

Road Map for the Store of the Future, World Premiere,

May 4, 2015, at SHOP 2015, Expo Milano 2015

Theodor PURCĂREA

Abstract

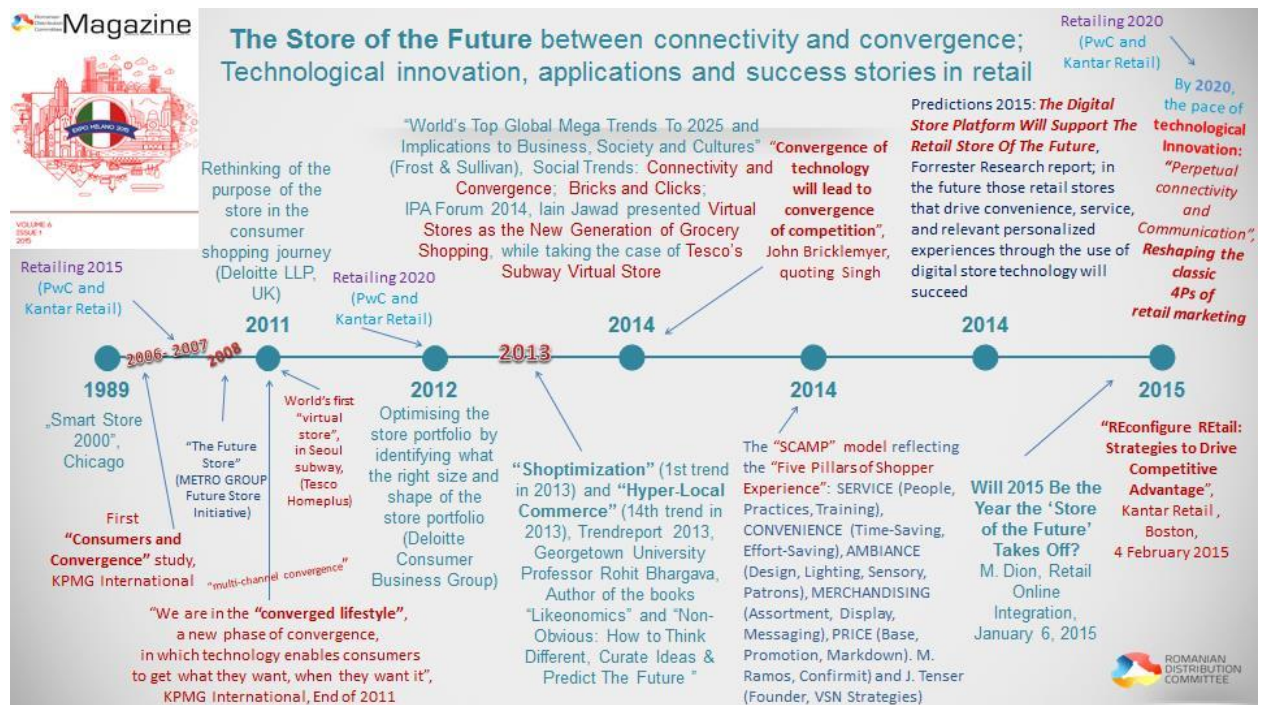
“Expo Milano 2015” confirmed the opening for an intercultural journey offering ideas and shared solutions, and “SHOP 2015” was challenging indeed to reflect at the retail space as a crucial factor influencing the customer’s feelings, at the necessary increased focus on integrating retailers’ various channels, while considering the impact of the converged lifestyle which has empowered consumers, and step by step better understanding the need of driving convenience, service, and relevant personalized experiences through the use of digital store technology. ” “SHOP 2015” was also a true opportunity to launch an invitation to work together to build the foundation for the “Road Map for the Store of the Future” Project.

Keywords: Road map; Store of the future; Channel integration; Omni channel shoppers

JEL Classification: L81; L86; M31; O14; Q55

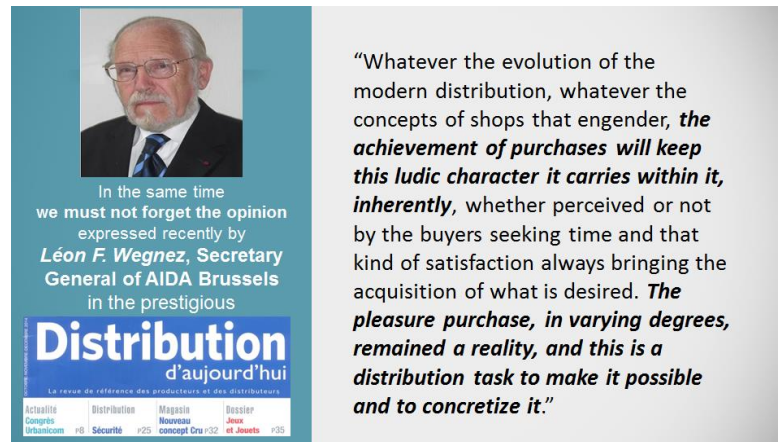
An interesting arch over time

Two recent news have portrayed indirectly an interesting arch over time formed by a painting – the “Carousel of the Distribution” by Jean WEGNEZ (painting displayed for the first time at the end of 2004 in the Conference Room of the famous “Palais d’Egmont”, Brussels) – and a “Road Map of the Store of the Future” by Theodor PURCAREA (road map presented as a world premiere on May 4, 2015 at the opening of the “SHOP 2015” Conference, at Expo Milano 2015, see photo below). On May 5, 2015, within the generous framework offered by “Forum Art Business”, the European Retail Academy – ERA (thanks to ERA President Prof. Dr. Bernd HALLIER, who is also publisher of “Culture and History of Commerce” and “Collectors and Sponsors of Commerce”) – was pleased to announce the opening of a painting exhibition (that took place from May 17 to May 31, 2015) by the distinguished Belge Jean WEGNEZ at Cercle Artistique de Spa (“the water city”).



You can see below the painter's brother, Léon F. WEGNEZ (Secretary General, International Association of the Distributive Trade, A.I.D.A. Brussels), and Florian POPA (Vice-President of the Commission of Public Health of the Romanian Senate, and President of SANABUNA International Congress) in front of the painting representing the "Carousel of the Distribution" (both being Honorary Members of the Romanian Distribution Committee). Léon F. WEGNEZ, was recently quoted by Theodor PURCAREA at the opening of the "SHOP 2015" Conference, Expo Milano 2015 (see photo below).





"SHOP 2015" - an inspired and inspiring Conference

On May 8, 2015, we reconfirmed that "Expo Milano 2015" was a clear invitation for responsible and accountable way of doing business, representing a new opening for an intercultural journey offering ideas and shared solutions, and that TUTTOFOOD, the International Food and Agriculture Show (which started two days after the official opening of "Expo 2015") offered a generous framework for the works of "SHOP 2015" Conference that invited to reflect on:

- the retail space as a crucial factor influencing the customer's feelings; retailers, who should consequently develop a strategy that defines their ideal retail footprint;
- businesses, which need to continue placing an increased emphasis on integrating their various channels;
- virtualization, which is disrupting power relationships between companies, customers, and employees;
- convergence of technology, which will lead to convergence of competition;
- the competition in offering customers consistent experiences whether they interact with a brand in-store, online or via mobile, by delivering them content in a fast and seamless way across all these channels, while also not forgetting that the foundation of retailing is understanding what customers want and need, and consequently developing a deep understanding of the decision journey that the new shoppers undertake;
- the fact that, in the future, those retail stores that drive convenience, service, and relevant personalized experiences through the use of digital store technology will succeed.





On this special occasion of the works of “SHOP 2015” Romania’s Friend Riccardo Garosci, President MIUR School and Food Committee EXPO 2015, attracted the audience’s attention by arguing that today’s children are the consumers of tomorrow who will change the market, and they need to be equipped with food and nutrition education as a result of the collaboratively working with organizations and institutions.

Theodor Purcarea, President of the Romanian Distribution Committee, was part of an international delegation invited by the Italian Trade Agency, comprising representatives from Belgium, Egypt, Romania and the United States of America. He approached the topic of “Distribution, the challenge of the super agility. From following the trends to actually doing something about them.”



SHOP2015
Fiera Milano Rho 3 - 6 maggio

Agenda

Respecting the past and welcoming the future
Walking in wisdom: believing in constant improvement and change

- Evolving and Reorienting the Supply Chain
- Where We Are Today... facing "The eight essentials of innovation"
- The 21st Century Retail Customer, and the Pillars of the Modern Commerce
- Understanding the Buyer's Journey, and the Shoppers of the Future
- What Will the Bricks and Mortar Shop of the Future Look Like
- Continuous Development of the Retail Market in Romania
- Romania, an attractive country in terms of further investment
- Best serve TODAY's omnichannel shoppers, being ready for THE FUTURE... STORE!

Distribution, the challenge of the super agility

*From following the trends
to actually doing something about them*

Theodor Purcarea

Magazine

Best serve TODAY's omnichannel shoppers
Be ready for THE FUTURE... STORE!
Be aware of it and enjoy each step along this journey!

Romanian Distribution Committee Magazine

First Cover 4 in 2010

The four key elements of RDC's framework:

- Rethink
- Revise
- Replan
- Reinnovate

Moderators of the workshops were: Oddone Sangiorgi (SHOP 2015; Consorzio FIA), Fabrizio Venturini (General Manager Comufficio and President of the Technoshop business network), Sergio Benini (CEO IBS Group), Marina Bassi (Deputy Editor GDO Week), Maria Grazia Turri (University of Turin) and Ilaro Ghiselly (Supply expert). They kept the listeners engaged, clearly summarized the panelists' key findings, and opened the debate to the floor.

Discussions were lively, allowing the clarification of questions and concerns. We remember with pleasure the significant contribution to debates or the valuable exchange of views with Alain-Jean Tusseau (Founder Alvicom), Dr. Marco Torrani (President of ASSOMAB), Eugenio Casucci (Senior Consultant, E. C. Consulting), Gabrielle Noberasco (Vicepresident NOBERASCO), Fabrizio Molinari (Head of International Division, NOBERASCO), Matteo Ciappina (Area Manager Europe Asia Africa, MAGESSE) and many others.



Mike Neal is Co-Founder and CEO of DecisionNext (which is headquartered in San Francisco, California with offices in Australia and France). He is known for his involvement in applying innovative science to solving merchandising and supply chain challenges. Together with Sarah Xhaufaire (Field Operations EMEA of DecisionNext), Dominique Barbet and Benoit Koutny (both Partners PKHA) they pledged for a new connected supply chain for the long term – “Next Food Alliance” (a new business model based on sustainability values and involving all partners in the Food Value Chain) – considering the rising demand for food, the limited natural resources and the inefficiency in the system (nudging consumers to more efficient items having reduced impact on the planet; enlighten supply chain will closely follow consumers). They argued that this can be achieved by using science (mathematical models), rethinking the consumer role (the consumer as a partner; recovering trust; new ways to access products; review economical model; new consumer experience), and collaborating accordingly (making space for strategy, building capability and culture conducive to strategy, and making this strategy visceral, experiential engagement being essential in this sense).



On May 8, 2015, we also underline:

- the valuable contribution to the opening and the debates brought by Jalal Abu Ghazaleh, CEO of Gourmet Egypt, and by the young Team Manager, Product Development, Gourmet Egypt Food Store, Eslam Atef;



- that Romania's Friend Riccardo Garosci, President MIUR School and Food Committee EXPO 2015 (Mr. Garosci was the European Rapporteur for „Green Book for European Commerce” in 1996-1997), visited Romania's food productions exhibition stands at Tuttofood.



- the significant contribution to the success of the program brought by the representatives of the Italian Trade Agency (ITA): Marinella Loddo (Director ITA Milan Office), Francesca Zadro (Area Manager Center North-West Italy, ITA), Maria Carmela Ottaviano (Manager Intersectorial and International Projects Office, ITA) and Alessandra Capobianco (Intersectorial and

International Projects Office, ITA).



Focused on the... “Prologue” of the “Store of the future”

According to Freeman J. Dyson (Professor Emeritus of Physics at the Institute for Advanced Study in Princeton; author of seven books, for example: “Disturbing the Universe”, Sloan Foundation Science Series, Publisher: Basic Books, April 15, 1981): *“The purpose of thinking about the future is not to predict it but to raise people’s hopes”*. While in the opinion of the “Father of Management”, Peter Drucker: *“Trying to predict the future is like trying to drive down a country road at night with no lights while looking out the back window”*. On the other hand, William Shakespeare said that: *“What is past is prologue”*. While much more later, William Faulkner added that: *“You must always know the past, for there is no real Was, there is only Is”*.

And as knowledge gives us choices, but choices about the future cannot be made without knowledge of the past, being focused on the... “prologue” of the “store of the future”, I considered that “SHOP 2015” will be a true opportunity to launch an invitation for working together to build the foundation for the “Road Map for the Store of the Future” Project. That is why I reminded our readers in the last issue of this journal (Purcarea, 2015) that:

- 24 years ago I wrote (after visiting the “Store of the future” model in Chicago, in 1991, within the framework offered by a Food Marketing Institute/NAWGA Program) two articles (published in the „Journal of Businesses”, No. 18-19/1991, National Institute „Virgil Madgearu”, Romanian

Ministry of Commerce; in the same journal I also introduced the new concept of “Category Management”) on the so-called „*Smart Store 2000*”. I also reminded that the „Smart Store 2000” was conceived in 1989 as a way of: finding out what things inhibit stores and manufacturers and cut into their profits, and to train employees and test new technology; showing that beyond the already existing use of „islands of technology” in different shop formats, it was time that technology gives business the scale to address the future. At that time, this “supermarket of the future” (as envisioned by Andersen Consulting in cooperation with IT services companies and food industry leaders, and targeting the practicing of an evolutive marketing based on new technologies applied in retail) was a first research-and-development center for *concepts* (such as: touch-screen computers for checkout clerks; hand-scanners consumers can use at home etc.) and *technologies* (put together in this store) that will maximize the market potential and deliver the product to the customer at the lowest possible cost, making shopping more enjoyable and easier for consumers;

- In my book entitled „Business Management”, Expert Publishing House, June 1994 (which was distributed in Romania Privatization Public Awareness Campaign, according to “The Final Report Deloitte Touche Tohmatsu within Eastern Europe Enterprise Restructuring and Privatization Project,” U. S. Agency for International Development, April 1995, Tohmatsu, May 1, 1995 - pdf.usaid.gov/pdf_docs/PDABL817.pdf p. 19), I referred, for example, to different trends including the convergent evolutions of trade in Europe concerning the sector and its concentration, the sales formats and their organization, the operators and their strategies, and also referring again to some evolutions starting with the “Smart Store 2000” .

On the other hand, it is worth remembering that the Romanian Distribution Committee (CRD) organized already in 1996 *the first National ECR Symposium*, in partnership with Valahia University in Targoviste, and in 1999, on the occasion of the third National ECR Symposium (also organized by C.R.D. a *Point of view* was elaborated (“Modern distribution and information technology as a strategic resource”) and sent to the Parliament, the Government and the academic environment, also taken into consideration by the media. This happened in the context in which in the previous period of time, in the world, working groups were constituted for the development of a global standard in the distribution field, the executive management being ensured by the representatives of the ECR and VICS leadership (“Voluntary Industry Commerce Standards”), as well as of some prestigious transnational distributors and producers. And as Keynote Speaker at the opening of the “SHOP 2015” Conference, Expo Milano 2015, I also remembered one of my “ECR approaches” within an historical international event reflected in “Gazette du Palais”, no. 26-28, 28 Janvier 2003, Paris (please see: <http://holisticmarketingmanagement.ro/chambre-de-commerce-et-dindustrie-de-paris-le-13-fevrier-2002-lefficacite-de-la-politique-de-la-concurrence/>).

In the last issue mentioned above I also underlined some of the different approaches as shown on the “Road Map”, not forgetting to remember the opinion expressed recently by Léon F. Wegnez, General Manager, Royal Belgian Committee for Distribution (and Secretary General

of the International Association for the Distributive Trade - AIDA Brussels) in the prestigious “*Distribution d’aujourd’hui*” (“Distribution today”): “*Whatever the evolution of the modern distribution, whatever the concepts of shops that engender, the achievement of purchases will keep this ludic character it carries within it, inherently, whether perceived or not by the buyers seeking time and that kind of satisfaction always bringing the acquisition of what is desired. The pleasure purchase, in varying degrees, remained a reality, and this is a distribution task to make it possible and to concretize it.*”

Walking in wisdom: believing in constant improvement and change

As Keynote Speaker at the opening of the “SHOP 2015” Conference, Expo Milano 2015, I provided an agenda for discussion on how to address the challenges we face and giving the participants the opportunity to share ideas, visions, and possible solutions. The contents of my agenda was as follows: *Evolving and Reinventing the Supply Chain; Where We Are Today... facing “The eight essentials of innovation”; The 21st Century Retail Customer, and the Pillars of the Modern Commerce; Understanding the Buyer’s Journey, and the Shoppers of the Future; What Will the Bricks and Mortar Shop of the Future Look Like; Continuous Development of the Retail Market in Romania; Romania, an attractive country in terms of further investment; Best serve TODAY’s omnichannel shoppers, being ready for THE FUTURE... STORE!*

Within this generous framework I highlighted some current ideas, such as: the four global forces breaking all the trends (Dobbs, Manyika and Woetzel, 2015); the findings of “The Consumer Conversation Report”, the new report from Econsultancy and IBM showing a huge gap between marketers’ intentions and their customers’ satisfaction - Q1 2015 (King, 2015); consumers have not only become more comfortable with personalization, they now expect it, according to the seventh annual Personalization Consumer Survey commissioned by MyBuys and conducted by the e-tailing group; the five steps of putting a “person” in personalization, a key way to break through the noise (Lemieux, 2015); more retailers learn to adopt personalization technology: Accelerating Business Growth Using Real-time Personalization (Navot, 2015); Omni-channel means orchestrating experiences around the customer (Thompson, 2015); Facebook urges brands to refer to its Page post best-practices to stay afloat (Natividad, 2015); biggest challenges and metrics for marketers’ success in 2015 (LinkedIn and Salesforce Marketing Cloud); all digital marketers will need to be actively engaging on five potential disruptors (Schottmiller, 2015); the real need of understanding the buyer’s journey: visitor, qualified lead, buyer (ioninteractiv.com, 2015); the eight essentials of innovation (de Jong, Marston and Roth); how will be the bricks and mortar shop of the future (Spybey, 2015); what will the shop of 2025 look like? (think-space.co.uk, 2015); Lessons to learn from South Korea’s mobile-retailing boom (Hwang, McInerney and Shin); Predictions 2015-2020. The Great Disruption and the Forces of Reconfiguration - the four key elements of Kantar Retail’s framework (Kantar Retail, 2015).

Consequently, it’s time to begin to envision the store of the future by extrapolating the actual trends in order to best serve today’s Omni channel shoppers! And summarizing some of the findings of this “rich journey” (balance store productivity & shopper optimization; track and manage the customer journey so as to be able to predict what he is going to do at every step

along; deliver a consistently high-quality experience across each of the channels, by ensuring context, connectivity, and content; ensure that advanced mobile technology contributes to the emotional and interactive experience; trigger impulse purchases through well-crafted offers; consider the hallmarks of a great retail experience: greet at the door, help find a product, answer questions, help check-out, help post sale; make shopping fun and easy, not just cheap; innovate and enable better collaboration and teamwork), I finally recommended: *Be ready for THE FUTURE... STORE! Be aware of it and enjoy each step along this journey!*

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