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Press release

Digital gets physical at vibrant MAPIC 2018

Retail looks to enhance customer experience



Cannes, 16 November, 2018 – The buzz word at MAPIC 2018 was customer “experience” as 8,500 delegates including over 2,000 retailers came together on the Cote d’Azur.

The international retail real estate community from 80 countries gathered in Cannes this week for the 24th edition of MAPIC, with attention focused on the convergence of physical and digital retail and how retailers and property owners are deploying new services to enhance the customer experience.

Inside the exhibition hall and throughout the conference programme, delegates shared the view that the entire retail real estate industry must embrace change in order to transform traditional shopping malls and stores into a multi-experience urban destination combining leisure, sport, food and beverage, new technology, healthcare and more.

Bricks and Mortar Drive Online Business

With ‘Physical in the Age of Digital’ the central theme of MAPIC 2018, opening keynote speaker and MAPIC Lifetime Achievement Award recipient Christophe Cuvillier (Group Chief

Executive Officer of Unibail-Rodamco-Westfield), made the case for bricks and mortar stores and the opportunities of omnichannel retailing.

Christophe Cuvillier led this year's acquisition of Westfield and was named Group CEO of Unibail-Rodamco-Westfield in June 2018.

In a tour de force conversation with veteran retail real estate expert Chris Igwe, Christophe Cuvillier insisted that opening physical stores had a direct and positive impact on online traffic and sales. Addressing a packed MAPIC auditorium he noted, *"Everyone of us is a click and mortar customer. The future is connected retailing. People want comfort, experience and services. Physical stores drive internet sales."* He added that one of the biggest challenges facing shopping mall landlords is to provide new concepts and new names to prevent customers becoming bored and that Unibail-Rodamco-Westfield rotates 10% of its retailers every year, in every mall.

Cuvillier told his audience that mall managers need to exchange data with retailers and vice versa, *"there is no other way forward than to work more closely with retailers."*

"Christophe Cuvillier's presence at MAPIC gave delegates a unique opportunity to hear from one of the true leaders in international retail. The creation of Unibail-Rodamco-Westfield proves that even in a disruptive market, visionaries such as Christophe Cuvillier are mapping the future of retail by creating the world's leading developer and operator of flagship shopping destinations," noted MAPIC Director Nathalie Depetro.

Retail Looks to Leisure

On the eve of MAPIC, the first edition of the Leisure Summit was sold out, with 225 delegates taking part. Clifford Warner, Chairman of entertainment strategy and leisure design agency Mycotoo noted, *"We are seeing a shift where spaces are designed for the parents and the activities are designed for the kids."*

US-based indoor activities company Playtime's International Business Development Director Grant Sonju said that European shopping malls are increasingly looking to leisure to attract customers. *"Playgrounds create a lot of loyalty in shoppers which means more footfall, traffic and dwell-time. Kids end up dragging their parents back in every day. It becomes a gathering spot...a community,"* he enthused.

One of the most ambitious retail and leisure projects in France is the €3.1 billion, 700,000 sq m EuropaCity development on the outskirts of Paris, in partnership with Vente Privee Entertainment. According to EuropaCity CEO, Benoit Chang, the project will include retail facilities and a contemporary circus, an arts and cinema culture centre and a waterpark hotel. Chang predicted that the digital generation *"will be willing to go far and spend money on an experience."*

Outlets Go Mainstream

November 13 saw the second edition of the sold-out International Outlet Summit which hosted over 300 delegates. What was once considered as a niche industry built around discounting, the outlet business is increasingly growing in importance. Nike currently operates 140 outlet centres across EMEA and Fabien Stultz, Senior Director of Real Estate,

Construction and Facilities at Nike EMEA said the company is redefining its outlet model to be more experience-led. *"Discounts are no longer just in outlet centres,"* he commented.

Several major markets have enormous potential for outlet growth. Haoran Wu, Research Analyst at TH Real Estate predicted double digit growth in China through 2030, while Fashion House Group Managing Director Brendon O'Reilly noted that Russia currently has just five outlet centres.

In a sign of how all actors in the retail business need to re-think strategies, Davide Lardera, CEO of Scalo Milano Outlet & More urged landlords to work closer with outlet retailers. *"You can no longer just be a landlord and take the rent...if you do, you are dead,"* he predicted.

Connectivity the Key in Digital/Physical Retail World

What was once seen as an inevitable struggle for survival between digital and physical retailing appears to have progressed to a new dynamic where the two sides can not only live together but support each other.

According to Melina Cordero, Head of Global Retail Research at CBRE, customers, particularly millennials, are increasingly shopping across channels. *"We like to browse online, try in a store and buy on our device...consumers still look to the store for knowledge and expertise."*

For the first time at MAPIC, e-commerce heavyweights including Amazon, Vente-Privée Entertainment, MADE.com and Zalando took to the MAPIC stage to discuss the convergence between physical and digital commerce.

Jerome Monange, Advisor Marketing and Communication at Lab Luxury and Retail, predicted that digital retailers may become increasingly reliant on physical stores. *"For many pure-play retailers, the future will depend on physical space. The conversion rate is much higher than online."*

The challenge for today's offline retailers is to integrate digital technology that customers are looking for. Nicolas Standaert, Founder and CEO of Nearbuy Group, warned physical stores, *"the focus is still too much on the strategies and tactics of selling, rather than on the customers and their experiences."*

One of the strategic priorities of the e-commerce giants is delivery, particularly the final mile. In France, Amazon is forging ahead with the development of its logistics network and collection 'lockers' around the country. Speaking to MAPIC delegates, Amazon's Director of Operations, France, Ronan Bole, noted that the company's priority is to take goods to shoppers, not shoppers to goods.

"Clearly retail is challenged in the current disruptive climate but what was noticeable this week was that people were talking about solutions and potential for development," concluded MAPIC's Nathalie Depetro. *"Online and offline will co-exist, new concepts in food and beverage, leisure, sport, health and entertainment will become increasingly important in the overall shopping experience and increasingly important as part of the MAPIC community."*

The next MAPIC events - MAPIC Italy and MAPIC Food in Milan, May 8-9, 2019.

More information on MAPIC 2018 in our [pressroom](#).

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