RETAIL INNO▶ATION HUB
BY cardlink

INSIGHTS REPORT

Retail is changing

Insights, trends and challenges for the present and future of the industry

OPPORTUNITIES & CHALLENGES CREATED BY THE PANDEMIC

The outbreak of the COVID-19 pandemic brought significant shifts in our society, but these were not necessarily obstructive. Retail is being transformed, not only because of the rise of e-commerce, but also because of shifts in the mindset and habits of both retailers and consumers. Living in a brand-new reality where online shopping has become the norm, customers are now seeking hyper-personalized experiences and seamless integration of the physical and digital, combining the best of both worlds.

6 out of 10 shop online

GR
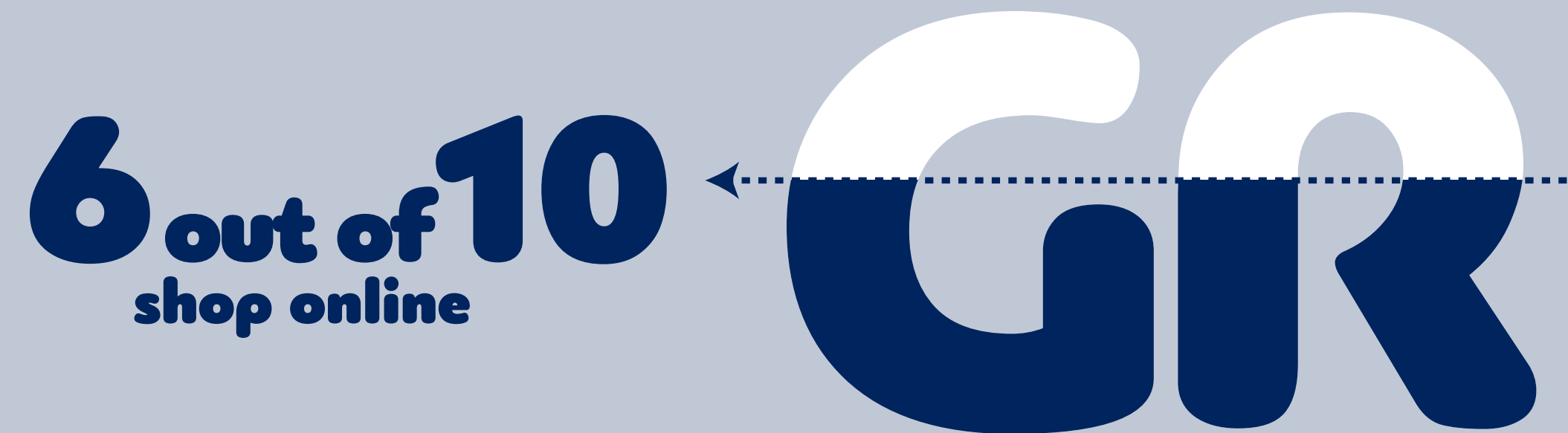
In **Greece**, during the first quarter of 2021, **online purchases** were made by **60%** of consumers, having an **increase of 22%** compared to the corresponding period last year.

E-shoppers in Europe

2017	2018	2019	2020	2021
60%	64%	66%	71%	73%
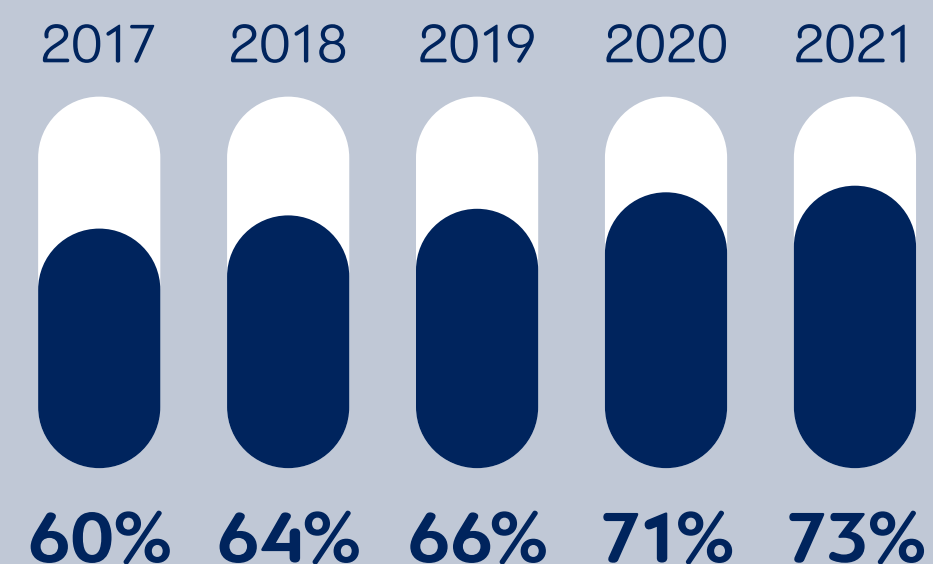
Shopping / browsing online for 1+ hour a week

Gen Z	78%
Millennials	84%
Gen X	76%
Boomers	61%

THE TRANSFORMATION OF RETAIL IN THE DIGITAL ERA

HOW does the physical store and the whole consumer experience change?

For an extended period, the physical stores remained closed, resulting in the consumer shopping experience taking on forms such as phone delivery, e-shopping or, in the best-case scenario, "buy online, pick up in the store" (BOPIS).

However, when the physical stores reopened, the changes became apparent. The whole experience has been transformed and continues to change daily, as the consumer is now different. The customer journey is different too, as the client returning to a physical store demands to have a unified experience, one with a level of convenience and personalization equivalent to online shopping.

81% made purchases closer to home and supported local businesses.
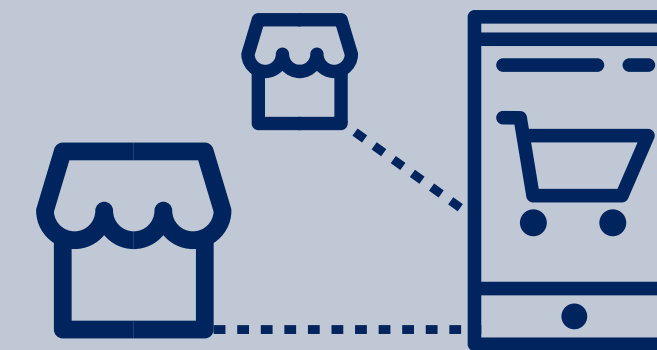
Consumers will not stop shopping at physical stores, as some of them expressed the desire to return to local markets as soon as the restrictions were lifted. But there is an opportunity for physical stores to acquire new roles beyond contact points where one can try and buy products.
The Covid-19 era revealed the weaknesses of the supply chain and the inadequacy of delivery services. Some startups were quick to adapt and offered last mile solutions, proving that fast reactions were the key to retaining customer satisfaction.

THE TRANSFORMATION OF RETAIL IN THE DIGITAL ERA

NEW OPPORTUNITIES ARISING FOR STORES

Shopping can be done in brand new places – the shop-in-shop model can be used to further increase retail points closer to the customer.

In-store digitalisation must proceed further, with express checkout systems or handheld POS scanners operated by sellers, that will reduce queues.

Unattended solutions can create new in-store experiences for the digital-savvy consumer.

Consumers demand more flexibility in delivery options and more accuracy on delivery times. To strengthen the last mile, local departments of chain stores can act as warehouses that will send off goods to customers who order onlinein their region.

PRIORITIES

- Customer experience
- Brand loyalty
- New partnerships to boost sale points
- "Digital bricks" (physical stores with strong tech backbone)
- Seamless checkout procedures
- Omnichannel

65% of consumers are willing to **pay more** for **faster delivery**

"The future is omni. The new user experience includes both the electronic and the physical channel, with the customer now looking for a unified experience from the retailers"

Alexandros Roustas, General Manager you.gr, Managing Director IQbility

THE FUTURE OF PAYMENTS

Electronic payments have prevailed in the last years, but new payment models and transaction forms are coming into play. From digital wallets to "buy now pay later" options, consumers demand maximum convenience with minimum environmental cost.

Rising Trends

BNPL

Financing at the point of sale (Buy Now Pay Later - BNPL)
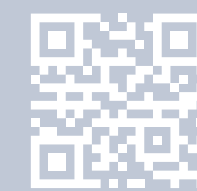
No more plastic - the rise of digital wallets

Fraud is on the rise, but so are anti-fraud solutions

93%

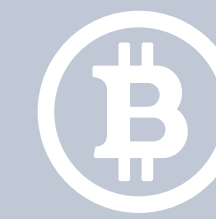of global consumers are likely to consider using at least **one emerging payment method*** in 2022

*QR Code   *Biometrics   *Cryptocurrencies   *Contactless

73%

of small businesses **(SMBs)** say that **new forms of digital payments** are fundamental to their growth

10 TRENDS SHAPING THE GREEK RETAIL SECTOR

01 Virtual try-on

Social distancing and hygiene measures prevented consumers from trying before buying. Now retailers are using AR technologies to bring virtual changing rooms and let consumers try clothes and cosmetics using their smartphones cameras, in their homes or even in-store.

the br♻nd
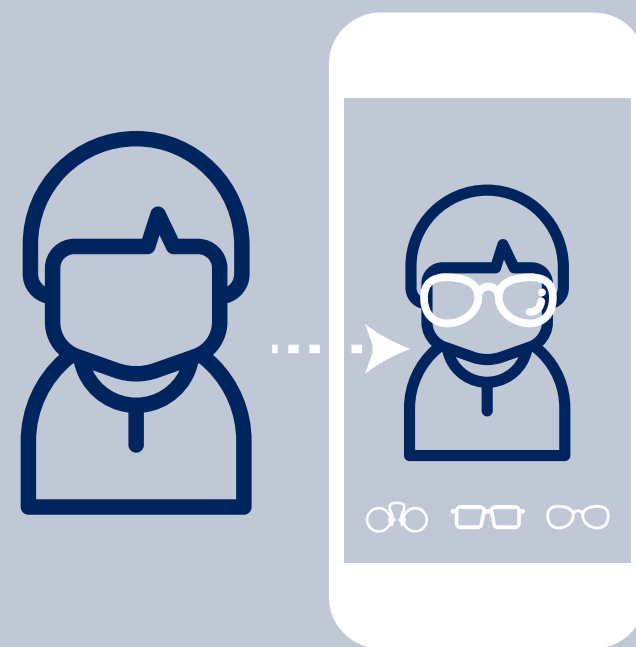
02 Gen Z drives demand

The new generation of consumers is rising, and their expectations are different from the previous ones. They trust brands that share the same values with them, such as reducing carbon footprint and eliminating social discriminations, and they demand sustainability and transparency.

03 Data as a currency

Customers are willing to share personal information if it creates new, personalized and more efficient experiences for them. But they demand their data is treated ethically and with transparency (customer relationship management is key).
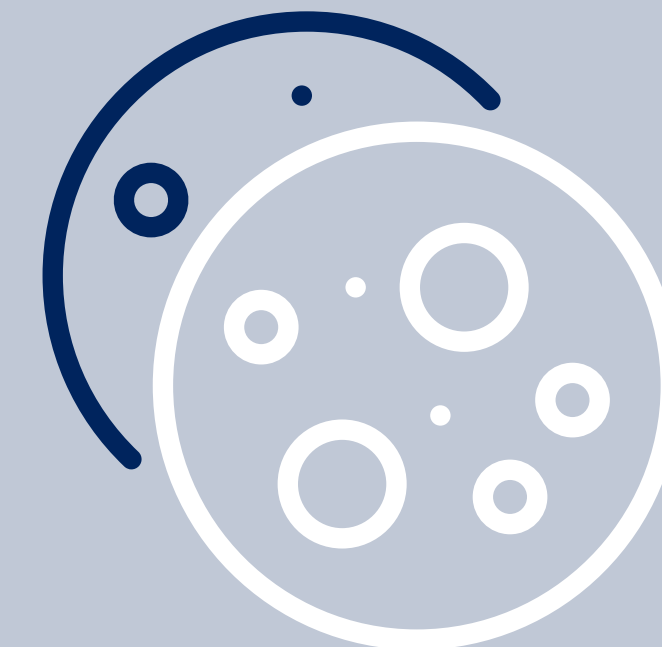
10 TRENDS SHAPING THE GREEK RETAIL SECTOR

04 Bye Bye Wallet

Mobiles and wearables are the new credit cards

05 Unified Commerce

Customers Research Online, Purchase Offline (ROPO)

SEARC|

06 Content is King

Product information (images, descriptions, specifications, attributes, etc.) is now as important for eCommerce as the physical product itself

07 Smaller stores, local drop-off points, same-day delivery

08 Progressive Web Apps

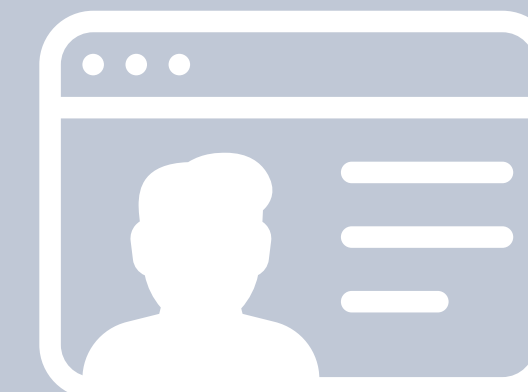offer a faster alternative to mobile sites/apps, as consumers shop less from the desktop
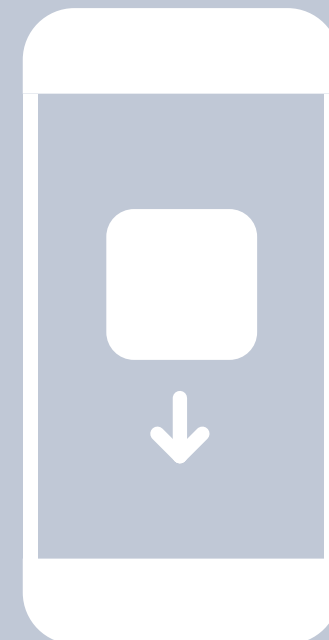
09 D2C

Buyers want to deal directly with brands

10 Customer Profiling

Point-of-Sale data are combined with traditional digital measurement and analytics

"We now have new digital tools in the Greek market, such as virtual try-ons. The consumers have the opportunity to try products on themselves, with the help of their mobile phone or tablet camera, either at home or in the store with the help of an advisor. This is an innovation that requires a great deal of development, but also offers safety, at a time when Covid-19 bans limited physical product testing."

Thodoris Chronopoulos, Chief Commercial Activation Officer, L'Oréal Hellas

KEEP IN MIND!

The human element

No matter how much companies invest in enhancing retail with new technologies and innovative solutions, no transformation can be complete unless the people (consumers and employees) are placed in the center. The customers and their data must have priority. Consumer profiles help enhance the shopping experience, but privacy and security must remain top notch.

Priorities 👍

- Retail ethics
- Responsibility with data
- Trust between company and customers

Barriers preventing change in consumer habits 👎

- Investment costs
- Consumer culture (old habits die hard)
- Lack of motivation
- Trust needs to be built in new ways

Supporting the employees

All employees in the retail sector, in whatever department they work in, can become valuable assets for the future. Prerequisites are trust, a constant desire for improvement, communication, but also entering an agile mode of doing things.

Priorities 👍

- Upskilling and proper training on new tools and technology
- Wellbeing and mental health are crucial
- Opportunities for bringing their own ideas

TECH COOPERATION

Not all companies are tech-oriented. But there are many tech startups working on cutting edge solutions either ready to use or able to adapt to specific retail needs quickly and efficiently. The Greek startup ecosystem is now mature enough and on par with global competition.

"The difference between a retailer that will succeed and a retailer that will fail is how fast they can adapt to foreseeable changes, but also how cleverly they can pivot when facing unpredictable shifts. Ecosystem partnerships can offer fast solutions to help companies innovate faster and more efficiently."

Filippos Zakopoulos, Managing Partner, Found.ation

CHANGE FACTORS ACROSS THE RETAIL UNIVERSE

CUSTOMER

MORE · OMNI · SEAMLESS · FASTER

Demanding omnichannel and seamless experience, faster delivery and more options

TECHNOLOGY

technology · solutions · partnerships

Tech companies build smart solutions – ecosystem partnerships offer many advantages

BRAND

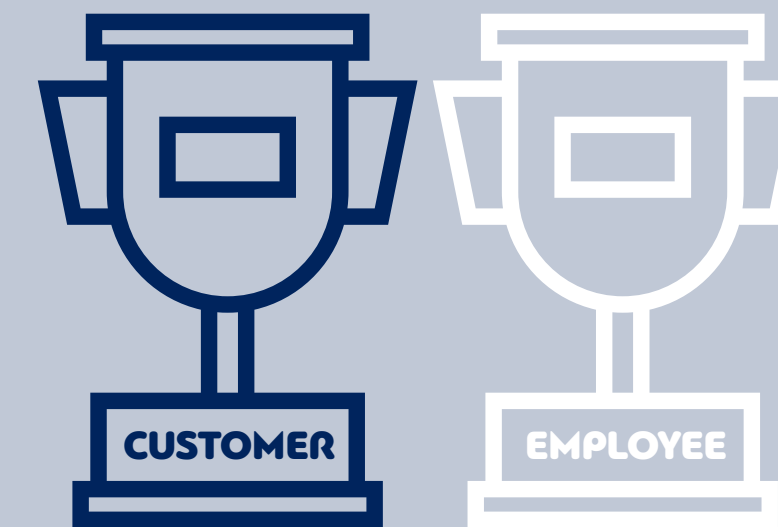transparency · ethics · sustainability

Building trust, offering transparency, treating data ethically, practicing sustainability
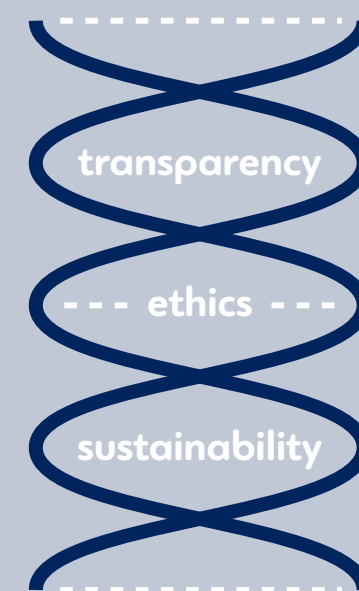
CULTURE

CUSTOMER · EMPLOYEE

Employees are as important as the customers - the human element at the center

The **future** of **retail** may be different, with more complexity, but it is infinitely more interesting for **retailers** and **clients**

"We strongly believe that technology alone does not solve problems. Technology is an affordable tool accessible even to small companies, but it's not enough. This is the purpose of the Retail Innovation Hub - to bring all stakeholders together so they can find solutions."

George Drimiotis, CEO, Cardlink

Cardlink, part of Worldline, is active in the field of electronic payments and especially in the acceptance and management of card transactions, both in **physical** and **e-commerce**. The company operates the **largest network of POS terminals in Greece**, serving with safety and speed businesses and consumers in carrying out their daily transactions.

The **Retail Innovation Hub by Cardlink** is a regional platform with the ambition to facilitate the evolution of retail in the digital era. It is created by Cardlink, the biggest provider of electronic payments solutions in Greece, and the innovation experts of Found.ation. It is a place where retail experts and technology leaders shape the future of the industry, exchange knowledge and insights, learn how to adjust to the digital transformation landscape and keep up with the latest developments.

1st Retail Leaders Workgroup

Powered by Found.ation, the Retail Innovation Hub will host a series of initiatives with the goal to provide state of the art knowledge to the wider retail tech ecosystem. The Retail Leaders Workgroup, the first initiative of this partnership, was an interactive online event organized on January 20th 2022. Through a round table discussion, having active participation, a limited number of executive members of the Greek corporate ecosystem had the opportunity to share insights and identify challenges that widely affect the industry, have a big impact, and need solutions.

This Insights report was created by Found.ation based on research and analysis of the conclusions of this Workgroup.

Co-Hosts

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  Officer, Kotsovolos
Kostas Perris
  Partner, PwC
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  Managing Director, iSquare

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