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Metro Group has pioneered innovation with Future Store

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The retail and real estate that shaped the world

Despite the seemingly omnipresent nature of the major retail brands, true internationalisation is a comparatively recent phenomenon. MAPIC has been the showcase for many of the most influential retail expansions and innovative schemes and Mark Faithfull picks out a few of the game-changers during the MAPIC years

IN 1995, the year of MAPIC's inception, international grocery was still in its infancy. That year, however, MAPIC regular Carrefour opened its first hypermarkets in China and Tesco entered the Hungarian market through the acquisition of S-Market's 26 stores in the north-west of Hungary

to create its first international business. In July 1995, Amazon began operations and sold its first book on Amazon.com: Douglas Hofstadter's Fluid Concepts And Creative Analogies: Computer Models Of The Fundamental Mechanisms Of Thought. In the same year, online auction website eBay was

Feature

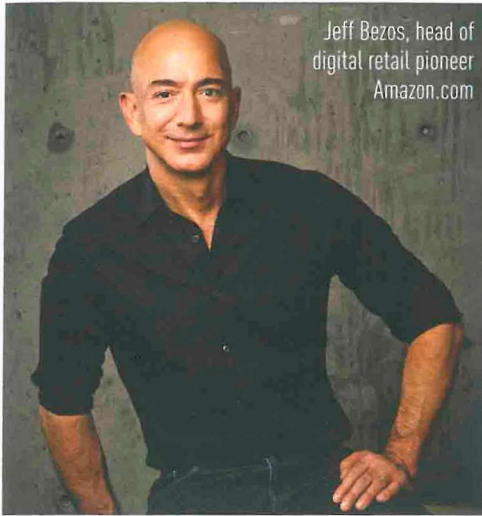
founded as AuctionWeb in San Jose, California, by French-born Iranian computer programmer Pierre Omidyar. By 1997, the site was hosting two million auctions, compared with 250,000 during the whole of 1996 — the same year that Walmart opened its first stores in China and, a year later, celebrated its first \$100bn sales year. In 1999, Walmart entered the UK with the acquisition of Asda.

When MAPIC made its debut in 1995, designer outlets were all but unknown in Europe, so it is no surprise that it was American Scott Malkin who backed Bicester Village in the UK. This set the benchmark for the premium outlets that have proliferated across the European continent, notably in the sector's outlet-packed home of Troyes, France, and the pipelines of Neinver and McArthurGlen. In 1996, CentrO in Oberhausen was the first mega-mall in Germany and, indeed, the US approach was evident in a number of the other key schemes of the era, such as the 1998 opening of the Trafford Centre in Manchester and the 1999 opening of Lend Lease's Bluewater in the UK's South East.



Walmart's international ambition was boosted by entry into the UK with the acquisition of Asda

Feature



Jeff Bezos, head of digital retail pioneer Amazon.com

Ironically, at the same time, the US was opening the last of its malls to enter the top 20 by size — the 200,000 sq m Palisades Center in West Nyack, New York — and a mall that would counter this approach, Easton Town Center in Columbus, Ohio. This was arguably the first ‘lifestyle’ mall, mirroring the indoor/outdoor nature of traditional town centres and created as a community space as well as a trading centre.

The world was certainly changing and in 1998 Google incorporated and launched, setting off on its path to becoming the most-used search engine in the world.

THE NEW MILLENNIUM

In the new millennium, H&M opened its first US store on Fifth Avenue in New York while, on 19 May 2001, Apple opened the first official Apple Retail Stores in Virginia and California. Part of the driving force for this was Steve Jobs’ dissatisfaction with selling through third-party retailers. In Europe’s east, larger schemes did not emerge until 2002, when MEGA Tepy Stan in Moscow opened, to be followed in 2004 by MEGA Khimki, Moscow and, in 2006, MEGA Belaya Dacha, Moscow — all three of which are in Europe’s top 20 malls in terms of size.

Such was the maturity of malls in Europe that 2003 saw the opening of a scheme to replace its namesake eyesore in Birmingham UK — Hammerson’s Bullring, complete with iconic Selfridges department store. In Madrid, inspired by ambitious plans for Mall of the Emirates, General Mills opened Xanadu outside the city, complete with indoor skiing. And a year later, Westfield pioneered an indoor/outdoor mall at Bondi Junction in Sydney, created by refurbishing the existing schemes on the site.

Over in Europe, 2003 saw Ahold — one of the early pioneers of global retail — rocked by a financial-reporting scandal. As a result, the Dutch retailer announced that net earnings and earnings per share would be significantly lower than previously indicated for fiscal 2002, and that the financial statements for fiscal 2000 and 2001 would be restated. Anders Moberg was appointed president and CEO of Ahold and consolidated the company around regional hubs, creating the global model for his grocery rivals in the process.

In 2004, with retailers now firmly established as a significant presence at MAPIC, the Marks & Spencer store on Paris’ Boulevard Haussmann was transformed into Lafayette Maison, following the latter’s purchase of all M&S stores in France in 2001. Since then, Galeries Lafayette has itself expanded beyond France at schemes showcased in Cannes.

In the same year, social-network site Facebook launched and the 200th store for another MAPIC stalwart IKEA opened in New Haven in the US. It was 2005 when the National Retail Federation (NRF) coined the phrase ‘Cyber Monday’ for the online sales rush on the Monday after Thanksgiving in the US. A year later, in 2006, Twitter launched and, in 2007, the iPhone was introduced at Macworld, an event that arguably marked the start of the mobile-shopping revolution.

The era was also beginning to show the changing balance of retail development, with the 2005 opening of the Mall of the Emirates and the 2008 opening of Dubai Mall, both in Dubai, setting new standards in grandiose leisure, offering indoor skiing and a giant aquarium respectively. Meanwhile, the 2006 and 2007 debut of Kanyon in Istanbul and Zlote Tarasy in Warsaw, both designed by US architect Jerde Partnership, demonstrated the power of great architecture when brought to a retail centre.

In 2007, Puerto Venecia also opened, although this was the big-box first phase, which preceded the 2012 opening of the leisure-filled retail centre in Zaragoza, Spain. This was the year that luxury truly entered European shopping centres — having long been established in Asia — with Istinye Park in Turkey arguably the catalyst, followed a year later by Westfield London.

Another huge project — Golden Babylon Rostokino, Moscow — opened in Russia in 2009, and further large schemes are set to follow in the Russian capital this year and next.

By now, fashion retail had taken over from grocery to drive internationalisation. In 2008, Inditex opened its 4,000th store in the Ginza district of Tokyo, while Metro Group opened its Future Store in the North Rhine-Westphalian town of Toenisvorst to test state-of-the-art technologies and concepts.

THE NEW ERA: FROM CRISIS TO EXPANSION

By 2008, the focus was back on London — and Australian developers — with the opening of Westfield London, to be followed in 2011 by Westfield Stratford. Milan will see the next European Westfield mega-mall. Also in 2011, Boxpark opened in London's hip Shoreditch area, marketed as Europe's first pop-up mall. Also reflecting this quirky change in emphasis is the food-led Mood scheme in Stockholm, which opened in 2012, and Bikini Berlin, which opened last year and mirrors the urban lifestyle vibe.

But of course these were developed in difficult times. By the end of 2008, the world was descending into a financial crisis that slowed many growth plans — and, indeed, not all international expansion strategies went as intended. Although in 2010, Best Buy-branded superstores opened in the UK, with plans for up to 200 stores in Europe by 2013, on November 6, 2011, partner Carphone Warehouse announced its intention to close

its 11 Best Buy big-box format stores in the UK. In January 2012, the Best Buy Europe joint venture was discontinued.

As finding partners and identifying new schemes became a core element of retail growth in Cannes, MAPIC also witnessed strides beyond Europe, with the 2011 acquisition of Massmart in South Africa by Walmart meaning it surpassed 10,000 retail units around the world and turned the spotlight on the fledgling opportunities to be had in sub-Saharan Africa.

In 2012, India announced the repeal of FDI for multi-brand stores — although the implementation of this legislation remains mired in uncertainty — while many of MAPIC's retail participants had already expanded to the Middle East and China.

In April of 2014, Primark announced its plans to begin opening stores in the US. The first store is set to be a 7,000 sq m location in Boston, Massachusetts, due to open by the end of 2015.

Last year, Land Securities opened Trinity Leeds as arguably Europe's most digitally integrated mall — although ECE has two future lab projects in established malls that could challenge Trinity Leeds in this respect.

Unibail-Rodamco's Aeroville, Paris meanwhile, can lay claim to be the most developed airport-side mall. Also opening in France this year was Hammerson's Les Terraces du Port, the culmination of Marseille's long-held efforts to regenerate its core.

A DISRUPTED FUTURE

Quite when the digital revolution began to impact real estate is of course debatable but the real rise of e-commerce coincided with the economic crash and the rapid contraction of store growth plans and the availability of investment monies. This confluence also somewhat confused the picture in terms of what was driving change. Yet few now doubt the deep influence of online retail and in particular of mobile connectivity. Daniel Bernard, the former CEO of Carrefour, called the change as "deeply significant to retail locations as the widespread adoption of the car".

Omni-channel retail now

influences everything and has become a major part of MAPIC discussions, inspiring new areas of the event and this year for the third time recognised with a Digital Summit on the day before the exhibition opens.

The first part of the next 20 MAPIC years will undoubtedly be spent watching elements such as i-beacons, wi-fi and 4G, click and collect and the merger of digital and physical being played out across the world's retail locations. At the same time many parts of the world have shifted towards an experience economy, which has in turn seen a huge rise in food and leisure within retail destinations and the blurring of the lines between retail and entertainment, again reflected in MAPIC's exhibitors, features and conferences.

The future, now looking far brighter than during the darkest days of the global downturn, promises disruption — in consumer behaviour, investment patterns, locational shifts, globalisation, leadership and brand identity against a backdrop of social media scrutiny. It is a great time to be at MAPIC.



Apple's iPhone, an important driver of the mobile-shopping revolution