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Press release

F&B is recipe for success at buzzing MAPIC

MAPIC announces new foodie-focused event in 2018

Paris, 17 November 2017 – More than 8,500 delegates from 80 countries congregated in Cannes this week for MAPIC – the annual international retail real estate market, which brought together 2,100 retailers, 2,500 developers and 1,000 investors.

Reflecting the pace at which retail real estate is evolving, this year's MAPIC showcased the first **International Outlet Summit** and the inaugural **Global Retail Partner Summit**, while expanding its Leisure and Innovation exhibition zones and positioning food and beverage (F&B) as the central theme.

November 14th saw the exhibition of MAPIC's new pre-opening event, the International Outlet Summit. Once considered second-class stores for retailers to unload dated stock, the presence of outlet centres has averaged 12 per cent per year, over the past decade. Speaking at the summit, **Neinver's** Sebastian Sommer said "*Even if the market is more challenging, the top 150 brands are still wanting to grow in outlet malls.*" Key retail players are now wanting to increase exposure within outlets, while existing outlets are upgrading their instore design and offerings, making this sector one of the most dynamic in the commercial property industry.

China is a particularly promising market for outlets. Lois Lu Yi, VP of **Beijing Capital Grand**, the Hong Kong-based investment holding company principally engaged in the development and investment of properties, revealed at the International Outlet Summit that the company has increased its number of planned outlets to meet rising demand in this fast-evolving sector. "*Outlets are growing at about 34 per cent a year in China, higher than the 8 per cent of department stores, 29 per cent of shopping malls and 29 per cent of online retailers,*" Lois Lu Yi explained, "*Recently, with the consumers' pursuit of brands, outlets will usher in the first golden period of development with the market reaching maturity within 5 years.*"

Director of MAPIC Markets Nathalie Depetro also announced a new event – **MAPIC Food & Beverage** – which will launch next year as a result of the F&B concepts increasingly dominating commercial centres and high streets worldwide. The conference, separate to MAPIC Italy, will take place on May 23 – 24 in Milan's MiCo Milano Congress and showcase the international retail F&B sector.

"MAPIC Italy is devoted to the important Italian retail property sector. MAPIC Food & Beverage will be a standalone, **international** event dedicated to the global retail F&B market," said Depetro. "*The time is right to create an event devoted to the fast-growing food and beverage sector. Whether it's in a mall, an outlet or a retail park, people are dining in these establishments more frequently and treating the outing as an experience, instead of visiting these places solely to shop,*" she added.

Day one of MAPIC commenced with a keynote discussion between **McKinsey & Company's** Franck Laizet and the highly-acclaimed Managing Director of **Alibaba France**, Sébastien Badault – the two spoke on the topic of Reimagining Retail in the 21st Century. Badault said that while physical retail is not dead, it is definitely gravitating online, adding *"We are going through a major reconfiguration of the network"* by way of new concepts, formats and store reconfiguration, in order to optimise consumer experience and spending power. He also focused on the notion of brands needing to look at new ways of merging ecommerce and experience, which Alibaba is spearheading via the introduction of advanced technology including magical mirrors and artificial intelligence.

Another key session, Travel Retail, focused on how retail and namely hospitality offerings are shaping transit zones into foodie destinations. **Jamie Oliver Restaurant Group's** Nick Schapira said that while high streets are feeling many pressures, *"The travel retail space offers an incubator of consumer demand."* However, he stressed that retailers are mistaken if they think they can mirror the same process of immersion into a shopping centre, to that of an airport. There are many more tougher elements and guidelines to consider including staffing and security measures.

This year's MAPIC also confirmed the pivotal role that leisure is playing within commercial centres, as landlords look to leisure experts to design, build and deliver turnkey solutions. Approximately 30 companies specialising in leisure entertainment were housed in the Leisure zone.

Panel speakers discussing leisure in retail destinations also agreed that experiences have become one of the main drivers for visiting shopping centres today. Consumers are looking for enjoyable experiences to share. In fact, leisure within malls has created a new target market – attracting customers from a much wider catchment, while malls have also become places families visit to spend quality time together.

The emergence of commercial destinations has always been a key focal point to retailer development strategies. A major finding from MAPIC was that retail advancements are no longer dominated by the West. China has become the world's leading commercial destination, surpassing the U.S. and India is currently experiencing the world's strongest growth due to an influx of foreign investment, economic growth and a boom in consumption. Speaking at a conference on India's 'boiling' retail market, BS Nagesh of Indian Retail Association **TRRAIN's**, said that India is particularly attractive for retailers and developers: *"The country's very young – the average age is just 35 – and GDP is growing at 7 per cent a year. I don't think any country in the world has such an opportunity."*

The Global Retail Partner Summit also brought together retailers and leading local partners, capable of facilitating entry into key markets. Among the 30 major partnership companies were the **Azadea Group** (Lebanon), which operates more than 50 brands in the Middle East and Africa; **AmRest** (Poland), which operates more than 1,500 restaurants in Central and Eastern Europe; **Global Brand Group**; **SGN Group** (USA) and **Rosinter Restaurants** (Russia). John Scott, Director of International at **TM Lewin** (UK) noted, *"The Global Retail Partner Summit is an ideal platform for retailers to meet with a broad range of international industry professionals. MAPIC continues to provide retailers with direct access to some of the best international operators and the opportunity to break into strategic markets via integrated networking."*

Since its inception more than 20 years ago, MAPIC has continued to attract the world's leading retailers, developers, mall operators and more recently, major ecommerce retailers. No other single retail real estate event attracts so many companies from the

international investment community. Institutional investors such as Allianz, Generali Real Estate, GIC, or the Healthcare of Ontario Pension Plan, lined up with the likes of British Land, AXA Investment Managers, Amundi Asset Management and Commerz Real. And among the host of companies making first time appearances at MAPIC were F&A Asset Management, Matacapital, Qatar Investment Authority, Crédit Agricole and Bank Austria Real Invest.

MAPIC 2018 will take place on November 14 – 16, 2018.

Pictures of MAPIC are available on [the photobank](#).

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