Beyond every horizon, new horizons always rise

(Michael Ende)

The crisis under way is accentuating the polarisation between the mass of operators on the one hand who are shy of innovating, and on the other those of a more daring and long-sighted nature who continue to allocate resources and ideas toward renewal, and even undertake restructuring and streamlining operations in parallel if necessary.

Investing in innovative projects at the present juncture therefore represents an even greater opportunity. Confirming this is the wide range of projects we present in this year’s overview of retail innovations. Thanks to our partnership with the World Retail Congress, we have been entrusted with assessing the cases competing for the Retail Innovation Award and of selecting six finalists. Despite the recession, new project ideas are being explored everywhere. (…) As always, time will determine which of these innovative strategies will enjoy enduring success. And though these projects all got off on the right foot, every retailer knows that success must be renewed each day. So, we wish the best of luck to those who (like ourselves) have found inspiration from their stores.

Innovation trends

- Socialtailing
- “I trust you”
- Pro-client efficiency
- Glocalism
- Accessible dreams
- Greentailing
- Liquid retail
- Emerging retail territories

Ebeltoft is a business alliance, which was founded in 1990 and is comprised of 19 firms that have a common, strong focus on the retail and service business, and provide consulting a wide range of services to help retailers and suppliers in the retail sector remain competitive and achieve their goals. Ebeltoft members work worldwide both for many market leaders and for important emerging local players.

Ebeltoft has been studying trends and innovations in Retail since it was founded and, since 2005, has published the yearly report Retail Innovations that focuses on emerging trends and the most interesting cases worldwide.

Last international surveys: The Trust Factor in Retail; NiNo Consumer

For a personal presentation of the Retail Innovations research and our last international surveys please contact your local member of Ebeltoft at: www.ebeltoftgroup.com
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Retail thrives on change, because retailing strategy is mainly determined by the customers themselves, who rapidly alter their lifestyles, preferences, and ways of shopping. Retail is also driven by competition, which has become increasingly transversal, and operates through a combination of physical and digital channels; services competing with products; offers coming with multiple choices (for instance, what impulse to fulfil on a grey day?), with an ever-wider access to consumer credit, and a constantly fluctuating availability. All these factors combine in determining how and what guarantees the “share of wallet” and, even more important today and in the future, the “share of life” that retailers can obtain from their customers. Lastly, retail involves a 360º type of communication: in the store itself, in relations with customers, through websites, but also through the grapevine, be it traditional word-of-mouth or through web blogs and social networks.

Retail is therefore changing daily, even if retailers are not always aware of it, perhaps because they have not changed their own way of doing business. In this sense, there are basically two paths one can take – either succumb to change, or prompt and channel it through specific, innovative marketing projects.

The crisis under way is accentuating the polarisation between the mass of operators on the one hand who are shy of innovating and on the other those of a more daring and long-sighted nature who continue to allocate resources and ideas toward renewal, and even undertake restructuring and streamlining operations in parallel if necessary.

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**Research methods**
- Analysis of national and international retail scenarios, pinpointing over 150 cases of innovative retail on the international market
- Definition of emerging trends
- Selection and analysis of innovative cases that most typify each trend
- Analysis of the process of transfer of possible innovations to individual markets

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**Main Services**
- Retail Branding
- Strategic Analysis and Planning
- New Concept Development
- Multi-channel Strategies and Management
- In-store Insight
- Customer Surveys
- Shopper Category Management
- Retail Tours

Members of Ebeltoft work for 36 of Top 100 Retailers and 15 of Top 20 Manufacturer Brands in the world.

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Smart Pricing. Prices are as topical as ever, and this aspect of the retail mix generally clashes with that of innovation. And yet customers have shown growing responsiveness to strategies that combine convenient prices with innovative and involving dynamics. In a short space of time and thanks to their Price 2.0 project, Groupon has met with a huge success. In itself, the idea of offering a new product or discount service online is nothing new, but in this case news of the deals spreads rapidly among friends, with the result that almost all the bargains proposed reach their target sales figure, thanks also to Groupon’s knack of choosing the right product for each different local context.

Customer-oriented. Customer service is one of the fundamental yardsticks of retail success. Given the indiscriminate cuts under way, standards tend to drop, while the expectations of customers rise. The online store offered by Zappos involves a product range in which sensory rapport is crucial: shoes with no discount. The idea has triumphed thanks to a standard of customer care that has become legend. Here, if a shopper changes his mind, he has up to 365 days to return his purchase free of postage and packing; and all customer relations are focussed on warmth and kindness toward the purchaser. The secret in this case is the handpicked crew of strongly motivated sales staff. Zappos even offers its personnel a special payoff after their trial period if they don’t fit into the company’s ethos.

Anti-snob quality. In the past, the fortunes of luxury were based on the dynamics of ostentation. Nowadays this idea and product positioning has evaporated, passing from the hyper-luxury niche and exclusive goods to a more democratic and accessible type of luxury. Today this dimension taps into the quest for high-quality products that eschew the undesired side-effects of snobbery and being out of reach. Thanks to his having become a household name through television shows, world-renowned cook Jamie Oliver recently launched a hybrid convenience store in London called RecipEase, in which the customer can drop by for purchases but also attend courses and learn to cook quick but healthy dishes, while enjoying the experience of an informal approach in a pleasant laid-back environment.

Socialtailing. This year’s offering sees the continued growth of the social and community dimension of the market, by which retailing has become a platform where customers share and swap experiences, in some cases spawning the co-design of new products. MyDeco provides an online service that gives customers the opportunity to design the interiors of their own home, uploading photos onto the site and using simple applications to simulate the various possible combinations, with a varied palette of available items that range from basic elements to more exclusive designs. In particular, customers can compare their own ideas with those of other site members and exchange design tips. In this way they can suggest to MyDeco novel interior designs which, if adopted and popular, earn bonuses for the customer.

“I trust you”. Customer trust has become one of the most precious assets for any retail brand. And as our recent international research has proved, trust brings a concrete payoff in terms of the company’s turnover. The new retail area opened by Danone in Barcelona presents an initiative that endorses and boosts the customer trust that the brand has generated in 90 years of activity. Besides offering a taste of the classic Danone product in the yogurt bar at the entrance, the new space’s main task is to introduce visitors to the brand’s history, values, and projects, through a series of interactive consoles and a regular calendar of seminars on the principles of healthy eating.

Pro-client efficiency. Time continues to be the number one luxury for many people, and hence time offers a strategic factor whereby retailers can stand out from the crowd with proposals for a swift, efficient, and well-organised shopping experience. Apo.take is a small chain of German pharmacies that has revolutionised the process of data collection and purchase: the display shelves are not arranged with products but with purpose-made data-cards detailing the product in plain language. In this way customers move around freely in the first phase of the visit, choosing their items, and if necessary can ask advice from a pharmacist. Meanwhile in Sweden a restaurateur has successfully introduced the Laxomat, a completely automated food-distributor powered by RFID technology, linked to his original restaurant and providing hot and cold takeaway food 24/7 all year round, with special attention to local dishes. Chez Jean, the new concept store launched by Casino in France, is a convenience store that offers a mixture of food and non-food items plus services for on-the-fly consumption, while also providing a cozy corner where you can sit and take your time.

Glocalism. Trade is becoming steadily more local in spirit. Even multinationals have caught on, and retailers are becoming more attuned as they develop international markets, combining a strong global identity with a local slant. Havaianas is now a global brand, yet for its first flagship store in São Paulo it has endorsed its Brazilian roots, with a tropical floorplan that allows the climate outside (sun, rain) to filter indoors, and proudly displays the humble origins of its very first flip-flops. Starbucks’s latest offshoot 15th Avenue is a coffee-store that engages local residents to contribute, and even decide on what music to play in-store.

Trends
- Smart pricing
- Customer-oriented
- Anti-snob quality
- Socialtailing
- “I trust you”
- Pro-client efficiency
- Glocalism
- Accessible dreams
- Greentailing
- Liquid retail
**Accessible dreams.** The recent economic crisis has stimulated a desire for more simple and accessible pleasures which allow consumers to express themselves and their personality. **Swarovski,** which has become synonymous with sparkling glamour, has now opened a magical London flagship store to showcase their products and the dreams they represent. The gorgeous crystals are sold individually, enabling the customer to be more engaged in the experience of choosing, buying, and personalisation, including the possibility of customising personal garments or other accessories with Swarovski crystals. In this way the act of creative enhancement is made more accessible and satisfying.

**Greentailing.** Green retailing is now a widespread phenomenon, partly through a growing social awareness toward environmental issues, and partly due to economic considerations of the increasingly short-term benefits for business. Launched by the Leroy Merlin group, **Kbane in France** is the first DIY concept store entirely devoted to green products and solutions for home building, decoration, and energy saving. **Office Depot,** for the first time in the office supplies retail sector, proposes the same approach in the United States with a broad quota of the assortment consisting of green goods. In this concept store, the enthusiasm of the sales personnel is one of the pivotal factors endorsing the chain’s positioning: accurate selection, training courses, activities for sharing ideas on green issues, but also encouragement to improve habits such as the bicycle repair kit provided to all personnel.

**Liquid retail.** The blurring of the processes that underlie how and when we make our purchase decisions offer the retail sector some interesting occasions for proposing multiple shopping situations that can be adapted to different customers and contingencies, creating liquid and flexible shopping contexts. The last concept of chain jewellers **Tous** mixes self-service areas, suitable for fast fruition and direct interaction with products, with more refined and luxurious areas, where the interaction is primarily with the staff, and the purchasing processes are totally different.

*As always, time will determine which of these innovative strategies will enjoy enduring success. And though these projects all got off on the right foot, every retailer knows that success must be renewed each day. So, we wish the best of luck to those who (like ourselves) have found inspiration from their stores.*
**Havaianas**

Famous all around the globe, Havaianas opened its first flagship store that pays homage to its Brazilian roots, while masterfully asserting its new fashion positioning.

### THE CONCEPT

The first Havaianas concept store recently opened in São Paulo in Rua Oscar Freire, one of the city’s trendy neighbourhoods. With its 300 square meters of floorspace the store manages to unleash the full power of the label and also involve its customers. Starting with the foyer, which is made to appear like an extension of the street, the customer enters on the mezzanine level, overlooking the main floor below. The space is naturally lit throughout via ample skylights set into the ceiling, which creates a constant interplay of shade and sunshine. When it rains, openings at the sides allow rain to enter, giving a tropical effect with showers of water falling onto the numerous thick plants below, all local in origin. Stools and benches carved into the trunks of the tropical trees provide seating for customers. The design powerfully conveys both the Brazilian spirit of beauty and the force of nature, elements that characterise the brand’s own history. With this flagship store, customers can, for the first time, find the entire assortment of Havaianas merchandise under a single roof.

### MARKET OPPORTUNITY

After conquering the world in the last decade with their inexpensive, quality flip-flops Havaianas has repositioned itself toward the fashion market. A vital step in this strategy was to complement the mono-brand outlets already present with a larger, innovative and conceptually striking flagship store that would communicate more directly with the customer, and boost the brand’s market authority.

### Key data

- **Format:** flagship store
- **Launched:** 2008
- **300 sqm**
- **350 products**
- **15 staff**
- **Price-range for flip-flops from $5 to $140**

### Key data for Alpargatas Group

- **2008:** $1.1 billion (11% up on 2007)
- **Exports to 80 countries worldwide**
This includes flip-flops, bags and accessories, as well as lines that were previously not available in Brazil. The store combines varied types of display areas. At the entrance visitors are greeted by a classic street-stall loaded with the "original" flip-flops in the lowest cost bracket. A large cube composed of 51 plasma screens depicting flip-flops and the brand, with a film that tells the various stages of Havaianas’s history, starting from 1962. The high-end series of flip-flops that are exclusive domestically to the flagship are prominently displayed in a container in the store. One wall of the store features a huge rainbow-like display of all the available hues of the flip-flops, alongside the exclusive perfume created for the brand.

The back section of the store is devoted to bags and accessories, new flip-flops designs, and a stand where customers can customise each model with sequins or other accessories.

**RETAIL IS DETAIL**
The customer can easily identify their shoe size by utilising several small carpets with templates drawn with each size. The personalised flip-flop that are created by customers are photographed and stored in a digital archive that can later be viewed via a touch-screen monitor.

A selection of displays for children’s products are arranged in the form of puzzles and are visually interesting for children and adults alike.

**CONCLUSIONS**
The flagship store has an average turnover of 4,000 to 5,000 receipts per week. The flagship store marks a critical leap forward in Havaianas’s position in the market. The fashion flip-flop has come a long way, given that they are worn by stars and celebrities, even at such high profile events as the Academy Award presentations.

**Key points of innovation**
- Flagship store raising the group’s market position
- Consistent with the Havaianas identity of tradition and modernity

**Notes on Retail Mix**
- Intensely specialized assortment
- Personal customisation possible for all models
- Lively involving environment
- Plentiful numbers of willing staff
Murale

A new type of beauty parlour with luxury cosmetics, both leading and emerging brands, and a new level of personalised customer-service, with professional skincare and beauty consultation, which includes qualified help from a pharmacist.

THE CONCEPT
The typical Murale premises occupies an average of 300 square metres, putting it considerably above average size for this sector, and therefore distinguishing it from the standard outlets found in the downtown or in the shopping malls. But beyond the extra floor space, the concept pivots on an eye-catching transparent design whose optimal display clarity allows customers to get to know Murale and browse its assortment. Each store is located in a prime position in a main pedestrian thoroughfare, locations facilitated by the group’s own real-estate branch. The visual impact of the store lies in the clean, well-illuminated design and assortment of products, which range from high-end beauty products and perfumes to niche brands, with a wide gamut of new items and product from all over the world. The main brands occupy corners where there customers can interact and test out the products, areas that render the layout more dynamic, creating more intimate shopping spaces. Among the selection are the usual top labels such as...
The variety of perfumes covers 75 different items, for both women and men, and all in all Murale carries products from over 200 different brands. Easily distinguished by their smart black uniforms, the expertly trained sales staff and assistants, known as “Beauty Masters”, are on hand to help customers choose the cosmetics most suited to their needs, offering tips and expert advice on makeup, each one equipped with a special kit of accessories to enable customers to try out products firsthand.

**RETAIL IS DETAIL**

One of the key features of the store is the professional skincare section, where personalised treatments are provided by a beautician and a pharmacist. Murale offers a range of 30 special professional services, from beauty treatments to thermal cures, which are available in a booth near the skincare section.

**CONCLUSIONS**

Murale has secured a unique position in the high-end bracket of the cosmetics sector because it has expanded the traditional offering provided in the department stores with a range of emerging trendy brands that attract a younger shopper, plus a broad array of special services and treatments. The results of applying this strategy have been very positive for the first three stores, and the group plans to open another five in other cities across Canada.

**Key points of innovation**

- Ample assortment, wide-ranging, and with an innovative mixture
- Broad selection of professional services

**Notes on Retail Mix**

- Assortment: beauty products and perfumes
- Wide range of professional services: spa, “brow bar”, clinical section, makeup, lessons in skincare, “bridal makeup” applications
- Modern retail design clearly marked out by area
- Numerous trained staff
House of Barbie

For its 50th anniversary Barbie follows a whim, not for a face-lift but for a six-storey flagship store in one of the world’s new retail capitals, Shanghai, offering a wealth of excitement for girls of all ages.

opened a flagship store in Shanghai in 2009 dedicated to the famous doll.

THE CONCEPT
Barbie Shanghai is a six-story emporium that contains the largest and most comprehensive collection of Barbie dolls in the world, having no fewer than 875 models on display, alongside a prodigious assortment of licensed Barbie-related products (from clothing to accessories). But what makes this flagship store so exceptional is the vast range of added activities and services for Barbie fans and their families. The retail experience floors was designed by the Chutegerdehman firm and

MARKET OPPORTUNITY
Brand dolls with a distinct personality like Barbie tend to suffer in traditional retail outlets – such as shopping malls, mass-market stores, and the small specialist shops – where they are “smothered” by a mass of other toys that are rarely in the same class. In response, Barbie’s general manager Richard Dickson

Slade Architecture did the overall building design. A central element of the retail design, which lies at the core of the store complex, is the striking spiral staircase, which provides display space for over 800 different Barbie dolls. With a focus on the shopping experience, the outlet offers visitors four dedicated “experience” features: the first is the Barbie Design Centre, where girls are taken through the step-by-step process of designing outfits, with a variety of tops, dresses, trousers, gowns, jackets, shoes and bags. The Barbie Fashion Stage allows girls to get up on the runway like a real fashion model, choose their own outfit, with make-up and
Key points of innovation
- An entire world combining products, services, and shopping experience
- Section where customers can design their own Barbie doll

Notes on Retail Mix
- Focused comprehensive assortment: 875 Barbie dolls
- Transversal target for a historic brand
- In-store visual identity based on hallmark Barbie pink
- 4 entertainment zones: café, runway, design centre, and health spa
Kbane

A unique retail space that sells everything required for building and running an eco-friendly home at affordable prices: products, services, and solutions for a healthy house that respects the environment.

**MARKET OPPORTUNITY**

As today’s consumers become increasingly more informed and sensitive towards environmental issues, they are accordingly changing their lifestyles and spending habits, which has created new openings for retailers able to address the new trend with eagerness and transparency. While in many countries including France, various new “green” concept stores have emerged (in food and gardening, for instance), in the sector of DIY and eco-friendly building, no retailer had addressed this new demand until the launch of Kbane.

**THE CONCEPT**

In France, Kbane is the only retail concept outlet totally dedicated to eco-friendly and sustainable development home. The name itself is a clever device that refers to the French word cabane, which translates as both log-cabin (nature) and tool-shed (DIY). The store’s aim is to spread awareness of products and methods of eco-building and consumption, expanding from the present target of green architects and more moneyed home-builders towards a broader range of consumer by offering lower prices and greater ease of shopping under a single roof.

The assortment provided by Kbane lies in with the company’s promise: 75% of the items on sale were so far not available through retail outlets in France, for example: natural clay-based paints, timber from sustainable woodland, “green” gardening equipment, etc. Kbane’s offering focuses on specialised products and also well-known brands in the eco-sustainability sector, such as Volvox and Auro for paints, and Osram for lighting. Some manufacturers have jumped at the opportunity, offering an exclusive supply of certain products, even launching new items tailor-made for the store. In addition, three brands from Adéo Group are distributed in Kbane: Geolia, Lexman, and Inspire.

**Key data**

- Format: superstore for DIY and home building, fittings and decorating
- Launched: 2009
- 1,200 sqm
- 3,000 products
- 9 in-store staff
- 6 main types of product and services
- Groupe Adéo (Leroy Merlin)
store, Kbanel also provides hands-on assistance and cutting-edge solutions, such as diagnosis for home energy-consumption, engineering consultancy, workshops, and installation services. Overall Kbanel store presents a highly efficient format with an accessible merchandising approach that involves the consumer, provides a wide range of information on most of its products, and even offers the chance to test them out.

CONCLUSIONS
Kbanel has defined itself more as a R&D concept store than a simple pilot project to be reproduced at national level; however, a second outlet is planned for 2011.

Key points of innovation
- The unique concept store entirely devoted to building and managing an eco-friendly home
- Products and customised proper solutions all at affordable prices

Notes on Retail Mix
- Assortment: 6 segments: water and air quality; insulators; renewable energy; daily energy saving; organic garden
- 400 books on display
- Product labelling includes ecological impact information (health, environment, recycling, shipping miles)
- Amphitheatre-style layout and ecological signage
- Services: 500 sqm devoted to construction solutions and large-scale projects advise

It is likely that Kbanel will constitute a sort of ongoing workshop-outlet for the Groupe Adéo, where it can try out new ideas and learn more about this burgeoning market, so as to insert the more successful features inside its mass-market stores, such as Leroy Merlin.
Chez Jean

A new French style convenience store concept that allows time-saving, proposes state-of-the-art service, a hybrid offer and quite aggressive prices, all in a modern environment.

THE CONCEPT

Chez Jean is a hybrid retail outlet that combines snack-bar and grocery store with a newsagent’s, offering to a growing quota of city-dwellers pressed by time. This is a new way to make speedy and last minute purchases in a single outlet open 7 days a week until 11 p.m. Chez Jean is not about “gastronomy” (giving a large and deep choice in products,…), but mainly about convenience and most of all, services. Convenience and time-saving are particularly strong selling-points in the food area, which is where Chez Jean concentrates most of its sales, margins and traffic through the store. The area is focused on solutions rather than on individual products, and provides any kind of meal (breakfast, coffee-break, lunch, aperitif, dinner), powered by dynamic, smart merchandising. For instance, cakes and brioches are put out for breakfast and again, later on, for an afternoon break. On one side, there is a self-service area with 650 different food products and toiletries for fast, last-minute purchases.

MARKET OPPORTUNITY

When they need something to eat, the French are turning more and more frequently to quick snacks and ready-made dinners, which they see as cheaper, quicker, and more practical than a sit-down meal in a restaurant. For this reason the fast-food market increased its turnover by 10% in 2008. Given the current average of 1 in 7 meals consumed away from home, the French are still far from the American rate of 50% total of meals eaten out. The French market therefore offers interesting potential, particularly for food retailers. Casino has recently partnered with Relay to launch a chain of newsagent’s called Chez Jean, a convenience store concept that offers a broad range of products and services.

Key data

- Format: convenience store
- Launched: 2009 with 2 stores in Paris
- 2010: 4 stores in Paris, 1 in Marseille and soon 1 in Toulouse
- 380 sqm on 2 storeys
- 5 staff
- Seating for about 60 people in snack bar/café
- 650 food products, 150 newspapers & magazines
- Joint venture with Relay (news-stands and bookstores in airports and railway stations) and Casino (hyper-and supermarkets)
Key points of innovation
- Hybrid concept store: bakery, small grocery, café/snack bar, newsagent
- Modern and focused on a convenience store approach

Notes on Retail Mix
- Assortment: grocery, a very small fresh products offer, frozen meals, drinks, fresh and ready-made meals, toiletries, newspapers, magazines, books, bakery, fresh flowers
- Low price on ready-made meals, and aligned for groceries and other products
- 3 sales staff; 2 in warehouse
- Free services: wi-fi access; dispenser for recharging mobile batteries; ATM bank-teller

CONCLUSIONS
The first pilot store was opened in Paris in the République quarter, a neighbourhood of mixed offices and tourism, to gauge whether the concept managed to meet the expectations of not only Parisians but also of other large and midsize cities in France. There is now a total of 4 stores in Paris and a bright new one in Marseille (125 sq - opened in February 2010). If the pilot project catches on, the group envisages opening another 10 Chez Jeans within the current year 2010. A new store shall be open soon in Toulouse (average city in the West-South of France).
Apo.take

A discount pharmacy concept store, with an innovative purchasing system and intensive counter and self-service assistance.

MARKET OPPORTUNITY

On 1 January 2004, the German government modified the laws on market competition on the pricing of OTC products, leaving pharmacies free to decide independently what prices to apply to this category of product. While many pharmacists have protested against the changes, others like Apo.take have responded with innovative approaches that have scored considerable success.

THE CONCEPT

The first Apo.take pharmacy was opened right next to one of the group’s own I-Punkt pharmacies. Due to their different positioning, the two are actually complementary. Compared to the more traditional and premium-positioned I-Punkt pharmacy, Apo.take offers a streamlined and functional service in a considerably different ambience and with a discount of 30% on all the 300 OTC products present. But the main difference lies in the way the customer obtains information and chooses what to purchase: instead of going to the traditional service desk, at Apo.take he is confronted with a self-service type layout as in a supermarket, whereby on the shelves he finds an array of printed cards giving information on the required product. Once the customer has decided what to buy, he takes the info-card to the counter, where he can get further information if necessary. In this way the system respects the law by which OTC products must be handed over by trained staff. Customers may also

Key data

- Format: discount pharmacy
- Launched: 2006
- 5 pharmacies (4 in franchising)
- From 50 to 130 sqm
- 300 products
CONCLUSIONS
This concept of “discount-pharmacy” has met with considerable success: a recent poll among customers recorded an approval rating of 1.8 (on a scale from 1 max, to 6 min). After the first one was opened, four others followed on a franchising basis. The new chain marked a growth of 25% in the half-year 2008/09, based on the 20 principal products (against an increase of less than 3% on the general market).

Key points of innovation
- Pharmacy that works in synergy with its traditional counterpart
- Hybrid information system of both self-service and assistance

Notes on Retail Mix
- Focused assortment
- Discount prices (fixed 30%)
- Basic fittings and interiors
- Info-cards on each product, price, along with FAQ data
- Area assigned for reading data, with seating and magnifying lenses
**Estella Kochlust**

The daily business of preparing food can become a whole lot of fun with Estella Kochlust, a store selling food and cooking utensils, where food preparation is an all-round experience.

**MARKET OPPORTUNITY**

Among the various macro-trends that are rapidly traversing the globe is personal well-being and a healthy lifestyle, with all its various implications. One of the manifestations of this trend is the functional, organic and slow-food philosophy, along with “cocooning”, namely, retreating from the stresses of daily life to spend more time with friends and family. Germany’s new Estella concept store aims to address both these two modern needs, by associating the socialising factor with high-quality food in a warm and welcoming atmosphere.

**THE CONCEPT**

Estella Kochlust (“the cooking urge”) mainly sells kitchen utensils and delicatessen products, but is actually a concept store with a strong identity that encourages customers to enjoy food and the art of cooking as an all-round experience, underscoring the multi-sensory delights of food preparation so that cooking is no longer seen as a “chore”, given its inescapable involvement in family life. Created by a British designer, every aspect of the store is devised to stimulate the customer to linger on the premises and take his/her time to browse the assortment of gadgets, kitchenware, and foodstuffs, and possibly stay for the various events held on-site, such as evening cooking classes. In the retail area of around 240 sqm, the customer can find a fully-working kitchen corner, along with an assortment of goods picked for their aesthetics.

**Key data**

- Format: concept store based on cooking
- Launched: 2009
- 240 sqm
- 1 outlet

Germany - Cologne

Estella Kochlust
and practicality. The utensils and tableware are a mixture of handcrafted items – with ethnic products such as the traditional tagine earthenware cooking pot from North Africa – and others of more modern design. To motivate the customer and guide him or her in the preparation of recipes, there is a section of books devoted to the authentic Mediterranean cuisine. In the gourmet section, many of the products are from far-away places, such as the range of olive-oils and the kind of spices often used in the cooking demonstrations, artfully arranged to give “inspiration” to the act of cooking. The evening cooking demos run twice weekly and are attended by a maximum of 16 participants. The themes change each time, and have alluring titles such as “Marrakech, tagine, and argan oil – an evening packed with flavour!”, or “Cook & Chill & Pastabasta”. At the end of each session the participants can dig in to platters prepared on-site by the gourmet teacher-chefs.

Each lesson costs from euro 55 to euro 80 per person, but this in-store event has already garnered a steady following.

**RETAIL IS DETAIL**
What makes this concept store different from the traditional food retail outlet is the amount of care and passion conveyed in every detail: the information on each product and its origins, the design of the store itself, the names given to the cookery classes, and the excellent customer service.

**Key points of innovation**
- Mixture of sales, gastronomy, and hands-on cooking experience
- World of assortment tuned to the shopper’s experience: preparing, cooking, serving, and eating

**Notes on Retail Mix**
- Assortment: kitchen utensils, cookery books, national and international foods (wine, spices, biscuits, chocolate, tea, pasta, pesto…)
- Mixture of handcrafted and modern kitchenware
- Lively and stimulating interiors
- Services: evening demo classes with gourmet chef

**CONCLUSIONS**
Given the concept store’s success, there are plans to open other stores in Düsseldorf and Münster.
National Geographic

A visually thrilling retail Store that deploys assured and engaging devices to convey the multiple activities and mission of the National Geographic brand and the adventure for the customer starts in this multi-sensory, continually changing environment.

The Society decided that the next stage was to create a physical meeting place for existing and potential customers, and opened this thrilling, multisensory flagship store that encapsulates the mission and the core values of the National Geographic Society.

THE CONCEPT

The National Geographic Store is a modern and innovative space, a unique platform to interact with the customers and to convey the force and the credibility of the National Geographic Society through a broad range of products, services, and projects, in an environment of extraordinary visual impact and coherence.

The Store offers a vast selection of National Geographic branded products, alongside a selection of handmade items in limited edition.

The furniture presents an eclectic mix in various styles with strongly ethnic accents and evolves over time, because each element can also be purchased. The space includes furthermore a Café,

MARKET OPPORTUNITY

For over 122 years the National Geographic Society has enabled the public to discover the boundless marvels of the world about us, applying its hallmark rigour and quality, and engaging generations of its international readership.

Key data

- Format: flagship store
- Launched: 2008
- 1,800 sqm
- 10,000 products
- 40,000 visitors per week
Customers can also test out their clothes in a special Testing Room, with strong gusts of wind, sudden drops in temperature, and other extreme conditions typical of the National Geographic-type of adventure travel.

In the Café, the approach is educational: advice on maintaining a healthy diet, and information on each of the foods and their place of origin. Extras include encounters with schools and families to explain what it means to observe healthy eating habits.

The London store has already won several Awards. Following this store, the National Geographic Society has opened a second one in Singapore, and the expansion scheme envisages new retail outlets on a smaller scale (400–500 sqm) in the major cities in Europe and Asia, and in airports. In 2010 they expect to open 20 new retail outlets, starting with Spain, Indonesia, and India.

Key points of innovation
- Cultural flagship store that endorses the values of the National Geographic Society
- Multisensory space in continuous evolution

Notes on Retail Mix
- Assortment: clothing, footwear, eyewear, stationery, maps, toys, watches, household furnishings, and a vast selection of National Geographic products, including its world-famous magazines, books, and DVDs, accessories, bags
- Services: kids area; test area for clothing items; program of events, meetings, conferences, exhibition area, gallery area
- Restaurant with various types of multicultural cuisine and healthy food
Swarovski Crystallized™ lounge

A stylish and fascinating environment in which jewellery blends with design, culture, events, and customers are enabled to experiment with customising their own jewellery with world-famous Swarovski crystal glass creations.

MARKET OPPORTUNITY
Recent research conducted in the UK has shown that consumers who buy jewellery increasingly prefer top-quality, one-off pieces to cheap “disposable” items. The British market in personalised jewellery is estimated at £350–400 million per annum, and continues to grow. Swarovski has steadily improved and strengthened its market positioning in this segment, which it is now reinforcing by moving into retail with the creation of a series of highly innovative Crystallized Lounge flagship stores. These boast a sophisticated and appealing environment that offers a broad range of opportunities for customers to personalise their jewellery, and to apply Swarovski crystals onto various garments and other accessories.

THE CONCEPT
The concept behind the Crystallized store is to entice customers to enter and explore. For many adults who venture into the store, the shimmering world that meets them is like a childhood dream come true: the crystal elements are showcased in all their variants in the form of individual components, enabling customers to choose pieces and combine them to create their own jewellery. Staff remain at a discreet distance to allow customers to browse freely and experiment with the products at leisure. If anyone has a question, staff are there to assist, otherwise visitors can take as long as they wish to peruse row after row of display cases, each one containing crystal elements of a slightly different shape, colour, or finish.

The basic products to which the various crystals can be applied include necklaces and bracelets in various materials: silk, leather, or metals. The display cases include creative concepts from famous designers in a variety of executions, such as an exclusive tee-shirt by the Delhi-born designer Manish Arora, decorated with figures of deities and animals composed entirely from Swarovski crystals, on sale for £125.

The store also offers the chance to linger and relax with a coffee or glass of champagne on sofas in the second-floor lounge.

Key data
- Format: concept jewellery store
- Launched: 2008
- 4 stores (London, New York, Shanghai, Paris)
- 300 sqm
where there is also a space devoted to exhibitions and customer events, often tied to London’s fashion scene. Due to a partnership with London Fashion Week, the store carries a display of haute-couture items decorated with Swarovski crystals.

**RETAIL IS DETAIL**
The lighting of the interiors is carefully designed to highlight the quality of the jewellery and crystals, by means of an innovative use of Perspex and mirrors throughout the store, whereby the display cases housing the crystals permit customers to browse and select them by colour and shape, ready to apply onto their personalised jewellery, or to decorate some other object (often mobile phones). The choice is made easier by the categorisation of elements according to themes, such as popular, Bohemian, avant-garde, luxury with precious metals. Each style is highlighted by an appropriate display to give customers ideas for their personal creations, or to indicate ready-to-wear items.

**CONCLUSIONS**
Swarovski Crystallized Lounge is a highly innovative concept, a destination store that successfully presents Swarovski crystals in a distinctly contemporary way. The company’s collaborations with the designer and fashion worlds give an added note of freshness, creativity, and underline Swarowski’s increasingly fashion-oriented perspective.

**Key points of innovation**
- Opportunity for customers to personalise their purchases
- Concept store with events area and lounge bar

**Notes on Retail Mix**
- Assortment: Jewellery, Accessories
- Prices: from medium to high
- Space: innovative materials that create a light show
- Events: collaborations with fashion stylists and designers
Recipease

The challenge that Recipease has set itself is to encourage would-be cooks to create healthy and rapid meals and learn the pleasures of cooking, aided by the expert advice of the nation’s best-loved chef Jamie Oliver.

**MARKET OPPORTUNITY**

Today, the British public have adopted the idea of ‘convenience eating’ with enthusiasm. Television programmes about cookery and featuring celebrity chefs suggest that people’s interest in food and cooking is increasing. However, the challenge lies in converting consumers from simply having an interest to actually doing it, particularly the under 40s. The food industry needs to convince consumers that convenience can still be healthy, allows them to add in a touch of creativity into food preparation, and is not too time consuming. A new venture, Recipease, sees this as a retail opportunity. Recipease is the latest food venture by British celebrity chef, Jamie Oliver. The concept revolves around a one-stop-shop where consumers, whether novice or more experienced “chefs”, can cook the ingredients they buy under the guidance of professionals and even sit and eat their creations in-store if they wish. With its neat combination of “recipe” and “ease”, Recipease conveys the simple formula of creating dishes that are a cinch to learn. In the store, which covers 230 sqm, customers are presented with an array of lifestyle products such as cookbooks and kitchenware in addition to food, condiments and wine. This merchandise is premium positioned, the products and packaging are of high quality, come from sustainable sources and all packaging is fully recyclable and compostable.

**Key data**

- Format: convenience experiential store
- 2009: first store in London
- 2010: second store in Brighton
- 230 sqm
- Founded by the famous British chef Jamie Oliver

The well-appointed demonstration kitchen area hosts a varied programme of events targeted at both total beginners and seasoned cooks. These courses can be booked online or in the store itself. The “Easy to Do” dishes prepared in 10 minutes, can be either taken out or eaten on the premises. A similar option is offered in the “Easy to Learn” courses, featuring slightly more advanced recipes. If one decides to eat in the store, these are accompanied fine wines. It is also possible to book...
the venue for private parties featuring a group cooking lesson and ending with a communal meal in the store.

**RETAIL IS DETAIL**
The interiors of the stores are particularly appealing, and are styled to resemble a large country kitchen, with warm lighting in each area, and an easy-going, family ambience in which cleanliness is paramount. The staff are extremely welcoming and trained to get feedback from customers and tips for the future, with the aim of increasing local community involvement, and to encourage visitors to share ideas, recipes and tips with others.

**Key points of innovation**
- Rapid, healthy, and sophisticated recipes for meals at an accessible price
- Integration of product purchase, food consumption, and education

**Notes on Retail Mix**
- Assortment: food, wine, ready-made meals, books, cooking utensils
- Excellent price/quality ratio (£10 for a light meal for two)
- Services: internal dining area; classes for healthy and quick cooking; opportunity to hire venue for parties; team building; etc.
- Refined but informal atmosphere
- Events: theme-based evenings

**CONCLUSIONS**
Forthcoming plans include opening new Recipease stores, and widening the JME brand to include new categories such as home textiles, garden, bathroom and children’s furniture as well as lighting. In the immediate future, the plan is to continue to improve the customer experience, and to refine the offer, based on direct customer feedback.
Graavaa

The first Indian flagship store devoted to marble and natural stones created to respond to the growing needs of high-end consumers for a quality shopping experience.

MARKET OPPORTUNITY
Although the consumer culture in India is undergoing rapid advances, retailing itself – even in a high-end sector such as fine natural building stone – is still way behind. The birth of Graavaa, an elegant, welcoming and specialised flagship store, has been greeted with enthusiasm by high-end customers in India.

THE CONCEPT
Graavaa is a trademark of the Pearl Mineral Group specialising in high-quality marble and natural stones. The flagship store offers a vast range of materials sourced from all over the world, and is integrated with a design studio, along with expert installation and product maintenance service. The name Graavaa comes from the ancient Sanskrit word for “stone”. This reference to the traditional values of the materials is endorsed by the company’s logo and visual identity, recalling stone’s durability as a surfacing material.

Inside the store the display of the various types of natural stone follows both the standard arrangement on the walls and also on the floor, complemented by environments that simulate living-rooms, kitchens, and bathrooms, to give a clearer impression of the final effect of a given project. On the upper level, which is accessed via a subtly unobtrusive “floating” glass staircase, a comprehensive presentation of the huge assortment is offered, arranged in a wide variety of formats and hues. Customer assistance is provided in an interactive zone, where a qualified staff supplies details on each product, with turnkey solutions and/or added value services, enabling decisions to be made in a relaxed atmosphere. This area boasts an interactive screen giving in-depth information on the entire range of available products, with a system of

Key data
- Format: brand store
- Launched: 2009 first flagship store in New Delhi
- 450 sqm
image rendering to simulate the final effect of the various materials as applied to spaces reproduced from photos provided by the customers themselves.

The eye-catching and sophisticated design of the store’s façade consists of a cage of curving steel elements inspired by the organic forms of the product in its natural state. In the display areas a system of sliding units enable the customer to “browse” through the large plates of stone positioned mainly on the walls, while displays arranged fan-wise facilitate the direct comparison of different material. A test bench in this area allows customers to view the stone under different lighting conditions. For each stone type, a variety of information is provided on its origin, properties, applications, and availability, illustrating Graavaa’s global supply. The store aims to instruct customers to recognise the different types of stone, and also offers advice on maintenance.

CONCLUSIONS
Graavaa has attained a leading position in its field by offering a new way for customers to purchase natural stone products. The flagship store, the only one of its kind in the country, has received a great deal of media attention and has been highly successful. The second flagship store is due to open in the Punjab region before the end of 2010, and aims to expand with a network of 50 stores throughout the country within the next 5 years.

Key points of innovation
- An experience of luxury
- Innovative and engaging display systems

Notes on Retail Mix
- Assortment: 150 varieties of natural stone sourced from all over the world
- Services: design lab, delivery, installation, and maintenance
- Staff: highly trained personnel who closely follow the entire purchasing process
- Display layout: prompts customers to interact and choose for themselves

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Chicco Village

A haven for toddlers and young parents with delights ranging from new product lines to the Rocking-Horse Museum, with a unique medley of products, learning opportunities, and customer facilities.

Rocking-Horse Museum installed in a converted riding-stable.

To ensure that these functions dovetail together, the firm’s Retail Design studio’s appealingly colourful “open arcade” welcomes visitors into a complex in which each of the spaces has its own separate entrance, allowing free circulation through the building. Owing to its size, the Chicco megastore can offer a far wider range of products than the individual high-street premises normally allow, and the seven main categories of product are arranged by age-bracket, following a transversal, customer-oriented logic.

Key data
- Format: family retail area
- 2008: launched
- 2,000 sqm: Chicco Store
- 1,000 sqm: play area
- 250 sqm: Pic Store
- 200,000 annual receipts

MARKET OPPORTUNITY
Today, products branded especially for kids are increasingly expected to provide a solid design philosophy rooted in a genuine passion that will help parents with the absorbing task of helping kids grow in a balanced way. For the past fifty years, the Chicco brand has fashioned its trademark around a chain of mono-brand stores and now the Village heralds a new step in the firm’s brand positioning through its chain of retail outlets.

THE CONCEPT
The Chicco Village project involves products, resources, and learning material for kids in a retail area connected directly with the production unit itself. This includes a Chicco megastore, the first Pic Store specialising in infant medical products, an Illy café, an ample play-area, a private nursery, and the
Key points of innovation
- Range of inter-related functions tied to children’s growth
- Products arranged by age-bracket rather than by type

Notes on Retail Mix
- 7 Chicco Store merchandise categories: clothing, footwear, basic childcare, intensive childcare, toys, furnitures, books and colouring kits for children.
- Services: Baby Card, Gift Card, Personal Shoppers, birth-list

CONCLUSIONS
The Chicco Village has rapidly become a destination centre that attracts people from a wide catchment area. Recently the megastore’s concept has been enhanced with a temporary location assigned especially for kindred brands with products that tie in to the Chicco’s brand philosophy.

RETAIL IS DETAIL
Chicco’s brand philosophy is also conveyed in a special area in the shop where patrons can mix and meet each other, or follow free courses for parents on questions of pregnancy, breast-feeding, and how to deal with returning home with the new baby. Presently, there are plans to set up pre-natal exercises and events focused on the well-being of the mother-to-be.

The product assortment is regularly updated with new-arrivals, and it is possible to purchase discounted items from the previous season’s offering in the Outlet area. The ample client facilities include a spacious and comfortable nursery. The signage is astutely designed adding to the shopping experience and the general fluidity of the complex.

On the first floor is a play park where the kids can play and amuse themselves. On the same floor is a space that can be reserved for birthday parties for toddlers, with four coloured houses that can be customised with the name of the one celebrating his/her birthday.

RETAIL Innovations
Diablo Rosso Pirelli

For its first temporary store Pirelli chose Milan – the Italian city with the most scooters and motorcycles – to show how a change of tyres can be a pleasant and positive brand experience, in line with the Group’s market positioning.

**MARKET OPPORTUNITY**

Getting a change of tyres is a vital ritual for motorcyclists – a moment of affection, and also of rebirth in a way, a means of renovating one’s bike at both technological and performance levels. A change of tyres is usually done in the fairly uninspiring surroundings of a tyre-store or a mechanic’s workshop.

With their new project Diablo Rosso Store, Pirelli has made a breakthrough, radically changing the customer’s experience by creating an environment characterised by Pirelli brand features such as technology, passion for sports, performance and style. The idea also spotlighted the new Diablo Rosso product, a supersport tyre suitable both for town use and for sports, with either naked bikes or sportbikes.

**THE CONCEPT**

During the twelve-day opening period, customers were able to buy a new set of tyres and have them fitted on-site, just like in a “normal” tyre sales outlet. In the evenings, special entertainment events were staged (opening party, with an exhibition of work by the young photographer Rapdour, a community travel evening, Diablo Rosso party, Ducati party, and Superbike Magazine party).

In the store itself, free drinks were available (though no alcohol during the daytime), with a DJ and fashion models. The area where the actual change of tyres took place was situated right in the window-front so as to attract passers-by, highlighting a product that is usually hidden away in the darkness of the garage, now transformed as an “asset” worthy of being showcased. During the tyre-change, a Pirelli technician was always present to answer queries about types of tyres and how they should be used. The store prices were aligned with the averages in Milan, and the service was provided in cooperation with

**Key data**

- Format: pop-up store
- Launched: 27 May – 7 June 2008
- 250 sqm
- 6,000 visitors
CONCLUSIONS
During the 12 days in which the store remained open it registered a visitor turnover of around 6,000 people, peaking during the Diablo Rosso inauguration party, which was attended by the company’s top management. The principal goal achieved was greater visibility, and excellent coverage in the media.

Key points of innovation
- To highlight a product and insert them in an appealing, trendy ambience

Notes on Retail Mix
- Prices aligned to local averages
- Complete range of Diablo tyres, clothing, and accessories
- Technical assistance for tyre-changing
- Staff: 2 mechanics, 1 technician, 1 administration, 2 fashion models, 1 DJ (for the evening)
- Target: owners of naked bikes and supersport motorbikes residing in Milan

RETAIL IS DETAIL
Enhancing the project was the choice of location, a space dedicated to Sidecar Events, which first introduced Italy to the “temporary” retail concept, and has quickly become a point of reference in the city for the type of consumers who likes to keep up with innovations. Milan’s Corso Garibaldi is an area with a high quota of design studios and fashion venues, and Pirelli exploited the occasion to promote its own fashion lines and PZero watches – brand extensions created to enhance the concept of “Pirelli Style”. The project by the MP Group also included a small red salon in postmodern style to foster socialising among the visitors – musical aperitifs and conversation being two of the features that Pirelli identified with the motorcycle community.

the well-known Milanese operator Pneusmania. Motorcyclists were informed of the limited-period offer via email, billboards, internet banners, and through the press.
Sconto Maxi

A new concept of supermarket which makes grocery shopping quick and easy, through a dual approach involving a general food store where customers scan their own purchases with a bar-code reader (or order online), and find the goods ready for them when they reach the check-out with their trolley of fresh goods.

**THE CONCEPT**
Conceived by an independent entrepreneur, Sconto Maxi is the first supermarket in Europe to launch a system of purchasing that differentiates between general groceries and fresh food.

At the entrance the customer takes an optical reader that makes an ongoing tally of the groceries, without needing to put them in the trolley, because the products on the shelves are only for display purposes (usually two for each product to ensure visual impact).

In this way the assortment of 2,700 items takes up a mere 100 square metres of floorspace, instead of the usual 1,300 required for a standard supermarket. The order method employs the classic self-scanning system: the product on display remains on the shelf, and is simply scanned with the hand-held optical reader, which records the price and quantity.

The bar-code reader displays the price of the desired item, along with the subtotal of the purchases made so far. At the end of the grocery area is a row of consoles where the customer places their trolley to complete their purchase.

**MARKET OPPORTUNITY**
In today’s cities, time and transit between places are critical factors in the individual’s daily schedule, so any new ideas for simplifying and speeding up the job of buying groceries are bound to be a success. If, as in the case of Sconto Maxi, a store provides a wide assortment of goods in a small and manageable space, customers are fully satisfied, while the retailer avoids the restrictions imposed by the Italian law on stores of over 300 sqm.

**Key data**
- Format: neighbourhood supermarket
- Launched: 2008
- 250 sqm: total area of sales space
- 900 sqm: warehouse space
- 2,700 grocery items
- 8 staff (2 part-time)
- 2009: 3.5 million Euros turnover

**IT A L Y  -  L i v o r n o**

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customer plugs in the reader and checks his final order and can make last-minute changes. Once the order is confirmed, it is relayed to the warehouse, where a team assembles the purchases into bags, using software that automatically assigns separate bags for the food goods and toiletries, etc. The customer meanwhile proceeds to the next area, where he can take a trolley and buy fresh food. The only department that offers over-the-counter services is the butcher’s, which is run by an outside partner company.

The other categories are all self-service, fruit and vegetables are chosen and weighed separately on the available scales. In general, by the time the customer has picked his fresh goods the warehouse team has finished making up the bags of groceries and has sent them to the check-out, where the customer is billed for both the groceries and the fresh food together. The aggressive pricing is made possible by an alliance with a national purchase group, and follows a policy of little advertising and special offers every day, contrary to the general trend. The assortment is simplified, with three prices brackets for each category of item: first price, private label (150 items), and leader brands.

**RETAIL IS DETAIL**

This system avoids altogether the break of restocking shelves, due to the logistics of the sales point. In the case of a short wait for the arrival of the groceries, there is a special area appointed with vending machines distributing snacks and hot beverages. Alternatively, customers can purchase online and collect their shopping from the store during closing hours or during the lunch break. One important economic detail not to be overlooked is the drastic reduction in theft, which stands at around 3% in retail turnover in Italy.

**CONCLUSIONS**

Thanks to the simple, speedy and innovative purchase procedures and the excellent price/quality ratio, even though the supermarket is located in the outskirts of Livorno and involves comparatively little advertising outlay, its fame has spread quickly by word of mouth. The turnover for the first year reached 3.5 million Euros, and is expected to grow also thanks to the increase in online sales with in-store collection.

**Key points of innovation**

- Swifter and more convenient shopping: wide assortment in small sales area
- Flexible shopping: standard, or online with collection at the store

**Notes on Retail Mix**

- Compact display layout
- Essential assortment for each category: first price, private label (150 items), and leader brands.
- EDLP (every day low price) policy
- Services: online ordering, with collection at the store; restoration area
Spazio Ambasciatori

Food as culture and culture as food: a retail area strong in social interaction, deep in the heart of Bologna’s historic downtown

**MARKET OPPORTUNITY**
In many cities up and down the Italian peninsula, the public has expressed a growing need for more involvement in historic downtowns, which have seen a steady dwindling of cultural events and shops. The present situation therefore marks an interesting opportunity for retailers, who are now in a position to open stores in the city centre, in partnership with local authorities in urban renewal schemes. In the present case, the Coop Adriatica won its bid for the rehabilitation of an important historic building in Bologna that had stood empty for years. Their scheme involves the winning combination of a Librerie.Coop bookstore and the internationally acknowledged gourmet food retailer Eataly, which has rapidly established a new benchmark for high-level gastronomy.

**THE CONCEPT**
Spreading over a space of some 1,500 square metres on three storeys, the Spazio Ambasciatori offers a combination of food, books, and socialising around cultural events scheduled throughout the day: the venue opens at 8 a.m. (10 am on Sundays) and closes at midnight. The street-level area is assigned to the more on-the-run services and offers an area for meetings devoted to literature and the arts, plus a combined snackbar and pastry-shop, “Caffè di Eataly”. The spaces upstairs host books on travel and exploration, while the nearby “Trattoria di

**Key data**
- Format: books and quality food concept store
- Launched: December 2008
- 1,500 sqm: Coop Bookstore 70%; Eataly 30%
- 140,000 books; 66,000 titles
- First year
  - 850,000 visits
  - 170,000 book receipts
  - 84,000 food receipts
  - 500 events

**Key data of Partners**
- 20 Coop Bookstore in Italy
- 5 Eataly outlets worldwide
**CONCLUSIONS**

The Spazio Ambasciatori project has successfully tackled the classical type of co-retailing: by integrating on all three floors the dual offering of food and culture, the customer’s overall shopping experience is notably enhanced, while favouring social exchange and also impulse purchases. The triumph of the enterprise’s first year is the well-earned reward for this adventurous multi-target and “situationist” concept store, which has attracted a cross-section of the public in terms of both age and occasion for visiting.

**Key points of innovation**

- Food and books: high quality, low snobbery
- Strong in-store integration between food and books
- Differentiated food offering for diverse occasion for the visit

**Notes on Retail Mix**

- Product assortment: books, stationery, traditional Italian gastronomic products, high quality food
- Catering variety: cafeteria, trattoria, pub
- Staff trained in special schools

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*Eataly* offers a variety of simple traditional Italian menus developed in close collaboration with the authoritative Associazione Slow Food organisation. On the top storey, an area for books on the natural sciences alongside the children’s books section is installed within the “Osteria del vino e della birra”, a pub/winery run by Eataly, where in addition to stopping for a bite to eat, customers can purchase a selection of beers and wines. A large skylight affords an unusual view over the old buildings that grace Bologna’s superb historic city centre. The Spazio Ambasciatori’s daily calendar of appointments and cultural events focuses mainly on book-presentations and gourmet sessions held by renowned writers and chefs, but also promotes concerts, kids activities, and innovative ideas like the “Librai per caso” event, in which people from diverse occupations (journalists, businessmen, or professionals) with a common passion for books and reading are invited to share their notion of the ideal book collection.

**RETAIL IS DETAIL**

The innovative project has been devised by the Retail Design studio. The building in which the Spazio Ambasciatori is berthed boasts numerous traces of its long ancestry (including details from the 14th, 18th, and 19th centuries), which the modern installations have managed to integrate, such as the open-backed shelving that reveals the rough original walls behind, while the modern lights in the cafeteria have a handcrafted appeal. Similarly, the chairs are in the classic Italian trattoria style, but made from aluminium. Another distinctive feature of the centre is the skilled staff, whose capable approach to assisting customers comes from special training programmes held by the Coop School and Eataly.

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[**Spazio Ambasciatori - Italy**](#)

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How to invent, launch, and keep new intergenerational cult-objects appealing: a concept store with a story-telling staff and social media integration.

**MARKET OPPORTUNITY**
Today’s retail outlets devoted to games-gadgets-gifts are often disorderly, jumbled and unattractive, whereas the expectations of the customers in this type of product are becoming increasingly sophisticated. The Big Box International group with their Action City concept has taken the lead with its carefully gauged offering that attracts and stimulates purchasers through a lively and inviting shopping experience that works at several levels.

**THE CONCEPT**
Big Box International is an integrated group that operates in the Asian market in the toys and games sector with interrelated activities that include the development of new products, bulk trading, and direct retail. With Action City, the group has successfully created a strong brand ID around the concept of play that involves diverse categories of product: thanks to an innovative design team it has created gadgets that have become authentic cult-objects among both youngsters and adults. One particularly successful gadget is the “Breadou”, a line stress-relievers for all ages in the form of confectionary (bread-rolls, croissants, doughnuts and so on), made from NASA-developed memory rubber foam, and sold in displays that resemble those of a typical bakery or cake-shop. In each case a wobbler label fixed to the shelves or the product explains some of the less-obvious properties of the object, suggesting other ways to enjoy it to the full, such as using one’s sense of smell or touch. Additional presentation support for the products comes in the form of sophisticated videos shown to customers, but key input is offered by the store staff.

**Key data**
- Format: concept store for toys and cult-objects
- Launched: 2000
- 16 stores
Key points of innovation
- Products highlighted in-store through trained storytelling staff
- Innovative toys styled on current trends and daily situations
- Strong interaction with social media and creation of online fan-base

Notes on Retail Mix
- Ample assortment with innovative products
- In-store information with wobbler labels and videos
- Enthusiastic staff dressed in “play-suits” in line with brand ID

personnel, who are trained to wow the public with their product presentations.

RETAIL IS DETAIL
Besides its strategy of widely targeted advertising, Action City is present on all the main social networks on the web, and maintains close interaction with users and with its growing fan-base, which has spawned numerous related blogs. Another way that fans can meet up and share the fun is through the many exhibitions and events, such as the Singapore Toy & Comic Convention, which besides generating commercial contracts with other operators, have become one of the leading attractions for end-users.

CONCLUSIONS
The results are substantial – Breadou alone sells around 10,000 units per month, and the online fan club has hit the 40,000 mark. The group’s international sales has expanded to cover 10 countries so far, and there are plans to reach another 20 in the coming five years (including Dubai, China, India, Philippines, Thailand, Indonesia, South Korea) through franchising and direct retail outlets.
**Food Republic**

The classic mall food court revamped: Food Republic offers a variety of spaces each with a distinctive identity but integrated within a formula that offers a multi-sensory experience of high-quality eating, and whose format can be applied to diverse locations.

The lack of character, the déja-vu menus, and the generally mediocre fare proposed. Food Republic has therefore decided to launch a new concept of food court that aims higher and offers a more attentive identity, closer to that of the restaurant.

### The Concept

Each separate eatery or stall within the food atrium has its own unique theme, while at the same time echoing the integrated identity of the concept as a whole: from the display of food to the type of tableware, from the furnishings to the staff and their uniforms.

The aim of the concept is to provide an all-round package of sensory stimuli, starting with the eye-catching décor arranged by theme, followed by the demos of the food being prepared, which are then served up with a dash of showmanship. Tactile input comes in the form of the fittings, which are made with different material for each dining area. The menus show a touch of creative pizzazz with 3D graphics, and each table is decked with art-objects that can be handled and “felt” by the diners. As for the elimination of unwanted smells and noise, Food Republic has deployed state-of-the-art air purification plants that extract cooking smells but leave the aromas and sounds of the food being prepared in each area.

### Key data

- **Format:** food court
- **Launched:** 2005
- **33 food courts (China, Singapore, Malaysia, Hong Kong)**
- **From 1,400 to 3,000 sqm**

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**MARKET OPPORTUNITY**

The type of food court found in most shopping malls around the world, including Asia, usually comprises a set of specialised units which together offer wide variety of foods and ethnic cuisines. Until now, customers have appreciated the convenience, speed, and simplicity at affordable prices, but there is a rising number of people who are dissatisfied with the
Key points of innovation
- Top-quality food court with a strong integrated identity
- Versatile format that adapts to the specifics of each location

Notes on Retail Mix
- Broad choice of styles of convenience dining (fish gourmet, Japanese, Korean...)
- Multisensory ambience and stylistic consistency, from the décor to the staff uniforms
- Customer-oriented service with intensive staff training programmes
- Electric beverage cart driven by hostess
- Events: competitions between operators, with journalists as judges, which generates wide media coverage and articles that the operators can use for in-store authentication
- Communication: in-house TV infotainment programmes, and touch-screen info-points giving food tips (matching drinks/food, nutritional values, etc.)

And then there is the taste factor: Food Republic pledges to observe the highest standards and quality controls, whereby all food is tested every week for excellence.

The concept provides a customer-oriented service with friendly personnel, who are also trained in the aesthetics of food presentation, and can offer creative advice on the menus.
**Tous**

A new concept of a jewellery store that combines luxury with fast-fashion in a modern and upbeat environment that offers a strong wow factor and a multi-channel shopping experience.

**THE CONCEPT**

The Tous chain dates back to 1920, and today boasts 375 outlets (of which 98 are shop-in-shops) in 42 different countries. The assortment proposed is very wide in scope so as to embrace a variety of different target groups, with a strong accent on “inspirational style”, which proposes fashion-jewellery at accessible prices. The chain’s success was cemented further with the introduction to this sector of the concept of fast-fashion, and currently the chain launches 30 new collections each year.

In 2009 Tous created a new concept store which, taking its cue from the identity of the preceding format, aims to improve the shopping experience for the customer by offering broader service. Covering 150 sqm, the new store has a revamped look, more feminine and vintage, and is divided into four zones according to the products offered, with an easily navigated internal layout and versatile display systems by which the shelving doubles up as counters for showing products when the store is crowded.

**MARKET OPPORTUNITY**

Recently the jewellery market has seen a rapid rise in the demand for a format based on the concept of fashion-jewellery and accessible luxury. With its new concept store Tous, the Jewellery Company has found an effective way to tap into this trend by reinventing the traditional idea of jewellery and the jewellery store.

**Key data**

- Format: jewellery store
- Launched: 2009
- 150 sqm

**Data on Tous**

- Launched: 1920
- 375 sales outlets, of which 98 are shops-in-shop
- 2008: 300 millions euro turnover
The spacious entrance foyer accommodates all the silver and costume jewellery, displayed in a way to foster customer interaction, thanks to the affordable price shown with attractive clarity; owing to its layout, this area encourages customers to move with ease, choose their items themselves, and move on toward the checkout, and hence requires no staff. A second section is reserved for more expensive items made of gold and precious stones, displayed in elaborate showcases provided with magnifying glasses to enable a closer examination of the detailing. Another zone is delegated for accessories, a category that Tous had expanded to include sunglasses, key-cases, luggage, handbags, perfumes, objects for the home, and also sports items. Lastly, the zone at the back of the store is assigned for more special purchases and for the best clients, who are greeted with a cup of coffee or a glass of champagne, so as to render the sales operation more empathic.

**RETAIL IS DETAIL**
One of the primary concerns for Tous continues to be customer satisfaction. For this reason the company offers exceptional service both during and after the sale, including repairs to jewellery, intensive training for the personnel, which is accessed via an online “mystery shopper”. Also provided online is a full training schedule for the sales staff. With this new concept store, Tous has endorsed its brand identity, completing the atmosphere generated by the layout and display with Tous fragrances and Tous music, ensuring a fluid and homogeneous ambience.

**CONCLUSIONS**
Tous is continuing its plans for international expansion, and in 2010 expects to open another 57 stores, many of which will adopt the new format, which has been convincingly successful.

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**Key points of innovation**
- A “liquid” jewellery store: multi-target, with a range of purchases
- Transfer of the fast-fashion concept to the jewellery category

**Notes on Retail Mix**
- Assortment: ample, deep and targeting various types of shopper, from classic luxury to accessible luxury
- Fast-fashion approach, with the launch of 30 new collections each year
- Services: specialisation in jewellery repair
- Empathic, customer-oriented staff
- Convenient layout with areas the prompt purchases on the move
- Displays devised to make products more accessible
- Speciality Tous fragrances and music (brand ID)
Danone Store

For its first brand store, Danone returns to its Catalan origins and creates a space dedicated to its consumers to recount its history and the constant innovations of the product, to promote trust in the brand, to illustrate the beneficial properties of Danone products and encourage healthy eating and living habits.

MARKET OPPORTUNITY

These days, major brands are responding to the greater need for direct physical contact with consumers as a means of involving them and listening to them, trying out new products and providing an all-round vision of the brand’s values. For its own response Danone has decided to open its first brand store in Barcelona, the city where the company started up in 1919. In the retail area, alongside its leading products, Danone recounts the history of its unstinting commitment to improvement with a section of information regarding diet and healthy eating, two of the company’s key themes in the past few years.

THE CONCEPT

The Danone brand store faces on to the Diagonal, one of Barcelona’s strategic thoroughfares, with a lively frontage dominated by the company logo in giant lettering. The style is futuristic throughout and the decor follows the brand’s hallmark white-and-blue colour scheme. The 340 sqm of floorspace is divided into five distinct areas. At the entrance is a yogurt bar, a tasting area where customers can mix and match different products with an ample choice of toppings. Nearby is the snackbar realised in tandem with a Spanish partner, where the menu is attentive to nutritional values and offers certain unusual proposals with a good price/quality ratio. To the left lies the brand museum dominated by one of the original old delivery vans used in the old days, where customers can browse and purchase historic Danone adverts and signs. In the Yogurt Museum, thanks to a bank of interactive displays visitors can have fun exploring the history of yogurt and Danone’s own story, with its fundamental policies of health, R&D, and communication, following the history of the brand through

Key data
- Format: brand store
- Launched: 2009
- 340 sqm
Retail innovations - Spain

The more famous Danone advertising campaigns down through the decades.

Retail is Detail
This innovative space offers customers the opportunity to taste different types of yogurt and also frozen yogurt (also take-away), including several exclusive varieties that have not yet been put on the retail circuit. Two conference rooms host seminars on nutrition and healthy eating habits. The personnel in the customer care section is composed of nutrition experts who can provide visitors with tips and guidelines for a healthy diet in a retail area that seamlessly unites the sleek interiors and modern graphics with selected objects that transmit the values and history of the Danone group.

Conclusions
Danone may consider the idea of opening other stores after this trial run inaugurated in April 2009 to coincide with the company’s ninetieth anniversary celebrations.

Key points of innovation
- Storytelling and brand edutainment for customers
- Exclusive chance to try out new yogurt products

Notes on Retail Mix
- Environment: high-tech styling blended with elements of the Danone tradition
- 5 separate areas: yogurt bar; restaurant; merchandising corner; interactive museum; auditorium for seminars
- 19 different yogurt toppings
- CRM area for interaction with customers
- Services: workshops offering guidelines for healthy eating, and food education

With this outlet Danone has followed a trend started by other world-famous brand names that have opened specific stores to endorse their own products and foster greater customer interest.
Laxomat

An automated delicatessen based on RFID technology that addresses the growing needs for the growing demand for flexibility in consumption and purchasing.

MARKET OPPORTUNITY
Consumers are expecting ever greater flexibility in their shopping, starting with store opening hours.
To address this demand by extending shopping hours entails a proportionate increase in running costs, most of which derives from an increase in staff.
Christer Lagnell, an independent Swedish restaurateur, set up his business in 1996 specialising in local dishes based on salmon and vegetables.
When his customers urged him for longer opening-hours, Lagnell took advice from an outside consultancy and decided to open a parallel business – integrated with the restaurant, however – that could fulfil customer requirements around the clock.
The solution was an entirely automated self-service food store open 24 hours a day, running on RFID technology.

THE CONCEPT
2005 saw the launch of the first Laxomat outlet, a fully automated store with a footprint of only 27 sqm, accessible at all hours, and offering an assortment of takeaway dishes.
The Laxomat is situated near the restaurant proper, so as to provide integrated activities with an active service 24/7, as well as simplify the operating logistics. All products are labelled with an RFID tag created onsite in the kitchen area. The purchasing procedure is simple: the customer runs a credit card in the slot by the entrance, types in a PIN number, and the door opens. Once inside, the customer picks up a shopping bag, chooses among a selection of dishes and drinks, then places the bag on a counter where the RFID interrogator reads the tags, showing the all the items it contains on a screen. The customer then inserts his credit card and signs for the purchase on the screen, and when he takes the

Key data
- Format: automated delicatessen
- Launched: 2005
- 4 outlets
- 27 sqm
- Open 24/7
CONCLUSIONS
Given the concept’s success, three new centres have been opened. At present the chain totals 350,000 purchase receipts per year. As the cost of the RFID food-tags is steadily decreasing, and the demand for readymade dishes at any hour is on the rise, the concept promises to offer some interesting development margins in the near future.

Key points of innovation
- Fully automated store open 24/7 using RFID technology
- Integrated with nearby restaurant

Notes on Retail Mix
- Assortment: readymade hot and cold dishes; local specialities based on salmon
- No staff required
- Local touch: dishes based on salmon (the national speciality)
Westside

A multifunction urban centre that combines a large park with residential units, retail mall, leisure amenities, and tertiary sector activities set within a complex of low-impact design.

**MARKET OPPORTUNITY**

Urban development in today's cities requires the creation of multifunctional zones in which housing is integrated with modern retail areas that offer a mixture of commerce, leisure amenities, culture, and business facilities. When that mixture achieves a positive balance, such zones inject new life into the urban fabric and offer significant sources of investment.

**THE CONCEPT**

The concept Westside lies at the gates of the city of Bern, the Swiss capital, and its catchment radius of 45 minutes' drive comprises around 1.2 million people, a significantly high figure for Switzerland. The complex was designed as a pole of attraction alive both day and night rather than offer another hulking shopping complex. Instead, Westside provides a place where people live or meet for work, and above all, a place to spend one's free time in a pleasant and stimulating environment.

Almost half the total area of the complex is covered with a dense park designed to Swiss standards, and the leisure activities proposed include a multiplex cinema, a swimming-pool with health spa, and a food court with 10 eateries. The retail hub comprises 55 stores, 10 eateries/bars, 95 apartments, and 22 rooms for senior citizen care.

**Key data**

- Format: multifunctional complex
- Launched: 2008
- 141,500 sqm, 23,500 sqm of shopping space, 3,000 sqm of gastronomy and food courts, 10,000 sqm of swimming-pool and spa facilities
- 55 stores, 10 eateries/bars
- 95 apartments, and 22 rooms for senior citizen care
- 144 hotel rooms
- 4.2 million visitors in the first year
- 350 euro million investment
- 2008: 125 millions euro turnover
including H&M, Globus, Peak Performance, Marc O’Polo, and Levi’s. Westside has also become a destination for business meetings and seminars, thanks to the related infrastructure and hotel facilities. With this formula Westside offers a multipurpose pole targeted at a wide cross-section of end-user – there is also a senior citizen residential facility. One of the project’s key concepts was respect for the environment.

The façade of the shopping centre is made of timber obtained from sustainable production sources, and the complex as a whole employs cutting-edge energy-saving technology. Lying a mere ten minutes from the city centre, Westside is well served by public transport, thereby greatly reducing the use of private vehicles and curbing subsequent pollution.

RETAIL IS DETAIL
Designed by the renowned architect Daniel Libeskind, Westside is conceived as a harmonious integration of natural elements and modern forms, based on a combination of cubic components. Numerous skylights provide ample natural illumination through all the pedestrian causeways, and large glazed sections offer panoramic views over the landscape outside, both natural and manmade. The site of the Westside complex is also significant – sitting astride a motorway, it is highly visible and also easy to reach for people travelling to and from Bern by car. The complex’s popularity rose recently when it was chosen as the location for an opera broadcast live on television.

CONCLUSIONS
Westside has become a crucial reference point for the city of Bern, and attracts people from a wide catchment area thanks to its high degree of innovation and to the frequent events that animate the centre. It registered over 4 million visitors in the first year of opening.

Key points of innovation
- Harmonising of the complex’s different functions
- Balance of natural and manmade
- Design with high level of eco-compatibility

Notes on Retail Mix
- Offering: residential facilities, leisure amenities, retail, hotel
- Multi-target urban mix: large park, homes for senior citizens, business facilities
- Location with low-impact on the environment: public transport and direct access from the motorway
Ajmal

A new concept of ethnic chic offering a modern presentation of traditional Arab perfumes, while conquering a Western clientele through its integrated shopping experience.

while also expanding at international level. To do this, they have created a new concept store, which opened in the Burjuman Shopping Mall in Dubai in July 2009, where it now attracts a broader target shopper and no longer only Arab men and women.

THE CONCEPT

The new concept store aims to modernise the brand image and the customer’s shopping experience. The store is divided into three areas. Two of these are in the front of the store, one assigned to packaged perfumes, and the other focused on the select range of essential oils, encased in precious handmade glass containers. The layout atmosphere, and encloses a special area dedicated to the oudh, a precious resin that is contained in most oriental perfumes, and costs up to 1,000 US dollars per gram. To address the eastern customers’ expectations and attract a flow of visitors through the sales outlet, a fairly large area is reserved for new products. Generally speaking in the Middle East, women change their perfume in the course of the day – using one for the morning, one for the afternoon, and another for the evening – and often make their purchases once a week. Fragrances are used as a means of self-expression and are chosen according to mood, denoting a distinct difference from the western tradition, where the customer

MARKET OPPORTUNITY

Ajmal Perfumes is the United Arab Emirates’ leading name in the perfume sector, which has integrated its activities both as producer and as retailer with a network of over 120 specialist stores in various countries across the Middle East. The group decided that this is an opportune moment to boost its domestic markets, with key data:

- Format: perfumery
- Launched: July 2009
- 120 sqm
- Assortment: perfumes, oils, oudh-based scents
- 100% private brand
- 100 stores already open, another 100 scheduled
wears a single perfume for the entire day, and tend to keep a certain habit over the years.

**RETAIL IS DETAIL**
The company has developed an integrated visual identity that is proclaimed coherently throughout the store and in the packaging, along with the in-store advertising and furniture details, including custom displays, lighting, and special oudh containers. The graphic device used throughout is a winning blend of western and Arab geometric forms, and symbolises a cloud of perfume dissipating in the air. The decor colours are mostly warm, with gold predominating, to convey high quality and luxury in a welcoming and modern way to the international clientele that makes up the main target. Considerable attention has been given to the lighting in particular – in the perfume area the light is more intense and direct, drawing attention to the department with the largest turnover of goods, and to give a more youthful touch to the interiors. In the essential oils section the light is softer, with museum-like display systems to underscore the preciousness and quality of the products. The area devoted to oud-based perfumes is less brightly lit, to make the area more intimate and create a mood in keeping with a product that requires special respect and attention.

**CONCLUSIONS**
The new concept store is right on target with its primary objective of bringing Arab perfumes to the attention of a wider audience. While the group’s stores have generally recorded a clientele composed solely of Arab men and women, the presence of Europeans and Asians in this store is around 40%, with a greater number of male visitors.

In the next 24 months, the concept will be applied to the stores already opened, and 35 new openings are envisaged over the coming 36 months.

**Key points of innovation**
- Innovative mixture of tradition and modern ideas
- Ethnic chic shopping experience

**Notes on Retail Mix**
- Unique assortment
- Intensive customer-oriented service
- Some hand-crafted packaging
- Contemporary/traditional atmosphere
- Mid- to high pricing
15th Avenue
Coffee and Tea

A new coffee shop from the Starbucks Group that innovates in two directions: an assortment that offers new proposals each day, and includes beer and wine; and a more locally oriented philosophy that offers a platform for involvement, by which the clientele can decide the type of music played, the events, and which non-profit organisation to support.

MARKET OPPORTUNITY
Despite the general drive towards globalisation, more and more people are seeking solutions of a more local nature. This trend has been harnessed by Starbucks as part of its strategy reshuffle to cope with the drastic slump the company has faced in the last few years. The founder Howard Schultz, who returned as CEO, set two priorities: on the one hand to streamline by closing down weaker outlets, and on the other to overhaul the core selling feature of the group (coffee), and to launch a new chain entitled 15th Avenue Coffee and Tea, which pivots on a local, street-level ethos.

THE CONCEPT
The early results have validated the “Schultz treatment”, on the one hand restoring credibility and prestige, and on the other providing the necessary funds to launch the new label 15th Avenue Coffee and Tea. The pilot outlet opened in Seattle in June 2009 and its concept is distinctly different from all the previous trials attempted by Starbucks, even though the brand’s spirit is still present, given that the staff was largely siphoned off from the “mother” chain. The interiors are furnished with a notable quota of recycled materials, such as the seating, which was salvaged from a disused theatre. The decor is predominantly wood and metal, establishing a simple and almost raw look that contrasts with the living...
room style of the traditional Starbucks outlets. Moreover, the assortment at 15th Avenue Coffee and Tea shatters the Starbucks taboo against alcohol by including beer and wine, a choice that triggered a backlash from the American analysts, who however looked approvingly on the local factor, given that the joint hosts book-readings, concerts, and other events related to the city’s artists, and involves the customers in the daily running of the store, such as what music to listen to, or what non-profit organisation or local support-group to devolve the annual CSR quota to.

RETAIL IS DETAIL
Each day new products and variants are introduced so as to provide customers with a wider choice than they would get at a traditional Starbucks.

CONCLUSIONS
The plan is to expand the 15th Avenue Coffee and Tea concept so that it becomes an independent chain, but aside from this possible development, this new concept of coffee-shop has provided an ongoing laboratory for testing out retail formulas of assortment, pricing, events, solutions, and initiatives. The store’s different positioning from the standard outlets has enabled the Starbucks Group to target a type of customer who was until now off the radar.

Key points of innovation
- Local approach with customer input on the choice of music, associations, and events staged in store

Notes on Retail Mix
- Customer-oriented service with user-generated experience
- Core product remains coffee, with beer and wine included in the assortment
- New proposals introduced every day
- Furbished with recycled materials
- Simple, “raw” environment
**USA - Austin**

**Office Depot**

The first prototype of the “green” office superstore addresses the growing expectations of customers, while in turn prompting compliance among both customers and staff.

**MARKET OPPORTUNITY**

American customers are becoming more insistent on eco-friendly products and increasingly expect the retailers themselves to adopt sustainable models of conduct at all levels of their activities. To address this demand, Office Depot, the world leader in office supplies, has designed the first prototype of a store that complies with the “Leadership in Energy and Environmental Design” (LEED) standards.

**THE CONCEPT**

In July 2008, Office Depot opened its first “green” outlet in Austin, Texas, as part of the company’s environmental commitment towards the demand for green products, a green lifestyle, and a green sales policy. Among the special features of the store are light systems triggered by sensors installed in the offices and the restrooms; water-efficient plants; and floors coverings made from 60% recycled building materials with a low-carbon emission quotient.

In tune with the company’s policies, Office Depot not only aims for all-round sustainability in its own operations, but advises customers on their forms of compliance, starting with the parking lot, where visitors are informed that the concrete floors are made from recycled materials, and that the white paint reflects the sun’s rays, thereby helping to keep the parking lot cooler with less impact on the environment. Customers who drive low-emission (hybrid) vehicles and those who share an automobile are awarded a special zone nearer the entrance; while those who arrive on a bicycle (both customers or staff) are assigned dedicated bike-racks. The illumination of the store relies on daylight filtering through 50 skylights, covering around 90% of the store’s needs. Recycled products are present everywhere, including 30% of the concrete floors, and 90% of the partitions. The shopping trollies were purchased second-hand and simply spray-painted. The vast assortment of products includes a great many green **Key data**

- Format: green concept store for office supplies
- Launched: 2008, in Austin (Texas)

**Office Depot Data**

- 1986: company founded with the opening of the first retail outlet in Fort Lauderdale (Florida)
- 1,100 stores (USA and Canada); 400 stores (rest of the world)
- 2008: $14.5 billions turnover
items, from recycled paper to regenerated toner cartridges, solar-powered backpacks, and CFLs (compact fluorescent lights). All these green products are clearly labelled and easy to locate, and are contained in the Green Book listing over 3,000 products present on-site.

**RETAIL IS DETAIL**
The store also serves as a collection point for objects and materials that customers no longer use: paper, cell-phone batteries, rechargeable batteries, ink and toner cartridges, and other technological products. The store is also equipped with systems for recycling or regenerating items on the premises, thus avoiding their disposal as waste. The staff that arrives at work on bicycles are rewarded with a “maintenance kit” that includes the free use of a pump and patches for repairs, thereby promoting consistency with its green message among the workforce as well.

**Key points of innovation**
- Integrated approach to green issues: processes, products, services
- Attentive campaign to encourage compliance among customers and staff

**Notes on Retail Mix**
- Wide assortment of products, found also in Office Depot’s own Green Book
- Services: graphic design, printing, reproduction, mailing, shipping
- Green solutions: use of daylight; solar panels; high-performance reflecting membrane on roof; use of low-carbon-emission materials
- Recycling convergence point within the store, with an area assigned for defunct mobile phones
- Kiosk outside the store informing customers and staff on transport options available in Austin
- Multi-channel: sales through office supplies outlets, representatives, internet sites, direct marketing catalogues, and call centres

**CONCLUSIONS**
Office Depot is satisfied with the results achieved with this concept, and has decided that all the new stores that they open from June 2010 onwards will be LEED-compliant.
clubatcost.fr

The “warehouse club” model goes online in French style with the sale of fashion items at “cost price” and revenue driven solely through member

MARKET OPPORTUNITY
Retailers say “cut-price, special offer, end of season”, etc., but it is never clear just what the “right” price is, and people often get the feeling they are paying too much, particularly when it comes to fashion products where prices fluctuate swiftly, depending on the retail channel and on whether the sales are during or after a season. Such doubts are particularly strong toward designer clothes, in which the value of the label never seems to quite justify the price, which has often been raised up to ten times. The climate of growing consumer awareness and diminishing incomes has created new opportunities for retail businesses to focus more on the intrinsic values of the products, and selling online offers an interesting support for this type of enterprise, particular in non-food sectors such as clothing.

THE CONCEPT
Clubatcost.fr has found a smart way to address the dual expectations of its customers, with low, transparent pricing using an innovative commercial model, offering items up to 70% cheaper than they are in the stores with an equivalent level of style and quality. The company’s slogan is simple enough – “No intermediaries, advertising costs, or marketing”. A pair of Clubatcost.fr jeans comes to €21, practically the cost price. The retailer's profits lie entirely on the yearly

Key data
- Format: e-commerce of fashion clothing at cost price
- Launched: 2009
- 1 e-commerce website (www.clubatcost.fr) and 2 showrooms (Paris and Montpellier)
- 48 staff
- 11,000 members

WEB - France
subscription of 120 that each customer pays to buy on the website, adopting the warehouse club-type of business model.

Part of the company’s success stems from its stringent policy of transparency on pricing – for every product the buyer sees the cost price relative to the country of production, the total for taxes and the costs for shipping and logistics. At the very end, the “Clubatcost price” is clearly indicated online, and always compared against the regular price in the high-street. Another key feature of Clubatcost.fr is the ease of shopping online with a guarantee of a 100% refund. Furthermore the site offers a highly useful system of visualising the product on-screen high resolution, image rotation, zoom), and has now made it possible for customers to try the items on in the showrooms in Paris and Montpellier.

**RETAIL IS DETAIL**

Clubatcost.fr’s offering of female fashion is divided into three styles (basic, contemporary, and easy living), besides a line of medium and high quality items that employ precious materials such as cashmere and leather.

To keep customers coming back to the site, the company has opted for a “fast-fashion” type of retailing, by ensuring a rapid turnover of the collections

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**Key points of innovation**

- E-commerce concept store that sells clothing at cost price and earns profit only from the site subscriptions
- Transparent and appealing indication of prices
- Very fast delivery (48h)

**Notes on Retail Mix**

- Assortment: 100% private label; three styles: basic, contemporary, and easy-living, plus a high-end range. 40–50 new items put online each week
- Prices: around 70% lower than those found in traditional high-street stores, of the same quality and style
- Personnel: 48 staff, including 15 product managers and designers
- Services: delivery within 48 hours, payment 7 days from delivery, refund 100% guaranteed (within 14 days of delivery); all services are completely free to encourage customers to order online
- Website: sophisticated system of visualisation of every product
- Multi-channel: two showrooms to give customers the chance to try clothes on
- Media: daily newsletter with updates on the latest bargains and new-entries
A Web 2.0 portal that provides inspiration and guidelines for consumers to customise their own interior furnishings and home decorations, also enabling interchange between members of the community.

**Key data**
- Format: 2.0 portal
- Launched: 2007
- Founders: Brent Hoberman and Martha Lane Fox
- 5 mln SKU
- 35 staff
- 2,000 retailers involved
- 80,000 active members of the community

**MARKET OPPORTUNITY**
As with other pioneers of Web 2.0 sites, the Mydeco online concept store devoted to interior design and home decorating has taken its cue from the fact that people are becoming increasingly diffident towards brands per se, and prefer to concoct their own hybrid styles and combinations. For this reason, Mydeco has addressed the challenge with a concept that is garnering considerable success: an online platform based on a multi-brand catalogue connected through the web with each brand’s site, enabling customers, fanatics, and professionals who have joined the community to swap ideas and put forward their own hybrid interior designs.

**THE CONCEPT**
Mydeco was founded in 2008 with the backing of high-profile personalities such as Skype co-founder Niklas Zetterström, and Sir Terence Conran and Philippe Starck, who are on the board of directors.

Mydeco offers products from 500 retailers and combines the broad selection with 3D software that allows end-users to design their own interiors, be it a room or an entire house. So far, some 1,000 such designs have been completed (and archived). Consumers can upload photos of the room they intend to decorate and then modify the colours with a click of the mouse; or they can create a “moodboard” by selecting from among the many components available on the site; alternatively they can consult other people’s moodboards, and take part in design competitions, showing
off their creative flair with the interactive 3D design tools. Another important utility is the application Buy the look for less. If a consumer finds a room he or she likes but the price seems too steep, one just clicks the Buy the look for less button and Mydeco proposes a cheaper version of the room that keeps its style. Purchasers can also build their own “Wish List”.

The actual sale of the items is effected by the retail partners of Mydeco, who get a 12% cut on all products sold as a consequence of the user traffic those partners have recorded on the site. Community members can also earn something: every time a product is sold from a room they designed, they get a minimum 3% cut on the sales. Members can upload images of their projects, and a Mydeco team evaluates whether to put them into production; in this case Mydeco receives a 12% cut of each project sold.

**RETAIL IS DETAIL**

Typical of other social media networks, Mydeco also carries an online community blog where members can exchange ideas, plans, and design tips: here they can chat about what’s new and hot on the design front. More stimuli is provided by the company’s own bloggers, who showcase chosen interiors and designs and analyse the emerging trends.

**Key points of innovation**

- Simple procedure for transferring customers’ ideas on home design solutions
- Platform that encourages sharing of skills and ideas among community members

**Notes on Retail Mix**

- Prices: supplied by each product’s brand and aligned with the company’s own website
- Single channel: website
- Assortment: wide selection of furniture and accessories for the home, with some exclusive products created by members
- Communication: blogs, web communities, and social media
Groupon — a handy contraction of group + coupon — is an innovative website that runs special deals on products and services which change every day, and are only valid if the online community buys a preset minimum number of coupons, following a mechanism that has so far earned enthusiastic ratings and high sales turnover.

**MARKET OPPORTUNITY**

The growing trend for saving money through collective buying is a rapidly growing facet of new consumerist philosophy, and Groupon has taken advantage of the web’s capacity to spawn virtual consumer groups to this end.

**THE CONCEPT**

Groupon’s slogan is “collective buying power”, and its novel mechanism is based on bargain deals for services, gift vouchers, and products. Each deal is valid for one day only, and is not activated unless the number of subscribers reaches the preset tipping-point established beforehand from case to case. Groupon focuses on a wide range of special deals (such as tickets for shows, dining out, courses, club memberships, etc.), which differs for each city.

At times their success has proved dramatic, such as the Groupons for a production of Faust at the Chicago Lyric Opera, which sold out in a few hours; a similar thing happened with tickets for a Chicago Cubs game.

The system works by word-of-mouth and the active involvement of certain people in campaigning to reach the right quota of people. All past deals are listed on the website so that everyone can see the results of each campaign: for instance, the annual membership to the Art Institute of Chicago with a 64% discount garnered 4,913 Groupons; the $50 vouchers for jeans worth $125 from Denim Lounge were snapped up by 1,269 Groupon members. The returns on the system also lies in the

**Key data**

- Format: e-promotion
- Launched: 2008
- 2 million members across the United States
- 1.4 million Groupons sold since its launch
- 2010: 350 mln$ revenue
- 48 cities in the US covered (100 within the end of 2010) and London
Key points of innovation

- A winning publicity mechanism that generates a high turnover

Notes on Retail Mix

- Assortment: most Groupons focus on services: restaurants, service gift vouchers (manicures, etc.), museum memberships, courses (diving, hypnosis, etc.)
- Deals are local and tailored to the expectations of each market, drawing from online review sites such as Yelp
- Groupon is linked to social networking via Twitter and Facebook to accelerate and boost awareness of the offers

In 2009 Groupon received a block investment of 30 million dollars from the Palo Alto-based company Accel Partners, whose portfolio includes Facebook and ComScore. Groupon’s founder and CEO Andrew Mason expects to hit the figure of 350 million dollars in revenue by the end of 2010.
Zappos.com

Providing an excellent online service full of surprises and entertainment, Zappos has achieved success in e-tailing without resorting to price cuts or advertising – in ten years its turnover leaped from a million to a billion dollars, thanks to the enthusiastic service and a hand-picked crew of highly motivated staff.

MARKET OPPORTUNITY

The growth rate of Zappos.com’s online retailing business keeps rising, and forecasts indicate that in the United States it will continue to expand by 6 to 8% each year for the coming five years. Even sharper increases are expected for the online sales of footwear, clothing, and accessories overseas.

THE CONCEPT

Many market studies have shown that client satisfaction is increasingly hard to achieve, and that it is also one of the main indicators of success for any company in the long term. Other studies have revealed the hurdles of selling “sensory” products online, such as clothing and footwear. Zappos.com has successfully tackled these two fronts by pivoting its sales strategy on customer service. Although this has required substantial investments to the detriment of marginal gains in the short term, the word about Zappos.com has spread, making it an obligatory port-of-call for demanding online buyers, despite all products being sold at list price, owing to the company’s decision to effect discounts and sales only through their completely separate outlet, 6PM.com.

The product offering comprises a huge range of items and accessories in a wide range of sizes, styles, and over a 1,000 leading makers of footwear. In order to smoothly handle the million plus orders it receives, the group has invested time and money in logistics and internal operations.

Zappos.com aims to take the customer by surprise with a high and unexpected standard of service: free, overnight shipping of orders, and excellent after-sales service, with the chance to return purchases within 365 days, even if due to a customer simply changing their mind.

Key data

- Format: e-tailer
- Launched: 1999
- 2007 records gross profits
- 2009: bought by Amazon.com
- 2009: $1 billion turnover
- 900,000 products (footwear, clothing, accessories)
- 2009: E-tailer Award at the World Retail Congress

The growth rate of Zappos.com’s online retailing business keeps rising, and forecasts indicate that in the United States it will continue to expand by 6 to 8% each year for the coming five years. Even sharper increases are expected for the online sales of footwear, clothing, and accessories overseas.
Zappos.com has outlined its mission with a list of ten core values, which it encourages its 1,400+ staff to share and honour:

1. Deliver WOW Through Service
2. Embrace and Drive Change
3. Create Fun and A Little Weirdness
4. Be Adventurous, Creative, and Open-Minded
5. Pursue Growth and Learning
6. Build Open and Honest Relationships With Communication
7. Build a Positive Team and Family Spirit
8. Do More With Less
9. Be Passionate and Determined
10. Be Humble

**RETAIL IS DETAIL**
Besides the call centre and chat-line on the site, there are 500 staff members ready to answer queries on Twitter, Facebook, and MySpace. To get on the Zappos.com team is not easy and requires a great deal of commitment and personal responsibility. For this reason, if a trainee does not meet up to the exacting standards of the company, he or she is let go with a $1,000 handshake - the amount of people who accept this form of firing is only 10% and this system has reduced the turnover of long-term staff, ensuring the company greater continuity in the service offered to its customers.

**CONCLUSIONS**
Set up in 1999, the group grossed over $800 million in merchandise sales in 2007. It is therefore no small wonder that in the summer of 2009 Amazon.com, the biggest online retailer in the United States, bought up Zappos.com, declaring that it would nevertheless continue to run the concern with continuity and differentiation regarding its own business. The innovation may entail a broadening of the categories presently covered.

**Key points of innovation**
- Online business focused on excellent service and not price

**Notes on Retail Mix**
- Full-price on purchases
- Vast assortment of well-known national and international brands
- Service: free shipping; 100% no-fuss return policy within 365 days of purchase; enthusiastic personnel
- Media: intensive use of social media and word-of-mouth publicity
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Fabrizio Valente, founder partner of Kiki Lab and founding member of the business alliance Ebeltoft, has coordinated the 2010 research
Beyond every horizon, new horizons always rise

(Michael Ende)

The crisis under way is accentuating the polarisation between the mass of operators on the one hand who are shy of innovating, and on the other those of a more daring and long-sighted nature who continue to allocate resources and ideas toward renewal, and even undertake restructuring and streamlining operations, if necessary.

Investing in innovative projects at the present juncture therefore represents an even greater opportunity. Confirming this is the wide range of projects we present in this year’s overview of retail innovations.

Thanks to our partnership with the World Retail Congress, we have been entrusted with assessing the cases competing for the Retail Innovation Award and of selecting six finalists. Despite the recession, new project ideas are being explored everywhere. (…) As always, time will determine which of these innovative strategies will enjoy enduring success. And though these projects all got off on the right foot, every retailer knows that success must be renewed each day. So, we wish the best of luck to those who (like ourselves) have found inspiration from their stores.

For a personal presentation of the Retail Innovations research and our last international survey, please contact your local member of Ebeltoft at: www.ebeltoftgroup.com