REVIEWING THE KEY LESSONS AND INSIGHTS FROM THE 2016 WORLD RETAIL CONGRESS

IN PARTNERSHIP WITH

OFFICIAL EVENT PARTNERS

FIVE STAR SPONSORS ****

BRUGHT TO YOU BY
INTRODUCTION

With retailing facing unprecedented challenges from both the external conditions and the rapid transformation to the digital world, it was always going to be unclear what mood retailers would be in when they met at the 10th World Retail Congress. The answer was that whilst the record number of attendees – close to 1,500 – were realistic about those countless challenges, they also demonstrated a determination to seize the opportunities that were now on the horizon.

Taking place in Dubai for the first time, a location which Brad Davis, the CMO of Opus Bank described as “the globe’s laboratory of retail”, it provided the perfect backdrop to inspire delegates.

The Congress theme of “Attracting and engaging the modern customer” also proved to be the perfect catalyst for the discussions and presentations. Over three days, more than 140 speakers tackled a wide range of topics that all focussed on how retailing is and has to change if it is going to be able to serve the needs of its customers today and tomorrow. This special digital publication produced by the Congress, aims to bring together many of the highlights from the programme; the key points to takeaway; memorable quotes and insights and links to reports and video clips of speakers.

We hope that this proves to be a valuable record of the 2016 World Retail Congress which helps continue the discussions and future thinking within your business. And we look forward to welcoming you to the 2017 Congress in Dubai on April 4-6th.

“..."Attracting and engaging the modern customer" also proved to be the perfect catalyst for the discussions and presentations."

Ian McGarrigle, CHAIRMAN | WORLD RETAIL CONGRESS
THE RETAIL CEO’S AGENDA

Each year, the World Retail Congress partners with the Australian Consumer, Retail and Services research unit at Monash Business School to survey retail leaders around the globe for their thoughts on current business priorities. It has proved to be a valuable curtain-raiser to the Congress and helps set out the main topics on the retail boardroom agenda.

The speed with which global events have impacted retail is underlined by the 2016 Global Retail Index survey produced for the World Retail Congress.

In just seven months since the 2015 survey was concluded, the uncertainties in the world’s economies, stock markets and commodity prices coupled with major factors such as terrorism, US presidential elections and a UK “Brexit” European referendum are unsettling retail and consumer confidence. Our survey shows that the headline figure for business confidence has dropped from 1.3 to 0.9 in 2015 to 2016. Western Europe remains one of the least optimistic regions.

Retail leaders rank consumer confidence as broadly in line with last year’s survey.

In pure retail trends, the survey is also stark in showing the rapid move towards mobile and digital overall. More than half (57%) of respondents now place social media as the strongest channel of influence.

60% also say that they as retailers feel more in the spotlight as a result of social media – a big jump from last year’s survey which put the figure at 39%.

Even more telling is the forecast for the next 2 years. A massive 89% of respondents saw big growth in online and mobile sales. How this is feeding through to the biggest retail boardroom priorities can be seen by the top issues highlighted by respondents.

These were:

• Customer loyalty
• The online channel growth
• Product development
• Mobile channel growth
• International growth

“There could be a ceiling on oil prices of around $50-60 per barrel which will help suppress inflation.”

Dr Ira Kalish,
CHIEF GLOBAL ECONOMIST | DELoitte

Echoing many of the sessions during the Congress, when retailers were asked to summarise the one word that motivates consumers today, the most popular were: convenience; personalisation; experience; value; engagement and newness.
DIGITAL CANNOT BE BOUGHT. IT’S NOT A GADGET. WE ACTUALLY THINK IT’S MORE OF A MINDSET.

William Kim
CEO | ALLSAINTS
THE RETAIL CHALLENGE

There can be very few retailers who aren’t aware that we are moving to an “omnichannel” world. In many ways, that is the easy part. The hardest part is in knowing what that journey looks like and how to prioritise the key steps. Many of the speakers at the Congress tackled this head-on and shared their own experiences and insights.

A consistent theme across many keynotes and panel discussions was the clear view that retailers had to put “change” at the heart of their whole thinking and mindset. Yes, consumers are adopting new technologies and new channels and yes there will be new technologies over the horizon. Before becoming focussed on too much of the detail, retailers need to take a different approach to the business and to decision-making. That is to accept that nothing will be as before and that retail leadership going forward is all about challenging all today’s norms.

For Spencer Fung, CEO of Li & Fung, this is about adopting zero-based thinking, to re-set all aspects of the business all of the time. William Kim, CEO of All Saints set out the transformation of the business and how he is leading a new team at the international fashion business to be fit for the digital age. At the heart of this new strategy he said he asked the question: “why is it that global societies are outpacing companies on internet adoption?” And from this he asked: “how can we remain relevant in 2020?”

The All Saints strategy is to model itself as a digital company and to build, nurture and own all of the functionality and writing of code as well as designing and producing the product.

Bernie Brookes, CEO of Edcon, gave an opening keynote address on retail’s challenges. He said that retailing is very different today, but dismisses the notion that it will not be able to compete in the online world. “It thrives because it adapts and retailers will change the model,” he said.

What are the key areas every retailer should focus on? According to Bernie, he identified them as being:

**Globalisation**
Barriers have been taken down so you can go anywhere around the world, helped by the internet

**Price focus and value**
As a common denominator

**Personalisation and customisation**
I want something that is for me

**Concentrate on the digital world**
Using the data to make good decisions around targeting the customer

**Understanding the importance of people**
Who can make a difference

**Having something new and unique**
That makes you stand out

**Revitalisation of traditional space**
Such as department stores

**To never forget**
You are part of the community

Jerry Storch, CEO of fast-growing Hudson’s Bay Company, gave a spirited keynote arguing that stores not only have a future but can win out over pureplay.

**KEY POINTS:**
Real estate is not redundant:
There can never be too much great real estate.

The internet is not killing store-based retailing
90% of retail sales still through stores
The huge cost of delivery makes most pureplay retailing unprofitable

The future does not belong to internet-only companies.
The internet is for everyone and because the core skills of retail remain the same, if applied well, will win-out

The internet is transformational not transcendent.
Stores matter because of locality, physicality, service, immediacy.
Done right, shopping in stores is fun and it’s social
To succeed, you need to keep spending money.
Stores have to be beautiful or else people simply won’t come

Retailing is very different today. It thrives because it adapts and retailers will change the model.

Bernie Brookes, CEO | EDCON
How should retailers attract and engage the modern customer? That was the theme of the 2016 World Retail Congress. The answer, which came across time and again, was that retailers had to create new and unique experiences to win over the consumer.

To understand customers, retailers know that they need to analyse and interrogate their data. Data is immensely powerful. But many speakers mentioned that there is something more powerful than data and that is emotion. To be able to have great people in your business who can understand and connect with customers is increasingly important. Building on this, is the ability to create many opportunities to have positive engagement with the customer and often through delivering an experience.

When asked to summarise in just three words how they see the key themes for senior retailers to focus on they each chose the following words: Nimble, agile, collaboration (Richard Simonin)
Innovation, focus, service (Solomon Lew)
Experience, fun and peace (BS Nagesh).

Retail author, Martin Butler, who chaired a special panel on customer engagement with Brad Davis of Opus Bank and John Gillam, the CEO of Bunnings, stated that: “You need emotional edge – it’s the only thing you can own and that’s why it’s so important”.

Brad Davis said that “we are in an age of engagement and never have there been more ways of doing that”.

Customers have information at their finger tips but we only have information from yesterday.

BS Nagesh, VICE CHAIRMAN | SHOPPERS STOP

Retailers need to remember MBWA - management by walking around

Solomon Lew, CHAIRMAN | PREMIER INVESTMENTS LIMITED

From bricks and mortar to online, all speakers agreed that customers are looking for reasons to shop when they increasingly don’t “need” anything. Patrick Bousquet-Chavanne, the Executive Director of Marketing and International at Marks & Spencer presented on how they are developing a new level of customer loyalty with the Sparks card. This looks to deliver personalised experiences and offers as rewards for customers.

Much has been written about the declining importance of the store in a digital age. But the store does remain important and can deliver real engagement and experience if re-imagined. The panel of retail veterans on day two of the Congress reinforced that very point. Richard Simonin, the Chairman and CEO of Vivarte said that real merchants never stop visiting stores in order to understand what is working and what isn’t. Solomon Lew called it MBWA – management by walking around.

A panel of major names from the world of luxury discussed how the sector is having to adapt to a potential slow-down and a new, more fickle millenial consumer.

The panel included Daniel Plette, chairman of L Capital, Patrick Chalhoub, Joint CEO of the Chalhoub Group, Paolo de Cesar, CEO of Printemps and Thierry Andretta, CEO of Mulberry.

Acknowledging that there is a slow-down in luxury, Paolo de Cesar said that there is a shift from luxury product to luxury experiences. High net worth customers are happy to spend as much money as a Gucci bag on dinner at a top restaurant because it delivers a great experience. As retailers he said that we have to look at how we can create those moments in store. He believes this is why multi brand stores have a great opportunity.

“Luxury has great days in front of us but we just have to adapt and work out how to tackle a new customer and new generation,” said Patrick Chalhoub.

Luxury has great days in front of us but we just have to adapt and work out how to tackle a new customer and new generation.

Patrick Chalhoub, JOINT CEO | THE CHALHOUB GROUP

Transforming luxury: new dimensions and directions. Click on the link to view

It's not about us, it's all about them. Winners are customer obsessed. Click to view
WHAT’S THE FIRST PAGE OF MY BOOK? IT’S HERE TODAY, 30 YEARS AFTER I STARTED, HONoured FOR BEING A SHOPKEEPER

Jo Malone, FOUNDER | JO LOVES
PASSIONATE ABOUT BRANDS

Retailing is dominated by strong personalities that have created international brands and businesses. This year’s Congress welcomed a number of global brand leaders. And passion was the quality that linked them all.

Jo Malone, who created Jo Malone London before selling the business to Estee Lauder and is now building her new Jo Loves brand, gave an inspirational address to Congress delegates. She told the story of how she had built the brands and how passion and creativity are her core drivers. There were plenty of mistakes along the way and she admitted that in launching her new brand, certain things didn’t work. “But you still have to keep trying”.

Tommy Hilfiger was also passionate about the vision he had for his brand. “I wanted to create new American classics - to take the old and make them really fresh and new,” he said.

But when he launched, there was already some big name competition. This clearly didn’t shake his conviction saying that “every Mercedes needs a BMW and every Coke needs a Pepsi”.

Asked how he has maintained the brand’s status he said: “A brand is like a living thing you have to nurture it, push it forward, renew it, create a unique point of view, surprise the consumer, think ahead of the consumer and give them something new. Provide the customer with what they don’t know they need.”

Digital doesn’t change the fundamentals of shopping. It’s just where it takes place and how. 16 year old acts as a result of something they’ve seen on social media.

Paul Delaoutre, President of Retail at Al Futtaim stated that social commerce – sales generated by social media – are now estimated to be worth $30 billion.

Eric Tholome, Google’s Product Management Director, told delegates that in this connected world, you have to be present wherever and whenever someone is shopping. This definitely requires a mindset shift for many retailers. “We no longer go online, we live online,” he explained.
THE HARDEST THING IS TO MAKE THE CASE FOR CHANGE WHEN TIMES APPEAR TO BE GOING WELL

Arthur Martinez, CHAIRMAN | ABERCROMBIE & FITCH
THE DNA OF THE FUTURE RETAIL LEADER

In an industry facing unprecedented change, how will future retail leaders differ from today’s? Using exclusive research, a special panel discussed the likely scenarios.

Over the last 12 months, the World Retail Congress and retail executive search consultancy, Green Park, have been interviewing over 100 CEOs, Chairmen and retail rising stars. The aim was to understand what current retail leaders believed the key qualities for today’s CEOs need to be and then ascertain what they believed those qualities will need to be by 2020 and beyond. This special report: The DNA of the future retail CEO, was published at the World Retail Congress in Dubai. Its stark finding was that in the view of those interviewed, many of today’s CEOs do not meet the requirements of the job and are “not fit for purpose”.

More importantly, they believed there are a limited number of potential future CEOs coming through the business simply because the looming skills gap is not being understood or tackled.

Some of those participating in the research came together to discuss the findings. Led by Paul Charron, chairman of American Apparel, the panel also included Steve Baggi, co-founder of Green Park, Andrea Weiss, founding partner of The O Alliance and Liz Evans, CEO of Oasis and Warehouse.

Steve shared some of the key findings of the report including the fact that the majority of today’s leaders came via the store operations of buying and merchandising functions. The majority of CEOs have also grown up in the retail industry with very few coming from outside the sector. And the majority are male (97% based on UK, European and US analysis).

The analysis of future skills required placed knowledge of digital, data and international experience above product knowledge. This led Paul Charron to speculate: “does this foreshadow the impending death of the merchant prince?”

Liz Evans and Andrea Weiss said that what was clear was that the industry needed more change agents – those that were brave enough to question existing norms, see a new path and then have the tenacity and collaborative approach to lead teams forward.

“We need to be more like digital companies and have flatter structures and faster decision making,” said Andrea Weiss.

“Retailers need to act more like digital companies.”

Andrea Weiss, FOUNDER | THE O ALLIANCE
MAPPING THE FUTURE

The final day of the 2016 Congress brought together a series of visionaries and disruptors to provide valuable pointers towards the next trends retail leaders need to embrace or prepare for.

In many ways, the future is with us already. The future is going to be mobile and the trends and established here and now.

Consumers are connected as never before and mobile is the enabler. As Eric Tholome of Google stated, retailers now have to be present wherever and whenever someone is shopping. Many regard the future as a threat to the long-established retail model and Eric Tholome stated that there had been a 57% decline in foot traffic in the US over the last five years. However, this contrasts with an increase by 2.6 times in the value of store visits. The reason being that today’s consumers have researched and planned their visits. 64% of all in-store sales have been affected in some way by digital he said.

The 5 technology changes that will shape the customer and in-store experience

The Congress challenged a panel of future retail technology investors and disruptors to highlight just 5 trends for retail leaders to consider:

BRIDGING ONLINE AND OFFLINE EXPERIENCE:
For the last 3-5 years, retailers have been focused on building out their omni-channel capabilities. Many of them have begun to bridge the online and offline experience, for example, by offering customers the ability to buy online and pick up or return in store.

MEASUREMENT BEYOND E-COMMERCE:
We all know that everything online is measured, from clicking, to browsing to purchasing. But, it’s no longer just your online session that is being measured or analyzed due to the introduction of technology in the store (such as RFID and beacon technology), in the customer service centre and internally within the retail organization.

MULTI-DEVICE INTERACTIONS BETWEEN CUSTOMERS AND RETAILERS:
As we all know, mobile is more important than ever. This is signified by the fact that 60-70% of in-store purchases include an interaction with a mobile phone. And we’ve seen the usage of mobile extend beyond the product, particularly in regard to interaction with store and customer service associates.

INVESTING IN TECHNOLOGY FOR FRONT LINE EMPLOYEES:
As we’ve established, technology has been prevalent across many business units within the retail organization, specifically in ecommerce and marketing. However, enabling technology for those on the front line, whether it’s either store or call centre associates, has been hard to do.

THE PERSONAL EXPERIENCE:
For the past 15 years, technology has powered personalization primarily in an e-commerce environment. By aggregating data to make intelligent individual recommendations, personalization has become the core of many of the most thought leading retailers. But now, for the first time, we are seeing technology being used to power the personal experience between customer and both sales associates and customer service agents.

Forecasting the future:
Left to right:

Ken Seiff, MANAGING PARTNER | BEANSTALK VENTURES
Jordy Leiser, CO-FOUNDER AND CEO | STELLASERVICE
David Munczinski, FOUNDER & CEO, BRICKWORK SOFTWARE
Caroline Davidson, EXECUTIVE DIRECTOR, BEANSTALK LABS

If as a retailer you are not competing on convenience, then you must compete on experience.

David Munczinski, FOUNDER AND CEO | BRICKWORK SOFTWARE
Authenticity is vital to be a great leader. But to be the best leaders of others, we must first be the best leaders of ourselves.

Meg Crofton, Former President | Walt Disney Parks and Resorts

Maybe in future bricks and mortar stores will have entry fees where you have to pay to visit them; maybe Dubai Mall will have an entry fee.

Eyad Alkassar, Managing Director Middle East | Rocket Internet Group

The biggest problem of bricks and mortar is we have stopped in some way including the experience in the shopping process.

Stefan Siegel, Founder and CEO | Not Just a Label

We acquired HMV in 90 minutes with no due diligence but the germ of an idea of what to do.

Paul McGowan, Chairman | HMV

For any retailer thinking about going international you absolutely need to put senior management behind it and believe in the vision.

Norman Jaskolka, President | Aldo International

I would like to have an algorithm, something that says ‘hey, your experiences are up or down.’

Simon Haskell, VP Global DTC Merchandising | Levi’s

Authenticity is vital to be a great leader. But to be the best leaders of others, we must first be the best leaders of ourselves.

Meg Crofton, Former President | Walt Disney Parks and Resorts
THANKS TO OUR SPONSORS & PARTNERS

IN PARTNERSHIP WITH

Majid Al Futtaim

OFFICIAL EVENT PARTNER

DUBAICAMBER

OFFICIAL EVENT PARTNER

UK Trade & Investment

FIVE STAR SPONSORS *****


FOUR STAR SPONSORS ****

BCG  IBM.  Periscope™

THREE STAR SPONSORS ***

AIMIA  CBRE  CHAINIQ  Google  Intelligence Node

TWO STAR SPONSORS **

brandloyalty  Cognizant  GS  IBM  inmoment  Manhattan  Savant  Sonata  SES Imagotag
Join 1000+ leaders, pioneers and disruptors as they meet again in this dynamic hub to help shape the future of the global retail industry.

VISIT STAND 3 DURING THE CONGRESS OR BOOK ONLINE AT WORLDRETAILCONGRESS.COM