



EMERGING TRENDS

IN GLOBAL MASS RETAILING

by **Bryan Gildenberg**
Chief Knowledge Officer Kantar Retail

Thoughts about the retail industry and key shifts we're likely to see playing out today and in the near future.

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Q&A WITH BRYAN GILDENBERG

We caught up with Bryan Gildenberg, Kantar Retail's Chief Knowledge Officer during his recent trip to South Africa, where he was the keynote speaker at the annual Smollan Inspire | Evolve event. As a thought leader and key influencer in retail, we asked Bryan to share some of his thoughts about the retail industry and the key shifts we're likely to see playing out in global mass retailing today and in the future.



SHOPPING

IS SOMETHING THAT
EVERYONE DOES, JUST DIFFERENTLY

and depending on the format, category,
country and demographics,

THE SHOPPER JOURNEY

CAN BE ALTERED

DRAMATICALLY

”



WHAT KEY SHIFTS ARE WE LIKELY TO SEE IN THE RETAIL INDUSTRY OVER THE NEXT FEW YEARS?

- 1 Much of how eCommerce evolves is deeply rooted in both the satisfactory elements and the shortcomings of the brick-and-mortar retail system it's evolving around.

All retailers, to varying degrees, are going to see sales leaking out into eCommerce.

In eCommerce, it moves from being one strategy to several, all based on the nature of eCommerce business. It's important to note, an integrated omni-channel strategy becomes more relevant as brick-and-mortar customer priorities shift to online.



- 2 The Hypermarket format is under pressure since it requires massive floor space and the delivery of a retail experience, that does not currently provide the best trade-off between the 3 "currencies" that shoppers spend on a shopping trip:



TIME SPENT



MONEY PAID



ENERGY USED

It would seem that for retailers and brand owner's, Hypermarkets are not delivering on maximising sales and increasing efficiencies.

This has led to Hypermarkets attempting to redefine their spaces by bringing in services such as doctors, entertainment and financial services to improve the economics of the space.

RETAILERS AND FORMATS TO WATCH

ONLINE

- Amazon
- Alibaba
- JD.com

BRICK-AND-MORTAR

- *Discounters – especially the German discounter model in more mature markets*
- *Costco seem to grow wherever they open - they have an attractive economic model*
- *The convenience format will continue to grow and thrive.*

3

Stores, especially in South Africa, are likely to become more reflective of the trading environment in which they are situated.

Many South African retailers have adopted a one-size-fits-all approach to the way their stores are designed, stocked and merchandised.

The consumer is requiring a more tailored and targeted retail experience that meets the needs and preferences of the region in which they find themselves.

4

Global urban retail is progressively more about smaller, convenience stores which will bring into question what products belong in which stores.

They'll need to be more targeted and focused – stocking a definitive selection of key items that are purchased frequently.

Repeated with excellence, simple convenience models are going to thrive.

5

The calibre of in-store execution is dropping – this is in part due to retailers and brand owners looking to find efficiencies. However, the calibre of in-store execution dropping is impacting in-store experiences and standards at a time that consumers are requiring more, not less, from the retail experience.

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IN SUCH DISRUPTIVE TIMES, HOW CAN RETAILERS AND BRAND OWNERS SUSTAINABLY DIFFERENTIATE THEMSELVES?

Retailers, need to implement any four of the following six points to sustainably differentiate themselves. They need to have a unique who, what, where, when, how and/or why.

Unique 'where' – Take into consideration the demographic of their shoppers and adequately reflect their personal preferences in the layout, store design, stock and merchandising.

Unique 'what' – Be well-known for selling a definitive selection of key items – understanding what it is that they sell well.

Unique 'when' – Own a unique shopper mission. Retailers need to be excellent at selling the things that their shoppers want to buy most frequently.

Unique 'who' – It is critical to have great people in store – the key question is how the retailer trains and enables their people to be great.

Unique 'how' – Deliver exceptional in-store experiences – how can the retailer go the extra mile to create a unique experience for each individual shopper?

Unique 'why' – It needs to be obvious what the retailer does. Is there a unique reason to visit that store? Why should the shopper shop there?



WHAT TIPS WOULD YOU GIVE BRAND OWNERS?

Brand owners need to view retail as an outcome of strategy rather than just a part of the strategy. Brand owners are having difficulty reaching consumers today, especially through new media. For big brands coming up against multiple smaller competitors, be sure to leverage your strengths and for big brands, a key strength is retail.

To do that well brand owners should invest in understanding shopper

behaviour comprehensively. They also need to understand the economics of the space the product is sold in and start improving those economics in everything they do.

From promotion planning to pricing all the way through to innovation – if product innovations don't improve the economics of the retail space, the retailer won't stock them.

WHAT IS A GREAT RESOURCE, OTHER THAN KANTAR, FOR UNDERSTANDING RETAIL TODAY?

The one book I recommend everyone read is "The Everything Store: Jeff Bezos and the Age of Amazon," by Brad Stone.

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BRYAN GILDENBERG

Bryan Gildenberg is Kantar Retail's Chief Knowledge Officer, with a 20-year career analysing the global retail marketplace and its impact on major FMCG manufacturers. He has presented on retail trends in all six populated continents and is frequently cited in a diverse set of media outlets like the BBC, CNBC and the China Economic Times, as well as Moneyweb.co.za and bizcommunity.co.za.

One of his key areas of expertise is how retail markets evolve in a digitally connected world. Specifically, how brick-and-mortar, along with online retailers can survive and thrive in this new world, including how best-in-class FMCG partners will build winning customer partnerships.

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Kantar Retail is a WPP Company and our purpose is to help our clients sell more effectively and profitably, by connecting a world-class set of retail and shopper assets with pragmatic, solution-oriented people to grow client businesses.

Every business challenge requires a unique solution. We bring together a collection of retail and shopper assets – insights, tools, analytics, and experienced consultants who think pragmatically while building and delivering integrated solutions. We are passionate about using the right combination of these assets to grow your business.

Our teams create real-world solutions to deliver faster growth, and we plug in seamlessly as part of your extended team. We connect these solutions to your existing core work, embedding them so your organisation benefits systemically and continuously. These solutions are aimed at your critical business decisions, such as; how to best drive future growth, where to play, how to win, and how to optimally allocate resources. In turn, our solutions help you win the critical decisions made by shoppers and buyers along their purchase journey. Our specialised knowledge and expertise can be targeted toward specific business issues, while our integrated solutions transform businesses and generate breakthrough performance improvement.

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THE RETAIL AND SHOPPER
SPECIALISTS



CONTACT US FOR MORE INFORMATION AND SOLUTIONS FOR GLOBAL MASS RETAILING.

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Founded in 1931, Smollan is an international retail solutions company, delivering growth for retailers and brand owners across five continents. We cover every aspect of how brands are managed in retail environments.

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