CUUB brings brick-and-mortar retailers to life online, using technology to map store layouts and replicate physical outlets in a digital environment. Online shoppers use on-screen indicators to navigate a 360-degree virtual store, similar to Google Street View, and can access product information via image, text and video. A social chat module allows friends from around the world to shop together without leaving the comfort of their homes.

THIRD PLACE CUUUB

DIGITAL WINNERS

CUUUB also creates virtual shopping malls where consumers can complete purchases from multiple stores through a single transaction.

Retailers need to stand out in a crowded market to engage and retain customers. Several players are using the latest technologies like virtual reality and artificial intelligence to create new interactive experiences. This immersive shopping environment helps retailers differentiate themselves in the saturated e-commerce market.



Source: Copyright CUUUB/Acameo

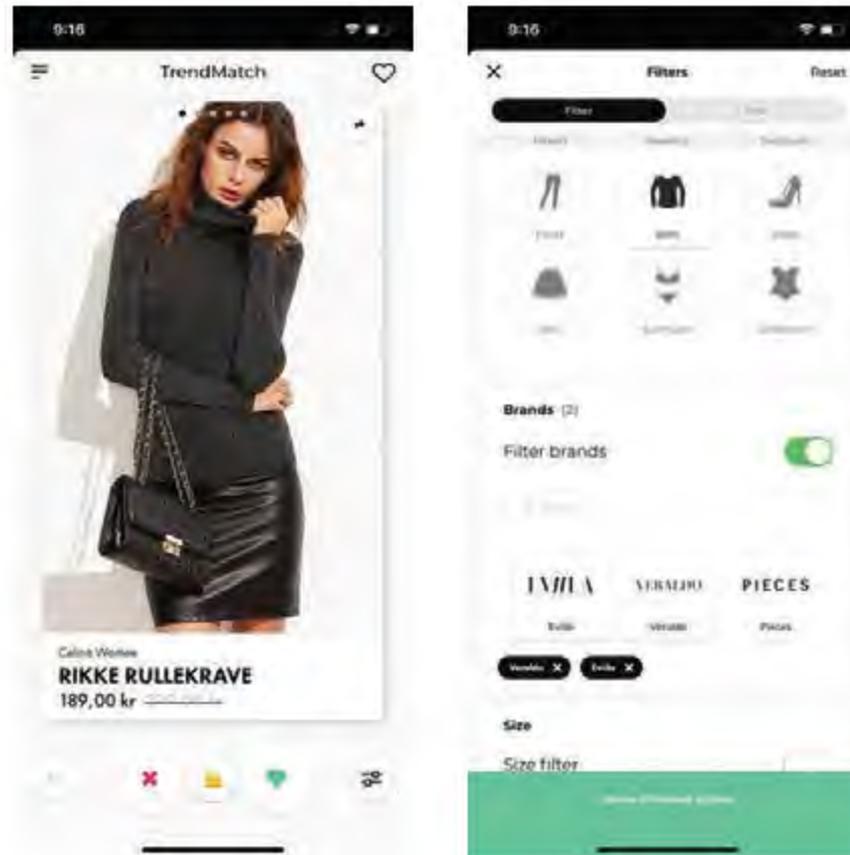
SECOND PLACE TRENDMATCH

DIGITAL WINNERS

Swipe-to-shop apparel app

Launched in November 2018, Trendmatch is an app that uses a swipe-to-shop interface, similar to dating apps like Tinder, to simplify apparel shopping.

The app allows customers to browse and purchase items from multiple retailers, but presents only one item at a time, alleviating choice overload. Consumers swipe left, if they do not like the item shown, or right, if they do. Products swiped right are saved and can be purchased in a single transaction. The Trendmatch app features products from several retailers, allowing customers to compare various brands and prices.



Source: Trendmatch

SECOND PLACE TRENDMATCH

DIGITAL WINNERS

Consumers face a lot of choices when shopping and can be overwhelmed by product selection. As smartphone penetration and e-commerce growth continue to challenge traditional retailing strategies, services that create an engaging mobile shopping experience and help consumers navigate the online marketplace will help retailers stay ahead of the competition.



Source: Trendmatch

Clothing subscription for children with resell option

Finnish childrenswear company Reima launched a new service, Reima Play, in March 2019.

Members pay a monthly fee to receive hand-picked childrenswear three times per year for different seasons. As part of this service, Reima partnered with secondhand online retailer Emmy to provide customers with a resell option. Once clothes are no longer needed, customers can send the items directly to Emmy to resell.

Children outgrow clothing quickly, and Reima Play's resale option provides an eco-friendly solution for consumers who are concerned about the impact this has on the environment. This service also caters to time-constrained parents who want to dress their children in fashionable clothes, but do not have time to hand-pick their wardrobe.

Retail concepts are emerging that offer new solutions to mitigate waste. Resale models play a big role, allowing consumers to reduce their ecological footprint, while keeping up with the latest fashion trends.



Source: Reima Oy

CONCLUSION



Retailers around the world are improving their strategies, implementing different business models and developing new concepts to keep up with changing consumer preferences.

Demand for faster, more convenient services across channels and devices continues to accelerate. Integrating the latest technology to improve in-store efficiency and the shopping experience is a key area of innovation. Unattended commerce will continue to expand across markets and channels in the coming years.

Environmental consciousness and social inclusion are becoming mainstream. Consumers want to purchase

from and support companies that take action to implement positive change and align with their values. Moving forward, retailers who incorporate corporate social responsibility into their business models stand to gain ground.

Achieving omnichannel proficiency is an even more significant priority for retailers, especially as the role of the physical store changes and smartphone adoption increases. Brick-and-mortar stores are becoming a place for experiential shopping, but consumers are also looking for an equally engaging experience online.

CONCLUSION

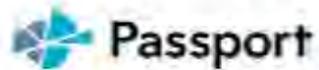
Convenience has been the driving force behind developments in digital retail, but connecting with consumers and creating an immersive experience are now equally important. Innovations focused on merging physical and digital realms for a seamless and personalised shopping journey will likely prevail.

Advances made by retailers in each of the four categories covered in this report — grocery, non-grocery, non-store and digital — will prompt further innovations as competition intensifies. Retailers will continue integrating the latest technologies into their brick-and-mortar stores, apps and websites, blurring the lines between different channels even further.

HOW CAN EUROMONITOR INTERNATIONAL HELP?

Euromonitor International is a global market research company providing strategic intelligence on industries, companies, economies and consumers around the world. Comprehensive international coverage and insights across consumer goods, business-to-business and service industries make our research an essential resource for businesses of all sizes.

Learn more about our products.





GROCERY

Gwenael Gouerou: Extra, Coop Norge SA
— Norway

Alfredo Zucchi: Colruyt, Etn Franz Colruyt
— Belgium

Henrik Hamer: Too Good To Go ApS
— Denmark

NON-GROCERY

Danielle Margolis: Nowpet — Israel

Callie Oh: Autsome at Sunway Putra Mall,
Sunway Real Estate Investment Trust
— Malaysia

Maxim Hofer: Fashion Connect, Bonprix
Handelsgesellschaft mbH — Germany

NON-STORE

Jorge Zuñiga: Fracción, Algramo — Chile

Tatsunori Kuniyoshi: Every Pass, acure, JR East
Water Business Co Ltd — Japan

Yuri Gorai: Rebake, Quagga Inc — Japan

DIGITAL

Maxim Hofer: CUUUB, Acameo GbR
— Germany

Henrik Hamer: Trendmatch ApS — Denmark

Pasi Hannonen: Reima Play, Reima Oy
— Finland



GROCERY

The grocery category includes all store-based retailers primarily selling food, beverage and / or tobacco. Grocery retailers include convenience stores, supermarkets, hypermarkets, discounters, forecourt retailers and traditional grocery retailers (e.g. independent small grocers and food / drink / tobacco specialists).

NON-GROCERY

The non-grocery category includes all store-based retailers whose primary focus is selling merchandise that is not food, drink and / or tobacco. Non-grocery includes apparel and footwear, health and beauty, home and garden and leisure and personal goods specialists.

NON-STORE

The non-store category includes retailers selling goods to the general public for personal or household consumption from locations other than store-based retail outlets, kiosks, market stalls or street vendors. Non-store includes direct selling, homeshopping, e-commerce and vending.

DIGITAL

The digital category does not refer to specific channels; instead, this new category focuses on apps, websites and other digital technology launched by grocery, non-grocery and non-store retailers.