

John Stanley

The Supermarket of the Future



“A visit to the Expo reveals a future based on new technology and traditional techniques.”

The World Expo in Milan opened in early May 2015. The focus of the expo is food and the advancement of food technology around the world, the theme being “Feeding the Planet, Energy for Life”. One of the features of the Expo was a supermarket of the future built by the Italian supermarket retailer Coop Apart from the 6-month Expo site, Coop Apart has 1,190 stores across all of Italy.

This is an operating store and gives a glimpse of the future to consumers visiting the Expo.

Retailing is definitely splitting in the offer that is provided to the consumer. While retailers in, for example, the fashion sector believe the future is about providing the correct balance between developing the theatre, fundamentals and service, many supermarkets are focused on convenience, technology replacing service and online retailing.

Research released in late May 2015 by TimeTrade revealed that the physical store has a future. The research revealed:

- 70% of consumers would rather shop in “bricks” stores than online
- 90% of consumers are more likely to buy if a knowledgeable store associate helps them.
- Interestingly 92% of Millennials plan to shop at the same frequency in “Bricks” stores in 2015 as they did in 2014

- 13% of those surveyed have made a mobile purchase - this is growing more slowly than many predicted

This is good news for the “bricks” retailer and especially for the supermarket of the future. The supermarket will be a “Bricks and Clicks” store, but we will see as much advancement in the “Bricks” side of the business as we will in the “Clicks” side of the business.

Electronic Shelf Labels

The Expo store replaced all traditional labelling with Electronic Shelf Labels, this technology allows for pricing to be controlled from a central office and the price changes can be instant and allows for daily or hourly flexible pricing. The system has been around for a number of years and I have visited stores in France that have operated the system successfully. As with any new technology there are challenges that needed to be overcome.

Radio broadcast technology is still being developed and many would argue that the system is not that well advanced. Some systems still rely on batteries and the life of the battery is a problem, but these technological challenges will be overcome and in the future Electronic Shelf Labels will reduce the cost of doing business and will be part of the supermarket scene.

Lighting That Tracks The Consumer's Behaviour

Although not introduced to the Expo store, lighting is becoming more sophisticated. Carrefour in

France is introducing smart lights into their supermarkets with the first store to test the technology being in Lille in Northern France. The built in light technology can track the customer as they move through the supermarket and beam down “pop up” coupons to the consumer’s smart phone when they pass a specific product. To obtain the coupon the consumer will need to download the software app onto their phone.

Robots Check The Quality

Robots are already being developed to check fruit and vegetable quality on the farm and the Expo supermarket has also installed robots in the fruit and vegetable department to check the quality of the produce going on display. Apart from a valuable tool for the business, this also provided a theatrical element to the store.

But, It Is Local

The Expo store may be full of new technology, but the message being communicated is a strong message – local farmers producing produce for the local market. The overall theme of marketing was “Coop loves Italy”. 90% of suppliers to the store provide Italian brands and all products sold are GMO free and contain no colouring agents. The company believes in “Transparent Origins” and all products are placed on the website with state of origin of all raw materials as well as ingredients and the locations.

Traditional regions and farming traditions are promoted as well as recipes. For example, cured meats are

promoted as “coming from only Italian pigs fed on no meat and bone meal, GMO free, and bred for at least 11 months to obtain the optimum weight and guarantee a unique product.”

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About the Author

John Stanley is a conference speaker and retail consultant with over 20 years' experience in 15 countries. He regularly contributes to retail magazines around the world and has co-authored several successful marketing and retail books including the bestseller *Just About Everything a Retail Manager Needs to Know* (obtainable from Amazon: ISBN-10: 0975011804/ ISBN-13: 978-0975011805).

John Stanley Associates produce an e-newsletter specific to retailing; this includes innovative ideas and advice to help you grow your profits. If you would like to receive a regular copy, please visit www.johnstanley.com.au or email newsletter@johnstanley.com.au

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