IADS Conference Report

The Retail Summit, 22nd -24th April 2024
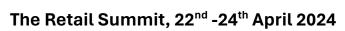
The IADS attending the 2024 edition of the Retail Summit, held in Dubai on 22, 23 and 24 April, which gathered 790 participants from 35 different countries and 57 different nationalities. 54% of those were retailers, while the remaining 46% were not all vendors; this percentage includes every non-retailer, press, media, etc. 37% of the entire audience were C-Suite. There were 85 speakers from 19 countries; 35% of them were women, and 90% of them were C-Suite.

The purpose of the conference was to gather brands, retailers and industry leaders to discuss current challenges such as physical retail in the omnichannel business, growth, AI, Gen Z and sustainability. While it addressed pivotal themes, the event was also an interesting opportunity for networking.

This report is a selection of the most relevant insights gathered for our members.

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Beyond Personalization - How is AI Elevating the Consumer Experience?

MARIA GEDEON MOHR, Founder & CEO, **Gedeon Mohr and Partners**
SAUD ALSULAIMAN, Group CEO, **Alsulaiman Group** (Ikea Saudi Arabia & Bahrain)
BIANCA RANGECROFT, Founder & CEO, **Whering**
RONALDO MOUCHAWAR, Founder, **Souq** & VP, **Amazon** (MENA)
SERGIO HERZ, CEO, **Cultura**

- From turbocharging business processes to revolutionising consumer connections, AI has ignited a retail revolution: By using AI to orchestrate the consumer journey and guide them through the purchasing and returns processes.
- By using real-time data analytics to automate processes and reduce costs.
- By navigating the limitations surrounding AI-based clientele.
- By taking a more humanised approach to consumer engagement.

Going further, AI should allow retailers to capture customer engagement as much as possible:

- It's not always easy to know what in-store customers are considering and what the physical equivalent of an abandoned cart is. AI can help with this.
- Dynamic pricing by customer by time slots is possible with AI.
- For **Amazon**, AI allows to offer customers more products and the best prices. AI also has excellent capabilities in machine translation and language models, which are ways to offer better results. Finally, AI can improve Alexa's conversational performance as it can better understand accents thanks to machine learning.
- For **IKEA**, AI supports product information by analysing data (styles, availability, etc.) to find the best solution for customers. In addition to driving customer engagement, they use AI in procurement for more efficiency: They use different sourcing algorithms linked to a cloud with thousands of suppliers.

What should retailers prioritise? Their AI strategy or their data strategy? First of all, there would be no machine learning without data. So, the data strategy should be the priority to understand customer needs, propose product recommendations, and understand how they use products. Besides, for retailers such as department stores, data is a goldmine for brand partners.

How to Excel in E-Commerce - Elevating the Consumer Experience and Optimising Brand Fulfilment

LUCY MAGUIRE, Senior Trends Editor, **Vogue Business**
ISABEL BAERT, CEO, **Neuhaus**
WILLIAM PAK, CEO, **ESPRIT**
ROB FELDMAN, CEO, **Brand Alle**y
SIMONE DOMINICI, CEO, **Kiko Milano**

With the global e-commerce market set to grow 9.4% in 2024 and mobile shopping gaining traction among younger generations, retailers are presented with a ripe opportunity. How can they enhance their e-commerce platforms to provide an exceptional digital journey and foster lasting consumer loyalty?

- By embracing chatbots and messaging windows to interact with consumers in real-time.
- Marketplaces can help retailers grow their global consumer bases.
- The growth of e-commerce in emerging markets is an additional opportunity to engage with communities.
- Loyalty programmes remain a staple.

Kiko Milano make-up company recently entered marketplaces, which has been an excellent opportunity to gain more customers, learn and benchmark themselves in delivery and returns. They started their online business during the pandemic. When restrictions were lifted, they unified commerce, integrating the CDP (Customer Data Platform) and the transaction platform. It was a challenge. Also, they launched a loyalty programme, Kiko Me, first in the Middle East. Working with 3 customer clusters (based on spending thresholds), the programme offers differentiated services and experiences, up to giving out invitations to the Kiko Milan fashion show. The programme is not about offering discounts as they found out that experience becomes more critical than discount (for top customers in the Middle East at least). Kiko accounts for 50 million transactions per year. 7 million are from very active customers. Before launching the programme, these active customers came 4.2 times per year. The first results of the Kiko Me programme show they came in-store 1.6 times the first month on average.

For **Neuhaus** chocolate maker, a key question is how to translate in-store premium service online as customers cannot see and test the products. They worked a lot on the visual impact of their e-commerce and brought personalisation online. Considering chocolates are fragile products, making sure the perfect execution of deliveries is a key concern. Neuhaus also has an 'insider' loyalty programme inviting customers in-store for new product launches and collections or to retrieve gifts. Customers are usually very grateful and come back to the store more often. Thanks to the data they collect, they can tailor experiences even better.

The discount luxury e-tailer **Brand Alley**'s USP is all about the brands they sell and the prices they offer. These are the first factors pushing customers to come back for other brand sales. Also, they found that customers return if the delivery is faster than the planned delay. Their VIP club giving early access to sales is a great way to increase sales and retention. Finally, they found out that customers are captive as soon as they buy 3 times from Brand Alley sales.

Crafting a Vibrant Company Culture - Embedding Company Values and Nurturing Talent in Retail

DAVE CRANE, Founder & Visionary, **The Industry Icon** Programme
KUNAL WADHWANI, Chief Human Resource Officer, **Choithrams**
PHIL LEARNEY, Co-Founder, **HMN24 & Advanced Coaching Academy** (ACA)
MARY HOMER, CEO, **The White Company**

As the workplace transforms, retailers face the challenge of meeting heightened employee expectations. They are both embracing company values and charting the course for talent advancement. Among crucial initiatives, speakers mentioned team building activities, fostering inclusivity within the workplace, balancing the demand for flexible working with core business requirements, and improving employee health and wellness. Also, conducting performance appraisals and incentivising KPIs to motivate staff are essential topics. Finally, using employee data and surveys to assess satisfaction and adapt HR strategies has increased since the pandemic.

Remote working is still a hot topic for companies and HR departments. The **White Retail** company policy is to work 3 days in the office (with everybody in the office on the same days) and remote working on Mondays and Fridays. They think it's the right balance, allowing the building of the company culture, learning and guaranteeing productivity. Speakers agreed that company culture does not just happen when people are in the office. Bringing people back to the office should not be seen as a problem solver for a company culture issue. Questions remain, though, especially regarding KPIs when the workspace is flexible. How should they be impacted?

Pioneering a Captivating Store Experience - Demonstrating Originality and Elevating the Customer Journey

PATRICK FALLMANN, Partner & General Manager, **Store Makers Middle East**
DANIELE FERRERO, CEO, **Venchi**
DAVID WILKINSON, Executive Director, **Steen & Strom**
STANLEY SILVERSTEIN, CCO, WHP Global (**Toys 'R' Us**)
GRZEGORZ INGLOT, CEO, **INGLOT**

Whilst the popularity of online shopping continues to surge, in-store experiences remain a cherished pastime for both locals and tourists. Elevating store design and improving customer engagement implies developing F&B options, improving inventory management through smart stores, leveraging facial recognition to improve personalisation and store security, and renovating stores to enhance digital touchpoints while encapsulating sustainability and enhancing the brand identity.

Ice cream brand **Venchi's** purpose is to bring Italian cheerfulness and conviviality to customers. This should be reflected in-store through the pleasure of food, the balance between pleasure and indulgence, colours, and services. Venchi aims to bridge the gap between F&B and confectionery. Plant-based ingredients and fat and sugar reduction will increasingly be part of the consumer in-store experience, maintaining indulgence while limiting guilt and showing health concerns.

Steen & Strom's new store strategy was set up 4 or 5 years ago. It is overarched by the building of a retail destination in a relatively small city. The first and most critical step was to connect the department store to the main pedestrian street in Oslo, knowing the top 5 global luxury brands are on this street. To that end, they built a new entry and beauty hall to draw customers in. Since then, the beauty hall has continued to over-perform with double-digit growth. F&B has become increasingly important: 21% of the footfall comes from F&B. Steen & Strom will continue to build a luxury experience, with luxury growing to double digits. Overall, Steen & Strom wants to make a Netflix for retail, meaning content should enhance the shopping experience. This is the case in their 2000 sqm contemporary fashion space, designed to be 100% genderless. In 2024, they will continue fine-tuning the department store. In the future, connecting Oslo, Stockholm, and Helsinki will support growth.

Crafting the Future of Retail - Harmonizing Gen-Z Shopping Preferences and Values

ANGELA FARRUGIA, Founder, **Brand x Society**
MARIA HOLLINS, CEO, **Ann Summers**
HASH LADHA, CEO, **Jigsaw**
MOSES RASHID, Founder & Executive Director, **The Edit LDN**
TIM WALLER, Co-CEO & Global Brand President, **BABOR BEAUTY GROUP**

As Gen-Z carves out its influence on market trends, retailers must win over younger consumers. Key actions to consider include translating TikTok and other social media trends into engagement opportunities, body positivity campaigns, teaming up with influencers, balancing consumer demands for sustainable and ethical products, showing price consciousness, and engaging through gamification.

A TikTok-first strategy is considered extremely important but challenging, especially for brands not initially catering to Gen Z. This doesn't mean brands and retailers should drop investments in YouTube and Instagram, increasing the challenge for them. Content is vital for Gen Z, but it should be an authentic voice and offer 2-way communication.

Understanding this generation's motivation, whether about inclusivity, body positivity, or any other value, is the first step in the brand strategy to reach Gen Z consumers. For most brands, sustainability and inclusivity are the most essential values of Gen Z. Also, as employers of Gen Z, businesses and retailers must develop training and become a great workplace: brand values should resonate in HR, hiring, and retaining Gen Z.

Physical retail is part of the Gen Z journey, but it is very important only if it is part of an omnichannel shopping journey. Gen Z is looking for human interaction, which becomes even more powerful if the store staff is Gen Z and looks like customers. Simple activations work in-store, such as a photo booth that allows customers to tag their names before pictures go on social media.

Elevating Digital Touchpoints - Delivering a Best-In-Class Omnichannel Experience

ANNA BARSBY, Founder & Managing Partner, **Tessiant**
FABIO BARRETO, CEO, **Farm Rio Global** (Grupo Soma)
JO DRAKE, CIO, **THG**
JACK ZAMBAKIDES, CEO & Co-founder, **D. Louise**

The omni-channel experience has emerged as a game-changer in the ever-evolving retail landscape. Personalising marketing campaigns to drive engagement and optimise the customer experience, using WhatsApp and online chats to deliver seamless communication, using data from across the omnichannel to personalise engagement and stimulate customer frequency and spending can allow brands to seamlessly merge online and offline retail while solidifying their brand presence.

Farm Rio represents an interesting example. The brand started with physical stores only. Then, they went online by creating a blog about lifestyle, Brazil, and Rio de Janeiro. When the blog eventually became e-commerce, the brand already had a big online community. When social media arrived, the brand could merge them with e-commerce and sales associates in-store. Everything is now intricate.

THG (formerly known as The Hut Group) is well-known for e-commerce. They offer global tech services for brands (logistics, customer care, e-commerce, etc.). The most important aspect of digital touchpoints is to follow customers' preferences (where are they expecting digital touchpoints in their journey?) and ensure they are seamless and convenient. For example, brands and retailers should offer online returns for products bought in-store. Another step retailers start to focus on is how to identify customers entering their stores.

Sustainable Commerce – Reducing Environmental Impact and Strengthening our Commitment to Climate Action

RENEE MORIN, Chief Sustainability Officer, **eBay**
QWAN ANTHONY, Editor In Chief, **Icon Middle East**

Since its beginning, **eBay** has embraced sustainable business practices and challenged re-commerce by selling and buying pre-loved goods to support a healthier planet and economy. eBay is about saving money and at the same time being sustainable, with their motto "To buy responsible you need to buy eBay". As such, re-commerce is central to their impact goals. In 2022, the second-hand resale market on eBay created USD 4.6 billion in positive economic impact and lowered carbon emissions and waste.

Millions of people visit eBay every day, and eBay aims to maintain a secure platform with clear policies to protect the sellers and buyers. As a result, they have blocked and removed over 350,000 prohibited listings.

When asked "How does technology help you achieve your goals?", eBay was quick to point out the positive aspects of AI. they are interested to see how it will help, but, as many other retailers, they question the technology as it's a double edge sword if it is not used properly.

The Reality Behind Unified Commerce: 236 USD Billion Insights Revealed

DOUNIA JOURON, Heard of Partnerships, **Ayden Middle East**
APSARA CHIDAMBARAM, Head of Alliances EMEA, **Shopify**

Online shopping is about an on-time seamless experience: it is about speed, agility, and innovation.

Shopify discussed e-commerce in the EMEA region and how they aim to provide a user-friendly and complete customer e-commerce platform that helps small businesses build an online store and sell online through one streamlined dashboard. Shopify merchants can build an online store that fits their look, and sell on social media sites, seller marketplaces, blogs, websites, through email, text, and chat.

In the future, Shopify is looking for agility to grow in the market. To that end, they have organized themselves to respond rapidly to market changes. For them, businesses must be designed to adapt and to overcome, and agility must be in their DNA.

Unlocking Commercial Opportunities in the Metaverse – Setting Up Shop and Delivering an Immersive Experience

LAUREN STEPHENSON, Customer Success Director, **Fabacus**
EMILIE METGE, CEO and President, **Christofle**

Christofle, a brand with a 200-year history, has been brought back to its former glory by the Chalhoub group. The goal was to bring back Christofle and earn the trust of the new generation to understand what they are buying. When entering the world of luxury, the younger generation usually starts with small leather goods, shoes, perfume or make up, but they don't think of cutlery or silver goods. Creating storytelling and explaining the past and rich history of Christofle has been key in getting the new generation to understand and purchase the brand.

Placing Christofle on the Metaverse played a crucial role in generating growth, allowing more fans/customers to discover the brand. Interestingly, most of the NFTs issues were bought by Chinese customers.

Clicks, Shares, and Shopping Carts – Delivering Compelling Content and Building Online Communities

JENNY WILSON-HOOPER, Senior Lecturer & Consultant, **London College of Fashion**
HUDDAH MONROE, Founder & President, **Rich Beauty by Huddah**
NANDITA SINHA, CEO, **Myntra**
CEM BOYNER, CEO & Chairman, **Boyner Group**

Building online communities is all about getting customers to return to online shopping.

That's not easy, as it requires significant investments in technology, in addition to being able to create an appeal so that the customers actually want to return and are not pushed by some algorithms.

It is imperative to create a combination of static visual and snappable content that engages customers with the product they are about to buy. This can be done by videos showing the items with influencers or other customers to really get a proper feel of what a customer is about to spend their money on. Online shopping needs to be fun, personal, aspirational, and engaging. With this in mind, **Boyner** has created a new online shopping experience called "Boyner Now". It currently represents 7% of their business with hopes to increase this share. "Boyner Now" was created with the idea of allowing the customer to pay for the product after receiving it, not before.

Capitalizing on their multiple store locations in the country, "Boyner Now" is able to deliver within 90 minutes, with different sizes and colors, of the ordered item. The delivery person waits at the customers door for 10/15 minutes, and once the customer is happy with their choice, they pay.

The customer can order to any location at any time, also by appointment. There is a service charge of 5% of total sales, and return rates are 1%.

Aligning Consumer Expectations for a Better World – Demonstrating Sustainable Practice throughout the Value Chain

LUCY MAGUIRE, Senior Trends Editor, **Vogue Business**
DAVID WHEELER, COO, **New Balance**
ANDREU MARCO, COO, **Chalhoub Group**
MENA MARANO, CEO, **Arav Group**
MARIE-CHIRSTIN OEBEL, Chief Marketing Officer, **Vestiaire Collective**

In order to align consumer expectations for a better world, retailers must provide services in a sustainable way, yet keep the luxurious experience. In the same way, they need to keep things simple, and educate the customer is a way that does not feel threatening to them.

This is how New Balance redesigned their running shorts. After polling their loyal customers, they designed a recycled polyester short, using less fabric and making it more sustainable. Every year they send out a "Sustainability Impact Report", communicating with the customer on how to better New Balance's efforts to be sustainable.

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The discussions at The Retail Summit 2024 underscored a transformative era in retail, characterised by digital innovation, omnichannel operations, sustainability, and the pivotal role of Gen Z. AI was part of almost all discussions, but the future role of this technology is not clearly defined yet. The insights shared reflect a retail landscape that is increasingly becoming customer-centric, where data strategies are not just supportive elements but central to business operations. Moreover, the summit highlighted the critical role of physical stores in creating immersive consumer experiences.