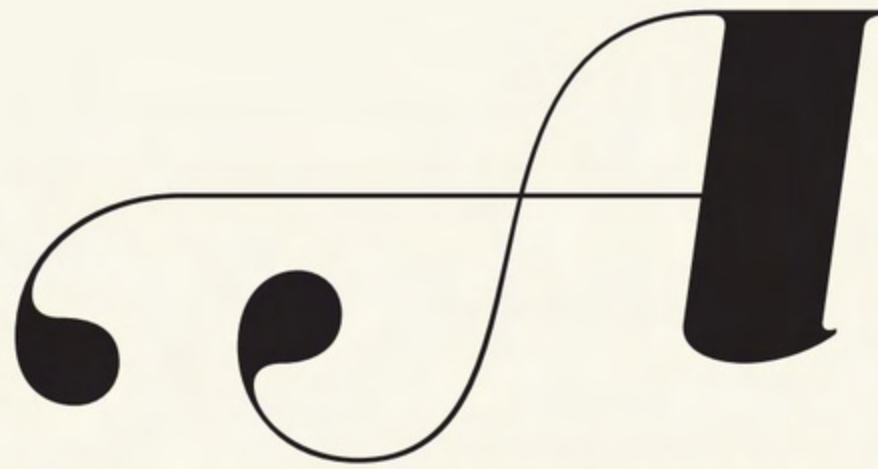


10 retailers worldwide

who are challenging the paradigm with thoughtful, inspiring and new ideas

By NEIL STERN, MCMILLAND OOLITTLE



decade ago, Ebeltoft Group published its first book on retail innovation. Early on, we were narrow in our definition of what truly defines “retail innovation.” Today, we have transitioned our focus from pure bricks-and-mortar retail to a much broader scope, including case studies encompassing e-commerce, technology and everything in between.

Ebeltoft Group has 23 members in 21 countries who span the world, submitting case studies not just from their own countries, but also through additional obser-

uations in the field worldwide. In this past year, more than 160 “innovation” cases were evaluated, with the winning innovation case being a meal solutions store in The Netherlands called Bilder & De Clercq (see page 72).

These cases clearly demonstrate both the diversity of innovation that is occurring globally and the remarkable emergence of consistent themes that play out on a global basis. The pace of change continues to accelerate and the quality and execution of retail on a global basis continues to improve. On the following pages, you’ll find *design:retail*’s picks from our latest report, “Retail Innovations 10,” a synthesis of the most meaningful innovation trends showcasing how retailers are creating new and compelling retail experiences.

The retail environment is tougher and more demanding than ever; e-commerce is taking growth away from physical stores, the global economy remains challenged and a rapid rise of internationalization means that the competitive set facing retailers is tougher than ever before. Consumers see it all and want it all—there is little room left for mediocrity. Building innovation into organizations has become a critical mission. As Steve Jobs put it, “Innovation is the difference between a leader and a follower.”

Our emphasis on innovation requires a bit of reading between the lines: what is leading-edge versus bleeding-edge? While we recognize that some of the concepts themselves may not be commercially viable, the ideas behind them could provide a transformational spark for your business. Welcome to the future of retail.



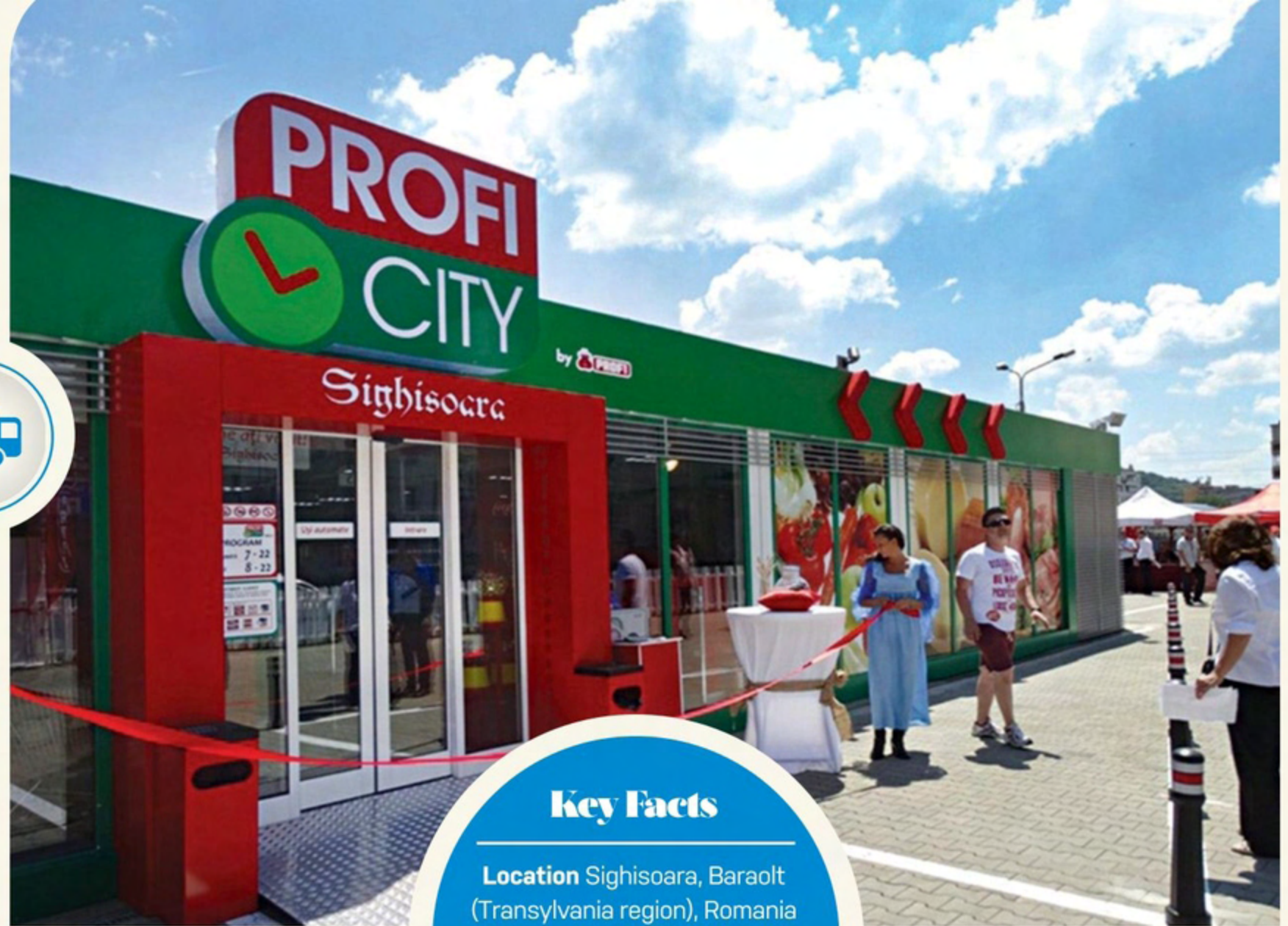
Profi City

A modular, scalable store

THIS NEW MODULAR concept from the 244-store Profi chain is able to go live in around one month (versus three months for a traditional build) and to expand or shrink the sales square footage depending on catchment area and demand. This becomes a cost/time/proximity-effective way for the retailer's expansion strategy. The retailer already proved the concept flexibility by opening a 2,100-sq.-ft. convenience format and a 4,300-sq.-ft. supermarket format in two different cities. The product range (5,000 SKUs) at competitive prices is made of 20 percent private-label products, and 80 percent products supplied by local producers.

The innovation stays not only in the concept, but starts with the development of a specific technology for building this modular format in a short time (maximum one week for the building and two to three weeks for arranging and stocking) and also for the scalability of the format due to proximity market request. Furthermore, the major improvement of these two project dimensions contributes to the penetration in markets that otherwise would be too costly to be reached.

Photos courtesy of **EBELTOFT ROMANIA**



Key Facts

Location Sighisoara, Baraolt (Transylvania region), Romania

Number of Stores 2 (total Profi stores: 244)

Size of Store 3,200 sq. ft. to 5,400 sq. ft.

Product Mix Food



Bilder & De Clercq

A grocery store arranged by dish, rather than category

BILDER & DE CLERCQ owes its name to its location: it is on the corner of the Bilderdijkstraat and De Clercqstraat in Amsterdam. Instead of a traditional layout of food arranged by product category, shoppers see tables, each of them dedicated to one meal. On each table, shoppers find a recipe card with information about the ingredients needed to prepare the dinner, and above each table hangs an image of the prepared, finished product. Every day, customers can choose a meal to conveniently prepare at home. Every Thursday, three meals are replaced with new offerings, allowing for a constant introduction of new, exciting dishes.

The interior space fits perfectly with the store's innovative character, as opposed to the traditional aisles of a

Key Facts

Location Amsterdam

Number of Stores 2

Size of Store 2,153 sq. ft.

Product Mix Wine, fresh bread, desserts, kitchen equipment and organic products

supermarket. Visitors enter the store and are greeted by an inviting counter in which a coffee bar, cash register and kitchen are integrated. The double-layered tables are positioned freely throughout the store, so visitors can browse for a dish they like, as if they were wandering through a market. Bilder & De Clercq demonstrates how to combine online and offline in a creative way, with a partnership with Google coming soon.

Photo courtesy of **BILDER & DE CLERCQ**





Key Facts

Location London
Number of Stores 1
Size of Store 1,615 sq. ft.
Product Mix Meat, wine, cookbooks



Muddy Boots

A change in butchery retailing

THE MUDDY BOOTS store in London's affluent Crouch End is a test concept and the first foray into retail for founders Roland and Miranda Ballard. First established through supplier contracts with supermarket giant Waitrose and the United Kingdom's leading online supermarket delivery service Ocado, Muddy Boots has filled a niche in the U.K. butcher market between the limited range and functional service of traditional butchers and the wide range of supermarkets. The retailer offers a select range of everyday cuts and meat-based "ready-to-cook" products, including premium burgers and meatballs, creating a modern meat shop.

Its focus on quality and sustainability resonates with London's increasing demand for locally sourced, sustainable meat, a key concern for consumers who are losing faith with supermarket chains. Bolstered by the recent addition of a click-and-reserve service, the proposition offers convenience, quality and a personal in-store experience.

The design takes its influence from Mediterranean and Scandinavian communal spaces, with a focus on communality and a stress-free environment. The store communicates this core message by positioning a large table as center stage, with the point-of-sale area to the side next to the meat counter.

Photos courtesy of **EBELTOFT LONDON**

Bikini Berlin

A carefully curated mall experience

THE BIKINI BERLIN Concept Mall offers carefully curated boutiques, concept and flagship stores, diverse restaurants and service providers. The mall mainly consists of small, carefully selected retailers with only a few branded retail chains. Targeting a modern, trend-oriented group of customers who appreciate quality and individuality, the concept mall strives to redefine the future of commerce.

Two innovative highlights are the modular Bikini Berlin Boxes and the Supernova store concept. The ground level houses 19 wooden pop-up stores, located in modular boxes that can be adjusted to the store operators and rented for a period of three to 12 months. Retailers can use these areas to establish a new brand, to evaluate new products and target groups, and to improve customer perception—as well as customer loyalty.

The mall also offers an area for new retail concepts called Supernova, a future retail lab that aims to redefine the role of retail in the digital era. Supernova provides real and emotional shopping experiences as a counterpart to the emergence of online shopping. Therefore, every season new retailers are brought together to turn their vision of retail into reality by offering special editions, product presentations and changing store displays. The retail lab started with the theme "soccer" in reference to the World Soccer Championship.

Photo courtesy of **EBELTOFT GERMANY**



Key Facts

Location Berlin
Number of Stores 1
Size of Mall 182,984 sq. ft.
Product Mix Fashion, beauty, design, home, food, services





OVS

A Google Enterprise partnership in the historic center of Milan

THE OPENING OF the OVS Via Dante flagship store, located in an old palace in the historic center of Milan, represents an important evolution of the format. With its new flagship store, OVS intends to expand its relationship with its clients through an innovative digital shopping experience based on virtual changing rooms, sales assistants with iPads, and click-and-collect services.

Thanks to its partnership with Google Enterprise, OVS uses cutting-edge technology to offer its customers a multisensory experience both in-store and online. A specially designed app allows shoppers to obtain information on products (available sizes, online purchases or the nearest OVS store where they can find an out-of-stock size or color). The "magic" fitting room is an interactive space where clients can play with their image, thanks to a monitor that acts like a mirror with a double view (front and back). Using the app, customers can take pictures, visualize them on their phones and, of course, share them on social networks. They also can ask sales assistants for a new size directly from the changing room. An interactive kiosk acts as a multimedia station that invites customers to purchase online and check availability in nearby stores. Finally, a click-and-collect service makes it possible to purchase products online and pick them up in any OVS store.

Photos courtesy of EBELTOFT PARTNERS



Key Facts

Location Milan (flagship)

Number of Stores 580 in Italy and 110 abroad

Size of Store 9,688 sq. ft.

Product Mix Apparel and accessories for men and women

Bento Store

Boxes inside boxes!



A CONTEMPORARY AND INSPIRING design for this retail store is focused on urban mobility, offering a variety of lunchboxes, lunch bags and bottles. The store reinvents the traditional lunchbox by driving sophistication, lifestyle, fashion, technology and functionality, while also creating solutions.

The new health movement in Brazil has residents focused on creating better food habits, by improving the way they eat, escaping the daily time pressure and bringing more of their own food to work, school and on-the-go. The Bento Store, inspired by traditional Japanese bento boxes, has curated 24 brands from 12 different countries for its product offering that presents functional and eye-catching design. The unique bento boxes are made out of handmade wood and are compartmentalized to serve various food groups, as well as foods of different shapes and sizes.

Bento Store makes packing lunch enjoyable, by creating a shop for the easy-to-use lunchboxes. With a basic

store design structure and minimal color, the creative lunchboxes stand out and capture customers' attention. The brand has grown quickly from one to four stores, with plans to open up to 10 stores by the end of 2015. The flagship store has experienced successful growth, with sales 18 percent higher than planned, while e-commerce also is showing strong results.

Photos courtesy of EBELTOFT FRANCE

Key Facts

Location São Paulo, Rio de Janeiro and Recife, Brazil

Number of Stores 4

Size of Store Average 409 sq. ft.

Product Mix Lunchboxes, lunch bags, bottles and accessories



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Key Facts

Location Milan
Number of Stores 1
Size of Store 10,764 sq. ft.
Product Mix Books, food and drinks

Open

A bookstore for the digital age



O PEN IS A UNIQUE bookstore concept, where consumers can engage in a digital experience with e-books and tablets, and in collaborative experiences with others, co-working or at entertainment stations, while enjoying a gourmet bar.

Open is first and foremost a bookstore, designed for people who like to read in a comfortable and relaxing environment. The space combines a homely atmosphere with innovative design elements, such as old fridges used as bookracks. It has a selection of more than 6,000 titles in categories such as cooking, design, sports and children's books.

Readers of digital content have at their disposal 50 tablets and e-readers, with news and entertainment options ranging from newspapers to apps, with the help of the "digital bookstore assistant." Clients can sit on sofas and

armchairs or choose to read at the 65-ft.-long community table, which symbolizes the social and collaborative philosophy of the project, where they also can eat and play table games.

In the small group area, there are 40 stations with dedicated services and three meeting rooms, geared toward independent professionals, consultants and start-ups. The rooms are used heavily for business presentations and workshops (about 60 events per month).

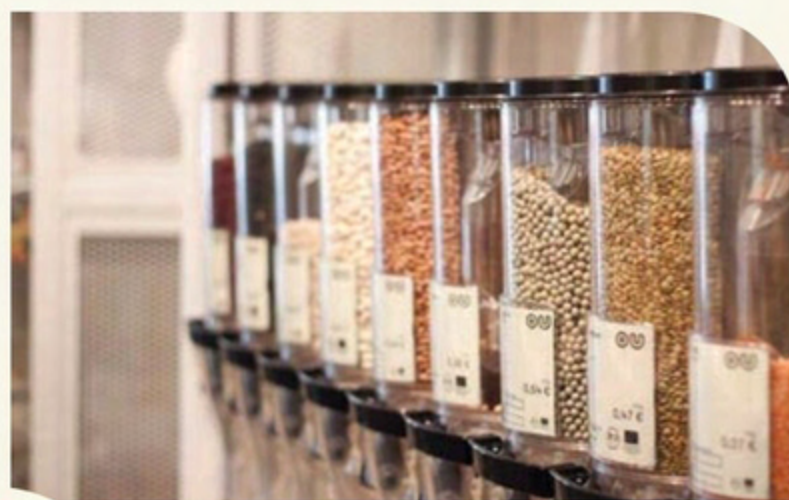
In the first few months, results at Open have exceeded expectations, with the food area producing the highest revenue. In the fall of 2014, Open began selling e-books and iPads as well, thanks to an agreement with Apple. In light of these results, Open's partners are planning to open a series of new stores in Italy and abroad.

Photos courtesy of EBELTOFT ITALY



Key Facts

Location Berlin
Number of Stores 1
Product Mix Food, near-food



Original Unverpackt
 The end of disposable packaging

O RIGINAL UNVERPACKT OFFERS a different way of shopping. Customers can bring their own containers or purchase reusable containers in-store. This eliminates the need for disposable packaging and allows customers to buy the exact amount needed.

The goal is to create awareness for the conscious handling of food. Instead of having long rows of shelves with

mass product, a carefully edited selection of unpackaged food is presented in bulk bins. Shoppers are completely in control of the quantity of food they buy, paying only for the actual product, not the packaging. Original Unverpackt works closely with zero-waste and food experts. The store starts with more than 350 products for everyday use, including organic food, as well as less expensive conventional products. This allows a broad group of customers to participate in sustainable practices. In addition, fruit and vegetables with slight damages or unconventional shape, which in a traditional supermarket would not be sold, remain part of the assortment.

Original Unverpackt wants to encourage customers to rethink the handling of food. The crowdfunding campaign, which financed part of the project, showed that the founders are on the right track. Within only a few days, the funding target of €40,000 had been exceeded. At the end of the 40-day crowdfunding campaign, more than €110,000 in funds had been raised. What makes the concept so successful is its accessibility and its appeal to a broad group of consumers. The founders have already planned the launch of additional branches.

Photos courtesy of EBELTOFT GERMANY

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Key Facts

Location Düsseldorf, Germany
Number of Stores 1
Size of Store 2,153 sq. ft.
Product Mix Kitchenware and cooking ingredients

Butch

The manly cooking store



IT'S BEEN QUITE some time since cooking was foremost a woman's task. More and more men are discovering a passion for cooking—around 36 percent of German men claim that they cook at least five times a week. Yet, retailers have not consistently targeted this audience. Butch is a kitchenware and cooking store that aims its appeal to men who enjoy cooking. The format combines quality, function and design with an emotional and multisensory shopping experience.

Gray walls, black ceilings and a lot of steel create a unique industrial design. Pallets and workbenches are used for product presentation. Slogans such as, "My kitchen is bigger than yours," amplify the message aimed at men.

Butch strives to be live, discoverable and touchable. Customers can enjoy a glass of wine and test the products in the cooking area at the center of the store, while receiving advice from the staff. Regional dishes are freshly prepared every day at noon. Additional cooking and food tasting events, such as the "plateau de fruits de mer – night" convey the pleasure and enjoyment of cooking to customers. At the core of the assortment is Butch's own private label, which offers high-quality goods at a good price.

To the founders of Butch, cooking is "the most beautiful triviality in the world." The retailer succeeds in conveying this feeling to its customers.

Photos courtesy of EBELTOFT GERMANY



The Street Store

The rent-free, premises-free, pop-up charity store



THE STREET STORE was first launched in Cape Town, South Africa, at the beginning of 2014. Working in Greenpoint, Cape Town, the founders wanted to do something to help the homeless that they often saw on the streets. The Street Store makes it easy for local residents to donate, and easy for those in need to receive. Armed with a few retail-designed posters to create the effect of a store, the founders took to the street and debuted The Street Store.

Founded by an art director/designer and a copywriter, The Street Store has created a series of five posters that make up the entire store. People making donations literally hang their clothing through a gap in the poster, and drop their shoes onto the specially

designed flat boxes. The homeless browse through the clothing and help themselves. The founders thought that using posters to hang clothing would be a great way to promote different charity organizations, but soon realized that to create and inspire change, they needed people to engage with the posters, not just view them. That is how the world's first rent-free, premises-free, free "pop-up clothing store" for the poor was created.

Since launching the first Street Store, additional cities have gone on to host more Street Stores in South Africa and around the world—including Johannesburg, Brussels, São Paulo, San Diego and Vancouver, Canada.

Photos courtesy of EBELTOFT SOUTH AFRICA



Key Facts

Location Cape Town, South Africa
Product Mix Donated clothing and shoes for the homeless

NEIL STERN IS A SENIOR PARTNER AT MCMILLAND OOLITTLE LLP, A CHICAGO-BASED CONSULTANCY FOCUSED ON STRATEGY DEVELOPMENT FOR RETAILERS AND THE U.S. REPRESENTATIVES OF THE EBELTOFT GROUP. CONTACT HIM AT NSTERN@MDRETAIL.COM.