

11 Retail INNOVATIONS

Innovating for
Customers

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Ebeltoft Group
International Retail Experts

ICSC: The Vitality of Retail Real Estate



- Founded in 1957, the **International Council of Shopping Centers (ICSC)** is the global trade association for the shopping center industry. Its more than 70,000 members in more than 100 countries include shopping center owners, developers, managers, investors, retailers, brokers, academics and public officials.

- The shopping center industry is essential to economic development and opportunity as a significant job creator, driver of GDP and critical revenue source for communities where they are located through the generation of sales taxes and the payment of property taxes. These taxes fund important municipal services like firefighters, police officers, school services and infrastructure like roadways and parks.



- Shopping centers are more than fiscal engines; they are integral to the social fabric of their communities as a central location for gathering with friends and family to discuss community matters and participate in and encourage philanthropic endeavors.

- The year 2014 was one of the best for the retail real-estate industry since the global recession of 2008. Shopping centers saw occupancy rates, base rents and NOI reach pre-recession, and in some cases, historic levels. Retail REITs performed well for investors, producing returns that doubled the S&P 500, and shopping center construction saw its fourth consecutive annual double-digit increase. For malls specifically, occupancy reached nearly 95 percent at year-end 2014, a level not seen since 1987. 2015 has seen much of the same growth and the industry is on track for continued optimism in these operating metrics.

Global sponsor of Retail Innovations 11



◦ Despite a lot of “noise”, consumers are still coming to shopping centers in significant numbers, but their shopping journey is more multifaceted than ever before and they are in a constant state of flux. Change happens in a billion bytes per second and fashion trends no longer change each season -- but with each Tweet.

◦ Strategic alignment between technology and real estate allows retailers to close the gap between e-commerce and traditional distribution networks. The story is no longer physical vs. digital, but the convergence of the two. Around 93% of retail sales occur in physical stores. Furthermore, retailers with a physical presence capture more than half of all online

retail sales, meaning that at least 95% of all retail sales are captured by retailers with a brick-and-mortar presence.

- New tech trends, communication channels and entertainment options are being incorporated in shopping centers and consumers have a lot to anticipate, as their shopping experiences evolve along with these trends.
- While the industry continues to progress to meet evolving consumer needs, there remains an inherently social aspect of shopping. The central gathering place for both socializing and commerce dates back to the ancient Greek *agora*; duplicating the concept of community and time spent with friends and family cannot be done digitally.
- Thriving in the 21st-century retail landscape requires the integration of communications, technology, customer service, delivery, warehousing, logistics and inventory, among other factors, which shopping centers adapt to well. And, while today's shopper often takes a multichannel journey, one thing remains certain: the physical store is at the epicenter of that process. ◦

International Council of Shopping Centers presented its highest global honor -- The ICSC VIVA Design and Development 2015 Award -- to

**Trinity Leeds Shopping Centre
Leeds, United Kingdom**

for its outstanding achievement of delivering an innovative and creative shopping destination with world-class standards of design, construction, management and operation for customers, retailers and the City of Leeds.

- **Owner/Development Company:** Land Securities Group
- **Design Architects:** Chapman Taylor
- **Gross Leasable Area:** 1,001,052 square feet
- **Type of Center:** Regional, power center
- **Physical Description:** Multi-level enclosed and open-air center

One of its most popular destinations is the Everyman Cinema, a multiplex that shows a wide range of films – independent cinema, live broadcasts and special events. It has a private screening room, luxury sofa seating and individual footrests for viewers’ comfort. Regular events include Kids’ Club (for age-appropriate movies), late-night cult cinema shows and Baby Club matinee screenings for parents caring for infants, who seek grown-up film fare.



- What makes Trinity Leeds unique is how it has opened up the shopping center beyond walls, ceilings and floors to become the most digitally enabled mall in the United Kingdom. This digital capacity is expanded through the center’s mobile app, a network of interactive digital screens and free wifi stations.

◦ **Trinity Leeds** is a multi-level regional center in Yorkshire, a historic county in northern England. It hosts 120 national and international retail brands, specializing in fashion, lifestyle shops and food and beverage. Its 30 dining units include restaurants, cafes, bars and the Trinity Kitchen.



Trinity Leeds Shopping Centre



Using all these communications channels, Trinity Leeds' omni-channel capability achieves unprecedented levels of interaction among shoppers, retailers and the center.

- In bringing an even greater degree of convergence between offline and online channels, Trinity Leeds set a new benchmark in customer engagement and consumer experience. It's early success attracted more than 20 million visitors, more than 15,200 Twitter followers and more than 103,000 Facebook fans.
- The center's campaign to extend Trinity Leeds beyond its physical borders into the digital universe proved successful. The center grew a high-quality, mobilized shopper-profiled database of 50,000 in its first year.
- A second phase emphasized usage activities, aimed at building experience of the brand. As a teaser, teams hid 2,000 branded "Wonderbox" invitations around Leeds' city center; each contained retailer gifts promoted via social media channels. Marketers held a high-impact opening event, promoted through public relations, social media and a countdown clock. The opening event's reveal of "The World's Longest Designer Dress" by British fashion designer Henry

Holland - 18 days of private dining in a pop-up - was a sell-out success, generating more than 250,000 Twitter posts. A Student Lock-In drew 19,914 visitors to become the U.K.'s largest student event ever.

- The theme of the final phase was "Grow." A mobile app promoted via social media channels and the center's digital estate generated thousands of downloads and drove traffic to the "special offers" section. Facebook delivered 25,000 posts by the center's opening, aided by a media partnership with Radio Aire in a two-week "Facebook builder" and data acquisition competition.
- By opening, Trinity Leeds had 62,284 Facebook fans. The center's "I Wonder?" brand-recognition campaign built on the concept that curiosity is at the heart of all great discoveries and would be rewarded at Trinity Leeds. The "I Wonder?" campaign delivered 132,000 visitors, 62,284 Facebook fans and 73,375 unique website visitors.
- Clearly, the digital reach of Trinity Leeds proves that a shopping center's universe extends well beyond its physical walls. With imaginative use of digital technology and social media, the center can reach a new kind of customer and strengthen its appeal to both shoppers and retailers.

Featured Tenants

GLA (Sq. Ft.)

• APPLE (electronics)	7,567
• MARKS & SPENCER (department store)	167,099
• NEXT (apparel)	49,374
• PRIMARK (apparel)	106,573
• TOPSHOP (apparel)	45,951



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Acknowledgement

Ebeltoft Group

Ebeltoft Group

International Retail Experts

We are a global alliance of consultancy companies with members in more than 25 mature and emerging retail markets.

Since 1990, we have helped retailers, as well as suppliers to the retail sector, remain competitive and achieve their goals by blending global retail expertise with our members' local insights.

Ebeltoft Group serves 36 of the top 100 retailers and 29 of the top 50 manufacturers worldwide.

Since its founding, Ebeltoft Group has been analyzing global retail innovation trends and, since 2005, presenting this analysis in our annual publication, "Retail Innovations," focusing on emerging trends and the most interesting cases worldwide.

Ebeltoft Group's global studies and publications include:

- Global Cross Channel Report (2014)
- Retail Internationalization (2013)
- Global Cross Channel Report (2012)
- NeoConsumer (2011)
- The Trust Factor (2011)
- Environmental Sustainability (2010).

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Partnering with retailers and brands to improve awareness of global trends that are shaping tomorrow's retail landscape.

With a decade of global retail trend analysis and more than 20 years of supporting our local retail communities around the world, Ebeltoft Group helps today's retailers and manufacturers prepare for the ongoing changes shaping the retail marketplace.

The study and adoption of innovative ideas lead to major changes in the way we see businesses go to market. It is easy to spot these changes when we reflect back upon retail history. It is more difficult, but ultimately more important, to understand and react to these changes as they are happening now. Through presentations and workshops, our local Ebeltoft Group retail experts develop dynamic sessions to help your management team better understand these changes and answer the following key concerns:

- *What are the main game-changing ideas that are propelling retail forward?*
- *How does this apply to me and my local retail market?*
- *How can I incorporate elements of cross-channel retailing?*
- *How do I incorporate new technologies into my retail concept?*
- *How can I think about my business model in a new way?*
- *How can I blend the online and offline experience together?*
- *How can I increase the role that the customer plays in creating and determining product?*

In addition to presentations and workshops, Ebeltoft Group also provides customized trend-tracking services for your company or retail sector.

Innovating, a Must for Customers

Ebeltoft Group has been chasing and cataloging innovative retail concepts across the globe for 11 years. The discoveries are exciting and inspirational, thanks to the creativity and diversity of innovation. But, it also serves as a warning: The pace of innovation needs to accelerate even more. Most retailers are simply moving too slowly, particularly the larger, entrenched retail companies.

In fact, customers are changing at a faster pace than retailers. Just look at the rapid spread of digital-intensive behaviors, or at the ever-deeper, more direct, more horizontal relationships with brands. Retail UFOs like Kiko, Primark, Amazon, Alibaba and the Apple Store remind us that it is possible to change traditional retail through amazingly radical business models.

Retail Innovations 11 brings optimism to the table. The pace at which old models are being reinvented is accelerating, macro-economic perspectives are a little more positive and most retailers acknowledge they have simply no choice but to innovate - or risk obsolescence. The 26 member companies of **Ebeltoft Group** witness this through consulting projects across all regions, formats and industries: retailers are racing to create new formats, invent new added values and explore new frontiers.

The other exciting insight gleaned from **Retail Innovations 11** is the pace of change. If technologies remain a major driver for innovation, then retail-model reinvention is, above, all customer-driven. Most of the

innovations showcased in this issue rely on a deep, intimate understanding of how people live, dream and shop.

Vigga allows a circular reuse of children's clothing ("We love to buy them nice clothes, but they grow so fast!"); Penguin Pick-Up invents the first multi-brand modern click-and-collect-points network; Weidian creates the first platform for "retail uberization," where anyone can become a retailer. Yes, technology is a mandatory enabler, but the innovation comes, above all, from the deep understanding of customer expectations.

What if the next retail revolution is...the customer?

A fantastic example of this customer-driven retail is the profusion of new concepts enhancing the "passion for food," one of the top trends we decided to highlight this year. Inspired by Eataly and Whole Foods, the iconic leaders of this trend and phenomenon are constantly gaining momentum, which embodies a positive and joyful vision of the future. While many experts are forecasting a future of food retailing dominated by discounters and warehouses, this "passion for food" reminds us that retail is all about allowing customers to purchase - with delight - products that will make their life better and, perhaps, happier. If a deep understanding of a customer's

real life is the main retail-innovation driver, another accelerating trend this year is stores with no (or limited) inventory and, more generally, business models that are less asset-intensive - stores where you can't buy anything on site (Sneakerboy); super-compact stores (Ikea); or stores with no direct access to products that are stocked backstage (Undiz). The steady growth of online sales obviously leads to store-traffic erosion. Inventing resilient business models is crucial. Although very few of the many attempts have proved sustainable, retailers keep looking for this "holy grail," relying heavily on technology as an enabler.

Retail Innovations is not a directory of future winners. Many of the concepts presented in **RI11** will disappear within years. But, meanwhile, they prove how lively the constant re-creation of retail is and begin to sketch the shape of tomorrow's retail.

If our selection of innovative retail is predictive, the future of retail will be customer-driven, technology-intensive and loaded with emotion.

Vive le commerce!

Retail Innovations 11

The three hot trends of the year:

◦ ***Passion for food:*** An increasing number of concepts launched worldwide enhance the offer and experience in food, providing much more than convenience, quality and prices. Inspired by Eataly and Whole Foods, often blending products and solutions, these concepts address all five senses. And it works!



◦ ***Low inventory:*** Many innovative formats seek new ways to lower the break-even point and maintain stores' profitability, despite traffic erosion due to online sales. Asset-light formats are one of the most exciting developments in retail R&D, although very few models have proven successful. Retailers must utilize omni-channel tools and continually reinvent the amount of inventory and assortments in-store to be at their most efficient.



◦ ***Second-hand/no waste:*** Another positive trend is the number of concepts addressing customers' dual quests for lower prices and earth-friendly solutions. The second-use trend is not new, but, this year, several world-class concepts have been identified, especially in northern Europe. We wish them luck!



Drivers of innovations that are here to stay:

◦ ***The product makes the difference:*** The foremost factor of success in retail will forever be the relevance of the range. The historical "modern" retail model has been all about depth and wide coverage of needs. Many of the most exciting innovative formats were based on highly differentiated assortments. Curated range and new ways to help customers choose the best solution drive many retail innovations again this year. With the Internet offering virtually everything, brick-and-mortar retailers must stand for something.



◦ **The experience makes the difference:** The experience may be about the place, and the retailtainment beyond products, but the majority of new formats focusing on customer experience are about creating excitement around products, based on innovative ways to interact. The “interaction journey” will likely become the very heart of retail marketing, as retail stores become a gathering place around the brand experience.



◦ **The technology makes the difference:** Technology by itself is only an enabler, but many innovative concepts could not exist without the amazing technological progress now occurring. Again this year, many of the most disruptive ideas are “technology-intensive,” aimed at providing more access to product, more experience, more convenience, or more of anything that generates excitement.



◦ **The sustainability makes the difference:** For several years now, sustainable retail has become a major trend and some exciting innovations consider sustainability to be at the core of their value proposition. Retail should not be only about making money, it should be about serving a vision and helping people live better. Tomorrow’s customers are looking to do business with companies that share their values, not just those that offer the lowest price.



◦ **The customer makes the difference:** In the new world, customers not only decide retailers’ success, they want to be part of it. They don’t only want you to serve them well, they want to drive the car with you and be part of the creation of the product. They believe that the easiest way to fully understand them is just to ask. Retail is no longer just “customer-facing;” it is about inventing tomorrow together with the customers.



◦ **The price makes the difference:** Inventing new ways to lower costs and prices has always been a major innovation driver (the famous “retail wheel”). This remains true, but many of the innovative, low-price formats rely on different models, like rental, second-life and reuse, etc.



◦ **The convenience makes the difference:** Last but not least, there is still room for innovations that make life easier, simpler and quicker, not necessarily trying to create stimulation nor excitement, but trying to make the retail interaction seamless, frictionless, less effort or less time-consuming. The “less retail” trend is still alive!



Top 10 retail innovation cases

- Vigga
- Made.com Store
- Whole Foods Market
- EchoPark
- Cru
- Ikea
- Starbucks
- Penguin Pick-Up
- Jaime Beriestain
- Weidian



*This case demonstrates the key driver for innovation **Price** and showcases aspects of the driver **Sustainability**.*

Key data

- **Sector:** Online startup, pure player
- **Year opened:** 2014
- **Store location:** www.vigga.us
- **Number of stores:** 1
- **Number of countries:** 1 (Denmark)
- **Product mix:** Kids' wear
- **Positioning:** A subscription model with eco-friendly designer clothes for kids; targeted at socially conscious, quality-oriented parents

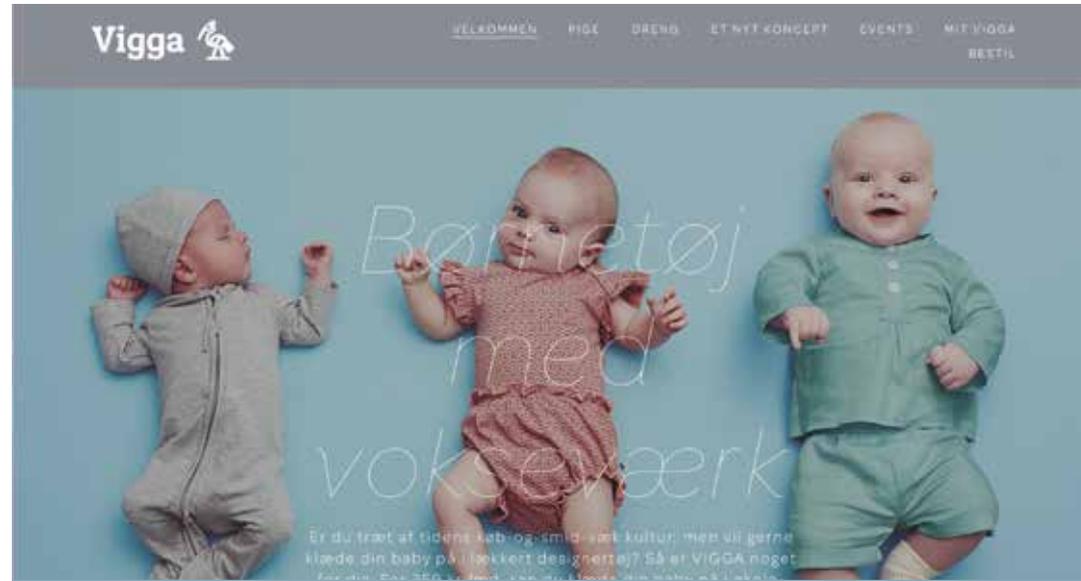
What is it?

What is the circular economy?

The “circular economy” is a new way of thinking about production and spending, taking into consideration both environmental and commercial sustainability. Just like nature’s cycle, where nothing is wasted, but continually nourishes each other, materials are sent into recirculation, instead of simply being discarded after use. It’s about designing

products so they don’t lose value and can be used again and again.

The circular economy allows for new business models, encouraging consumers to lease or rent products from the manufacturer, instead of own them, which promotes reuse, maintenance and upgrading.



Are you tired of today’s culture of excessive consumerism? Vigga has launched “kids’ wear without growing pains.”

The Concept

Vigga is a subscription service that offers parents the opportunity to dress their children in high-quality, recycled designer clothing, made from sustainable materials, at the cost of only DKK 359 per month (USD 52).

Why is it innovative?

Clothes, when used only a few times, waste a lot of money – and resources – in the process. Built on the idea of a sharing economy, the online startup Vigga has created an innovative concept for kids' wear. The subscription model ensures that outgrown clothes are reused in an eco-friendly manner.

1/ Fashion, quality and consciousness

Vigga is a designer-apparel brand for children 0-2 years old, covering eight sizes. All garments are produced in exceptionally high-quality cotton, in close collaboration with GOTS (the Global Organic Textile Standard), and original on the market.



Meet Vigga Svensson. Her business is founded on the belief that we can take better care of our planet if we share with each other and recycle as much as possible.*



Which one is your favorite? The subscriber can choose between two sets of designs, available in every size.*

2/ Zero waste: Closing the loop

Vigga is a subscription service that provides parents with a new collection of clothes in progressively larger sizes as their child grows. The idea is for the clothes to recirculate, while remaining attractive and in good condition, thus the focus on high-quality cotton.

Garments are always checked for faults and washed at eco-certified laundries when changing owners. Users are advised to handle the clothes in an eco-friendly fashion as well. Finally, when items are worn out, they are sent to recycling.



3/ Adaptable cycle

The clothes cycle is customized for individual subscribers, accommodating children's different rates of growth. In general, the smallest sizes are not useful for very long, because babies quickly outgrow clothes. Therefore, the larger the size, the more items a subscriber receives, and the longer he or she holds on to them. Newborns typically require 15 pieces per month, while size 92 (corresponding to 92 cm or 2-3 years old) covers 20 pieces for six months.

The designs are very basic, with solid colors or simple graphic patterns, such as stripes or dots. The collections also offer a few styles with a bit more edge, such as ruffles, pleats, or decoration (i.e., "ears" on a hat).

All sizes are tailored to the child's developmental stage and can easily be combined with the rest of the child's wardrobe.



Subscribers pick up and return their Vigga bag with Vigga clothes at the local package store, making the service convenient.*

The fit is carefully considered, since no two children grow alike. Vigga's collections are, therefore, adapted to suit children wherever they are on the growth curve. Trousers legs and sleeves can be rolled up or down; necklines can accommodate various head sizes.

More from Vigga herself

• *Why do you think that vigga.us is the winner of the Retail Innovations Award?*

- Vigga is a really interesting and unique combination within a good business model, both attractive to the consumer and a sustainable solution. Our concept unites many trends, including convenience, sustainability and a service economy.

• *How will it affect your business?*

- As we face the internationalization of our concept, this affordable price comes at the right time. I hope it can create interest and contacts around the world.

• *How do you feel about winning this award?*

- I am just so happy and proud! Most of all because our goal with Vigga is to show that sustainable business models can have great commercial strength and are not just for the privileged class.

• *What are your plans/goals for 2016?*

- We have four things on the list for 2016:

1/ More products in our range, so that we cover the

entire children's wardrobe within families.

2/ Larger sizes. We extend up to six years, and probably also will introduce maternity and nursing wear for mothers.

3/ Greater flexibility for the customer, to make it easier for them to assemble individual packages.

4/ New markets.

Ebeltoft Group experts' conclusion:

The sustainable business model of Vigga, built on the idea of the sharing economy, is truly a retail disrupter in Denmark. The clever concept offers parents a whole new way to consume. However, awareness and practice of using sustainable clothing is low among consumers. There is often a belief that it is both expensive and dull. Vigga challenges that perception, hosting events in the company's "living room" and visiting mothers' groups.

Vigga offers a high-end experience and we see exciting potential in this Earth-friendly concept that brings the sustainable circular economy to the next level. ◦

*Image Credit : www.vigga.us

*This case demonstrates the key driver for innovation **Technology** and showcases aspects of the driver **Experience**.*

Key data

- **Sector:** Furniture
- **Format:** 800 square meters
- **Year opened:** 2015
- **Store location:** London, England. The new showroom is located in Soho, near the heart of London's furniture district
- **Number of stores:** 4 (3 in London, 1 in Leeds)
- **Number of countries:** 1 (UK)
- **Product mix:** Sofas, beds, tables, chairs, storage, lighting, soft furnishings
- **Positioning:** Sofas, beds, tables, chairs, storage, lighting, soft furnishings

What is it?

The latest Made.com showroom in Soho opened in early 2015 with an ambitious goal of hosting the full Made.com catalogue in a limited 800 square-meter space. This objective is realized through the innovative use of technology, projecting virtual products onto walls, utilizing 3D printers and providing hand-held tablets. There are a number of rooms with physical goods, which cannot be purchased in-store, but can be ordered through the company's website at Apple computer stations or collated into lists to be emailed home.



Store front of the Soho showroom in London.

Why is it innovative?

Made.com is a furniture e-tailer that has been in operation since 2010. Its new London showroom leverages technology to close the gap between e-commerce and in-store retailing. Through innovative projection and digitized information, Made.com has created a format that overcomes the restrictions of physical space to offer the broad range of an online shop in a traditional bricks-and-mortar setting.

1/ Immediate customization. Made.com uses in-store projections alongside physical goods to help customers understand how different product combinations might work together in the home. Shoppers can view any desired product from the catalogue, in any size or color, at the touch of a button. The innovative projections both satisfy customers' desires to view physical goods and offer the flexibility to customize, normally possible only online.

2/ Technological retailing. Made.com has partnered with NFC-tablet provider, CloudTags, allowing customers to digitally interact with physical products in the showroom. Shoppers can scan tags to view further information on-screen and collate wish lists to be emailed home. The Cloudtag software creates lists of products in which customers are interested, while also providing large amounts of behavioral data from



Digital images are projected alongside physical products.



Physical postcard images of catalogue products are arranged on the wall for customers to browse and take home.



Customers scan tags on products for instant access to online information.

physical customers, normally viewed as 'invisible'.

3/ Online-offline Mashup. The Made.com showroom departs from many typical conventions of a retail space. There are no direct points of sale; instead, customers are directed to purchase through the online store using iMac stations; goods are delivered to the home, as they would be if purchased from the Made.com website. The store's primary purpose is to be a real-world showroom for products previously separated from consumers by their screens.

Ebeltoft Group experts' conclusion:

The new Made.com showroom is an example of 'click-to-brick' retail, an online retailer acknowledging the need to meet the physical demands of customers. However, rather than simply assembling warehouse stock in a showroom, Made.com makes innovative use of technology, creating a portal with physical elements which energize the online offering, rather than overshadow it. ◦

Whole Foods Brooklyn

► Hot key trend of the year:
Passion for food

This case demonstrates the key driver for innovation *Sustainability* and showcases aspects of the driver *Product*.

Key data

- **Sector:** Organic, fresh and health-focused grocery store
- **Format:** 5,200 square meters
- **Year opened:** December 2014
- **Store location:** Third and 3rd, Brooklyn (Gowanus), New York
- **Number of stores:** This one-of-a-kind store anticipates further future innovation from Whole Foods. More than 420 stores throughout the U.K., Canada and 42 U.S. states
- **Product mix:** More than 2,600 natural and organic products under the Whole Foods Market brand, 365 Everyday Value and Whole Catch brands, as well as abundant name-brand products dedicated to natural and organic foods. Extensive fresh-product departments feature produce, cheese, meat, seafood and a bakery, as well as a large assortment of prepared foods. The 2,500 square meters greenhouse is exclusive to this store, as are the products produced and sold here
- **Positioning:** Full range of high-quality natural and organic foods

What is it?

At more than 5,200 square meters, Whole Foods' new Brooklyn flagship offers a full range of high-quality natural and organic foods, in addition to the rooftop greenhouse built in partnership with New York's Gotham Greens. Whole Foods spotlights sustainability, creating ties to the local neighborhood.



Whole Foods Brooklyn store.

Why is it innovative?

Whole Foods redefines the meaning of local within a traditional grocery store. The store is home to a host of local products from many of Brooklyn's noted artisan producers, with one-of-a-kind, exclusive items in every department. In contrast to other Whole Foods, this store is particularly Brooklyn-centric, with a strong intention to redefine the true meaning of "local." The store houses hundreds of locally sourced products, with 200 additional items specifically curated for the Brooklyn location. The store features 32 registers, 240 parking spaces, cafeteria seating for 250 and rooftop seating for 100.

The store also features many special additions:



Rooftop Greenhouse: The 2,000 square meters urban garden grows leafy greens, tomatoes and herbs, which are sold in the store. Whole Foods partnered with a local company, Gotham Greens, to run the greenhouse, where it plans to harvest 150 tons of produce per year. The produce is sold both in the Gowanus location, as well as to customers of other local Whole Foods stores.



Zero Emissions Store: The store features six solar canopies that cover the parking lot, producing shade for cars and 25% of the grocery store’s energy, as well as wind turbines. The store also features a grey/stormwater reuse system and a CO2 refrigeration system and was built with reclaimed and repurposed materials.



Specialty areas: The Gowanus store also has a large specialty section of artisan-produced, hand-cut cheeses, both local and from around the world. The YUJI Ramen bar offers in-store take-out featuring five dishes. Juice Etc., a made-to-order juice bar, offers fresh-pressed fruit and veggie juices and smoothies. Knife-sharpening services from Christopher Harth of NYCutlery also offers knives and specially made Third & 3rd cutting boards.



Upscale coffee bar inside the store.



Haven for Beer lovers: Third & 3rd features a traditional beer section in addition to a rooftop bar that offers 15 different types of beer on tap with 25 more varieties in bottles. There is a growler station with 10 varieties of beer and 54-ounce jugs designed to store draught beer, as well as an enormous selection of craft beers.

Ebeltoft Group experts’ conclusion:

Whole Foods continues to lead in innovation within the grocery industry with the Gowanus store and has set a benchmark in redefining the meaning of local and green. The greenhouse fits well with Whole Foods’ efforts to deliver “green experiences.” ◦

This case demonstrates the key driver for innovation *Experience*.

Key data

- **Sector:** Automotive/used cars
- **Format:** 6,000 square meters
- **Year opened:** 2014
- **Store location:** Thornton, Colorado
- **Number of store:** 3 stores near Denver, Colorado. Only located in the USA
- **Product mix:** Used cars
- **Positioning:** A new way to buy and service used automobiles

What is it?

A customer-centric, technology-enabled, used-car dealership that focuses on buying, selling and servicing previously owned cars in a community-based setting. The EchoPark concept was developed by Charlotte, North Carolina-based Sonic Automotive to create a new business model for used-car sales and reinvent the traditional car-buying and service experience. EchoPark Automotive sells a comprehensive selection of used cars, trucks and SUVs, including both domestic and import models. The store is a cross between an Apple Store and a modern hotel lobby, with docked iPads lined up around standing stations, tech-friendly waiting areas and video walls to assist and enhance the shopping, financing and service experience.



EchoPark Automotive near Denver, Colorado.



An open-air space for customers to lounge and research cars.

Why is it innovative?

Based on the theme “every car deserves a happy owner,” the store concept was developed from the customer’s perspective: a contemporary, low-stress, pre-owned car shopping and service experience designed to build long-term relationships with guests by bringing transparency, ease and speed to all of their retail automotive transactions. Customers can pre-shop on the website or via phone, as well as schedule an appointment online to shop or for service. Upon arrival, customers are assigned an “Experience



Customers can use tablets to search cars in stock at the store, as well as view financing options and F&I products.



Customers can watch their cars in the auto repair center.

Guide” - a noncommissioned associate - to help them with their auto needs.

The hub store, located in Thornton, Colorado, has around 300 vehicles in stock, while other smaller, neighborhood locations have around 40 vehicles, or fewer, on hand. EchoPark features private-label retail financing. Stores also receive flat fees from lenders. Customers are able to build their own payment plans. EchoPark’s role in the community is a key focus and

the company strives to make a positive impact on the Denver area.

The auto repair center is staffed with highly trained technicians with years of experience working with domestic and import manufacturers. The store offers a plethora of services - from routine oil changes and tire rotations to managing serious mechanical and electrical issues.

Ebeltoft Group experts’ conclusion:

EchoPark is a shining example of how to differentiate the customer experience by integrating innovative retail strategies from outside the auto industry and successfully integrating technology into the customer experience. From low-pressure sales strategy to top-notch technology, Sonic has designed a format to create customers for life. ◦

This case demonstrates the key driver for innovation *Sustainability* and showcases aspects of the driver *Technology*.

Key data

- **Sector:** Food
- **Format:** 700 square meters
- **Year opened:** End of 2014
- **Store location:** Overijse, 20 km from Brussels, Belgium
- **Number of store:** 1 Cru store (2 more planned in Belgium in 2015), part of Colruyt Group (more than 600 stores)
- **Number of countries:** 1 for Cru (Belgium), 3 for Colruyt Group (Belgium, France, Luxembourg)
- **Product mix:** Local and seasonal premium food products with a limited number of SKUs (1,000)
- **Positioning:** Local, seasonal, high-quality, higher prices; target is higher-class professionals who love good food

What is it?

Cru is a premium food store, located in a unique environment: a renovated former farmhouse in Overijse, near Brussels, close to a retail park. Cru distinguishes itself with an exclusive, locally sourced assortment and an innovative customer path: a digital tablet as a “smart assistant” for the customer and no cashier.



Colruyt Group opened its Cru concept in Overijse, located 20 km from Brussels, Belgium.

Why is it innovative?

Cru offers a unique mix of appealing natural, authentic, fresh products and innovative integration of technologies that make the experience both convenient and highly personalized. Although self-scanning was introduced in food retail several years ago, the Cru concept is distinctive, replacing bar codes with QR codes, which provide significant

information, and facilitating a fluid payment process, enabled by a digital tablet, which eliminates interaction with the cashier.



A digital tablet mounted on the shopping cart enables customers to scan QR codes and provides a “smart assistant” throughout the shopping process.

1/ A unique assortment and concept

Cru (French for the English “raw”), is a concept launched by Colruyt Group. The store features fresh, locally sourced seasonal fruits and vegetables, some prepared products (e.g., pastas, sauces), a bakery with fresh breads, croissants and similar



Cru sells a large assortment of seasonal fresh fruits and vegetables.

products, as well as fresh meats, fish and cheese. The store also features ready-to-go food, a wine section, a coffee area and a flower shop.



The self-service bakery offers a large selection of breads.



The store features an area where customers can relax and enjoy ready-to-go food.

2/ A smooth customer path

As the customer enters Cru, a host provides a special digital tablet fitted with a Cru card that can scan products' QR codes - which have replaced bar codes - as the items are placed in the shopping cart. At the conclusion of the path, the payment process is extremely simple: the customer returns the tablet, scans the Cru card in the payment machine and pays

the total, either in cash or by credit card. This payment process also can be completed by the customer using a personal mobile phone, via the Cru mobile app.



At the end of her or his shopping path, the customer scans the Cru card inserted in the tablet and pays directly, without cashier interaction.

3/ Increase products' informational value via mobile technology

From the start of the customer's visit to the store, the tablet facilitates scanning of products' QR codes, providing customers access to detailed product descriptions.

4/ Encourage interactivity between the customers' community and the brand

The tablets and the QR system provide the customer access to an internal social network, allowing individual shoppers to communicate with both the Cru brand and other customers, to share their opinions and advice about the products and the best ways to

prepare and cook ingredients. This interactivity adds value to individual products and strengthens brand awareness.



Information about the best way to cook fresh, seasonal products is an important part of the Cru concept, and the social network system is a powerful means to share it.

Ebeltoft Group experts' conclusion:

Although Cru remains a unique pilot store to date, the Colruyt Group announced plans to open several additional Cru stores in Belgium, the company's headquarters. Beyond the roll-out of the additional Cru stores, Colruyt is excited to introduce and promote its unique concepts: a new customer path facilitated by technology that allows self-scanning of QR codes with a customized digital tablet or the customer's mobile phone via the Cru app, in anticipation of the next generation of food stores' digitalization. ◦

IKEA Service & Pick-up-Point

► Hot key trend of the year:
Low inventory

This case demonstrates the key driver for innovation *Technology* and showcases aspects of the driver *Experience*.

Key data

- **Sector:** Home furnishing
- **Format:** 1.024 square meters
- **Year opened:** 2015
- **Store location:** Tromsø, Norway
- **Number of stores:** 1
- **Number of countries:** 6; versions of IKEA pick-up points are located in Spain, Greece, Turkey, Finland, Norway and Thailand
- **Product mix:** Furniture and home decor
- **Positioning:** A click-and-collect hub supporting IKEA's ongoing brand promise: To provide everyday furniture for everyone.

What is it?

The Swedish furniture giant IKEA is experimenting with new store formats. One of the new formats includes pick-up points, which have been implemented in local versions in Spain, Greece, Turkey, Finland and Norway. The British (Norwich) and Canadian market (London and Quebec City) are set to follow in late 2015.



IKEA has launched a new smaller-store format with online/offline mash-up.

Why is it innovative?

The different pick-up points represent a new smaller-store format, allowing IKEA to expand quickly into potential markets, as well as make customer access to the brand's products easier. Most of the store layout functions as a warehouse for online orders, while the rest is a sense-stimulating showroom with store-to-Web capabilities.

1/ Click-and-collect hub

The pick-up points are much smaller, around one-tenth the size of a traditional IKEA store, and serve as digital hybrids, integrating the online and offline



In 2019, IKEA plans to open a full-size store in the Norwegian town Tromsø. Until then, the retailer serves the area with a service and pick-up point*.

experiences. The pick-up locations enable customers who have shopped online or at an IKEA store to pick up their products closer to where they live. The pick-up points also provide lower shipping costs and a shorter delivery timeframe.

2/ Small showroom with extended shelves

Customers are also able to access IKEA's e-commerce site and make online purchases at digital self-service kiosks in-store. Moreover, they can browse a showroom with home furnishing inspiration areas and products on display to touch and feel,



Free wifi, access to the online store and digital planning tools are all part of the in-store experience at IKEA's pick-up point*.



The pick-up points create an area showcasing the furniture in inspiring settings, enabling customers to see, touch and feel the products in real life*.

stations to support customers with their planning process and interior designers ready to assist. A selection of smaller products is also available for customers to take home right away.

3/ Expansion strategy

The smaller-store format represents an innovative solution to reach markets that cannot sustain traditional and expansive IKEA stores. Small-format stores allow IKEA to expand quickly into test markets that have been identified as opportunities for big outlets in the future.

Ebeltoft Group experts' conclusion:

The small, digital, hybrid format allows customers to interact with the IKEA brand in smart and convenient ways. The pick-up point locations reduce delivery times and costs for customers, while inspiring and delivering services. It caters to today's cross-channel shopper seeking seamless access, flexibility and convenience, while also providing IKEA with an opportunity to test alternative models. ◦

*Image Credit: IKEA Norge.

Starbucks Reserve Roastery and Tasting Room

This case demonstrates the key driver for innovation *Experience* and showcases aspects of the driver *Product*.

Key data

- **Sector:** Coffee
- **Format:** 1,500 square meters
- **Year opened:** 1 Roastery location opened in December 2014, in Seattle, Washington
- **Number of countries:** Starbucks has locations across the U.S, EMEA and CAP
- **Product mix:** Rare coffees, baked goods
- **Positioning:** A space dedicated to roasting, coffee education and increasing availability of the company's small-lot Reserve® coffees

What is it?

Starbucks continues to innovate in its stores, through technology or new formats. Nearby headquarters, Starbucks reinvented the auto row-era showroom at the base of Capitol Hill to create a one-of-a-kind coffee experience. Starbucks opened its flagship Reserve Roastery and tasting room, a 1,500 square meters store, mixing Willy Wonka glitz with extreme coffee culture. The world's largest Starbucks is LEED-certified, featuring coffee bars, a shop, stand-alone restaurant and a two-store library.



Starbucks' new coffee experience concept.



Visibility of the Roasting Center.

Why is it innovative?

The consolidation of small-batch roasting will allow the company to expand its Reserve coffee line to 1,500 locations globally, as well as open at least 100 stores designed to highlight these rare coffees exclusively. Starbucks' flagship location produces, roasts and packages around 1.4 million pounds of coffee per year directly from the store.

- Twin Probat roasters fill the space with the aroma of good roast and supply the **"Scoop Bar"**, where customers can choose among a selection of varieties and exclusive roasts for sale available by the ounce. The bean roasting is fully on display and designed as a centerpiece to the action inside the room.

- **Main Bar:** Customers can still get their straightforward Starbucks experience and choose a standard brew.

The Starbucks Roastery serves as a gathering spot for both coffee connoisseurs and Starbucks lovers. Starbucks is attempting to create traffic and buzz with new beverage concoctions, as well as integrate upscale amenities like designer foods and craft coffees, targeting a more affluent and diverse clientele. While Starbucks has expanded into everything from juices to grocery store goods, the company continues to capitalize on its most important asset: coffee.



Experience Bar: Geared toward experiential coffee consumers, who can explore the Roastery's eight methods of brewing on display.

Ebeltoft Group experts' conclusion:

High-end coffee has continued to evolve over the last five years and Starbucks continues to innovate its business and grow customer base. Expanding its brand with an innovative store that takes coffee from production to sale, Starbucks involves customers throughout the entire process. It is the first of its kind for the brand: retail, development and production blended into a single space. Since opening the store, Starbucks has integrated the higher-end Roastery and reserve blends into its store for customers seeking a unique spin on the traditional Pike Place or other go-to Starbucks roast. ◦



Douglas' Pizza Joint: The experience continues in the pizza room for about 70 customers, to enjoy liquor, coffee and pizza.



Customers can engage with associates and see every step of the coffee-brewing process, creating a more upscale Starbucks experience than offered at traditional stores.

Penguin Pick-Up

This case demonstrates the key driver for innovation *Convenience*.

Key data

- **Sector:** A pick-up point for a wide range of products, from general merchandise to convenience goods (food and pharmacy products)
- **Format:** 64 square meters in modular shipping containers located in SmartCentres; easily expanded as capacity demands increase
- **Locations:** Currently in central Canada; planned national and international locations
- **Number of locations:** 7 currently; 100–200 planned
- **Number of countries:** Canada
- **Product mix:** 50% of volume is food; also includes fashion, beauty products and electronics
- **Positioning:** No-cost convenience for online shoppers who cannot be home to receive purchases

What is it?

Penguin Pick-Up is a free-to-consumer service that provides accessible pick-up locations for e-commerce and delivered products. By integrating the use of technology with physical locations in SmartCentre malls, which are close to major highways, Penguin Pick-Up provides convenience to customers, as well as boosts digital sales in a partnership between malls and retailers. In addition to handling products from mall retailers, the centers also are a convenient location for customers to pick up products from numerous other retailers, including many international retailers not located in Canada. Consumers can buy

from any retailer who ships to Canada, including food, as well as non-food. Through this company, customers have received goods from more than 1,200 different retailers.

Why is it innovative?

Penguin Pick-Up differs from similar services run by a retailer, as it provides the additional convenience of being a pick-up point for products from both multiple retailers in the same location, as well as from any retailer who ships within Canada. The concept also provides SmartCentres, the shopping center operator, the opportunity to attract additional traffic to its



Penguin Pick-Up website.



“How it works” page on the website shows the simplicity of the process.



Penguin Pick-Up’s use of high-quality restaurant suppliers to supply its Fresh service ensures the highest level of freshness.

centers, which have been challenged by online shopping.

Points of innovation include:

- The last mile in the path to purchase is made both convenient and efficient. The customer orders online

from any retailer and selects a Penguin Pick-Up location as the shipping address. The customer is notified as soon as the order is ready to pick up and can do so at any time the location is open, or at a specific time arranged online. Penguin Pick-Up also offers customers drive-up service, which is quick and convenient - customers don’t have to leave their cars.

- Scalable at low cost, because shipping containers are designed to be attachable, to enlarge space, when required.

- Retailers can save up to 85% on their distribution cost when shipping multiple customer orders to a Penguin Pick-Up location.



The customer is served car-side and does not have to struggle with packages or wait in long lines.

- Front- and back-end technology is cloud-based, so centers can be operated anywhere with Internet access.

- Provides benefit to mall tenants because more than 42.3% of customers report also visiting a mall retailer when they pick up their products at a Penguin Pick-Up location.



The use of shipping containers allows for low-cost, modular expansion of the Penguin Pick-Up site.

Ebeltoft Group experts’ conclusion:

Penguin Pick-Up is trying to tackle one of the most challenging and costly components of e-commerce: the so-called “last mile” or getting the online order to customers economically and conveniently. This is the next generation of pick-up services launched by a retailer that benefits both customers and retailers. It enables customers to save time by combining purchase pick-ups into a single trip. The service is free, convenient and efficient. It also allows retailers to be competitive by providing an additional shipping option and convenience for their customers. ◦

Jaime Beriestain Concept Store and Restaurant

This case demonstrates the key driver for innovation *Experience* and showcases aspects of the driver *Product*.

Key data

- **Sector:** Concept store and restaurant
- **Format:** 500 square meters
- **Year opened:** 2014
- **Store location:** Barcelona
- **Number of stores:** 1 (Barcelona)
- **Number of countries:** Spain
- **Product mix:** Furniture, flowers, books and objects related to design, interior design and decoration, plus a café/restaurant service
- **Positioning:** A relaxing place to socialize and have a drink and a bite to eat in a unique environment, as well as a store where customers can purchase vintage furniture, decorative items and designer products selected by Jaime Beriestain

What is it?

A space created and owned by the Chilean interior designer Jaime Beriestain, combining a concept store and a café/restaurant/cocktail bar. The concept store focuses on lifestyle and home-decoration products, such as those Jaime would use in his own house, and the café/restaurant offers traditional Chilean cuisine to Barcelona's gourmet community in a comfortable setting - all decorated in the designer's personal style.



Jaime Beriestain concept store and restaurant in Barcelona.

Why is it innovative?

1/ Interesting combination of a café/restaurant and a concept store

Jaime Beriestain aimed to create a retail environment where customers can relax with friends. The store is divided into two areas, each with an entrance from the street, which form a U-shape to facilitate a fluid walk from one side to the other. On the right side, the concept store offers a wide range of selected designer objects for home



Stylish concept store and restaurant/bar.

decoration and interior design unavailable elsewhere in Barcelona. On the left is the café/restaurant, where customers can enjoy Chilean and Mediterranean food or a coffee in a relaxed setting, as if they were at designer Jaime Beriestain's home.



Store is a "U" shape, offering two distinct, but compatible activities: purchasing and relaxing.

2/ Product experience

The café/restaurant and the cocktail bar are both furnished and decorated with items available for purchase at the concept store. Customers can explore the furniture before purchasing, sitting in the armchairs or on the sofas, luxuriating in the comfort, or learning how to combine elements of the furniture and other decorative items. There are also some in-store activities, such as flower arranging, available for customers who wish to explore other products.



The store is divided into two areas, each with an entrance from the street.



The restaurant is furnished with items that can be purchased at the concept store.

Ebeltoft Group experts' conclusion:

The concept reflects a new trend in Barcelona for designers to go into retail, creating interior design stores that offer customers unique, comfortable, homey environments, that are casual yet vibrant, and blend food with retail services, and where designers meet personally with customers.

Furnishing and decorating with products that are available for purchase provides an opportunity for the designer to work directly with customers in a resonant setting. Operating in a retail environment is complex and expensive; however, we would love to see more individual entrepreneurs succeed in this venue. ◦

Weidian E-shop

This case is part of the key driver for innovation **Customer** and shows aspects of the driver **Technology**.

Key data

- **Sector:** e-commerce
- **Year opened:** 2011
- **Store location:** Weidian app on IOS and Android
- **Number of e-stores:** 1, covering 12 million micro e-shops
- **Number of countries:** 1
- **Product mix:** Fashion, electronics, sporting goods, gifts
- **Positioning:** E-marketplace, targeting people ages 20-50
- **Revenue:** 15 billion RMB of sales in 2014
- **Visitors:** 83 million visitors per month

The success of a micro shop in China.

What is it?

Despite fierce competition among e-commerce platforms in China, a new player with an outstanding concept launched in 2011: Weidian. The company is a perfect blend of an e-commerce platform and social network tool. Weidian provides a free marketplace hosting platform with a simple and user-friendly mobile application.

Why is it innovative?

1/ A seamless user experience for e-shop owners

The Weidian application enables any user to open a store in less than one minute by uploading his or her



Weidian application homepage always features the best offers for the buyers.

ID and bank account information. The e-shop owner then is incentivized to engage numerous agents to maximize sales against a reasonable commission. Agents post the product page link on their social network account and drive traffic and conversion to the store. There are no legal or other qualification requirements to become an agent. The scheme is attractive for agents, as they are not responsible for any logistics or after-sales services.



There is no cost to open an e-store on Weidian. The application makes it easy for the e-shop owner to feature items for sale.

2/ Traditional intermediaries are bypassed

Innovation is one way of building a strong competitive advantage. The traditional Chinese e-commerce model relies on third parties, who are in charge of traffic generation and promotion and get a commission on sales. Weidian proposes a disruptive model by using multiple third parties to promote products. Micro-shops now attract a new segment not adequately addressed by traditional big e-commerce players (brands and/or manufacturers that own a complete distribution model).

3/ A strong connection to social networks makes the system trustworthy for all buyers

Weidian is seizing a huge market opportunity, as Chinese consumers like to rely on referrals in making their online purchases. Additionally, Weidian enables individual shop owners to use trusted free communication channels, such as Weibo and Wechat, which represent free sources of information for Chinese people.

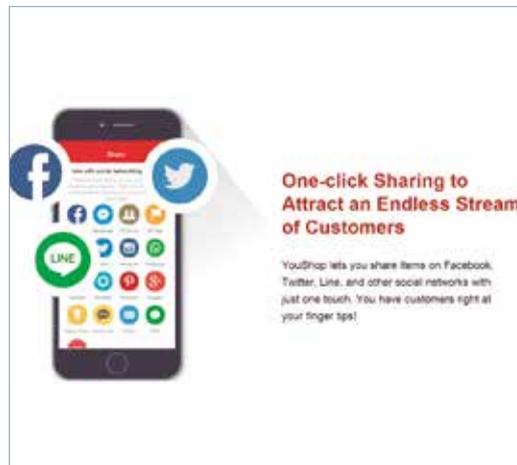
This function, called “self-marketing,” enables sharing the store’s and products’ links via social networking, primarily on Wechat (equivalent to WhatsApp), which already has 600 million registered users in China.



The app allows the e-shop owner to interact directly via social platforms.



In China, X-Tep is a famous sports brand sold on mainstream e-commerce platforms (Tmall, Jing-Dong). Since last year, it has been featured in Weidian, where sales are increasing.



Ebeltoft Group experts’ conclusion:

Weidian has created a successful, innovative business model by integrating e-commerce and social networking. This system offers new business opportunities to anybody who wishes to become an agent and sell products online. The development of Weidian shows how the e-commerce model in China is being constantly reinvented. By providing users with an excellent user experience, Weidian has succeeded in reducing the influence of traditional big e-commerce players, demonstrating the strength of social media in China and its essential role in any digital marketing strategy in the country. ◦



*The Convenience
makes the difference*

Hi Shine

This case demonstrates the key driver for innovation **Convenience**.

Key data

- **Sector:** Automatic laundry
- **Year opened:** 2014
- **Store location:** Poland (big cities Warsaw and Cracow)
- **Number of stores:** 140
- **Number of countries:** 1 (Poland)
- **Product mix:** Clothing dry cleaning (jackets, shirts, dresses, etc.) at two service levels (basic and premium)
- **Positioning:** Making dry cleaning as easy as drawing money from the ATM

What is it?

This new and innovative vending machine allows customers to leave dirty clothes 24/7, to be washed and dry cleaned within one day. This service offers convenience and speed, upgrading the traditional dry-cleaning model, which has required a two-day wait for the return of clothing. Hi Shine is a joint venture between Integer, the global co-leader in parcel machines (3,500 machines in 22 countries, in Eastern Europe, Western Europe, South America and Asia), and 5asec, the French and Polish leader in dry-cleaning cleaning services.



Why is it innovative?

1/ The opportunity and convenience of being able to deposit clothes and have them back within one day of the time delivered. Machines are located near customers' home or office, for added convenience.



A joint venture between InPost, the global co-leader in parcel machines, and 5asec, the leader in dry-cleaning services.

2/ Building on the infrastructure of the existing leader in dry-cleaning services, centralization enables the company to offer customers significantly less-expensive (15%-40%) services than traditional dry cleaning. Additionally, customers benefit from quality and processes (transport, machine with vertical lockers) guaranteed by a well-known player in the market.



Significant price advantage. Convenient service, easy process.

3/ The equipment is easy to use. Customers can leave clothing in the equipment in under seven seconds and will receive a text message alert when their order is ready. Customers also are able to track the dry-cleaning process to better estimate when their clothes will be ready. To collect their clothes, customers can either enter a code or use a QR code for recognition.



Customer enters mobile phone number and email to monitor order (can be done remotely to save time).



System emphasizes simplicity and time-saving (here showing total ordering time).

Ebeltoft Group experts' conclusion:

A unique alliance in the vending machine business between global leaders in parcel machines and Polish dry cleaning dramatically simplifies the dry-cleaning process for customers. The business makes it possible to deposit and collect dry cleaning while on the go, around the clock, at an affordable price. Hi Shine is less expensive for the customer than both traditional dry-cleaning shops and home-delivery dry cleaning, with limited logistic costs. This is an excellent example of companies innovating as retailers and developing new ways to reach consumers. ◦



*The Customer
makes the difference*

Creyate

This case demonstrates the key driver for innovation **Customer** and showcases aspects of the driver **Technology**.

Key data

- **Sector:** Clothing
- **Format:** 120 square meters
- **Year opened:** 2014
- **Store location:** Delhi NCR, Ahmedabad, Chandigarh, Bangalore (first store in Ahmedabad)
- **Number of stores:** 6
- **Number of countries:** Currently only in India; plans to enter the USA, UK, Germany and Japan markets
- **Product mix:** Shirts, suits, jeans and chinos for men; shirts and jeans for women
- **Positioning:** Affordable, personalized, custom garments targeting fashion-conscious men and women of all sizes and body types

What is it?

Creyate is a platform that functions as a 3D design studio, enabling customers to use advanced technology to create, personalize and customize garments that fit them perfectly. Creyate promotes a “no compromises” message, enabling each customer to be his or her own designer, with customizable options for fabric, buttons and other fine details in the garment. Being an omni-channel concept, customers can access their designs and creations from anywhere – online or in-store.



Arvind Internet Limited (online arm of Arvind Limited) opened its Creyate concept in India in 2014.

Why is it innovative?

Creyate extends beyond the traditional techniques of customization and personalization of garments. The concept of “create your own garment” is executed on iMacs, using the 3D rendering technology enabled in all stores. QR code technology automatically creates a rendering of the customer’s preferred fabric on the iMac, where it can be customized per the individual’s choices. Creyate is an omni-channel concept that allows customers to access their designs and creations both online or in-store.

1/ Unique Amalgamation of Retail, Fashion and Technology

An experiential retail format, Creyate offers an unprecedented personalization experience with the right mix of high-quality fashion products, pleasant



A unique and technologically advanced garment-customization experience using iMacs and 3D rendering technology.

store ambience and advanced technology. Customers enjoy a QR code-based shopping experience; they can scan the QR code of a chosen fabric and select design options, which automatically appear as a rendering on the iMac screen. From this starting point, the customer can design his or her own garment. The stores also are equipped with a virtual wall mirror/digital screen integrating Kinect-based, augmented reality, enabling customers to try on the garment virtually, making the customization experience “real.” There are also hero products that serve as inspiration and product-quality validation. All the options for customization elements are on display and customers can touch and feel them before choosing.



The shop-in-shop has housed a collection created in collaboration with the Danish rock band Duné, which played live in-store at the release.

2/ Extensive range of options for personalization

Creyate provides a curated collection of fabrics, trims and other design details from around the world, allowing customers to create 100,000 unique products. All stores provide fabric and design options - from collars to cuffs to buttons - and 15 other customization options that customers engage throughout their buying journey.

Customers enjoy freedom of choice and control over their garments, as they mix and match numerous optional details to design a unique, well-fitting garment representing their highly personal preferences and meeting their style and garment needs.

The fabrics are hand-picked from mills across the globe, including Zegna, Sacabal and Tresca, offering premium fabrics for customers to consider.

3/ Experienced staff and extraordinary service

The main focus of Creyate is on enriching and personalizing the shopping journey, both through tailoring recommendations and facilitating unique and memorable customer experiences. Japanese-trained MTM specialists help customers choose a design that best suits them and take measurements, so the product is a perfect fit. These specialists also consult on both specific garments and complete wardrobe solutions. Creyate further cultivates the “factory at your fingertips” concept with a home-visit option; the Japanese specialists visit customers in

their own homes with style kits containing everything necessary to create and customize garments that fit perfectly. Among other services, Creyate offers storage of customers’ measurements, timely delivery and personalized, signature packaging.

Ebeltoft Group experts’ conclusion:

The concept of co-creation and custom garments is growing in popularity, as consumers become increasingly conscious of current fashion trends and increasingly discerning when it comes to fit. India has very few brands that cater to these fashion-conscious consumers in the outlier-size categories.

Creyate is able to facilitate the adaption of trends to different body types by enabling consumers to design garments that suit their style, body type and shape, rather than settling for a mass-produced product. It caters to both average, as well as outlier sizes.

The advanced technology makes customization easier and more comfortable for customers, who have a precise idea of what the final garment will look like. The total IT cost for set-up is around GBP 9900 (INR 10 Lakh) per store, with an annual maintenance cost of GBP 1500 (1.5 Lakhs), excluding salaries paid to employees. The outlook for the brand is promising. Based on initial results, there are plans to expand to more than 15 cities in the next year. ◦

Leroy Merlin

This case demonstrates the key driver for innovation *Customer* and showcases aspects of the driver *Experience*.

Key data

- **Sector:** DIY
- **Format:** 3,375 square meters
- **Year opened:** 2015
- **Store location:** Dinard, France
- **Number of stores:** First store with this concept (Dinard), 119 stores in France
- **Number of countries:** 12 (France, Poland, Italy, Spain, Portugal, Russia, Ukraine, Cyprus, Romania, Brazil, China, Greece)
- **Product mix:** DIY from tools and materials to painting and in-house fitting and garden
- **Positioning:** To provide inspiring and helpful products, through a wide range of services, training, online and offline tools

What is it?

Leroy Merlin, the leading French DIY brand, keeps improving its store concept. In order to keep attracting clients to the store in the face of online pressures, Leroy Merlin's latest store priority is to maximize the interaction between customers and products through visual merchandizing, training and a selection of innovative tools.



Leroy Merlin opens its new “solution-oriented” store concept in Dinard.

Why is it innovative?

The scale of “live” interactions between customers and products is unprecedented. Leroy Merlin has been ambitious in its investment in testing areas, “how to” training sessions and inspirational zones designed to encourage experimentation and discovery. The intention is clearly to grow into a holistic solutions provider by providing the inspiration, the product and, crucially, the knowledge and skills to “do it yourself.”



The brand displays several testing areas in the store. The customer can try every product before making a decision.

1/ The most impressive change to the store concept is the increase in the number and size of testing areas, where customers are free to try out tools and techniques before purchasing. Testing areas are wide, convenient, very visible and easy to access, with clear signage. By way of example, all electrical power tools can be tried in person in the area next to where they are stocked.



The customer can even try drills in the store.

2/ Leroy Merlin has offered in-store training sessions for some time. In the new store concept, these sessions are even more immersive, to provide an experience that cannot be replicated online, and this has increased participation. Customers can learn how to paint or undertake DIY jobs from a trained professional, which is an increasingly relevant selling proposition for today's consumer.



The store includes spaces dedicated to training sessions with a professional.

3/ Real examples of the skills customers can acquire from a training session are provided and displayed in-store, a logical extension of product-testing areas. The whole store aims to inspire customers in their DIY ventures, changing the paradigm from "selling products to customers" to "helping them build the home they want."



The creations are exposed in the store and shared on social media to encourage and entice customers to visit the store.

Ebeltoft Group experts' conclusion:

The Internet has placed increasing pressure on several categories of retailers, including DIY merchants. Leroy Merlin's ambition with its new store format is to create new forms of interaction between customers and products, providing an experience that the Internet cannot replicate. ◦

Frank & Oak

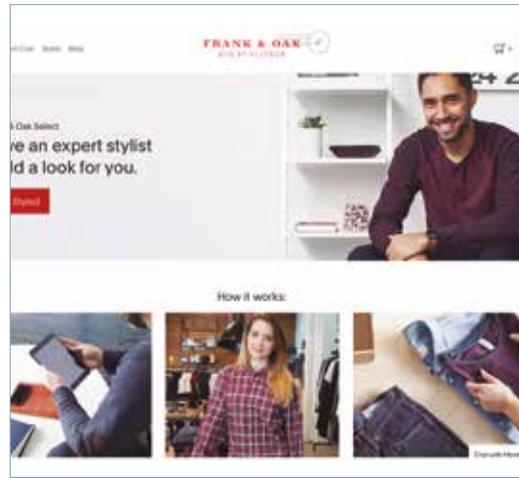
This case demonstrates the key driver for innovation **Customer** and showcases aspects of the driver **Technology**.

Key data

- **Sector:** Male clothing and accessories
- **Format:** Multi-use retail store; 2,000–3,000 square feet
- **Year opened:** 2012
- **Store location:** Montreal, Quebec and Toronto, Ontario, Canada, full-function, permanent locations
- **Number of stores:** 2 full-function permanent stores; 7 new stores to be open for a minimum of 12-18 months
- **Number of countries:** 2, Canada and USA
- **Product mix:** High-quality men's fashion and accessories, grooming products, books and magazines, in-store services (barber, bar, style consultants)
- **Positioning:** Clothing collections designed in-house for men aged 20–35

What is it?

Frank & Oak is a fashion retailer for men, which began as a pure-play retailer in Canada. The company now has two permanent, full-function locations and seven additional shops in the United States and Canada. Frank & Oak is responsible for dressing 2 million men through its stores and e-commerce site, as well as its monthly membership program, the Hunt Club.



Frank & Oak e-commerce site.

Why is it innovative?

Leveraging its community via technology is at the core of Frank & Oak's values, which the retailer has demonstrated successfully time and again, in every aspect of the business. From its store layout to its retail real-estate location strategy, community and technology are at the heart of why customers are satisfied, engaged and loyal.

Innovation 1

As part of its real-estate strategy, Frank & Oak empowered customers by inviting them to vote for the top six cities where the next stores would open on a temporary basis for 12-18 months. Votes were cast by ordering a gift card. Based on the feedback, the retailer opened two locations, in Boston and Chicago.



The Chicago store was opened based on customer voting.

Innovation 2

Frank & Oak's ambassador program, a private network of customers across North America, helps ensure innovation within the merchandise mix. Frank & Oak enables its online community to provide feedback on existing products and new-merch opportunities.

Innovation 3

The flagship Toronto store serves as a multi-use space to showcase products, as well as engage customers. The space has served as a special-occasion bar offering whiskey tastings for loyal customers.

Ebeltoft Group experts' conclusion:

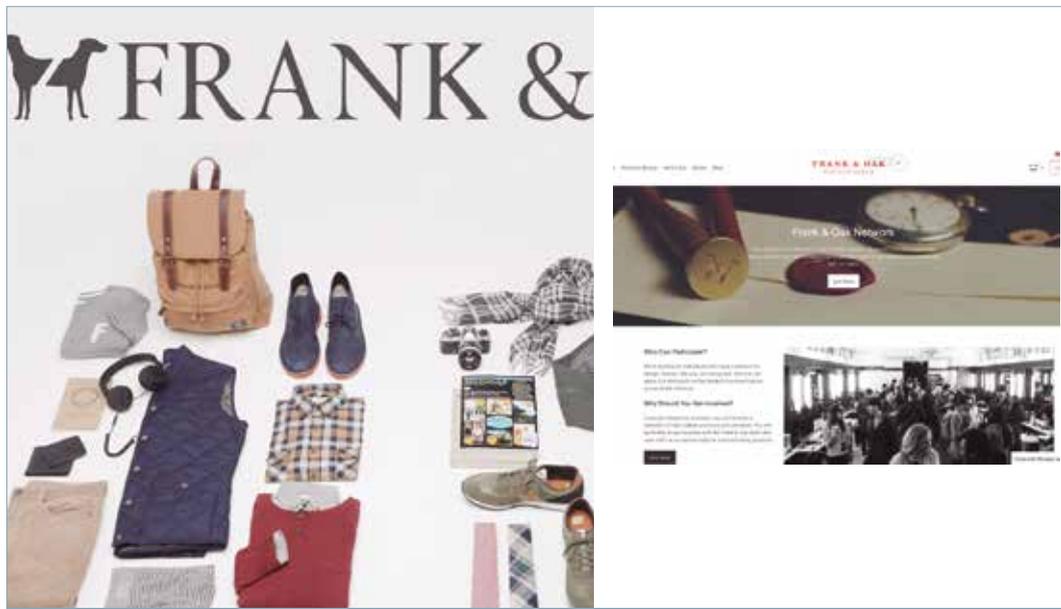
Given the narrow positioning of this retailer, Frank & Oak required access to a wider base of customers, making e-commerce an ideal channel at the onset. Physical stores, however, enable the company to more fully expose its brand. Indeed, actual in-store customers reflect Frank & Oak's ideal target, demonstrating that the company has hit its mark. With the addition of mobile, Frank & Oak joins the ranks of omni-channel retailers, providing full-style support on-the-go for Hunt Club members.

The trend is increasing as e-commerce retailers seek to establish physical stores and pop-up shops. Finding the right real-estate mix, performing due diligence for locations prior to entry and a continuous-learning mentality have paved the company's path to success. Frank & Oak understands and meets customers' needs, challenges and desires with vertical integration; insights quickly feed into marketing plans and product development; and the flexibility to act quickly is leveraged across the retailer's operations.

In three short years, Frank & Oak has grown to 2 million members online and half-a-million members on mobile and will continue to see rapid growth. ◦

Website:

<https://www.frankandoak.com/shop>



The Frank & Oak network enables brand enthusiasts to provide input and collaborate with the Frank & Oak team.

*The Experience
makes the difference*



This case demonstrates the key driver for innovation *Experience* and showcases aspects of the driver *Product*.

Key data

- **Format:** Supermarket and restaurant
- **Size of store:** 1,300 square meters on two levels, 430 of which is a Sapori & Dintorni supermarket
- **Year opened:** 2015
- **Store location:** Naples, Italy
- **Number of stores:** 1
- **Number of countries:** 1
- **Product mix:** Supermarket, coffee shop, wine bar, restaurant and cooking workshops
- **Positioning:** Upscale gourmet market with unique food offerings

What is it?

Gourmeet is a concept that integrates a Sapori & Dintorni supermarket chain banner owned by the CONAD group, bringing “taste and surroundings,” with a unique and social gourmet atmosphere. Gourmeet offers medium-high range, private-label products; a coffee shop, a wine bar with 650 different labels from all Italian regions, as well as from around the world; the bistro, with its elaborate menus; the restaurant; and cooking workshops.

The goal of Gourmeet is to bring together those who enjoy gourmet foods and socializing to interact in a concept that combines a wide variety of products, food and wine in an innovative dining setting, where customers already shop for food. Gourmeet



Where people meet to eat.

has recreated the traditional supermarket shopping experience without losing the opportunity to use new technologies, such as digital price labels and the bottled wine ATM, that extend the shelf life of an open bottle, thanks to the use of nitrogen. The store is located in an upscale area of Naples, surrounded by nightlife filled with many bars and restaurants.



A shopping experience that ranges from grocery shopping to pre-packaged meals to grab and go.

Why is it innovative?

Gourmeet aims at diversifying its products and services, delivering fast service and adapting itself to customers' needs. Sapori & Dintorni focuses on fresh food and excellent quality while emphasizing their selection of gourmet regional products, suppliers and recipes, integrating the customer's retail experience with an experiential shopping environment.

The founder seeks small, local suppliers able to deliver outstanding products. The seamless integration between supermarket, delicatessen, bar and restaurant distinguishes Gourmeet from other supermarkets and positions it as a place where people can meet and mingle, while exploring the store's areas to taste, purchase and learn about products.



The specialty deli counter.

1/ Evolution of the supermarket concept

The supermarket sells about 2,000 SKUs, mainly fresh food marked with certification standards, including Protected Designations of Origin, Igp (Protected Geographical Indications) and Doc (Controlled Designations of Origin); more than 700 of the products in the store come directly from the Campania region, giving the store strong local ties to the surrounding area.

Gourmeet features a bakery with exclusive baked breads, alongside traditional ones; the cold-cut counter and a meat department offering specialty items like Kobe beef and cured meats. The scales in each department are interconnected and programmed to read the customers' loyalty cards, making shopping a seamless experience.

2/ Consistent mix of different formats

At Gourmeet, customers can choose between a variety of shop-in-shops, all with a strong emphasis on local and high-quality products. Gourmeet highlights the famous fried "bombs," prepared by famed Chef Niko Romito, in both sweet and salty versions. Every few weeks, Sapori & Dintorni features famous chefs, who showcase their products and host events through the cooking school. Additional benefits of the space in fact include a cooking school and a room to host conferences and promotional events

for industry experts and food fans. The wine bar, boasting more than 650 varieties, is equipped with an on-site sommelier and also serves as an event space for customers to host dinners.



The wine bar.

Ebeltoft Group experts' conclusion:

Gourmeet is an innovative concept that features a special mix of selected products, event space and shop-in-shops for goods from both world-famous brands and local producers. The store was designed to engage and interact with customers and to be more than just a place to shop for food. The challenge, well known to founder Giuseppe Medici, will be to standardize the format in establishments around Italy and abroad. ◦

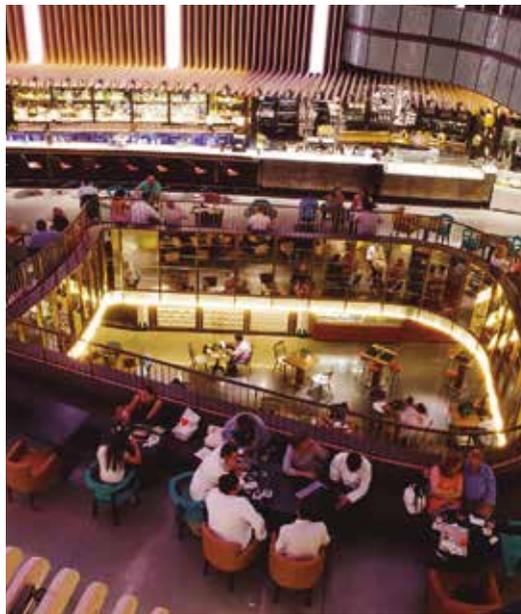
This case demonstrates the key driver for innovation *Experience*.

Key data

- **Sector:** Food service and brand-concept experience
- **Format:** 5,800 square meters
- **Year opened:** 2014
- **Store location:** Madrid
- **Number of stores:** 1
- **Number of countries:** 1 (Spain)
- **Product mix:** Restaurants, leisure activities, stores, events, shows
- **Positioning:** An innovative, vibrant, cosmopolitan space integrating food service and entertainment in a culinary/retail experience

What is it?

Platea Madrid is a leisure venue featuring a wide variety of international and Mediterranean gourmet cuisine at reasonable prices, located inside a former cinema building in the core of Madrid's Golden Mile.



Platea Madrid combines retail spaces, restaurants and a stage for music shows. Downtown Madrid with a modern design.

Why is it innovative?

1/ Integration of fine cuisine with retail, leisure and social activities

The building houses approximately 20 high-end food stands, a bistro, sweets purveyor, high-quality products grocery, cocktail bar and smoking area, as well as a specialty store for kitchen tools. The retail and dining areas are organized on five floors, each designed and decorated to showcase its distinctive purpose. The venue was formerly a cinema and features an impressive atrium and screen, allowing Platea Madrid to offer a wide variety of shows and leisure activities, such as live music, dance, monologues, or projected football matches, which can be enjoyed while dining or having



a drink at night. The multifunctional, dynamic space also hosts workshops for a variety of groups and can be rented for corporate and private events.



The concept includes a mix of kiosk-style restaurants.

2/ Blending fine food with fast-food service

High-quality and fine-food restaurants usually provide table service in a formal environment, while food courts are linked with self-service and low-quality food, but Platea Madrid's world-class restaurants and food stands have earned Michelin stars and 11 Repsol suns. Though there is table service at the bistro, most customers order and purchase their selections at the individual food stands and then dine together, seated, in an upscale food court-style area. Drinks and desserts can be ordered

and paid for while seated, which is easy and convenient for customers and increases the average ticket.

3/ Revitalization of an iconic building, while preserving the original architecture

The building, established in 1952 as the Cinema Carlos III, closed its doors in 2007 and was abandoned until Grupo Triton Capital undertook to transform it into a new retail space: Platea Madrid. The building has been completely refurbished, while maintaining its original architectural elements, structure and 1950s-inspired decor. All five floors – from the orchestra pit to the boxes – showcase the preserved original theater interior layout and look and feel.



Platea Madrid is located in the former Carlos III Cinema and has preserved the original interior layout, including boxes, orchestra pit and stage.

Ebeltoft Group experts' conclusion:

Platea Madrid is an exclusive venue, where diverse customers come to socialize, dine on good food and enjoy entertainment.

Innovative in Spain, the successful concept is built on the uniqueness of the experience. However, it remains to be seen whether, in the long term, customers will be willing to pay high prices for good food in the absence of table service, especially when there is no event. Also, the concept needs high daily turnover to cover significant operating costs associated with a building of this size. ◦

Markthal Rotterdam

► Hot key trend of the year:
Passion for food

*This case demonstrates the key driver for innovation **Experience** and showcases aspects of the driver **Sustainability**.*

Key data

- **Sector:** Food
- **Format:** 10.800 square meters
- **Year opened:** 2014
- **Store location:** Rotterdam
- **Number of stores:** 1
- **Number of countries:** 1
- **Product mix:** Fresh food and restaurant
- **Positioning:** First indoor market in The Netherlands

What is it?

Markthal is the first of its kind in The Netherlands, featuring a huge, street-level market sheltered under an arch of apartments. This outstanding building in the center of the city comprises 100 units, 20 of



Markthal Rotterdam, the first of its kind in The Netherlands, features a huge, street-level market sheltered under an arch of apartments.

which are fresh-food-related, as well as restaurants and free-standing kiosks. Its mix of independent entrepreneurs and a renowned supermarket is open seven days a week. Underground parking is convenient. Due to its unusual shape, colorful interior and remarkable height, Markthal is a unique and vibrant space, offering a comprehensive marketplace, including dining areas, under one roof. In the first three months it was open, more than 3 million people visited the Markthal.

Why is it innovative?

1/ State-of-the-art architecture

The 45-meter-wide arch construction, colorful interior, glass facades and remarkable height transforms the Markthal into a unique and vibrant landmark. The energy-efficient structure also heats and cools a number of buildings in the surrounding area. The interior of the arch features a huge, magnificent artistic centerpiece.

2/ Diverse functions, uniquely combined

Diversity is key. The unique design of this structure features elements including an apartment complex arched above a fresh-food market with shops, restaurants, an Albert Heijn supermarket and underground parking. The spectacular architecture and original artwork are the only of their kind in the world.



Markthal is the only structure in the world where customers can experience sheltered shopping for fresh food and dining beneath high-end apartments. Markthal is remarkable for its unique, state-of-the-art architectural features.



In Markthal Rotterdam, customers can find all kinds of products also available at a weekly, local market.

Ebeltoft Group experts' conclusion:

Markthal Rotterdam is a unique paradigm, which can serve as a model for future national and international retail projects. By adding 10,000 square meters of retail and eating areas to the city center in Rotterdam, this project succeeded in enhancing the attractiveness

of the city, as well as motivating and embracing the entrepreneurial community and energizing the area. Markthal Rotterdam is a modern response to current retail trends, appreciated by both residents and visitors. ◦

Il Mercato del Duomo - Autogrill

► Hot key trend of the year:
Passion for food

This case demonstrates the key driver for innovation *Experience*.

Key data

- **Format:** Restaurants and food
- **Size of store:** 3,000 square meters on four levels
- **Year opened:** 2015
- **Store location:** Milan, Italy
- **Investment:** €13.5 mln.
- **Product mix:** Food specialties, food to go, restaurants
- **Positioning:** Medium (with high-low strategy), high value
- **Autogrill Group:** 4,300 stores in 31 countries

What is it?

Il Mercato del Duomo is a new food megastore that Gruppo Autogrill opened as the “Temple of Taste,” nestled in the heart of Milan. The four levels are filled with a selection of market restaurants curated by the University of Gastronomical Sciences in Pollenzo.

The concept blends raw materials, the experience of street food and the excellence of Italian catering. Customers can purchase gourmet products, sip coffee in an elegant environment, attend cooking shows, or have a traditional Milanese-style ‘aperitivo’ on a terrace overlooking the Duomo.

Why is it innovative?



Il Mercato del Duomo (Gruppo Autogrill) in Milan, Italy.



The Bistrot Milano Duomo bakery area and the entrance with the sculpture of a century-old olive tree is reminiscent of the roots of the products and the Earth.

The four levels resemble the progressive stages of processing raw products, with different consumer experiences created on each level. The ground floor features a coffee bar, Motta Caffè Bar, with traditional quality coffee offer. The first floor boasts a market filled with meats, cheeses, breads, sweets, food and wine. The first and second floor bistro menu offers the gamut, from salads to specialty items, in a dine-in setting with innovative features like the OvoBar, a corner dedicated to menus with free-range eggs. The third floor features a wine bar, Berlucchi Franciacorta Lounge, and the restaurant Spazio Milano on the third floor, managed by students who graduated from

Chef Niko Romito's cooking school. The shopping experience is designed to be multi-sensory and appeal to a wide range of consumers.



At the Ovo Bar, customers can purchase different kinds of eggs and egg recipes.



In the Berlucchi Franciacorta Lounge, the very best Franciacorta wines and a selection of gourmet food specialties.

1/ Freshness and communication

Freshness is the main focus of Il Mercato del Duomo. Most products sold in the market are locally sourced, with a close eye on production, in order to ensure freshness. Pasta is made fresh every day in a kitchen in full view of customers, who can interact with chefs and learn about products. In-store communication is clear and effective throughout the market, conveying the project's philosophy and the company's consistency in applying it to even the smallest details.

2/ Sustainability and nutrition

Il Mercato del Duomo was created and designed to focus on accessible, quality, sustainable food with an emphasis on local products and a wide range of private-label products. Sustainability is also evident



The butcher counter.

in the materials used for the interior design, including wood and fine marbles.

Ebeltoft Group experts' conclusion:

Autogrill's Il Mercato del Duomo has successfully recreated a versatile and multi-concept format, a multifaceted store, where customers can create their own experience, from a simple stop for coffee, to grocery shopping, to attending cooking events. The big challenge for Autogrill will be making this a sustainable project, while preserving the local identity of the various assortments. Further integration between the restaurant and the sales areas will be necessary to move this concept further. ◦



In-store communication reinforces themes of quality and sustainability of raw products and food.

This case demonstrates the key driver for innovation *Experience* and showcases aspects of the driver *Product*.

Key data

- **Sector:** Tea retailer and manufacturer
- **Year opened:** 2015
- **Store location:** London
- **Format:** Flagship, 3,233 square feet
- **Number of stores:** More than 60
- **Number of countries:** 4 (Australia, New Zealand, UK, USA)
- **Product mix:** Tea and teaware
- **Positioning:** Specialist purveyor of tea and teawares, with the philosophy of bringing together teas from around the world, showcasing exotic flavors and aromas

What is it?

Started when coffee-shop chains were rapidly growing in popularity, T2 Tea was founded in Australia in 1996 as an alternative premium tea-based retail experience. The idea behind the concept is to educate customers in a fun and interesting way, with a sensory retail experience that encourages customers to smell, taste, touch and compare the different ingredients and aromas of the tea and tisanes. To maintain the in-store excitement, the concept is kept up to date by taking regular inspiration from tea culture and aromas from around the world. T2 Tea also supplies its products to restaurants, cafés and food retailers in Australia.

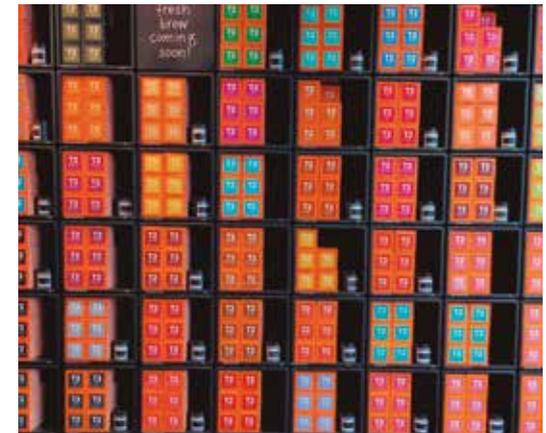


The expansive product display and large variety of teas are among the retailer's innovations.

Why is it innovative?

First launched on Aug. 30, 2015, T2 has opened its sixth UK store on iconic Regent Street. Like the Nespresso store nearby, this flagship makes a strong entrance and aims to connect with its customers through their senses. Customers are encouraged in-store to subscribe to T2's e-newsletter, in order to maintain customer relations.

Smell: Greeting customers at the door is a table of prepared and carefully labeled tea mixes, which draw the customer in and encourage exploration through unusual aromas that create an enduring impression of the merchandise.



Taste: Further on in the store is a tasting bar. Staffed by knowledgeable employees, a changing selection of teas and brews are available to sample. The customer

is engaged via the ritual of pouring of his or her own beverage, and talked through the ingredients, the flavors to note and how to brew at home.

Ebeltoft Group experts' conclusion:

This concept suits high-footfall locations, tapping into a customer base looking to be educated through a retail experience. The retail environment comes across as the Anthropologie of tea, encouraging exploration and appreciation of well-curated, authentic tea ranges. Extending the range beyond tea into teaware and premium china ranges should bring up the average transaction value and offer broader gifting options. Selling to trade and at wholesale add an extra string to the brand's bow, extending reach and gaining further credibility from these partnerships. ◦

Sight: The store has a blank, black back-canvas of shelving and walls, as well as good lighting, which spotlight the brightly colored packaging and china ranges. Careful thought has been given to how to display product both neatly and effectively, and the precision of the in-store execution creates a calming atmosphere. Movement through the store is well-paced, beginning with introducing the customer to the experience of smelling and tasting the products, before engaging him or her with relevant teawares later on in the store, during the walk-through.



Products show a great level of design.



This case demonstrates the key driver for innovation *Experience*.

Key data

- **Sector:** Home appliances
- **Format:** 2,700 square meters
- **Year opened:** 2009
- **Store location:** Presence in five states across the USA: Georgia, California, Texas, New Jersey and Illinois
- **Number of stores:** 8
- **Product mix:** Home appliances for kitchen, bath, outdoor
- **Positioning:** Make shopping for appliances and plumbing products inspirational

What is it?

Pirch began as an innovative retail concept, derived originally from the Fixtures Living store, and recently changed its name to expand USA brand presence. The award-winning retailer - where customers can discover new ways to decorate - specializes in premium lifestyle goods for the home. As reflected in the name, Pirch delivers an experience that inspires you to “branch out” and “feather your nest” with things that bring joy into the home. Carrying hand-picked, best-in-class brands for indoor and outdoor kitchens, laundry rooms and the bath - from decorative plumbing to health and wellness systems - Pirch has it all.



Entrance to the Pirch store.

Why is it innovative?

The No. 1 goal of the Pirch store is to allow customers to experience and interact with the products in a unique way. Pirch creates an experience and encourages customers to consider the investment in the home similarly to going to a car dealership and test-driving a car. Pirch showcases high-end products in home-like settings throughout the store to give customers a better idea of how they would appear in the home. Showcase brands include La Cornue, Thermador and Viking. The store concept and design is consistent across all stores.



Appliances displayed as they would be in the home. A full-service kitchen allows for demos and customer engagement.



Customers can experience water-flow through a wall of touchpad-operated shower heads. If they're interested in a more in-depth demonstration, customers can come after hours to test out the showers.

- Each Pirch store gives customers the opportunity to "test drive" products for the full experience before making an investment.

The stores are equipped with an on-site chef for cooking demonstrations on stovetops, rotisserie systems and built-in ovens in both the indoor kitchen and outdoor department. Gas ranges are set up so

customers can turn on the flames and explore how they adjust.

- Pirch holds a number of in-store events, from cooking classes to product demonstrations, to create more awareness of the merchandise and activity within the store.



Private 'dream rooms' are available for shoppers, where they can plan and design their home in privacy.

Ebeltoft Group experts' conclusion:

The whole store – design, products and people – was developed to involve the customer in purchasing home appliances on another level. Pirch has the solution to reinvigorating the broken and undifferentiated home-appliance category, making shopping attractive and minimally frustrating in a truly experiential space, where customers can test out products and furnish their home. ◦

Electromart

This case demonstrates the key driver for innovation *Experience* and showcases aspects of the driver *Product*.

Key data

- **Sector:** Consumer electronics
- **Format:** Big box consumer electronics store
- **Year opened:** 2015
- **Store location:** Ilsan, Gyeonggi Province, Korea
- **Number of stores:** 1 (inside E-Mart town)
- **Product mix:** Consumer electronics, collectibles, action figures, drones
- **Positioning:** Electronics experiential specialty store

What is it?

Electromart has redefined the way consumers shop for electronics by making shopping a fun and interactive experience.



The Electromart South Korea store.

Why is it innovative?

Electromart's selection is much wider than a traditional consumer electronics store's, bringing in innovative categories, including drones, adult action figures and collectibles to engage consumers with new and trending items. The store is interactive, with spaces throughout for entertainment and to test products. To stand out from other electronics retailers like Lotte's Hi-mart, Electromart has used its life-sized action figure mascot, Electroman, to develop an array of products.



Brands highlighted throughout store with mini shop-in-shops.



Test area for customers to try out and play around with unique and new products.



Electromart mascot keeps kids engaged and represents new products.

Ebeltoft Group experts' conclusion:

Electromart is a specialty shop for home appliances, integrating products from Samsung, LG and many other electronic firms at home and abroad with E-mart's other branded shops, in a cluster of trend-setting stores. At E-mart Town and Electromart, consumers experience high-quality, one-stop shopping. Technology intervention and experiential retailing are at the forefront of this store's position. ◦



Engage, touch and feel products sold in store.



Unique product displays.

*The Price
makes the difference*



This case demonstrates the key driver for innovation **Price** and showcases aspects of the driver **Sustainability**.

Key data

- **Sector:** Refurbished electronics
- **Year opened:** 2011
- **Number of stores:** 11 Leapp stores (8 in The Netherlands, 2 in Belgium and 1 in Germany); Leapp is also part of Optie1 in The Netherlands (13 stores)
- **Number of countries:** 3 (The Netherlands, Belgium and Germany)
- **Product mix:** Refurbished Apple products and refurbished Sennheiser headphones
- **Positioning:** Market leader in sales of refurbished Apple hardware

What is it?

Leapp.nl and Leapp stores sell refurbished Apple hardware. The products are obtained from large foreign retailers or companies. The Macs, iPhones and iPads are checked, polished and prepared for sale. Since August 2015, Leapp also sells refurbished Sennheiser headphones.

Why is it innovative?

1/ Refurbished products:

There are people who would like to have an Apple product, but who are not able or, more often, not willing to pay the full price. Furthermore, people don't always need the newest products. Leapp responds to this by offering good service, as well as low-cost refurbished products.



Leapp.nl and Leapp stores sell refurbished Apple hardware. Leapp is an anagram of Apple.

2/ Online goes offline:

Leapp started solely online, but opened physical touchpoints and now operates 11 bricks-and-mortar stores. Some Leapp clients prefer to personally inspect and evaluate the refurbished products.



After starting as an online operation, Leapp opened physical stores for clients who prefer to personally inspect refurbished products before they buy.



The products Leapp sells are obtained from large foreign retailers or companies.

Ebeltoft Group experts' conclusion:

Since there is a high demand for second-hand Apple products and many people buy them directly from other customers, there is a risk of being deceived by the seller. Leapp counters this risk by offering a safe and reliable way to buy second-hand Apple products, offered with a one-year warranty as extra

incentive. The demand for second-hand Apple products appears to be high. Leapp was established in 2011 as a webshop and later opened one store in Amsterdam. Leapp is expanding rapidly, now operating 11 Leapp physical stores in The Netherlands, Belgium and Germany. ◦

La Fabrique de Lunettes

This case demonstrates the key driver for innovation **Price** and showcases aspects of the driver **Product**.

Key data

- **Sector:** Fashion/glasses
- **Format:** 250 square meters
- **Year opened:** 2011
- **Store location:** Paris, France
- **Number of stores:** 3 in France (Paris, Marseille, Bordeaux)
- **Number of countries:** 1 (France)
- **Product mix:** Sun and prescription glasses
- **Positioning:** '50s-style influence, from glasses models to decor

What is it?

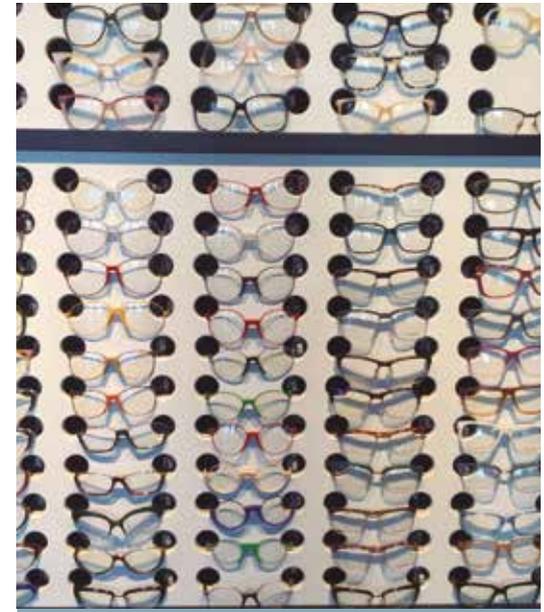
La Fabrique de Lunettes is a unique retail optician styled on vintage influences, both in products and environment. The business model is differentiated by the addition of a rental option, allowing consumers to try on any of the 2,700 frames offered before purchasing.



La Fabrique de Lunettes is an optician with a rental service and a vintage-influenced style.

Why is it innovative?

The rental model is the business' unique selling proposition (USP), which distinguishes it from competitors. Subscribers can rent as many glasses as desired, by the day or week. This model generates 13% of sales and is driven predominantly by the demands of individuals in the creative industries



La Fabrique de Lunettes offers more than 2,700 frames without lenses to rent.

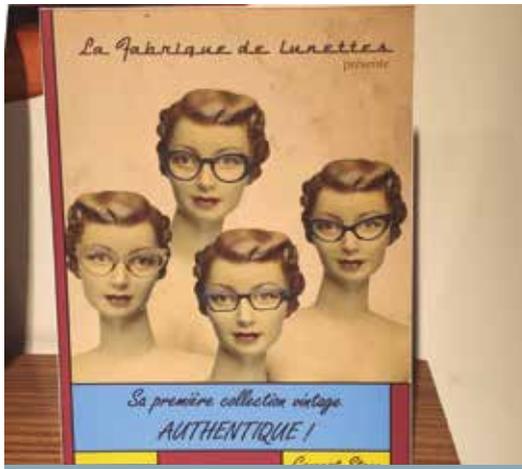
who are attending special events and people with a passion for unique eyewear.

- The company stocks well-known brands like Dior and Persol, but focuses on glasses inspired by vintage style that are unavailable elsewhere. The '50s vintage look, popular and trendy, is not only a concept, but also a material product. La Fabrique de Lunettes has also developed its own brand assortment and established exclusive relationships with a number of vintage-inspired designers, allowing the retailer to offer a comprehensive inventory.

- The in-store environment reinforces the vintage image of the product assortment. Artwork is inspired by Mondrian and the furniture is influenced by the iconic Eames products of the '50s.

Ebeltoft Group experts' conclusion:

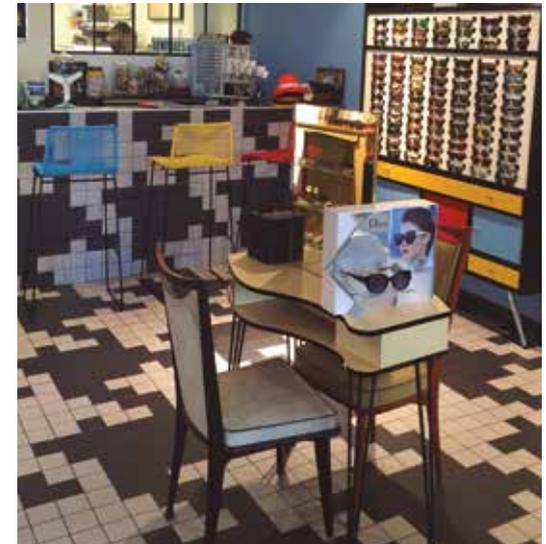
La Fabrique de Lunettes is a niche concept, reinforced by a distinctive personality, which makes it unique among opticians. The rental service is innovative, appealing to the unique customer willing to pay for a subscription to rent glasses without lenses solely to project a distinctive style. The restoration of old glasses to be newly functional is consistent with the positioning. ◦



The concept is based on a vintage look, from the glasses' style to the decor of the store.



The store inspires visitors with vintage furniture and the spirit of the '50s.



Lunettes pour Tous

This case demonstrates the key driver for innovation **Price** and showcases aspects of the drivers **Experience** and Technology.

Key data

- **Sector:** Eyeglasses
- **Format:** 300 square meters
- **Year opened:** 2014
- **Store location:** Paris
- **Number of stores:** 2 (Paris and Lyon, France)
The retailer plans to open 3 new stores in Marseille, Bordeaux and Lille
- **Number of countries:** 1 (France)
- **Product mix:** Eyeglasses, sunglasses, optical lenses
- **Positioning:** Making good vision accessible to everyone by providing eyeglasses (or sunglasses) at very low prices

What is it?

Lunettes pour Tous (“Eyeglasses for Everyone”) is an optical shop with merchandising standards close to those of the Apple Store, but which offers customers eyeglasses at prices that are, on average, four times cheaper than the market. Furthermore, glasses are produced in record time; the company proudly claims that you can have your prescription glasses “for less than 10 euros in 10 minutes.”



Lunettes pour Tous opened its first store in Paris in 2014.



A simple and refined concept: sellers with iPads. Merchandising standards are similar to Apple Store's.

Why is it innovative?

Lunettes pour Tous wants to reinvent optical retail in a country where eyeglasses prices are the most expensive in Europe. The retailer is the first bricks-and-mortar store to propose an alternative model to the traditional eyeglasses business model through technological innovation. The combination of low prices and unrivaled speed of delivery is unparalleled in the market.

1/ Lowest prices on the market

Lunettes Pour Tous offers 35 different frames between 5€ and 20€. The entry-level price is very aggressive: 9.90€. Adjustments incur additional fees, but even with adjustments, total cost of acquisition is, on average, four times lower than typical market prices. For instance, for a small correction, a consumer pays 25€ for glasses at Lunettes pour Tous versus 300€ at a traditional optician.

To achieve this model, the retailer offers only private labels and realizes a significantly lower margin on the lenses.



Frames are designed in-house.



The retailer offers the lowest prices on the market.

2/ Speed of execution

One of the major innovations - and one of most complicated to fulfill - is the service and especially the speed of execution: glasses are manufactured in less than 10 minutes. Opticians typically require a two-day turnaround period. At Lunettes pour Tous, standard lenses, which account for 80 percent of purchases, can be produced within the 10-minute window advertised. To offer such quick delivery, stores stock a comprehensive array of up to 60,000 prescriptions; however, speed of execution remains one of the major areas needing improvement.



Basement of the store, where orders are prepared.

3/ Alternative business model

Lunettes pour Tous offers an alternative to the traditional eyeglasses business model by selling a

lot of eyeglasses at low prices (and correspondingly low margins), at unrivaled speeds, thanks to its implementation of technology. The store uses tablets to take measurements and the transaction is processed on the iPad via a mobile application designed in-house. Upon completion of the sale, data is sent to the basement of the shop, where employees using large industrial machines prepare the glasses. To be profitable, the retailer has to sell between 200 and 250 eyeglasses per day.

Ebeltoft Group experts' conclusion:

Even in France, where optical expenses are covered by Social Security, price remains a key driver of consumers' decisions not to update their eyewear. Lunettes pour Tous is, above all, a low-cost model, with a limited range of 100% private-label, standard-vision lenses, which are simpler to manufacture. The effective implementation of appropriate technology solutions allows Lunettes pour Tous to offer prices unparalleled by peers. Nevertheless, there is a tension between this value-led proposition and the store's premium design and location that prevents it from standing as a "store for everyone," as it claims in the name; instead, it is likely to serve as a driver of a more frequent replacement cycle among the general glasses-wearing population. ◦



*The Product
makes the difference*

This case demonstrates the key driver for innovation **Product** and showcases aspects of the driver **Customer**.

Key data

- **Sector:** Food
- **Format:** Online shop, as well as a 200 square meters professional kitchen
- **Year opened:** 2012
- **Store location:** www.chefmarket.ru office and kitchen located in Moscow; delivery covers Moscow and Moscow region (up to 60km from Moscow), St. Petersburg and Leningradsky region (up to 60 km from St Petersburg)
- **Number of Stores:** n/a
- **Number of countries:** 1 (Russia)
- **Company staff:** 65 people
- **Start-up registered capital:** 200,000 USD
2014 revenues 1,200,000 USD
- **Product mix:** Sets of ingredients for meals with recipes
- **Positioning:** The fastest online food-delivery service that produces and delivers ingredients for meals with recipes and step-by-step instructions

What is it?

Chefmarket is an online food-delivery service that offers customers fast delivery of ingredients for selected recipes with a specified number of portions. The website offers choices among 300 recipes for salads, soups, main courses, desserts and drinks. Customers can order a five-night menu, Pierre Dukan diet, vegetarian, kids' meals, or selected recipes.

The set includes:

- Ingredients for selected recipes – all food products are clean, precisely weighed for a specified number of portions and ready for cooking.
- Printed photo instructions with step-by-step description.



The main page of the Chefmarket site promises visitors “the best way to cook at home.”

The website also offers information on cooking time and level of difficulty and additional reminders about basic ingredients (i.e., olive oil) and recommended cookware.

The order is delivered three to four hours after being placed via the website, within delivery hours, 11 a.m.-10 p.m.



Each ingredient is weighed, packed and marked with product manufacturer and packing date. Most products are prepared for cooking (i.e., peeled and washed).

Why is it innovative?

Chefmarket is not the first company on the European and Russian market that provides delivery of cook-it-yourself ingredients; similar services are provided by hellofresh.com, secretingredient.com.hk, kommtesse.de. However, Chefmarket offers a number of unique advantages:

1/ Fast delivery time: Chefmarket delivers the order far more quickly than its competition with similar concepts. Customers receive ingredients with printed step-by-step cooking instructions three to four hours after the order is placed on the website, within set delivery hours.

2/ Opportunity for a last-minute decision: Chefmarket does not limit customers to signing up for 3-5 nights of meals. Customers can make spontaneous, last-minute decisions about dinner plans.



The customer receives the order in a delivery box.



Products are purchased from verified suppliers.

3/ Guaranteed high-quality ingredients for selected recipes: Chefmarket competes with traditional Russian food retail in the quality and availability of ingredients. Cooperation with a wide network of local products' manufacturers and farms, as well as fast delivery, enables Chefmarket to provide fresh products to consumers.



Detailed step-by-step instructions with photos attached come with products.

4/ Wide choice of recipes: Online stores similar to Chefmarket typically limit their menu choices to 10 pre-selected meal options. Chefmarket positions itself as a supermarket of 300 cook-it-yourself meal options.



The result looks like a restaurant meal.

Ebeltoft Group experts' conclusion:

Chefmarket is a unique solution in the Russian food market. It combines the advantages of an online food supermarket, restaurant and delivery service (numerous, high-quality ingredients, chef-designed menu, at home). The concept successfully responds to several current trends, including healthy eating, at-home eating and personalization of food retail. The project proved successful: in the first year, sales grew 30% each month. In 2013, the project attracted additional investment and received wide media support. ◦

Muji Flagship

This case demonstrates the key driver for innovation **Product** and showcases aspects of the driver **Experience**.

Key data

- **Sector:** Clothing and household goods
- **Format:** Flagship
- **Year opened:** 2011
- **Store location:** Yurakucho, Tokyo, Japan
- **Store size:** 3,500 square meters
- **Number of stores:** 500 around the world; 50% international. Expanding flagship store base across the United States and other markets
- **Product mix:** More than 7,000 items, ranging from clothing and household goods to food
- **Positioning:** Oriented to the universal basics of daily life: low-cost, quality products. The design of the store is equally important as the products for sale, as it is presented as a fully decorated prefab house, which customers can walk through, as well as features small exhibits. There are cafés in the store

What is it?

Muji was founded in 1980 with a manufacturing goal to create simple, low-cost, good-quality products presented through three lenses: material selection, inspection process and packaging simplification. Muji is one of the most recognized Japanese brands overseas due to its minimalist and natural-materials designs offered at a reasonable price. At the flagship, you can tour a full-size house to buy and build in Japan. The children's clothing area is an experiential space, where parents shop and babies and toddlers play. The store also features a full-service



Full-service monogramming station.

aromatherapy station, t-shirt and bag monogramming station and a café. The Yurakucho store is the largest Muji store in the world.

Muji enables a customer to shop for and find simple designs in home goods, clothing, stationery and furniture.

Why is it innovative?

Muji is the first store of its kind to focus on environmentally conscious design and products. The company started in 1980 as Muji, an abbreviated form of "Mujirushi Ryohin," Japanese words translated as: "No brand. Quality products." Another slogan says, "All value. No frills." The paradox of this name is that while it asserts brand, "Muji" is actually perceived as a quality brand with thoughtful, innovative products that requires only minimal marketing to bring in customers.



Natural foods selection with environmentally conscious design.

Ebeltoft Group experts' conclusion:

Muji represents a new wave of consumerism. With a focus on reducing the extraneous components of products, Muji is able to create products that are simultaneously simple and sophisticated. The Muji flagship is a large-scale embodiment of this brand ethos and powerfully demonstrates how the brand can be expanded into multiple product categories. Muji exemplifies not only a great store, but also a range of interesting services representative of the best of retail. ◦



Experiential space created for kids and families.



Apparel sold in store.

Minimum

This case demonstrates the key driver for innovation **Product** and showcases aspects of the driver **Experience**.

Key data

- **Sector:** Fashion
- **Format:** 550 square meters
- **Year opened:** 2014
- **Store location:** Aarhus, Denmark
- **Number of stores:** 1
- **Number of countries:** 1 (Denmark)
- **Product mix:** Female and male apparel, shoes, accessories, magazines, home décor, gadgets, convenience food, coffee
- **Positioning:** Fashion label with a young, urban profile featuring Scandinavian minimalism

What is it?

The Danish fashion brand Minimum has gone DTC with an innovative flagship store, in order to experiment with retail and see what the brick-and-mortar channel can offer, as well as to gain a deeper understanding of the brand's end-users. The concept functions as a retail lab.



An innovative lifestyle store, Minimum demonstrates a deep understanding of its end-users and what is possible in retail.

Why is it innovative?

“Not Just Another Retail Store” was Minimum’s mantra when developing the minimum-concept store. The overall goal of the store is to evoke as many sensory and experiential triggers as possible, to help heighten customers’ awareness of the brand in all its dimensions and contexts.



Minimum plans to use the knowledge gained from experiences in the lifestyle store to develop a small monobrand franchise concept*.

1/ Curated collections

Besides presenting the brand's men's and women's collections, the store offers a highly-curated collection of lifestyle products, including accessories, shoes, coffee-table books, lifestyle magazines, gadgets and beauty products, which takes the space from regular fashion store to an edited lifestyle concept and creates a tangible interpretative framework for the brand values.



A curated collection of lifestyle products presented in a monochrome, pared-down, stylish store interior complements the brand values of Minimum*.

2/ Collaborations and continuous changeability

Collaborations that surprise and drive traffic are at the core of the store concept. On the ground floor, the store features a pop-up constellation for external brands and players, who can showcase their products and services in-store for a limited time. On the first floor is a separate shop-in-shop area, offering special collections in their own domain. A specially developed

convenience food concept, coffee bar, art gallery in the basement, use of sensory marketing and a selfie booth in the fitting rooms all contribute to making Minimum anything but a conventional monobrand store.



The shop-in-shop has housed a collection created in collaboration with the Danish rock band Duné, which played live in-store when it was released.



In addition to retail, Minimum also makes room for the food-service business with a convenience concept featuring co-branded organic food and drinks sold in-store.

Ebeltoft Group experts' conclusion:

Minimum is an example of a brand going retail with an innovative concept, differentiated from its competition as a "lifestyle universe" by a strong sensory-experience strategy and a focus on the element of surprise and changeability, which reinforce brand values. The management is fully aware that not all store elements will be profitable, but is more focused on strengthening brand position, gaining more insights about retail and the end-users and developing the right franchise-store concept for new markets that require this kind of expansion model. Future plans for the store concept include the implementation of the brand's online store. The fitting rooms are already prepared for the installation of tablets. ◦

*Image Credit: minimum a/s.

Veg and the City

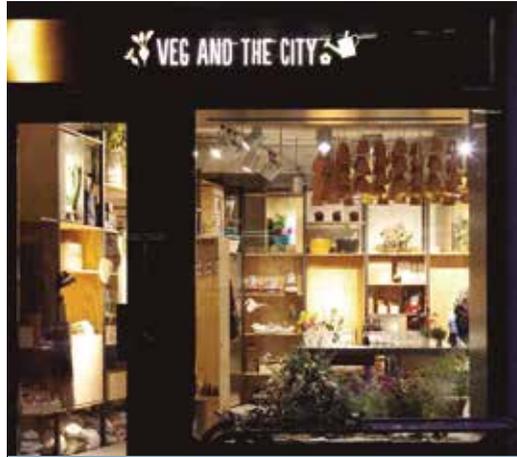
This case demonstrates the key driver for innovation **Product** and showcases aspects of the driver **Sustainability**.

Key data

- **Sector:** Gardening accessories
- **Format:** 80 square meters
- **Year opened:** 2013
- **Store location:** Zurich, Switzerland
- **Number of stores:** 1
- **Number of countries:** 1 (Switzerland)
- **Product mix:** Gardening accessories, plants, seeds, small garden patches for rent, workshops
- **Positioning:** Creative gardening products, knowledge and small garden patches for rent to urban gardeners who want to bring some green into their lives, without investing much time or space

What is it?

The store offers gardening products designed to be convenient, space-saving and innovative, so that everyone can have a personal home garden. Besides the range of practical gardening products, the VatC-team shares knowledge with potential gardeners in one-to-one consults inside the shop, as well as organized workshops. The store focuses on sustainability and offers an assortment of mostly local products. The newest concept is to offer small garden patches for rent in the city to people who don't have a garden themselves.



Veg and the City storefront in the evening.

Why is it innovative?

The store comes up with numerous original ways to bring some green into life, addressing diverse customers with innovative designs and accessible information. Through workshops and other activities, the shop's goals are to show how gardening can fit into every lifestyle and to rebuild the connection between people and food/nature.

Original designs:

Customers at Veg and the City are introduced to revolutionary products such as Sky Planters, which hang from the ceiling, and Edible Walls that can



The Edible Wall can create a little veggie garden in every living space, even those without access to an outdoor garden patch. It is modern, space-saving and can be transported easily.

contain up to 20 different herbs. The goal of these innovations is to make plants a welcome accessory for the modern customer who lives in a well-designed flat and seeks an alternative to clay-pot planters.



The Sky Planter embodies a very modern approach to planting vegetables and herbs. It's an exciting eye-catcher in every household.

Gardening for every lifestyle:

The store offers a great diversity of plants, which can easily be planted on a balcony. A new or experienced gardener needs only a little space and patience to be successful. The staff offers in-store advising, so that people with relatively little knowledge about plants can build a garden. The shop's mantra is, "Everyone can have a green thumb."



Strawberry plants in a space-saving arrangement from VatC fit on a balcony.

(Re)connecting people and food:

One way to make people aware of what they grow and how it can be transformed into food is through comprehensive in-store advising. In addition, teaching by example, VatC periodically plants in-season vegetables and colorful flowers in troughs in the center of Zurich, which also display additional information about the plants. At the end of the season, urban-dwellers can take the plants home for free and VatC plants new seasonal vegetables. Through such campaigns, urban society experiences when and how vegetables grow and learns that planting vegetables is possible in the city, as well as in the country.

Ebeltoft Group experts' conclusion:

The Veg and the City concept captures the pulse of contemporary culture and leverages current hot buttons: originality, sustainability and local-ness. Relatively removed from natural settings, urban-dwellers increasingly yearn for a greener personal environment and to reconnect to what they eat. With creative products, individual advising, small garden patches for rent and public harvest events, Veg and the City offers the urban population different opportunities to achieve these goals. ◦

This case demonstrates the key driver for innovation **Product**.

Key data

- **Sector:** Food and grocery
- **Year opened:** 2014 (first permanent store)
- **Store location:** 1 in Matosinhos; pop-up stores at Christmas in Lisbon and Porto
- **Number of stores:** 1 (question whether to open additional pop-up stores)
- **Number of countries:** 1 in Portugal, but represented in 12 other countries (Mexico, Colombia, USA, Canada, Japan, Italy, Switzerland, Spain, France, Germany, Poland, England)
- **Product mix:** Jams, chocolates, teas, liqueurs and honey, based on Portuguese flavors and innovative packaging
- **Positioning:** Portuguese flavors and gourmet products in a package shaped like a tube of ink

What is it?

The meia.dúzia store is focused on selling a one-of-a-kind gourmet experience packaged in unique aluminum tubes filled with diverse products, including jams, honey and chocolates. meia.duzia brings an added dimension of convenience with its packaging, by eliminating the need for spoons and knives to spread the products on bread or pastry items. All products are made in Portugal. Customers can mix products/tubes to create their own custom experience and personalize packages to gift or take home.



meia.dúzia Store.

Why is it innovative?

The product packaging is made of raw materials, produced organically. The products' and brand's expansion strategy is through pop-up locations, which provide flexibility at times of high demand, such as around the Christmas holiday.



Website features a wide range of combinations.



1/ Packaging

The creative packaging, made to appeal to the gourmet, was inspired by paint tubes, with colors distinguishing products. In appearance, the unique packaging makes meia.dúzia the “Nespresso” of jams and jelly.

2/ Traditional Portuguese flavors

The meia.dúzia experience calls on genuine Portuguese ingredients, such as Port, Douro Moscatel

and Madeira wines, in addition to various Portuguese fruits, blended into single-pack spreads. The unique packaging locks in air after opening, so that the fruit does not oxidize with light and maintains the original coloring.

3/ Creation of Private experience

By choosing among a wide range of flavors, the customer can create a personalized meia.dúzia pack to satisfy individual desires for unique flavors.

Ebeltoft Group experts’ conclusion:

meia.dúzia is a unique product that puts the consumer in control of designing a customized offering. The brand is continuing to expand its presence and visibility with its featured presence at the Galeries Lafayette in Dubai. ◦



Loja das Conservas

This case demonstrates the key driver for innovation **Product**.

Key data

- **Sector:** Food and grocery
- **Year opened:** 2013
- **Store locations:** Lisbon and Paris
- **Number of stores:** 3 (2 in Lisbon, 1 in Paris)
- **Number of countries:** 2 (Portugal and France), planning to expand to Macau in the near future
- **Product mix:** Canned fish
- **Positioning:** Gourmet canned fish mixed with tradition

What is it?

This is an innovative concept known as the “House of Canned Goods” that sells canned fish preserved with more than 300 gourmet delicacies and varieties representative of every major manufacturer in the country. The store represents areas from the north to the south of Portugal, delivering something for everyone, across all price ranges, while serving both domestic and international markets.

Why is it innovative?

The store defines how canned food goes gourmet by bringing together quality Portuguese fish, canned

delicacies and a blend of cultural elements - the history of canning factories, brands displayed on the walls of the old-tavern style shop, with a focus on quality, design and flavor. As a purveyor of premium seafood, the walk-in grocery also sells eel, trout, anchovy and octopus. Visiting customers from around the world, especially Japan, share a connection to the canned-fish industry. The shop’s interactive element is unique; each manufacturer is profiled on information panels between shelves, summarizing the companies responsible for canning the fish, when they were founded, their location and the brands they are known for. The brand is planning to expand internationally and is determining where the product is most desired.





The store offers a range of canned-fish products.

1/ Revitalization of the Portuguese Canned-fish Industry

A key differentiator of the offering is its inclusion of 17 national companies producing more than 300 canned-fish delicacies, including store exclusives. The products represent the entire Portuguese coast and islands. The goal of Loja das Conservas is to revitalize the canned-fish market presence and visibility, thereby boosting sales volume and turnover in the store.

2/ Quality and design of products

The canned-fish products are presented using the traditional techniques of fish processing mixed with a highly appealing design that reflects Portuguese heritage. All products in tins are high quality and extremely healthy, as they are packed with Omega 3 fatty acids. The tins symbolize quality products contained in eye-catching packaging.

“Portugality”– bringing together Portuguese heritage

The mixture of the “old-tavern” vibe with the canned-fish delicacies of Portuguese cuisine transports consumers back to Portuguese tradition.



The tins' packaging design reflects cultural tradition.

Ebeltoft Group experts' conclusion:

Loja das Conservas connects customers to unique Portuguese delicacies with a wide variety of products in a specialized category. One of the company's challenges is to figure out how to motivate Portuguese consumers to accept and understand the concept and the unique space. In the near future, Loja das Conservas is planning to expand to Macau. ◦



The old-tavern style has been revitalized through investment in the design and reflects Portugal's heritage.

MAD Cooperativet

This case demonstrates the key driver for innovation **Product** and showcases aspects of the driver **Sustainability**.

Key data

- **Sector:** Food/convenience
- **Format:** 800 square meters
- **Year opened:** 2015
- **Store location:** Copenhagen, Denmark
- **Number of stores:** 1
- **Number of countries:** 1
- **Product mix:** Food
- **Positioning:** Contemporary c-store focusing on a curated selection of fresh and healthy convenience food, targeting urban consumers on the go

What is it?

MAD Cooperativet (The Food Cooperative) is a new c-store concept functioning as a retail lab for COOP Denmark, located at the Grand Central Station in Copenhagen. The store is part of the Danish retail corporation Food Manifest, which aims to transform Danish food culture by putting good meals and good ingredients on the agenda, with the tagline “Together about better food.”



Coop Denmark has opened a new experiential convenience format, MAD Cooperativet, at Copenhagen Grand Central Station.

Why is it innovative?

With its intentions to reinvent the image of convenience food and replace TV dinners with fresh organic produce, MAD Cooperativet is a great example of a contemporary c-store. Its product focus is a curated selection of fresh and healthy food to go in an inspiring, aesthetically beautiful and interactive setting in a historic space, once a waiting hall for first-class travelers.



The interior design lands a powerful punch with neon, sleek marble, industrial metal shelving and statement lighting.

1/ Special store elements targeting today's busy and health-conscious consumer

The store includes several innovative elements, such as a 41-meter food counter with themes like “Deli,” “Street Kitchen” and “Vegetable Butcher.” Customers can choose fresh vegetables and fruits to be cut by a mandolin slicer. There’s also a free water station, where customers can refill water bottles and clean fruits and vegetables for immediate consumption.



A street kitchen, a vegetable butcher and free fresh tap water are among MAD Cooperativet's offering.

2/ Branded entertainment

MAD Cooperativet features an open kitchen in the center of the store. Here, the most prominent Danish broadcaster sets up two TVs daily to broadcast “Go’ Appetite” (Good Appetite), starring a celebrity chef and a nutritionist preparing a delicious, healthy meal. The show runs every afternoon, giving the store exposure, as well as creating an in-store event.



Chef Klaus Holm and nutritionist Christian Bitz prepare a meal at the in-store kitchen on live television*.

Ebeltoft Group experts' conclusion:

The store concept was nominated at the World Retail Awards 2015 in the category “Store Design of the Year” – and we understand why. With MAD Cooperativet Coop, Denmark has succeeded in creating a place that honors the historic site, as well as embraces the vision to breathe new life into the nation's food culture, with a focus on diversity, taste and quality. It is a destination for all the city's residents and visitors from near and far. ◦

*Image Credit: Coop Denmark.



Love for good food (MAD) is central to every store aspect*.

TOG (allcreatorstogether)

This case demonstrates the key driver for innovation **Product** and showcases aspects of the driver **Customer**.

Key data

- **Sector:** Furniture
- **Format:** Flagship
- **Year opened:** 2015
- **Store location:** São Paulo, Brazil
- **Number of stores:** 1
- **Locations:** Europe, Asia, USA, Japan, Brazil
- **Product mix:** Chairs, tables, stools, trolleys, benches and children's sets
- **Positioning:** Fashionable, colorful products at affordable prices, targeting youthful people

What is it?

TOG opened its first flagship in São Paulo, Brazil in April 2015. The new furniture brand encourages consumer involvement and freedom of choice when purchasing furniture. For example, TOG customers can choose to purchase either a piece of furniture created by one of the company's designers, or select among numerous design-element options, upon which the designer will base a unique and exclusive piece.



TOG is an innovative mobile brand that unites the best in technology and industrial design in unique furniture at affordable prices. TOG is made for youthful people, who desire the best the industry can deliver.

The same products are available online and in-store, but, via the Web, customers can search worldwide for designers and negotiate with them directly to customize a unique piece. The store is a place “you breathe art,” a space for sharing creations, attending lectures by designers, meeting artists and designers, dining and testing products.



Customers can select a designer from TOG's global network and commission a unique, custom piece, communicating design-element choices via the Internet.



Why is it innovative?

TOG brings to market the best-designed products at affordable prices, which can be fully customized by a designer selected by the customer from a worldwide network.

TOG also invites artisans around the globe to sell their work as TOG products, purchased by the client, establishing a world platform for creativity.

How TOG Works

1/ A Creative Process

At TOG, freedom of creative choice is always in style, for both customer and designer. The company

provides a conduit from high-quality, well-designed, basic, “naked” products, mass produced in Italy, to customers, who have the option to have the products personalized. The option to customize is intrinsic to the creative process.

2/ Stakeholders’ relations:

- **Client:** Both online and in-store, TOG offers customers numerous options in shapes, colors, materials and textures for customizing their furniture.
- **Artisans:** TOG offers artists online and in-store platforms to sell their customizations.
- **Designers:** TOG offers free access to a community of

designers, whose creations can be diffused worldwide.

- **Manufacturers:** TOG enables manufacturers to fabricate via mass production, but retain high-quality design.

3/ Benefits

The customer has access to designers and artisans around the globe and negotiates directly with them to have the product customized, effectively establishing a collaborative network between and among customers and customizers.

The store is a space where “you breathe art.” There is space for exhibits, learning opportunities, gatherings, dining and experiencing the products.

Ebeltoft Group experts’ conclusion:

The brand presents multiple possibilities for customization of its products, as well as stimulating co-creation by local artists around the world.

The brand represents freedom of choice at the intersections of numerous and unique, theory and practice, traditional and future.

This is a very ambitious concept and model, built on paradoxes; the question is whether our global village will understand and appreciate the vision of its maestro, Philippe Starck. ◦



*The Sustainability
makes the difference*

This case demonstrates the key driver for innovation *Sustainability* and showcases aspects of the driver *Price*.

Key data

- **Sector:** Restaurant
- **Year Opened:** 2014
- **Number of Stores:** 1 restaurant, 1 toko (take-away) and 1 food truck
- **Number of countries:** 1 (The Netherlands)
- **Product mix:** Food
- **Positioning:** Reducing food waste

What is it?

Instock is a foundation with a social mission: reduce food waste. Instock transforms surplus food into delicious meals, which customers can savor at the Amsterdam restaurant. Chefs are committed to rescuing food from the supply chain that otherwise would be wasted. The suppliers include Albert Heijn supermarkets (food), Hilton Meats (meat) and Heineken (drinks). Instock also turns food waste into meals for toko (take-away) and has a truck, so food can be served at various locations. The Instock menu at the restaurant, toko and truck is created from the day's harvest.



Why is it innovative?

1/ Reducing food waste:

Using products to the fullest and reducing food waste to the minimum. 80-100% of the meals Instock offers consist of ingredients that otherwise would not have been used, as well as some new products necessary to prepare the meal, such as olive oil, butter, spices, or milk.

2/ Corporate social responsibility

Besides reducing food waste, the entire operation of Instock supports sustainability. Food is picked up using an electric van, so transportation is sustainable.



Instock chefs create dishes with products that otherwise would be thrown away.



80-100% of the meals Instock offers consist of ingredients that otherwise would have gone to waste.



Instock also offers toko (take-aways), perfect for a lazy evening at home or a picnic in the park with friends. Is there an easier, smarter way to fight food waste?



Instock is a restaurant, where chefs serve delicious breakfast and lunch.

The food truck is a restored retired fire truck, which, in addition to the food, features a bookcase to encourage and facilitate the free exchange of books.

Ebeltoft Group experts' conclusion:

With initiatives featuring the restaurant, toko and the food truck, Instock reduces food waste in response to consumers' heightening awareness of what they buy and consume. The sustainability concept extends to both meals and operations. As the harvest changes every day, customers will always be surprised by the menu, which makes it refreshing and fun to return to the restaurant. When Instock makes a profit, it is invested in new activities that support its mission. The organization aims to at least break even, so operational costs, such as employee salaries, can be accommodated. ◦

Sumo Salad 'Green Label', Sydney

This case demonstrates the key driver for innovation *Sustainability*.

Key data

- **Sector:** Healthy/convenience/fast-food kiosk
- **Year opened:** Green Label, 2015; first Sumo Salad store opened in Sydney in 2003
- **Store location:** Sydney CBD
- **Number of stores:** More than 100 stores across international locations, but only 1 Green Label store in Sydney
- **Number of countries:** 6 (Australia, New Zealand, Singapore, UAE, South America and USA)
- **Product mix:** Healthy fast food and beverages
- **Positioning:** "Sumo-sized portions of healthy, wholesome, fast food, with a big taste to match"

What is it?

The Sumo Salad Green Label concept store cleverly utilizes the store experience to communicate its brand ethos and values: "Food with Purpose," seasonality, localization and education, while organically tapping into the health and fitness consumer trend.

Why is it innovative?

1/ Holistic approach to company ethos through store design and store experience. Innovative example of how a concept store can be used to project true brand values to the market through the physical-store experience.

All components of the store, from the styling and décor (green-and-brown color scheme with chalk signage) to displays of fresh produce before it is transformed into salads (shown below), strongly communicate the fresh-and-green brand ethos. This concept store also caters to the time-poor lifestyles of today's consumers, who place great emphasis on convenience.

2/ Key theme of transparency within the supply chain, the products and the store. One highlight of the store and a great example of transparency within the supply chain with this concept is the in-store vertical farm, growing fresh herbs, lettuce and kale, which reduces the need for additional food miles.



Green Label is' the new concept store from Sumo Salad, in Sydney's CBD.



The fresh products are attractively displayed before being made into salads and smoothies.



The vertical farm, where produce is grown visibly in-store and made into salads.



Showing the concept of transparency: The kitchen faces into the store, where consumers are waiting to order. Consumers can literally watch their salads being made in front of them.

3/ Retail adaptation to the growing trends in wellness, healthy eating and fitness. Health consciousness in Australia is expected to increase in 2015-16. Changing consumer preferences, growing health awareness and

rising discretionary incomes have contributed to industry growth over this period. The industry forecast is for annualized growth of 3% over the five years through 2015-16.

Ebeltoft Group experts' conclusion:

Growing consumer trends show preference for health and fitness, wellness, making time for a fresh and tasty meal and attention to physical health, all aligned with the concept of a fresh and self-selected meal. Sumo Salad has emerged as an Australian innovator in this space.

Innovation within a category can come from simply dialing up the customer experience, i.e., feeling welcome when you enter the store space and view the expert chefs cooking behind a glass panel. Transparency is a key theme within this store, within the supply chain and within the products, all contributing to a customer-rich, innovative experience. This strategy also offers reassurance and creates a feeling of trust around the brand. With the fresh produce grown and displayed in-store, consumers are confident of its freshness and quality and, therefore, willing to invest in a healthier alternative to other fast-food chains. By building these foundations of trust, the retailer is creating sustainable brand loyalty, which can be built upon as the concept spreads across the whole business. ◦

TreeHouse

This case demonstrates the key driver for innovation **Sustainability** and showcases aspects of the driver **Product**.

Key data

- **Sector:** Sustainable home improvement
- **Format:** 2,322 square meters
- **Year opened:** 2011
- **Number of countries:** 1 (USA)
- **Store location:** Austin, Texas
- **Product mix:** Home improvement, building materials, home systems, outdoor, homestead, finishes and adhesives, lighting, flooring, kitchen and bath, hardware and tools
- **Positioning:** Promoting sustainable home-improvement products

What is it?

TreeHouse is an Austin, Texas-based home-improvement retailer founded in 2011 with a green conscience and niche positioning. TreeHouse bills itself as a first-of-its-kind improvement store, offering a carefully curated selection of products and services that promote healthful and sustainable living spaces, with an emphasis on performance and design. Every product sold is scored based on health, performance, corporate responsibility and sustainability on a better-best-exceptional scoring system.



Why is it innovative?

CEO Jason Ballard founded TreeHouse to serve as a retail store for customers seeking more Earth-friendly home-improvement materials, equipment and appliances. The store features displays, product vignettes and graphics that explain how things work and tout the benefits of such products as nontoxic paint. Associates receive 110 hours of training annually to ensure they remain current on products and services. As a one-stop green shop, customers can shop with straightforward guidance and building



Treehouse places a value on every item sold in the store based on defined criteria, so that customers can make more informed decisions.



The Treehouse store uses unique and inviting merchandising techniques to highlight categories.



Aerial view of TreeHouse store. Products are merchandised at a much lower height and more accessibly than traditional home-improvement stores.

products that are otherwise available only to professional architects, designers and construction companies. The store is a hybrid of retail plus home solutions and services.

TreeHouse is capitalizing on the smart-and-sustainable home trend, where an increased number of consumers are interested in reducing their electric bill or cutting their carbon footprint. TreeHouse makes it possible for customers to find diverse products and options to achieve these goals. The center of the store is dedicated to prime products and reserved for education and demonstrations.

Ebeltoft Group experts' conclusion:

The ultimate goal for TreeHouse is both to provide sustainable home-improvement products for customers, as well as to take on giants like Home Depot and Lowe's Home Improvement, similarly to how Whole Foods has challenged traditional grocers. DIY has expanded in popularity at new high levels, due to recent trends promoted on Pinterest, and Treehouse provides a space for customers to both find their materials and engage with informed associates and eco-friendly products. ◦



Mega Image Equilibrium Health & Wellness

This case demonstrates the key driver for innovation *Sustainability* and showcases aspects of the driver *Product*.

Key data

- **Sector:** Supermarket
- **Format:** 130 square meters inside a Mega Image store
- **Year opened:** 2015
- **Store location:** Bucharest
- **Number of stores:** 1 corner; 2nd will open soon in a new corporate office building; total number of Mega Image stores, 410
- **Number of countries:** 1 (Romania)
- **Product mix:** Food products, personal-care products, cleaning products
- **Positioning:** Food and non-food products for a balanced, healthy and natural lifestyle

What is it?

Mega Image Equilibrium Health & Wellness is a new concept corner developed by the largest supermarket chain in Romania. It promotes a balanced, healthy and natural lifestyle through its offering of more than 2,500 products presented in 10 main categories. The concept is also present online via a dedicated website that encourages dialogue about healthy food and living topics, as well as educates by offering relevant articles and weekly live chats with nutritionists, pediatricians and other medical specialists. There are also in-store workshops targeting specific groups, such as mothers with infants or raw vegan enthusiasts.



Mega Image, the main banner of Delhaize Group in Romania, opened a new concept corner – Equilibrium Health & Wellness.

Why is it innovative?

Mega Image changed customers' perceptions regarding the supermarkets and the products offered by going beyond the "green corner" in stores to building an interactive community engaging on topics of common interest around the core concept of living a healthy life.

While most supermarkets offer a limited array of ecological products, Mega Image built a dedicated



The corner design is an ideal setting for the offering, easily distinguished within the Mega Image Supermarket.

“supermarket” inside its stores for customers seeking products such as organic food, sustainable cleaning products, seeds and sprouts, or natural cosmetics.

Specialty products can be confusing for customers who are not knowledgeable about the category. In order to reduce or eliminate barriers to buying and to ensure a positive in-store shopping experience, customers are assisted by a well-trained, informed sales team that can advise on products’ best uses. The sales assistants are equipped with tablets and

can check online quickly for information related to client questions.

In order to educate the market, Mega Image undertakes to teach the targeted audience about the offered products. In addition to deploying a well-trained salesforce and providing a wide range of books about the products and their benefits, Mega Image is organizing free, in-store workshops, where customers learn from specialists about subjects such as how to organize meals, feed children of various ages, live a healthy life, or coordinate eating habits with sports activities.

Ebeltoft Group experts’ conclusion:

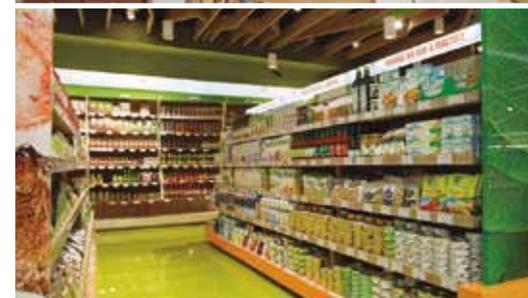
Mega Image launched the Equilibrium Health & Wellness concept corner as a response to the growing trend in Romania to promote awareness about healthy eating. By creating a dedicated section on the website and organizing special, educational events, Mega Image is reaching a burgeoning consumer market focused on healthy lifestyle choices. ◦



The product offering includes a wide selection of more than 2,500 products in just 130 square meters.



The educational mission of the concept is reflected in a wide range of workshops and books explaining the benefits of the offering.



*The Technology
makes the difference*



Rebecca Minkoff

This case demonstrates the key driver for innovation **Technology**.

Key data

- **Sector:** Luxury boutique
- **First opening:** 2014
- **Number of stores:** 5
- **Number of countries:** 3 (USA, China and Korea)
- **Product mix:** High-quality clothing, shoes and accessories for women
- **Positioning:** Rebecca Minkoff opened her first flagship store and defines how brands are successfully integrating advanced interactive technology in retailing

What is it?

Fashion icon Rebecca Minkoff has developed a strong brand and brand presence through her wholesale accounts. Her recent venture defines how brands successfully go retail. Rebecca Minkoff opened her first store location in the SoHo neighborhood of New York City and partnered with eBay to develop the technological wizardry behind the stores' special technology and digital features.



Why is it innovative?

As everyone looks to understand the "connected" or cross-channel store, experiments like this become a fascinating way to gauge what works, what doesn't and what might be easily dismissed as a technology gimmick. The Rebecca Minkoff store integrates digital technology, such as a shoppable wall linked to technology built into the dressing room.



A large multi-screen digital wall dominates the front entry: There are three panels on the touchscreen that enable the customer to perform a variety of tasks or access detailed information. The product, Look Book, offers customers an opportunity to take photos and post on social media, reserve a product for the dressing room or even order a free beverage, including RM-branded water, green tea and bubbly drinks. Customers are invited to enter their mobile number so they can be contacted inside the dressing room.



Touchscreens in the dressing room: The dressing room is more than just a place to try on clothes. Lighting can be adjusted to showcase multiple environments in which a woman would like to see herself, an immensely valuable feature to truly present a product in real-world settings. Items contain RFID tags that are detected when a visitor enters a dressing room; the items pop up on a mirror with suggested accessories and the option to summon a different size. Rather than hover at a register, saleswomen check customers out on iPad minis. This system allows sales to close in the dressing room, facilitating impulse buying. A stylist can be called for assistance, different sizes of an item can be requested and customers can call up further information about a product under consideration. All of these features are valuable and practical additions to a specialty-store experience.



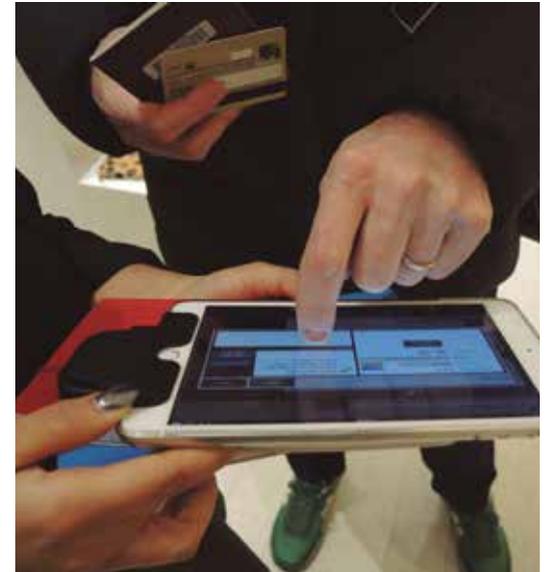
Touchscreen display to view products at store entry and order products to dressing room.



A wide assortment of Rebecca Minkoff-branded products, well known for her handbags and accessories.

Ebeltoft Group experts' conclusion:

Rebecca Minkoff has built her own brand effectively, defining how brands have successfully gone retail in recent years. The brand caters to millennial women and their ever-changing approach to shopping with the use of technology and elevated experiences. The brand continues to expand its store base with technology-driven stores and innovate in the industry. ◦



Undiz Machine (Groupe Etam)

► Hot key trend of the year:
Low inventory

This case demonstrates the key driver for innovation *Technology* and showcases aspects of the driver *Experience*.

Key data

- **Sector:** Undergarments
- **Format:** 45 square meters
- **Year opened:** 2015
- **Store location:** Toulouse and Paris, France
- **Number of stores:** 2, Undiz Machine, part of Undiz chain (250 stores)
- **Number of countries:** 8 for Undiz (France, Belgium, Germany, Spain, Guadeloupe, Morocco, Poland, Reunion)
- **Product mix:** Undergarments and complementary legwear, loungewear
- **Positioning:** Fashionable, colorful, affordable products targeting teenagers and young adults

What is it?

The Undiz Machine is a compact store, where customers order on digital screens and products are delivered through “tubes,” directly from the stock room, without intervention by sales staff.



Undiz (Groupe Etam) opened its first Undiz Machine concept in Toulouse, France.

Why is it innovative?

Ordering products available behind the counter through digital devices is not innovative, and can be seen elsewhere (i.e., Argos in UK), however, Undiz Machine offers a unique experience, both truly playful and technology-driven. Beyond the novelty value, this use of technology allows the store to offer the same range and to achieve the same turnover as a standard store, but in a much smaller format.



A playful and technology-centric experience using tablets and tubes.

1/ Optimize space profitability

The Undiz Machine is a compact showroom store, occupying 45 square meters, approximately one third of the trading area of a standard store. Few products

are on display in-store; instead, the entire range is kept in stock behind the counter. The principal advantage of this model is to allow the business to operate in a dramatically reduced real-estate footprint. This naturally has a material impact on the retail P&L and delivers particularly substantial savings in high-street locations in large cities. The first pilot store is located in a prime retail location in downtown Toulouse.

to spend more time in an advisory role, instead of going back and forth between the stock room and the shop floor. Product delivery by means of transparent tubes adds an entertaining element to the in-store experience. This new delivery mechanism has important implications for the payment process: RFID technology means that the price is automatically applied at the cash register and the cashier does not need to scan the product by hand.



If customers are not satisfied with the product, they can leave it in a dedicated box that will automatically return it to the stock room.

Ebeltoft Group experts' conclusion:

Following the launch of this first store, the brand announced the opening of 20 additional stores in major cities in France, starting with Paris in July 2015. This concept is one of the most innovative examples of a "showroom concept," which seeks to lower operational costs through deep implementation of technology. The value is in using technology to do more than just create an intuitive and playful experience, but also drive efficiency in the purchasing process. However, once the effect of the "wow factor" has faded, the store will have to convince the customer of its added value. ◦



The store provides access to the entire range in just 45 square meters.

2/ A playful experience built on technology and self-service

The use of technology offers the customer an unprecedented level of autonomy. He or she now can call directly for a product from the stock room, and even return it. Similarly, sales staff are free



After selecting the product, the customer has to retrieve it at one of the several available tubes. The RFID tag on every product informs the team of the exact location of the product: on the shop floor, in the stock room, or with the customer after purchase.

Sneakerboy, Sydney & Melbourne

► Hot key trend of the year:
Low inventory

This case demonstrates the key driver for innovation *Technology* and showcases aspects of the driver *Experience*.

Key data

- **Sector:** Designer footwear/streetwear (designer sneakers)
- **Format:** Melbourne store is 80 square meters with 77 square meters devoted to product display; Sydney store is 110 square meters
- **Year opened:** 2013
- **Store location:** Melbourne CBD and Sydney CBD
- **Number of stores:** 2
- **Number of countries:** 1 (Australia)
- **Product mix:** Premium/high-fashion designer, 80% sneakers, 20% apparel capsules, accessories, SB's own line of clothing and designer collaborations
- **Positioning:** Digitally enabled store with no inventory

Sneakerboy; the designer sneaker store with no inventory.

What is it?

Renowned today as “the store with no inventory,” Sneakerboy’s founder Chris Kyvetos set out to create a store as efficient and convenient as a website, but as physically tangible as a retail store. With no inventory on site, the in-store retail process is more efficient, as well as more interaction -and transaction-oriented. Salespeople can interact more fluidly with

customers, with the traditional barrier between them (POS) gone. The retail model strongly promotes interaction between salespeople and customers, where customers learn about the brand/product, then can make a purchase digitally via an in-store tablet or mobile app. The product is sent directly to the customer’s home or work address within three to five days, anywhere in the world.

Why is it innovative?

In this inventory-less premium footwear store, no price tags are displayed on merchandise. Instead, customers use their phone or iPad to access prices, sizes and availability and make a purchase.

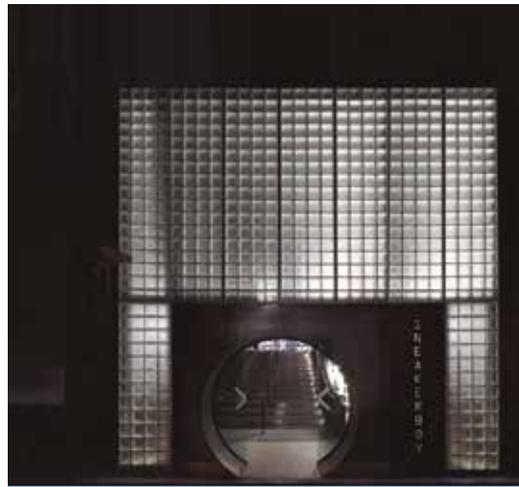


Image above shows front of the store.

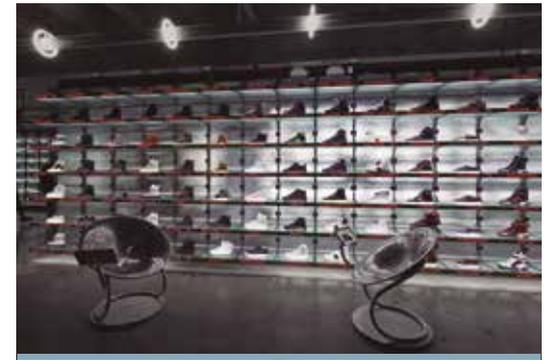


Image above shows the tablets in-store; customers sit comfortably and make a purchase.



Image above shows tag-free merchandise.



Image above shows the limited in-store stock. Inventory is limited to one of each size in each style.

1/ This is an innovative case study for embracing omni-channel retailing. The store caters to today's digitally connected consumer, who can choose among several potential journeys to a brand. The concept allows the store to complement the digital journey to purchase via mobile and online by giving the buyer total control of his or her purchase. Sneakerboy offers more SKUs than a physical retail store by using the Internet as a stock room. In fact, Sneakerboy offers more SKUs than any department store in the category.

2/ The brand, growing in the East, caters to the new luxury consumer, who is, according to Chris Kyvetos, "as much a kid in Shanghai as a woman in Knightsbridge, London." Encouraging customers to socialize while shopping in the stores has earned

the brand significant competitive advantage over pure-play Web retailers. Since online customers can't socialize face to face during the shopping process, the store encourages the social aspect of shopping through the retail model and the physical store's design, which was inspired by public spaces.

3/ No inventory is kept in the store and there are no separate inventory systems. Instead, there is a single central warehouse, from which products are delivered around the globe, in three to five days. This strategy allows Sneakerboy to dedicate the majority of floor space in-store to enhancing the experience for customers, rather than excess stock. Additionally, there is no need to transport inventory between stores.

Ebeltoft Group experts' conclusion:

The integration of technology and mobility, as well as a unique physical retail experience, redefines what it is to be truly omni-channel. Here, consumer behavior is shaped by different interpretations of what constitutes tribal shopping, brand relevance and the customer experience. Sneakerboy is a homegrown Australian retail innovation, showcasing a new generation of thinking and redefining retail. ◦

This case demonstrates the key driver for innovation *Technology* and showcases aspects of the driver *Experience*.

Key data

- **Sector:** Outdoor sports
- **Year Opened:** 2014
- **Store location:** Berlin, Frankfurt, Leipzig
- **Number of stores:** 3 Smartshops (additional 32 traditional shops with 600–1,200 square meters)
- **Number of countries:** 1 (Germany)
- **Store size:** 80-150 square meters
- **Product mix:** High-quality outdoor equipment, outdoor clothing, boots
- **Positioning:** Great depth and range of outdoor products, reasonable price

What is it?

The McTrek Sm@rtshop retail lab is trying to bring cross-channel shopping to a whole new level. The store is designed as a walkable online shop offering McTrek's full 10,000-product assortment in an environment of only 80 square meters.

Market Opportunity

The European thirst for adventure remains strong. According to the latest research (2014) from the European Outdoor Group, the outdoor market

continues to grow. However, market conditions remain challenging and the competition for consumer spending is very tough. In response, the German retail brand McTrek has come up with the innovative Sm@rtshop store concept, which aims to raise brand awareness and serve as an interactive service point for both offline and online customers. The three retail labs are located in high-footfall shopping areas to maximize accessibility and time management for the customer and to serve as a communication point for the brand McTrek Outdoor Sports.



McTrek has opened a new Sm@rtshop concept in Germany.

Why is it innovative?

Innovative Qualities

In the store, only bestsellers and special offers are on display. Touchscreens and tablets are at the heart of the concept store, as they extend the limited static range to the full online assortment.

By offering this digital point of sale, McTrek provides



The store design reflects the corporate identity and corporate design of McTREK Outdoor Sports.

the full integration of static offline and online retail. The customer can use services like click-and-collect and same-day delivery from their own home. They can also order a product to their home address, if the chosen item is not available in the Sm@rtshop. In addition, the lowest-price guarantee ensures that the customer never pays too much for a product, either online or offline. The expert advice offered in the Sm@rtshops completes the unique customer-oriented shopping experience and provides an additional service point for both online and offline customers.



Additional access to the large online product range is provided via touchscreens located at the shelf.

Ebeltoft Group experts' conclusion:

McTrek is a good example of a retailer that has embraced the benefits of both online and offline shopping. The Sm@rtshop is meant to be a retail laboratory designed to enhance understanding of the customer's wants and needs in the near future. Since opening the stores, the retailer has attracted a growing volume of customers and has increased brand awareness. McTrek is investing in the future to develop a customer-oriented store concept within the next five years, which aims to leverage the much-hyped advantages of combining online and offline arenas. ◦



Orange Concept Store

This case demonstrates the key driver for innovation **Technology** and showcases aspects of the driver **Experience**.

Key data

- **Sector:** Telecom
- **Year opened:** 2015
- **Store locations:** Cluj and Bucharest, Romania
- **Number of stores:** 2 Smart Shops
- **Number of countries:** 1
- **Product mix:** Telecom services, TV services, Internet services, mobile devices, mobile accessories
- **Positioning:** Romanian telecom market leader

What is it?

Orange launched its first Smart Shop at the beginning of this year, delivering a complete digital journey to reveal the benefits of technology for customers in their daily life. The store's main innovative feature - "the essence of digital" - is designed to meet customers' expectations to explore products and engage with a more personalized approach to purchasing technology.



Orange Smart Shop in Romania.

Why is it innovative?

Orange creates a uniquely personalized experience for customers by embedding digital into all products and services offered.



Various areas to advise the customers.



Video wall.

1/ One of the most innovative aspects of the concept stores is their goal to remain paperless. Every aspect of the store incorporates digital tools, beginning when customers sign up to receive a text message when an associate is available to assist. Customers can view current offers on mobile displays, on the video wall, or on any other device available in-store, as well as sign a mobile phone contract using a Signotec device and later access their information and receipts through the cloud or personal Orange account.



Digital table.

2/ Customers can test the digital products in-store before making a purchase, as well as configure the subscription packages on interactive tables, based on their personal needs and interests. Using any store product, customers can make purchases by logging



Check-out.



Fitness area.

into their Orange account and scanning the QR code of the selected products, which will be available for pick-up at check-out, when the customer is ready to leave the store.



Home area.

3/ The stores are organized around four main themes: home, office, entertainment and fitness. The product categories are designed as settings resembling areas of the home where they are most likely to be used.

Ebeltoft Group experts' conclusion:

Orange offers a unique, personalized experience by presenting digital products in the context most resembling where the customer uses them. The retailer has increased the number of employees by more than 50% to assist 1,200 customers each day with their digital journey. ◦

Ted Baker & Moore

This case demonstrates the key driver for innovation **Technology** and showcases aspects of the driver **Experience**.

Key data

- **Sector:** Menswear, womens' wear, accessories
- **Format:** 450 square meters
- **Year opened:** 2015
- **Store location:** London, England
- **Number of stores:** 1, Ted Baker & Moore; more than 350 Ted Baker stores worldwide
- **Number of countries:** 23
- **Product mix:** Clothing, tailoring, leather goods, accessories, eyewear, electronics, beauty services, refreshments
- **Positioning:** Fashionable, luxury clothing and accessories targeted at young adults

What is it?

Ted Baker's new concept '& Moore' store stocks a wider product range than typical Ted Baker shops, offering jewelry, eyewear, electronics and even bicycles. The store also houses a barber, stylist and an Everbean Coffee shop. Furthermore, through the use of panoramic photographs and 3D mapping software, Ted Baker has created an online virtual portal, where customers can "move" around the store from the comfort of their own home, inspecting products that interest them and purchasing them online.



Ted Baker's new '& Moore' concept store is located in the fashionable Shoreditch area of London.

Why is it innovative?

Ted Baker's virtual store has embraced a growing tech trend towards virtual reality. The store provides a novel channel, combining the experience of physical retailing with the range of an online store. Crucially, the virtual store avoids the catalogue nature of online shopping, allowing customers to discover products as they browse.

1/ Virtual browsing. The virtual store creates a novel and immersive format for customers within which to browse products online. Significantly, it adds an element of experience often lacking with typical e-commerce shops; products and collections are viewed in the context of interesting store arrangements, allowing the customer to discover products in a curated store environment, rather than searching through an online catalogue.



Customers click on arrows to navigate around the store.



Screens on the outside of the store encourage customer interaction.

2/ Experiential retailing. Aside from the virtual store, Ted Baker & Moore uses technology to engage customers at additional touchpoints. Large screens mounted on the outside of the store allow passing shoppers to play games and watch films. Inside, there is a 3D hologram unit, a lenticular device, LED projection and digital displays. This use of technology helps diversify the store, making it more than simply a retail unit and creating an environment where clothing becomes a component in a sensory and interactive experience.



Products are displayed using innovative and creative installations.

3/ Retail theater. The large volume of publicity generated around the technological novelties of Ted Baker & Moore has helped to funnel interest toward the innovative in-store offering. The store is packed with eye-catching installations that incorporate products in a quirky and inventive manner, while the stock range has been expanded to include trendy lifestyle items, such as bicycles and electronics. The wider offering is complemented by value-add services, such as a barber and coffee shops.

Ebeltoft Group experts' conclusion:

Ted Baker & Moore marries bold in-store execution with an innovative use of technology. The store has generated public interest and prompted consumers to explore the new store format, whether in person or online. However, the longevity of the format remains to be seen; its effectiveness appears to be more as a temporary marketing tool than as a realistic e-commerce model. There is also concern about the long-term appeal of the less linear (and more bandwidth-heavy) virtual browsing model, which can be unwieldy and difficult to navigate. ◦



Ted's Beauty Spot offers a wide range of hair, nail and skin treatments.

The Google Shop (in Curry's PC World)

This case demonstrates the key driver for innovation **Technology** and showcases aspects of the driver **Experience**.

Key data

- **Sector:** Internet/technology
- **Format:** 85 square meters, shop-in-shop
- **Year opened:** 2015
- **Store location:** Tottenham Court Road
- **Number of stores:** 1 shop-in-shop
- **Number of countries:** 1 (UK)
- **Product mix:** Phones, tablets, laptops and technology-related services
- **Positioning:** Experiential retailing

What is it?

Google opened its first physical location earlier this year in London, to allow customers to seamlessly experience Google's online world in a physical setting. The Google shop offers customers a place where they can play, experiment and learn about all of what Google has to offer – from the company's physical products (i.e., tablets, phones, etc.) to its online applications (Google maps, Doodles, etc.). All sales are directed through Curry's PC World, with the store primarily representing a marketing exercise.



First Google shop-in-shop in London.

Why is it innovative?



1/ The shop includes a large screen called "Portal" that allows users to fly around the world using Google Earth. There is also a digital "Doodle Wall," where budding artists can paint their own Google logo to share on social media, and a "Chromecast Pod," where customers can watch Google Play movies and YouTube. If Google offers a service online, customers can immerse themselves in it in the store.



2/ Experiment For those who want to try before they buy any of Google's products, the Google Shop displays the full range, from Android-based mobile phones, to tablets, to phones, to chromecast. Customers can touch, feel and experiment with the products they're interested in, before they make up their mind for the final purchase.



3/ Learn The shop hosts regular classes and events, including tutorials about online security, as well as how to use Google devices. Open-house events are also hosted in-store, where teachers can test potential educational tools. In addition, Google experts are present in-store to provide help and support around the Google ecosystem.

Ebeltoft Group experts' conclusion:

The Google store represents the company dipping its toe into the water of physical retailing. The choice of a shop-in-shop format at the end of the Tottenham Court Road is a far cry from the show-stopping stores of key rival Apple. It is, nevertheless, an interesting experiment for a business that faces the challenge of selling the somewhat intangible value of an online ecosystem, rather than just a physical product. The question now is whether Google can position itself on the right side of the line, between an enhanced shopping experience and a retail gimmick. ◦



Store of the Future

This case demonstrates the key driver for innovation **Technology**.

Key data

- **Sector:** Retail-innovation lab with shop-in-shops featuring food and non-food retailers
- **Format:** 350 square meters divided into 16 shops
- **Year opened:** 2015 (a one-year, temporary project)
- **Store Location:** The Hague, The Netherlands
- **Number of Stores:** 1
- **Number of countries:** 1
- **Product mix:** Varies with continually changing retailers in Store of the Future, including beauty assortment, muesli, shoes, fashion, bikes, sports equipment, etc.
- **Positioning:** A unique retail-innovation lab in a real-store environment, where retailers can explore the future of the physical-store environment

What is it?

Store of the Future is a combined retail-innovation lab and store, where consumers, retailers and partners can explore how the physical-store environment might evolve in the future. The central question is: How can technology make shopping more fun and convenient in the future? Store of the Future is an initiative of Q&A Research & Consultancy and the municipality of The Hague. It is located in the shopping center in New Babylon, next to the central station of The Hague.



Store of the Future opened on June 23, 2015, in New Babylon, The Hague, for a one-year period, to explore the physical store of the future.

Why is it innovative?

1/ Unique collaboration results in Retail Innovation Lab

Store of the Future is a unique collaboration among more than 15 retailers and 60 innovation partners who share a single goal: to explore the possibilities of a physical store of the future. The store is a temporary project, continuously in development. Retailers and innovations change on a regular basis to keep the store attractive to customers and to obtain



Trying on makeup virtually with the assistance of tablets is a high-tech experience at the HEMA shop.

a maximum amount of valuable information. Retailers have their own shop-in-shop within the Store of the Future, staffed by experts in the Store of the Future concept. Customers can choose products in the individual store and pay at the central check-out point.

2/ Latest innovations tested in real store environment

All innovations tested in Store of the Future are linked to the customer-journey model, which comprises three phases: search, shop, share. Try on makeup virtually at the HEMA shop, try new sport shoes “interactively,” discover up-to-date product presentations and enter the world of virtual reality. Customers can take the online self-guided tour, which provides information about the different concepts. Also, innovations which are not transparent for customers are tested in this environment, such as the newest ways to track and trace consumers.

3/ Knowledge sharing

In addition to being a store and innovation lab, Store of the Future is a setting for knowledge-sharing during “sessions,” where experts research subjects such as big data and customer loyalty.



The store features 15 shop-in-shops with their individual innovations. In the virtual supermarket in the store, customers can discover the latest product presentations and enter the world of virtual reality.

Ebeltoft Group experts' conclusion:

Retailers need to adapt to the changing environment to survive. Whether focusing on experience or convenience, technology can connect retailers more directly to customers. Technology development is not the objective, rather technology is engaged as a conduit to a goal. Retailers are cautious about investing funds in innovations that may not be adopted by customers, so Store of the Future – a safe place to test and play - is an appealing opportunity, which will be available for only one year. ◦



Store of the Future is both a shop and an inspiring environment for events.

McDonald's Create your Taste

This case demonstrates the key driver for innovation **Technology** and showcases aspects of the driver **Customer**.

Key data

- **Sector:** Fast food
- **Format:** Traditional McDonald's store with technology integrated
- **Number of countries:** Testing table-service concept in USA and Australia
- **Positioning:** Elevating the traditional fast-food experience

What is it?

McDonald's has been testing new concepts to revamp its fast-food image and boost lagging sales. McDonald's' recent venture innovates on many fronts, from the ability to create a custom burger to delivering it directly to a customer's table. McDonald's has rolled out this concept in the Australian market and is testing it in other countries as well, including the USA.



McDonald's new concept, with a new approach and custom burgers.

Why is it innovative?

McDonald's is raising the bar from the traditional no-frills fast-food model. In an effort to improve



McDonald's digital ordering system with BYOB (build your own burger) functionality.

and enhance customer service, burgers can now be customized via a digital kiosk or through staff equipped with tablets, then be delivered to customers' tables. The customer can create a "better burger" by choosing preferred ingredients, which are prepared and served in an upscale presentation. This initiative is targeted at both young families/customers who don't want to wait at the traditional counter and customers who have moved to fast-casual restaurants. McDonald's is also investing in Apple iPads and Samsung Galaxy tablets for children to play with and building shoppable windows outside restaurants to bring customers back.



More upscale and appealing burger than at traditional McDonald's restaurants.

Ebeltoft Group experts conclusion:

Engaging customers' enthusiasm for the kiosk and table-service concept is the restaurant's latest attempt to modernize its image and compete with gourmet burger brands (i.e., Five Guys and Shake Shack) in a positive dining experience. McDonald's continues to lose market share to the increasing fast-casual players that have entered the market. The company is seizing this opportunity to integrate a new wave of technology and update and upgrade the dining experience to transform and elevate customers' traditional expectations for McDonald's. to a new level. ◦



Elevated experience from a traditional McDonald's with gourmet offering and table service.

The Inspiration Store

This case demonstrates the key driver for innovation **Technology** and showcases aspects of the driver **Product**.

Key data

- **Sector:** Pop-up “department store”
- **Opening period:** October 2014 to January 2015
- **Store location:** Bremen
- **Number of stores:** 1
- **Number of countries:** 1 (Germany)
- **Product mix:** Changing product ranges (two-week rhythm) from electronics to clothing, furniture, toys, etc.
- **Positioning:** Pushing boundaries in omni-channel

What is it?

The new experimental store concept of eBay, METRO Group and PayPal aims to provide a unique and interactive shopping experience by linking an inspirational retail space with a holistic omni-channel approach. During the three-month period, the range of around 400 products changed every two weeks, depending on seasonal topics and trends.

Traditional multi-channel commerce is no longer state-of-the-art. The customer is asking for a new,

more comfortable and faster way to shop. The customer wants 24-hour access to products he or she desires in a process that is fast and easy and merchandise that is reasonably priced. And, the customer is looking for a carefully chosen and coherent offer, which fits needs and expectations, instead of a confusing and overwhelming assortment. These demands challenge both online and in-store retailers. To get one step closer to the perfect omni-channel experience, eBay, METRO Group and PayPal have launched an unprecedented showcase.



eBay, METRO Group and PayPal offered customers, as well as retailers, an experimental retail space for three months.



The changing product range was very well rated by the customers. The curated collection of toys delivered especially strong sales.

Why is it innovative?

The Inspiration Store invited retailers to collaborate in the creation of a future-oriented, fully connected, 200-square-meters commerce environment for consumers to experience. The store offered a unique integration of bricks and mortar, online and mobile features and a range of products and payment methods.

To provide maximum inspiration and surprise for visitors on a biweekly basis, an attractive assortment was chosen from among suggestions made by participating retailers with themes like “Christmas gifts” or “inspiring technology.” Innovative technologies supported the overall integration of the experience.

To provide full access to the online platform and additional product information, two “Digital Shopping Walls,” combined with multiple touchpads, were installed in the store. Customers could also enter the online shop via their own mobile devices or by scanning the QR codes on the electronic price labels, which enhanced the ordering process. The digital mirror connected the store to social media, providing a 360° view and the opportunity to post and share pictures and videos within the online community. Another innovation was the mobile payment option. In addition to the conventional payment on site, “The Inspiration Store” offered payment via the PayPal app, within which the customer could choose between

identification via face recognition or payment code. Subsequently, The Inspiration Store offered options for click-and-collect, collect-from-store, or ship-from-store services.



Electronic price labels next to the products simplify the ordering and payment process.



Digital shopping wall with access to the online platform and additional product information. Customers could use the wall to provide feedback about the concept.

Ebeltoft Group experts' conclusion:

The Inspiration Store is a good example of how retailers can respond to the increasing and changing expectations and needs of customers, as well as how they can imaginatively use a temporary retail space. During the three-month opening period, the new-store concept drew great attention, delighting more than 45,000 customers. In particular, the ship-from-store service and the mobile-payment option attracted wide interest. Added value for eBay, the METRO Group and PayPal was provided by the accompanying result tracking that provided significant insight into different customer segments and product requirements supporting the companies in their future goals and strategies. ◦

Canadian Tire “Showcase” Store

This case demonstrates the key driver for innovation *Technology* and showcases aspects of the driver *Experience*.

Key data

- **Sector:** General merchandise
- **Format:** Brick-and-mortar ‘showcase’ store, 140,000 square feet, two floors
- **Year Opened:** 2015
- **Store Location:** Edmonton, Alberta, Canada
- **Number of Stores:** 1 showcase store; part of Canadian Tire retail chain (491 stores)
- **Number of Countries:** 1 (Canada)
- **Product Mix:** Automotive, home and leisure
- **Positioning:** Tech-savvy Canadian home/vehicle owner

What is it?

Canadian Tire’s new showcase store in Edmonton, Alberta, is three times the size of a traditional Canadian Tire store (30,000 square feet). The immersive shopping experience provides a wide assortment of products and substantial information through the use of advanced digital technology. The store employs 100 digital screens, a large exterior LED screen, online catalogue access, several interactive displays and digital kiosks and well-trained store associates to provide a “store of the future” experience.

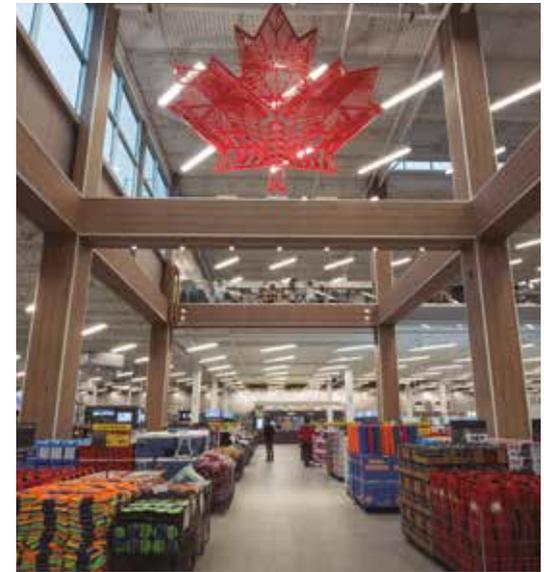


Canadian Tire’s new showcase store in Edmonton.

Why is it innovative?

The showcase store’s emphasis on using technology to provide customer-focused solutions provides the unique opportunity for shoppers to engage directly with products and services.

The concept specifically targets the younger consumer, who is especially attractive for Canadian Tire, as this group comprises future home and car owners.



Store interior – more than 73,000 SKUs.

Innovation 1/ Consumer Guidance through Interactive Displays and Kiosks

Digital displays and kiosks guide customers through various merchandise assortments. These tools enable customers to make a purchasing decision, which increases the effectiveness of the shopping experience. For example, the automotive department's Tire Selector tool helps customers identify the right tire for their vehicle and email themselves the specifications.



Tire Selector guides customers to choose the right tires for their car and learn more about the value of each available brand choice.

The Dream Backyard & Patio Builder allows customers to select and drag virtual products, such as barbecues/furniture, across a large interactive screen to build their own dream backyard or patio. The image also can be viewed using virtual reality goggles. Canadian Tire enables customers to virtually "step into" their own design while creating it.



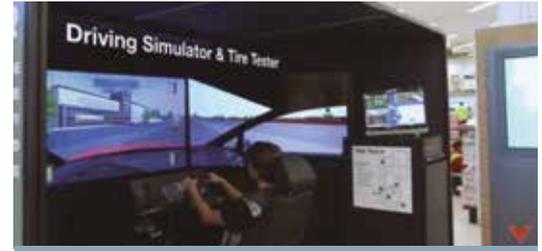
Canada's Dream Backyard & Patio Builder.

Innovation 2/ Digital Try Before You Buy

Unique to the Canadian Tire showcase store's automotive department is the Driving Simulator & Tire Tester. This tool provides users with the ability to "test-drive" tires in different weather conditions prior to purchase and installation. The Driving Simulator & Tire Tester addresses a major concern Canadians have with vehicle safety during harsh winters and provides a "try before you buy" solution enabled by digital technology.

Innovation 3/ An Inviting, Fun and Playful Atmosphere for Hockey Fans

Hockey is synonymous with Canadiana. The showcase store leverages a Hockey Fan Zone, a museum of memorabilia from the Hockey Hall of Fame, in-store, custom jersey-maker and Rapid Shot Simulator, which enables customers to test their slap shot with various hockey sticks.



In-store car simulator.

Ebeltoft Group experts' conclusion:

The challenge in integrating retail and technology is how to make it relevant to customers. While the larger retailers have budgets to invest in technology, often mid-size retailers are more nimble and successful with its adoption.

The showcase store attempts to break this barrier for the general and mass-merchandise category, where shopping can be overwhelming. Amazon has done this, successfully providing an enormous amount of product information and filtering capabilities to help navigate its extended assortment. The showcase store aims to provide the same informative and filtering capabilities for available merchandise through digital kiosks and experience-specific tools (e.g., tires, hockey, etc.). The better informed and more confident the consumer is, the more likely he/she will be to choose the right product and the less risk there will be for returns/exchanges. ◦

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Tracking Retail Innovation trends around the world...

RETAIL INNOVATIONS 11 - INNOVATING FOR CUSTOMERS

For the past 11 years, Ebeltoft Group has been tracking innovative retail concepts across the globe. The discoveries have been inspiring, creative and diverse, but the excitement comes with a warning: The pace of innovation needs to accelerate even more. Most retailers are simply moving too slowly, particularly the larger, entrenched retail companies.

Retail Innovations 11 brings optimism to the table. The speed at which old models are being reinvented is accelerating, macro-economic perspectives are a little more positive and most retailers acknowledge they have simply no choice but to innovate, or risk obsolescence. The 26 member companies of Ebeltoft Group witness this through consulting projects across all regions, formats and industries; retailers are racing to create new formats, invent new added values and explore new frontiers.

The other exciting insight is the intimate involvement of the customer in the innovation process. If technology remains a major driver for innovation, it must be usefully applied to serving a consumer need. Most of the innovations showcased in this issue rely on a deep, intimate understanding of how people live, dream and shop.

What if the next retail revolution is...the customer?

Vive le commerce!

This year's trends highlight a spectrum of **drivers for innovation and performance:**

- *The Convenience*
- *The Customer*
- *The Experience*
- *The Price*
- *The Product*
- *The Sustainability*
- *The Technology*

The three hot trends of the year:

- *Passion for food*
- *Low inventory*
- *Second-hand / no waste*

Ebeltoft Group

International Retail Experts

We are a global alliance of retail consulting companies with member companies in more than 25 mature and emerging retail markets.

Since 1990, we have been helping retailers and their suppliers remain competitive and achieve their goals by blending global retail expertise with the members' local insight. Ebeltoft Group serves 36 of the top 100 retailers and 29 of the top 50 manufacturers worldwide.

Ebeltoft Group's global studies and publications include; "Global Cross Channel Report" (2014); "Retail Internationalization" (2013); "Global Cross Channel Report" (2012); "NeoConsumer" (2011); "The Trust Factor" (2011); and "Environmental Sustainability" (2010).

For a personal presentation about current retail innovations, trends and cases, or information about our latest global publications, research and services, please contact Ebeltoft Group or visit www.ebeltoftgroup.com

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