

# Retail 5.0 Strategic Report 2022

2<sup>nd</sup> edition

## Executive Summary



### RETAIL TO THE TEST OF CHANGE

The new Specialised Retail model:  
omnichannel, circular, and inclusive

**EUROCOMMERCIAL**



**expert** 

**bennet**  
gallerie

**SHOP & PLAY**  
**Città Fiera**

**igd**   
SPAZI DA VIVERE

**KASANOVA**



**K**  
KLEPIERRE

**nnn**  
FG gallerie

**MediaWorld**

**Mondo**  
**Convenienza**  
la nostra forza è il prezzo\*

**ses** imagotag

**TEDDY**  
GROUP

**TRONY**  
NON CI SONO PARAGONI.

**unieuro**

*Report elaborated by The European House - Ambrosetti with the support of Eurocommercial, Euronics, Expert, Gallerie Commerciali Bennet, Gruppo Bardelli, IGD, Kasanova, KFC, Klepierre, Magazzini Gabrielli – FG Gallerie Commerciali, Media World, Mondo Convenienza, SES-imagotag, Teddy Group, Trony and Unieuro for the Retail 5.0 Community.*

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## Second edition of Retail 5.0 Community

### MISSION:

*To become the multi-stakeholder reference Think Tank for the development of scenarios, strategies, best practices and policies for the Specialised Retail sector in Italy and the optimization of its development at the national level, to enable one of the country's most important industrial supply chains to make its voice heard and position itself as it deserves in Italy's political and economic context.*

*Special thanks to the members of the Retail 5.0 Community.*



*“Nothing is more powerful than an idea whose time has come”*

*Victor Hugo*

We are currently facing an unprecedented period in which five crisis factors have arisen that had never appeared simultaneously before and were unimaginable until just a short time ago: the global pandemic, the conflict in Ukraine, the explosion in energy and logistics costs, the disruption in a number of supply chains and the sudden rise in inflation. The Specialised Retail sector also finds itself in the midst of a “perfect storm” that requires rethinking of short- and medium-term strategies. The rise in inflation, which is well above alert levels, reaching a record 11.8% in November 2022 (the highest since March 1984), risks generating a major impact on the consumption of Italian households. Inflation will have asymmetrical effects and it will be less-wealthy families, above all, who will be hit. Essential expenditures represent 20% more in the family budgets of Italians who are less well-off compared with the wealthiest (76% vs. 56%). This phenomenon must be monitored very closely by Specialised Retail companies because the majority of non-food consumption falls specifically in the category of “non-essential expenditure”. This expenditure item is precisely the only one which families can reduce to compensate for the effects of inflation and the increase in the energy bill and, therefore, it is the one that requires immediate support.

Therefore, Specialised Retail is facing a new test in its ability to change toward a new model that is omnichannel, circular and inclusive. Given its direct, front-end relationship with the consumer, the sector has all the resources needed to effectively react to the context of the current crisis. Thanks to their spatial and relational proximity and familiarity with consumer needs, retailers develop a direct and deep awareness of the needs and preferences of Italians, and they have the opportunity to promote and launch a new vision that puts people as the point of reference within civil society and an economic context in rapid transformation. It is the “Society 5.0” model, developed by Professor Yuko Harayama and tested by the Japanese government as part of its “5th Science and Technology Basic Plan”, from which the Retail 5.0 Community takes its name—an information society centered on the well-being of citizens, from all aspects.

To establish the importance of the Specialised Retail supply chain, for the first time, The European House – Ambrosetti consultants reconstructed the extended value chain of this sector in Italy through a database with multi-year economic data of all companies active in Specialised Retail itself and the upstream and downstream supply chain of services activated, for a total of 50 million observations. Analysis by the Retail 5.0 Observatory found that the Specialised Retail extended supply chain activates a “long” value chain that includes, upstream to downstream, four different 2-digit Ateco codes and 27 sub-codes, and has a widespread presence throughout Italy: 25.5% in the Northwest of the country, 17% in the Northeast, 27.7% in Central regions and 29.8% in the South, with a more balanced distribution than other significant Made in Italy supply chains, such as apparel for which nearly 50% of its activity is concentrated in Central Italy, or furnishings, with 40% in the Northeast.

Overall, the economic and social impact of the Specialised Retail sector on the country is much greater than what is perceived by the public and institutions. If manufacturing activity and services upstream and downstream are taken into consideration, 13.7% of Italian GDP could not be generated without this sector. If it were a single sector, it would be the no. 1 sector out of 99 surveyed in terms of revenues, value added and investment. With nearly €10 billion invested throughout Italy, Specialised Retail represents 10% of the

total investments in the country, and also registered a positive trend over the last year (+3% compared with the previous year).

Thanks to the activation of supply and outsourcing supply chains, the Specialised Retail sector generates a major indirect and induced impact. Analysis by the Retail 5.0 Community Observatory found that for every euro produced in the Specialised Retail supply chain, an additional 1.10 is activated in the rest of the Italian economy, with a multiplier effect of €2.10. The Specialised Retail supply chain also has a very significant impact on employment, with over 3 million employees. The European House – Ambrosetti consultants estimate that each person employed in the sector supports more than one additional job in the economy.

According to the Community, the transition of Specialised Retail toward a 5.0 model, centered on the well-being of individuals and communities, must be based on three pillars: widespread omnichannel retailing; sustainability and circular economy; and inclusion and attraction of skilled human capital.

To be able to deploy the full potential of the Specialised Retail supply chain for the entire national economy and create a new “5.0” model, a national initiative must be created, one that is by nature systemic and capable of combating the obstacles and enhancing the accelerators for the development of the supply chain, by capitalizing on the contribution of all players. The second year of the Retail 5.0 Community has defined an “Agenda for Italy” with specific proposals for action to promote the omnichannel, circular and inclusive transformation of the sector. This must begin from a national strategy for the Specialised Retail supply chain which guarantees the proper representation of political/institutional players, including through making use of the permanent Observatory of the Retail 5.0 Community. Identification of a specific institution (for example the Ministry of Commerce) as the designated interface with which sector players can initiate ongoing, constructive dialogue would make it possible to identify effective means for responding quickly to the specific needs of the retail, as already occurs in major European countries.

The Retail 5.0 Strategic Report would not have been possible without the concerted efforts of the top management of the partner companies in this, the second year of the Retail 5.0 Community: Eurocommercial, Euronics, Expert, Gallerie Commerciali Bennet, Gruppo Bardelli, IGD, Kasanova, KFC, Klepierre, Magazzini Gabrielli – FG Gallerie Commerciali, MediaWorld, Mondo Convenienza, SES-imagotag, Teddy Group, Trony and Unieuro, together with their Working Groups. To all of them go my most profound thanks.

Before leaving you to the reading of the 2022 Strategic Report, I would like to offer my sincere thanks to The European House – Ambrosetti team, comprised of Benedetta Brioschi, Maurizio Andronico, Giulia Tomaselli, Alessandra Bracchi, Filippo Barzaghi, Chiara Maero, Laura Basagni, Ludovica Massacesi, Fabiola Gnocchi, Valeria Casati, Eleonora Magnani, Alice Vertemati and Annalisa Pinto.

**Valerio De Molli**

Managing Partner and CEO, The European House – Ambrosetti

# EUROCOMMERCIAL

## *KEY FACTS & FIGURES*

### **Eurocommercial Properties Italia SRL**

*In Italy for more than 25 years*

**Headquarters:** Milan, Lombardy

Eurocommercial was founded in 1991 in Amsterdam, where its headquarters are located and where it is listed on the stock exchange. It arrived in Italy in 1994 with the acquisition of the Curno (Bergamo) shopping center. This was the start of its expansion in the country, where it now has eight shopping centers. Eurocommercial also has 17 shopping centers abroad.

As one of Europe's leading players in the industry, Eurocommercial has a portfolio worth approx. €4 billion comprising 26 assets in the 4 European countries in which it operates.

Of the 5 key shopping centers selected in the company's portfolio which account for half of the value generated, 3 are located in Italy. The strengths of these key assets derive from being well-established regional shopping centers in their respective catchment areas and also important destinations for major national and international brands.

The company's ability to penetrate the Italian market is associated with the adoption of a rigorous, research-driven approach to choosing its properties. Eurocommercial has in-house economic and research teams that conduct detailed studies on areas of possible interest, based on demographic and economic profiles.

With a vision of long-term business sustainability, the company conducts analyses on the availability of current and future retail space and on the competition, in order to be assured that its sales density is at the right level and remains so. Rents of the points of sale are also carefully examined to ensure that occupancy cost ratios are at levels that can guarantee long-term tenancy in the territory.

Eurocommercial's business strategies are aligned and each business decision is made with reference to a long-term vision, backed up by detailed research to assess its environmental and socio-economic impact.

A broad ESG vision and strategy ensures that global challenges are met, along with the future demands of customers, shareholders and employees. This approach is based on three strategic pillars: "Be Green, Be Engaged, Be Responsible."

**[www.eurocommercialproperties.com](http://www.eurocommercialproperties.com)**

## ***KEY FACTS & FIGURES***

### **Euronics Italia**

*In Italy for more than 20 years*

**Headquarters:** Milan, Lombardy

Euronics Italia is one of the leading distributors of household appliances and consumer electronics in Italy. The Group has pinpointed and responded to the evolving characteristics of modern society and changes in consumer demands, including the wide expansion in the consumption of household appliances, the increase in demand for high-tech products and the growing role of the Specialised Retailer as a key intermediary between the manufacturing industry and the consumer.

Euronics Italia has responded to new consumer trends with practices to promote the development and know-how of its partner companies, achieving organizational and marketing synergies that have led to the strengthening of the store brands - the expression of the retail offer common to the Group - with an organization founded on the individual strengths of each of its partners, based on tradition, experience and expertise, and through the establishment of a network of stores with widespread coverage of the national territory.

The Italian group was founded in 2001, evolving from the long-standing brand GET, which was established back in 1976 by a major group of retailers in the sector. The Group has developed thanks to over 20 years of hard work and now has 456 points of sale in Italy, employing 6,921 people, under three brand names: Euronics, Comet and Sme. In 2021, it made a turnover of €2.9 billion (including VAT) and the 10 partner companies hold significant market shares in the areas they cover.

In addition to focusing attentively on its presence in the area, its proximity to the consumer and the exceptional qualities contributed by its individual partners, the growth of competitive dynamics and the internationalization of the household appliance and consumer electronics business made it essential to set up a European group. In 1990, Euronics Italia contributed to the founding of Euronics International, which now has more than 11,000 stores in 34 countries with a turnover of €21 billion in 2020.

Attention to the product, the force of expansion and the focus on the consumer's perception of the brand are in line with the goal of Euronics International: to raise the level of competitiveness, efficiency and profitability of the individual member countries by promoting and spreading brand recognition on the continent.

The search for a common thread between the Partners and the importance of consumer attraction has prompted Euronics Italia to invest in innovation and marketing in order to create a direct dialogue with the customer.

**[www.euronics.it](http://www.euronics.it)**





## ***KEY FACTS & FIGURES***

### **Expert Italia SPA**

*In Italy for more than 50 years*

**Headquarters:** Milan, Lombardy

The Expert Italia S.p.A. consortium was founded in 1967, has always been based in Milan and its business model has always been that of the association group. It is a partner of Expert International GmbH and has a representative on the latter's Board of Directors.

Its business is over 85% in retail with the remainder in wholesale, and it is conducted through its 103 members. The companies belonging to the Group, both members and affiliates, provide work for more than 3,000 employees.

The retail sales network, owned by members or affiliates, is distinguished by its strong orientation towards specialization and operates in 19 Italian regions, with more than 600 shops located close to the city centers, about 400 of which display the Expert or Expert City sign.

The Group's sales turnover in 2021 was €1.45 billion (excluding VAT).

Expert International GmbH, with its head office in Zug, Switzerland, brings together the best Specialised Retailers of electronics, household appliances, telephony, photo-optics and IT in Europe and South Africa.

The international association was founded on October 16, 1967 with the idea of uniting Europe's leading Specialised Retailers under a common banner. Starting out as "Intercop", it changed its name in 1971 to "Expert", chosen because it is pronounced in the same way in all languages and immediately brings to mind the concept of specialization.

Today, the Expert Group operates in 22 countries with more than 4,000 retail shops, generating sales of over €15 billion, 25% of which are made through the e-commerce channel.

**[www.expert.it](http://www.expert.it)**



## ***KEY FACTS & FIGURES***

### **Gallerie Commerciali Bennet SPA**

*In Italy for more than 25 years*

**Headquarters:** Como, Lombardy

The history of Bennet began in Como in 1964, fruit of an ambitious business project of the Ratti family. In the 1970s, it began to expand with the opening of a few points of sale in Lombardy, and after a few years also in Piedmont, Emilia-Romagna, Veneto, Friuli-Venezia Giulia and Liguria. Today, the company has a total of 74 superstores located throughout Northern Italy.

After operating for 50 years in the territory, the Group continues to work tirelessly, earnestly and attentively to guarantee a complete experience for its customers. Bennet distinguishes itself for its extensive variety of products, its safety warranties, expertise and bargains in a new, modern and always welcoming environment.

Once it had consolidated its position in the sector, it decided to make a decisive change in the 1990s by starting to flank its superstores with more complete facilities in order to offer a new concept of shopping.

So, the first shopping centers came into existence and their growth was so rapid that a new company had to be founded: Gallerie Commerciali Bennet SPA, which now has a portfolio consisting of 50 fully-owned shopping centers, each with a Bennet superstore inside, 1,315 stores, covering a total area of more than 265,000 sq. m. which it rents out and a turnover of over €50 million.

Gallerie Bennet is a constantly evolving company, a leader in the development and management of proximity centers located in the most dynamic geographical areas, facilities that establish themselves as points of reference and proximity for the surrounding area.

The company directly follows each stage of the development and implementation of the shopping center: from market research, to technical, commercial and financial feasibility studies, to design, marketing and the creation of value.

Through continuous evolution, Gallerie Commerciali Bennet aims to make its shopping arcades more and more attractive, welcoming and customer-friendly, in order to continue consolidating its position within the Italian Shopping Center real estate market.

Special attention is dedicated to the choice of the location, pursuing strategic objectives of both an economic and a demographic nature, in order to meet the needs of all the stakeholders: population, institutions, tenants and partners.

**[www.galleriecommercialibennet.com](http://www.galleriecommercialibennet.com)**



## **Bardelli Group**

*In Italy for more than 50 years*

**Headquarters:** Udine, Friuli-Venezia Giulia

Thanks to a farsighted project in the years following 1945, Antonio Bardelli found himself managing 12 stores in Udine, named the Magazzini Il Lavoratore, to which a food supermarket was added alongside. In 1967, with the takeover of Ferramenta Broili, a large single complex was created, soon to be known as the "Galleria Bardelli".

In 1992, his son, Antoniomaria Bardelli, set up the "Città Fiera" shopping center, while his sister continued to run the Galleria Bardelli in the center of Udine. In the years that followed, Città Fiera began to expand and diversify along the lines of the North American models which they were studying. To date, the Group has over 200 employees and a turnover of €41 million.

Today, Città Fiera is a constantly evolving shopping center, offering a wide variety of services, concentrated in the one place. The aim of the corporate project is to make the shopping center a place for meeting, recreation and sport.

Situated in the center of the Alpine-Adriatic region which forms a bridge of communication with neighboring Austria and Slovenia, the Città Fiera Shopping Center is located close to the highway connecting Italy with Austria, Slovenia and Croatia, while being only 3 km from the center of Udine.

Around 9 million customers visit the Città Fiera shopping arcades each year, bearing witness to the quality and diversification of its offering and its capacity for innovation. It cannot be denied that in its 25 years of operation, Città Fiera has continuously innovated its offerings, giving its clientele a custom-tailored experience on every occasion.

Within its structure, Città Fiera houses 250 stores, with a total of 1,700 employees, 40 food businesses, a 7,500 sq. m. superstore, a 1,800 sq. m. supermarket, an 11-screen movie theater, a "neighborhood" dedicated to homeware, one to sports, and an amusement park with a playground, play areas, two facilities dedicated to science and history education, and a large office area.

In addition to the many services offered on a continuous basis, Città Fiera also offers a series of seasonal events to promote group experiences and the building of a shared tradition. Among these there is the "Te lo faccio io il caffè" initiative, designed to raise awareness about the journey of the coffee bean from the plant to the cup - a journey that involves peoples and cultures - aimed at helping children understand the importance of each step. Or, the "Mercatino Internazionale della Bontà" a charitable initiative which the shopping center has been promoting since 2004, dedicated to students from Italy, Austria, Croatia and Slovenia, in order to give even the youngest citizens an opportunity to experience what it means to "do business", while following ethical principles and values.

[www.cittafiera.it](http://www.cittafiera.it)



## ***KEY FACTS & FIGURES***

### **IGD Group**

*In Italy for more than 20 years*

**Headquarters:** Bologna, Emilia-Romagna

The IGD Group is the leading Italian group among listed companies in the retail real estate sector. The Group owns and manages real estate in Italy and Romania where it operates in the shopping center segment. Since 2005, the IGD Group has been listed on the STAR segment of the Italian Stock Exchange with a portfolio that has practically quadrupled in the past ten years and was estimated in June 2022 to be worth €2.14 billion.

The Group was founded in 2000 thanks to Coop Adriatica (now Coop Alleanza 3.0) and Unicoop Tirreno contributing part of their real estate assets. They are still the main shareholders. Owner-administered shopping centers are managed with a strategic, long-term perspective, designed to maintain their high value over time. The concept of sustainability permeates every aspect of the business and there is a strong focus on ethical behavior and the highest standards of integrity and transparency.

Thanks to ever increasing revenues, mainly from renting activities, the Group was the first ever Italian company to become a listed real estate investment company, obtaining SIIQ status in 2008. The stringent requirements of this regime are in line with the Group's long-term perspective and the non-speculative profile of its investments.

As of June 30, 2022, the IGD Group reached €57.1 million in net revenues from its renting activities, and has a total of 166 employees spread over Italy and Romania. The real estate portfolio is balanced and geographically diversified: it comprises 60 real estate units, including 27 shopping arcades, in 12 Italian regions and 14 shopping centers in Romania.

The mission is to create value for all of the Group's stakeholders: shareholders, investors and the financial community, employees, clientele and local communities, operators and suppliers. Customers' needs have always been met thanks to the Group's evolution, always abreast of the times thanks to regular interventions to adapt the retail spaces, merchandise offered and brands available in the arcades to the latest market trends. With this approach, the shopping center becomes a place for gathering, meeting and sharing: this is the embodiment of the Group's philosophy, which can be summarized in the slogan "Spaces to be lived in".

**[www.gruppoigd.it](http://www.gruppoigd.it)**

# KASANOVA®

## ***KEY FACTS & FIGURES***

### **Kasanova**

*In Italy for more than 50 years*

**Headquarters:** Arcore, Lombardy

KASANOVA was founded in 1968, fruit of the evolution of F.lli Fontana SRL and the passion for homeware of its founder, Giannina Fontana.

At that time in Italy, retailing in the homeware sector was limited to two types of stores: on the one hand, high-end "china" stores, where people shopped for gifts for special family occasions, or the "bazaar-type" retailer with an assortment ranging from mid- to low-end homeware, gift items, plastic kitchenware and utensils, to hardware.

F.lli Fontana SRL started out as a wholesale company with a very wide range of products, around 20 employees and a turnover of approx. 10 billion Lire.

Since 1994, with the opening of the franchise and its points of sale bearing the Kasanova-store sign, the company has enjoyed sustained growth, rising to become a leader in the sector, partly thanks to an original wedding list system which allows the items purchased by the bride and groom to be picked up at any store in the country.

The company now has more than 750 points of sale, including direct stores and affiliates. The brand names are Kasanova, Kasanova Home, Kasanova Easy, Kasanova+, Italian Factory and La casa sull'albero, and they are widely available throughout Italy, with a turnover topping €350 million (VAT included) and more than 1,700 employees.

The motto that has inspired Kasanova's daily work for over 20 years expresses the company's goal to perfection: to offer an assortment of items that guarantee high quality standards at affordable prices.

**[www.kasanova.com](http://www.kasanova.com)**



## ***KEY FACTS & FIGURES***

### **KFC - Kentucky Fried Chicken**

*Doing business in Italy since 2014*

**Headquarters:** Dallas, Texas

The history of KFC began over 75 years ago thanks to Colonel Harland Sanders, founder of the brand. It was he who invented the Original Recipe, the one that made his fried chicken famous and which is still used today, with a breading that contains an inimitable secret mix of herbs and spices. It was he who invented the iconic KFC bucket in which the fried chicken is served for convivial sharing.

KFC arrived in Italy in 2014 and started off on an important path of development, in a market that has always been challenging for food players, bringing the unique taste of a product with a worldwide appeal. KFC currently operates in 15 regions of Italy with 67 restaurants, all franchisees.

The KFC system, which comprises the company and the franchisees who run the brand's restaurants, employs about 1,500 people nationwide and generates a turnover of €110 million (forecast for the end of 2022). By the end of 2022, approx. 15 million customers will have been served in Kentucky Fried Chicken restaurants in Italy.

Colonel Harland Sanders is still the model of resourcefulness and innovativeness that inspires KFC around the world and in Italy. Born in 1890 in Henryville, Indiana, he devoted himself early to helping his family by working a series of odd jobs. He studied at the same time (becoming a lawyer) and learned to cook.

In 1930 he moved to Corbin, Kentucky, to run a gas station for Shell. The station had a kitchen attached so he started cooking his childhood favorite, fried chicken. Building on this experience, Sanders invented the home meal replacement: a complete meal to be sold to busy families with no time to cook, and to be eaten at home. This idea brought him so much success and fame that, in 1935, Governor Ruby Laffoon appointed him Colonel of Kentucky in recognition of his contribution to his state's cuisine.

From that moment on, continuous growth prompted him first to develop a franchise system, then to involve a group of investors that led to the founding of the Kentucky Fried Chicken Corporation in 1966, subsequently listed on the New York Stock Exchange in 1969.

In 1986, KFC was acquired by PepsiCo Inc. which in 1997 created an independent joint stock company to bring together all its fast-food related businesses: the Tricon Global Restaurant Inc. now known as Yum! Brands Inc. which also includes brand names such as Pizza Hut, Taco Bell and The Habit Burger Grill.

With over 53,000 restaurants in over 155 countries, Yum! Brands is one of the world's largest food service companies. Today, Kentucky Fried Chicken operates in over 145 countries with 26,000 restaurants, where KFC cooks freshly prepare the chicken every day, processing it by hand and carefully following all the steps, from breading to cooking, to achieve a unique and irresistible product.

**[www.kfc.it](http://www.kfc.it)**



## ***KEY FACTS & FIGURES***

### **Klépierre**

*In Italy for more than 20 years*

**Headquarters:** Milan, Lombardy

Klépierre, a European leader in shopping centers, expertly combines skills in development, real estate and asset management. The company's portfolio was estimated to be worth €20.6 billion as of June 30, 2022, and comprises large shopping centers in more than 10 countries in continental Europe, including 33 in Italy, where it has been operating for over 20 years. Klépierre, a French SIIC (real estate investment company) listed on Euronext Paris, holds a controlling share in Steen & Strøm, Scandinavia's number one owner and operator of shopping centers.

Klépierre recently embarked on a process to redefine its platform. An in-depth reflection on the foundations of its identity as a European Group and its role in society, which enabled it to formalize its own vision of trade. With a strategy focused on enhancing the value of the assets located in high-growth cities, the Group portrays itself as a major player in European retail real estate.

Facing the challenges of the digital revolution and the transformation of consumption patterns, the words "Shop. Meet. Connect." define the Klépierre vision as far as the shopping center format is concerned: from a place for shopping to a center for sharing and exchanging, from experience to connection, for brands and visitors.

The Group's strength lies in its ability to constantly rethink the brand mix, while considering the local context in order to be sure that what it offers is always up-to-minute and attractive to visitors. The know-how is aimed at supporting the brands as they undergo their transformations, irrespective of their size, concept or ambition. Framework agreements with major retailers worldwide have enabled Klépierre to set new standards in terms of tenant mix on a global scale.

At the same time, its inclusion in several ethical indices underscores the Group's commitment to a proactive sustainable development policy and its global leadership in combating climate change. This commitment is laid out in the "Act for Good" policy, which is built on three cornerstones: act for the planet, act for territories, and act for people.

**[www.klepierre.it](http://www.klepierre.it)**



## ***KEY FACTS & FIGURES***

### **F.G. Gallerie Commerciali SPA**

*In Italy for more than 30 years*

**Headquarters:** Ascoli Piceno, the Marches

The Gabrielli Group is a family-owned Large-Scale Retailer, the origins of which date back to an emporium opened in 1892 by Michele Gabrielli, in the city of Ascoli Piceno.

From the transformation of this first business venture, Michele's granddaughter Celsira and her husband Pietro Gabrielli opened their first department store in 1953. Followed by the first food department in 1964, in the city of Jesi.

In 1970, Magazzini Gabrielli Spa was founded by the three brothers Michele, Luciano and Giancarlo and in the fifty years or so since then, it has developed in the regions of the Marches, Abruzzo, Umbria, Molise and Lazio, becoming a commercial reference point in Central Italy, thanks to a network of 250 points of sale and over 4,200 employees.

Magazzini Gabrielli operates using various different formats and store signs, both under direct management and through franchising, ranging from Oasi-branded superstores to Tigre supermarkets and Tigre Amico convenience stores.

In the early 1990s, the Group began to design its first shopping centers, the growth of which led to the founding of a full-fledged real estate company: the F.G. Gallerie Commerciali SpA, which is responsible for the development, promotion and management of shopping centers and business parks as well as individual properties located in shopping thoroughfares and in the city centers.

FG Gallerie Commerciali is typically an operator specialized in the management of medium-sized facilities, which are a typical feature of the Italian market, and which tend to be a successful "product" for smaller catchment areas.

Currently, it manages a real estate portfolio comprising 12 facilities including shopping centers and parks, as well as a series of other business properties that it owns and which are located in the Marches, Abruzzo, Molise and Umbria regions, covering a GLA of 141,500 sq. m..

The goal of F.G. Shopping Galleries is to pursue innovation and social, economic and environmental sustainability with a focus on the typical features and promotion of the territories in which it operates.

Its relationship with its partners has always been conducted with the utmost transparency, fairness and consideration for their specificities: partners are given business opportunities in modern, congenial and sustainable facilities while visitors are treated to an ever-evolving "shopping experience".

**[www.gabriellispa.it](http://www.gabriellispa.it)**





## ***KEY FACTS & FIGURES***

### **MediaWorld**

*In Italy for more than 30 years*

**Headquarters:** Verano Brianza, Lombardy

MediaWorld was founded in Italy in 1991 and is part of the MediaMarktSaturn Retail Group, Europe's leading consumer electronics chain and the world's second-largest, which has over 1,000 megastores in 13 countries and is controlled, in turn, by the Ceconomy AG Group, listed on the Frankfurt Stock Exchange and with a consolidated turnover topping €21 billion.

MediaWorld employs a staff of around 5,000 throughout Italy and operates through its e-commerce channel. It is the most visited omnichannel player in Italy, with 122 points of sale located all over the country.

In addition to its classic "core" format, as of 2020, MediaWorld has introduced two new formats: MediaWorld SMART, a proximity store that responds to new customer needs, and MediaWorld TECH VILLAGE, the world's first consumer electronics experience center. These formats have since been exported to the other countries in which the Group operates.

In 2021, MediaWorld celebrated 30 years of business in Italy with a turnover of €2.7 billion (excluding VAT), up more than €400 million from the previous year, due to a significant increase both in online sales and on the "physical" channel.

So MediaWorld has confirmed its position as a key player in the Italian market, a position gained by constantly developing its omnichannel approach with a view to improving people's lives, and by promoting the understanding and adoption of technological innovations in the form not just of products, but of complete and increasingly personalized solutions (hence the claim "Made just for me").

MediaWorld is also extremely attentive to the development of its human capital. Thanks to its people-centric philosophy, characterized by highly personalized development and training plans, the company was awarded the Top Employer certification in 2022. This prestigious award acknowledges its ongoing commitment to enhancing its resources, which it expresses by approaching work as an opportunity - among other things - for flexibility and personal growth.

[www.mediaworld.it](http://www.mediaworld.it)



## ***KEY FACTS & FIGURES***

### **Mondo Convenienza**

*In Italy for more than 35 years*

**Headquarters:** Civitavecchia, Lazio

Mondo Convenienza is an Italian Large-Scale Retailer specialized in the distribution of furniture and furnishings at the best quality-price ratio on the market, to make the home a project within everyone's reach. During its 35 years in the business, Mondo Convenienza has entered the homes of over 2 million families, thanks to the work and dedication of its 3,500 employees and the tenacity of the Carosi family's vision.

Mondo Convenienza's adventure began in 1985 in Civitavecchia, after which it spread throughout Lazio and then gradually to the rest of Italy, where it now has 45 points of sale and 43 logistics hubs. In 2019, the brand entered the Spanish home furniture market, opening 3 points of sale and 2 logistics hubs between Madrid and Barcelona.

A consolidated success over time, built on the expertise of long-standing suppliers (85% of which are located in Italy), and on customer-based innovation models always at the cutting edge.

In fact, in 2017 Mondo Convenienza began its digitization pathway which is transforming each business unit, so as to be able to provide its clientele with a personalized, omnichannel shopping experience.

**[www.mondoconv.it](http://www.mondoconv.it)**



## ***KEY FACTS & FIGURES***

### **SES-Imagotag**

*Doing business in Italy since 2006*

**Headquarters:** Vimercate, Lombardy

SES-Imagotag is a fast-growing retail technology company set up in France in 1992, with a turnover of €423 million. The company is a global leader in smart electronic price tags and IoT solutions for physical retail, serving over 300 major retailers worldwide. SES-Imagotag has developed the VUSION Retail IoT Technology Platform to help retailers transform their physical stores into high-value digital assets that are more highly automated and connected in real time to suppliers and consumers.

VUSION improves the agility, accuracy, and integrity of pricing; it enables omnichannel synchronization of pricing, product information, and marketing content; and increases the productivity of shelving and in-store pickup for online orders.

VUSION improves employee satisfaction by freeing up time from demanding low-value-added activities and allowing them to focus on customer service and merchandising activities.

VUSION connects the shelves to the cloud, providing accurate real-time information on product availability and location, bringing about a reduction in inventory, out-of-stock products and waste, as well as improved shelf availability and merchandising compliance.

VUSION offers consumers better product, nutritional, and tracking information directly on the shelf and provides an in-store shopping experience with features such as product search, aisle identification, and scan-and-pay functions without going through the checkout.

**[www.ses-imagotag.com](http://www.ses-imagotag.com)**



## ***KEY FACTS & FIGURES***

### **Teddy Group**

*In Italy for more than 60 years*

**Headquarters:** Rimini, Emilia-Romagna

The Group project was implemented in 1961, when Vittorio Tadei, a young boy from Rimini, decided to quit his job as an accountant and devote himself to his sisters' clothing store in Riccione. It was there that he discovered his passion for clothes and for customer relations. Two passions that were to breathe life into the soul of the future Teddy.

A smaller knitwear workshop was immediately opened in Rimini to serve the local stores. From this first workshop Teddy has grown, in the last sixty years, to become one of Italy's most important clothing companies nationwide and abroad, with its four brands Terranova, Rinascimento, Calliope, QB24, which through retail and wholesale distribution channels have reached over 70 markets.

Among the key steps in Teddy's journey was the generational change in 2011, thanks to which the company strengthened its organization, commenced management training, and reshuffled the corporate structure so as to be able to meet the challenges of the future with greater confidence.

In 2020, the Teddy Group started promoting its Leed Gold-certified Distribution Center in order to improve customer service - with, as always, a consumer-centric approach - and to guarantee more prudent and efficient purchasing management, while taking a step towards a more sustainable business.

Today, the Group has €540 million in consolidated turnover (2021) and over 3,000 employees.

Its dream is to build a large, resilient and productive global company in order to foster its growth, create jobs and use part of the profits made each year to help the most vulnerable through social works, both in Italy and abroad.

Awareness of the need for high level skills and quality is also evident in the effort to train a courageous, responsible, competent, forward-looking leadership class that can fearlessly pass on to their future colleagues all the core values on which the Group has been built.

Its international spirit and the extent to which its commitment to promoting Made in Italy products is appreciated are manifest in the success of its brands. These include Terranova with 537 direct and franchised stores in 40 countries; Rinascimento with 67 direct and franchised stores in Italy and a product offering that, through wholesale distribution, reaches almost 80 countries; and Calliope with 153 stores in 20 countries.

**[www.teddy.it](http://www.teddy.it)**



## ***KEY FACTS & FIGURES***

### **Trony**

*In Italy for more than 20 years*

**Headquarters:** Milan, Lombardy

In 1972, eight entrepreneurs founded GRE, Grossisti Riuniti Elettrodomestici, a purchasing group set up for the purpose of optimizing the purchasing capacity of its partner companies. After approx. 25 years of business, GRE purchased the Trony brand from the Rinascente Group in 1996.

The Trony chain, which has been on the Italian market since 1997, is considered by customers and manufacturers alike to be a sector leader and a point of reference. Trony was set up as an Italian banner, in direct competition with the large multinational chains that were springing up in Italy at the time.

The new strategy adopts all the marketing levers to convey to the consumer the concept of a "Made in Italy" chain of household appliances and consumer electronics stores, all displaying one store sign, with identical and shared quality parameters.

Given the continuous evolution of the various technological fields, the company provides its salespeople and store managers with specific training courses. Thanks to ongoing training, the store sign has become synonymous with quality, courtesy, proactivity, reliability and recognizability, enabling Trony to build a stable and long-lasting relationship with its customers.

**[www.trony.it](http://www.trony.it)**



## ***KEY FACTS & FIGURES***

### **Unieuro**

*In Italy for more than 80 years*

**Headquarters:** Forlì, Emilia-Romagna

Listed on the STAR segment of the Italian Stock Exchange, Unieuro is now the largest omnichannel distributor of consumer electronics and household appliances in Italy, thanks to a widespread network of more than 540 stores throughout the country - including direct management (approx. 280) and affiliates (approx. 260) - and to its digital platform unieuro.it and the e-tailer Monclick.

Founded in the late 1930s, the company is headquartered in Forlì, has its centralized logistics center in Piacenza and a staff of more than 5,700 employees. In the financial year ending February 2022, it reported revenues of €2.9 billion and an adjusted net profit of €54 million.

Unieuro's strategy is distinguished by its omnichannel approach which is, in turn, based on a highly centralized business model that enables continuous growth through external and internal lines, aimed at achieving maximum territorial coverage and proximity to the customer.

A strategic lever for growth and the achievement of corporate goals, the Unieuro brand has succeeded in keeping abreast of the times, becoming one of the most recognizable and well-established names on the Italian scene, with a claim – “Batte. Forte. Sempre” – which has become a household jingle, reminding consumers the strong, beating heart on which they can always rely.

Today the Unieuro brand offers its services as a single point of contact for a communication ecosystem that remains consistent across all channels, both on- and offline.

The company intends to continue on the path of profitable growth by increasing its market share in the categories that appeal most to its clientele, focusing on customer centricity and the opportunities offered by its omnichannel approach.

Thanks to its value for money and the friendly welcome of its personnel, its widespread coverage of the territory, huge assortment, and ability to organize its products in a clear, pleasing and purposeful way, Unieuro is the retail brand that understands how to connect the people's needs of today with the technological solutions of tomorrow.

Its values are based on passion and the spirit of enterprise, the desire to grow and the need to think ahead; on proximity both in geographical terms and in the sense of always fully understanding the customer needs, thanks to the experience gained in the course of Unieuro's history and tradition, and to its commitment to its business, both in its actions and towards the community.

**KEY FACTS & FIGURES**

## **The European House – Ambrosetti**

*In Italy for 57 years*

**Headquarters:** Milan, Lombardy

The European House – Ambrosetti is a Group of approximately 280 professionals operating since 1965, which has grown significantly over the years, thanks to the contributions of many of its partners, developing numerous activities in Italy, Europe and the rest of the world.

The Group has three offices in Italy and a number abroad, in addition to other partnerships around the world. What distinguishes it is its ability to provide support to companies in the integrated and synergic management of the four critical aspects of value-creating processes: Seeing, Planning, Achieving and Optimizing.

For over 50 years it has been working alongside Italian businesses and each year it provides consulting to about 1,000 clients, including more than 200 strategic scenarios and studies aimed at Italian and European institutions and companies, and around 120 projects for family-run businesses. In addition, each year about 3,000 Italian and international experts are involved in the 500 events it organizes for over 10,000 managers whom it follows in their personal and professional paths to growth.

The Group vaunts an invaluable international network of contacts on the highest level in the sectors in which it operates, including top-level decision-makers within multinational institutions and on an individual country level.

The European House - Ambrosetti was named in the "Best Private Think Tanks" category - 1st Think Tank in Italy, 4th in the European Union and among the most respected independent think tanks in the world out of 11,175 globally in the latest edition of the University of Pennsylvania's "Global Go To Think Tanks Report." The European House - Ambrosetti has been recognized by Top Employers Institute as one of 131 Top Employer 2022 companies in Italy. For more information, visit [www.ambrosetti.eu](http://www.ambrosetti.eu) and follow us [twitter.com/Ambrosetti\\_](https://twitter.com/Ambrosetti_)

**[www.ambrosetti.eu](http://www.ambrosetti.eu)**



Community Retail 50

## **KEY FACTS & FIGURES**

### **Retail 5.0 Community**

**Headquarters:** Milan, Lombardy

Set up by The European House - Ambrosetti in 2021, the Retail 5.0 Community is a high-level multi-stakeholder platform dedicated to the development of scenarios, strategies and policy proposals for the relaunch of the Specialised Retail sector in Italy, with the ambitious aim of making a significant impact on the modernization and sustainable relaunching of the country and its economy.

The economic and social impact of the Specialised Retail sector on the country is much greater than what is perceived by the public and institutions, and it represents a vital asset for the nation's competitiveness. If it were a single sector, it would be the no. 1 sector out of 99 surveyed in terms of revenues, value added and investment. Despite this, currently, the Specialised Retail industry is not duly recognized either as a single sector, or from a political and institutional perspective. Starting from this observation, The European House - Ambrosetti founded the Retail 5.0 Community in order to involve the various players in the Specialised Retail industry, key representatives of the benchmark countries analyzed and European institutions in a process of constructive, ongoing discussion. Community closed-door meetings represent opportunities to discuss, learn and share experiences and draw up proposals to bring to the attention of Italian and European institutional stakeholders.

The mission of the Retail 5.0 Community is the following: *"Become the multi-stakeholder think tank of reference to develop scenarios, strategies, best practices and policies for the Specialised Retail sector in Italy and optimize its development on a national level to allow one of the nation's most important industrial supply chains to have its voice heard and be positioned as it would deserve within the Italian political and economic context."*

The second edition of the Retail 5.0 Community brings together, to date, 16 of the leading Specialised Retail players in Italy: the partners are Eurocommercial Properties, Euronics, Expert, Gallerie Commerciali Bennet, the Bardelli Group, IGD, Kasanova, KFC, Klepierre, Magazzini Gabrielli – FG Gallerie Commerciali, Media World, Mondo Convenienza, SES-imagotag, the Teddy Group, Trony and Unieuro.

As a whole, the Retail 5.0 Community represents over €20 billion in turnover with over 42,000 employees, employed in more than 5,600 outlets, accounting for 10.5 percent of the total outlets in the Specialised Retail sector in Italy.

**[www.ambrosetti.eu/community-retail-50](http://www.ambrosetti.eu/community-retail-50)**



## THE RETAIL 5.0 COMMUNITY: GOALS, ACTIVITY AND PROTAGONISTS OF THE SECOND EDITION

### MISSION, APPROACH AND WORKING METHOD OF THE SECOND EDITION OF THE RETAIL 5.0 COMMUNITY

The economic and social impact of the Specialised Retail extended supply chain on the country is much greater than what is perceived. Considering the companies that operate directly in the Specialised Retail sector and the economic activities of services upstream (management of retail spaces, etc.), the Specialised Retail extended supply chain involves **4 different 2-digit Ateco codes** and **27 4-digit sub-codes** and includes a high level of diversity in product sectors and business size, from small stores in urban centers to medium-sized specialist stores and large malls and shopping centers.

In 2021, the Specialised Retail extended supply chain generated a total **added value worth €101 billion** with **revenues** of approximately **€451 billion**. The sector employs **2.6 million people** and generated **€9.7 billion**, equal to 10 percent of total private investment in Italy, in investment throughout Italy in 2021. Despite its economic and strategic importance, the Specialised Retail extended supply chain is not seen as a unified economic sector and is not held in consideration by public opinion.

On the basis of these points, in 2021, The European House – Ambrosetti founded the **Retail 5.0 Community**, a permanent multi-stakeholder platform for constructive discussion dedicated to promoting and optimizing the Specialised Retail supply chain as a driver for sustainability, competitiveness and sustainable industrial development, with the goal of elaborating proposals for the government and national economy.

The **mission** of the Retail 5.0 Community is the following:

Become the **multi-stakeholder think tank of reference** to develop scenarios, strategies, best practices and policies for the **Specialised Retail sector in Italy** and optimize its development on a national level to allow one of the nation's most important industrial supply chains to have its voice heard and be positioned as it would deserve within the Italian political and economic context.

The Retail 5.0 Community has set itself the following **goals**:

- produce **ideas and new knowledge** about Specialised Retail in Italy to position the Retail Community 5.0 as the think tank of reference in the sector's development scenarios;
- **reach shared positions** on priority themes for the Community to create “critical mass” that will have an impact on the decisions of public policy-makers;
- develop **expert advocacy activity on an Italian and European level** to provide authoritative and researched content and proposals;
- promote the **exchange of experiences** and **high-level networking** among Community members and authoritative external stakeholders;
- produce **formalized content** (including projects) in support of Community goals;

- **authoritatively communicate** the arguments and positions of the Community to raise interest and awareness among the business community, policy makers and society at-large;
- map and involve the **main protagonists** of the Specialised Retail sector on a global level and highlight successful experiences.

The work of the second edition of the Retail 5.0 Community was performed between January and December 2022 through a series of interconnected activities utilizing a **multi-level working method** that included discussion, listening and awareness-raising, intelligence and proposals.

The members of the Community met periodically to seize the opportunity to discuss and brainstorm around key, relevant themes connected with the development of the Specialised Retail extended supply chain in Italy and optimization of its development. During these sessions, the partner companies of the Community and external guests involved in the various meetings shared their experiences and expertise and the European House – Ambrosetti Working Group produced and developed specific research.

In this second year, for the first time, **two Focus Groups** were also introduced **on vertical themes** that are strategic for the Specialised Retail supply chain: the challenges in **human resources management** in Specialised Retail (*“Talents in Retail 5.0. The challenges in human resources management in Specialised Retail”*, held on the May 30, 2022) and **technological and digital innovation** in Specialised Retail, to analyze the evolution, according to a widespread omnichannel paradigm, from physical points of sale to the Metaverse (*“Technological and digital innovation in Specialised Retail: from the physical retail space to the metaverse”*, held on the September 27, 2022). Taking part in the Focus Groups were representatives of partner companies of the Retail 5.0 Community, guests from the Italian and international business community, experts and spokespeople for benchmark cases involving themes examined during the two meetings.

Another important new feature of the second edition was the holding of one of the track meetings (the third) in **Brussels** with the aim of delving into the main challenges and opportunities at the European level for the extended supply chain of specialized retail. The meeting involved representatives of partner companies, the heads of European institutions and associations involved in the topics covered by the meeting. The meeting was hosted at EuroCommerce headquarters on July 6, 2022.

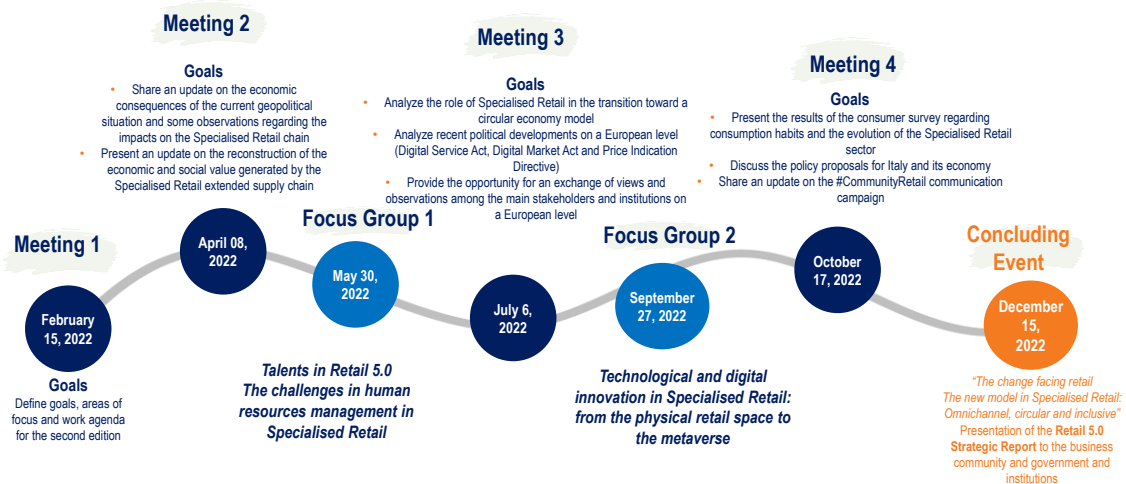


Figure 1. Activity of the second edition of the Retail 5.0 Community of The European House – Ambrosetti. Source: The European House – Ambrosetti data elaboration, 2022.

Specifically, the activity of the second year of the Community focused on **five areas of work**:

- **Retail 5.0 Observatory**, which included elaboration of facts and figures on the reference scenario of Specialised Retail in Italy and Europe, reconstruction of key data for the Specialised Retail extended supply chain in Italy, examination of the impact generated by the Russia-Ukraine conflict on the Specialised Retail supply chain, and analysis of the contribution of the Specialised Retail supply chain to the 17 Sustainable Development Goals of the United Nations 2030 Agenda;
- **international network**, with mapping of best practices on a global and European level and the involvement of representatives from other countries and European institutions;
- **action proposals for the development of the Specialised Retail supply chain in Italy** through intelligence-gathering on current barriers to the development of the Specialised Retail extended supply chain, and preparation of proposals and concrete initiatives for Italy;
- **networking with Italian and European institutions** through activation of relations with European, national, regional and local government and institutions, and their involvement in Community activity;
- **#CommunityRetail communications strategy**, with activity focused on traditional channels (press media) and social networks, creation of the Community's own website, organization of the concluding event to present the Retail 5.0 Strategic Report, creation of the Community logo, creation of the **Genzy4Retail** podcast, launching of social polling on the main social channels of The European House – Ambrosetti, participation of the Retail 5.0 Community in third-party events, and publication of a *Lettera Ambrosetti Club* newsletter dedicated entirely to the theme of Specialised Retail.

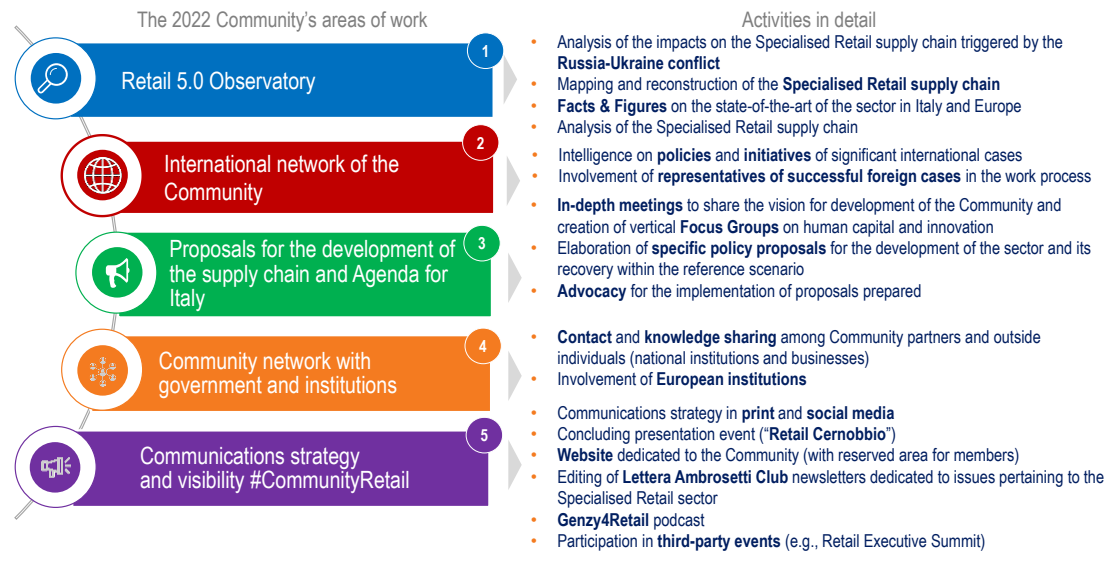


Figure 2. Main areas of work of the second edition of the Retail 5.0 Community. Source: The European House – Ambrosetti data elaboration, 2021.

Below a summary of the main areas of work and activity undertaken by the Community during its second year can be found.

### The network of the relations activated by the Retail 5.0 Community with the nation’s decision makers

As part of the approach based on sharing experiences and reflection on the issues involved, taking part in Retail 5.0 Community meetings were selected Italian and European representatives of government, politics, business and associations.

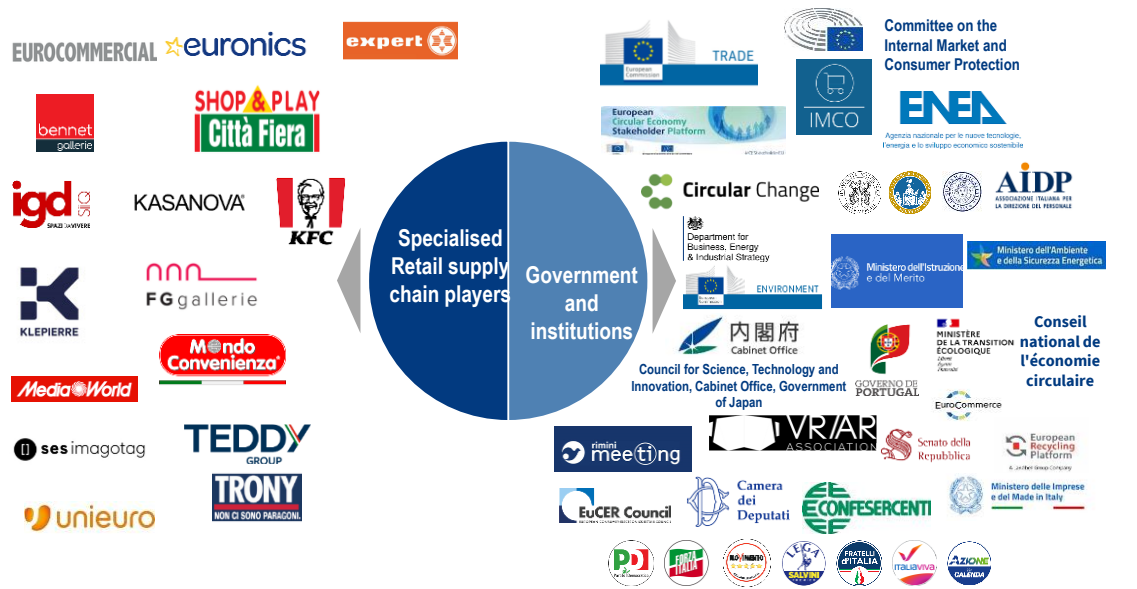


Figure 3. Network of the Retail 5.0 Community: partner companies, government and institutions, and representatives of the public and private sector involved in the second edition of the Retail 5.0 Community. Source: The European House – Ambrosetti data elaboration, 2021.

## International network of the Retail 5.0 Community

In the second year of the Retail 5.0 Community, the main experiences connected with the models, tools and solutions tried in other European and non-European countries to promote and optimize the Specialised Retail supply chain were examined on several levels. The **international case studies** analyzed by the Community have been selected with a view to investigating successful experiences which can be used as the inspiration for strategies, solutions and tools that can also be adapted to the Italian context. The various successful examples are included in the Strategic Report, highlighted in boxes within the different chapters.

## The Retail 5.0 Observatory

Through the **Retail 5.0 Observatory**, The European House – Ambrosetti Working Group undertakes ongoing examination of the evolution in the scenario of the Specialised Retail extended supply chain in Italy.

During its second year of activity, the Retail 5.0 Community prepared a number of **methodological and analytical tools** to monitor results in Italy and assess the contribution of retail to the nation's sustainable development and the implementation of the Society 5.0 model:

- **Facts & Figures** on the social-economic reference scenario;
- **reconstruction and mapping of the Specialised Retail extended supply chain** in Italy, through the creation of a database containing multi-year economic data of all companies operating in the Specialised Retail extended supply chain (both up- and downstream), for a total of over 50 million pieces of data surveyed and approximately 500,000 companies;
- analysis of the **impacts** on the Specialised Retail supply chain resulting from the Russia-Ukraine conflict;
- examination of the challenges in **human resources management** and in **technological and digital innovation** for the Specialised Retail supply chain;
- **survey of Italian consumers** regarding their consumption habits and the evolution of Specialised Retail.

## Integrated communications campaign of the Retail 5.0 Community

To contribute to creating awareness about the strategic importance of the Specialised Retail supply chain, the Retail 5.0 Community and its partners have implemented an **integrated communications strategy** based on the following tools:

- a dedicated **website**;
- a communications campaign on **traditional media**;
- a **social media** communications campaign;
- communication with **decision makers**.

A **dedicated website** for the Retail 5.0 Community has been created: (<https://www.ambrosetti.eu/le-nostre-community/community-retail-50/>). The site contains a detailed description of the Community and its initiatives, including articles

covering the Community and those in which it is mentioned. In addition, a number of specific initiatives have been launched. These include:

- **social polling** on The European House – Ambrosetti social channels;
- recording of a “**Genzy4Retail**” **podcast** about the challenges connected with human resources management for the Specialised Retail supply chain, both in terms of **attracting and retaining young talent** (available on major podcast platforms);
- realization of a **concluding event to present** the Strategic Report (Thursday, December 15, 2022);
- participation in **third-party events** to create visibility for the content developed by the Community (e.g., Retail Executive Summit, Marketing & Retail Summit, and Optime General Meeting).

In addition, a communications campaign was launched on **social networks** (Twitter, Instagram, YouTube, Facebook and LinkedIn), with the hashtag **#CommunityRetail** and on **traditional media** (print media and e-zines), with the publication of articles and special content sent to journalists covering the sector.

The results of the work of this second year of activity of the Retail 5.0 Community are summarized in this **Strategic Report**, the goal of which—in the spirit of making a positive contribution to improve the nation and its economy—is to provide a detailed picture of Italy’s position and to propose a number of lines of action to optimize the development of the country’s Specialised Retail extended supply chain.

The presentation and discussion of the findings and proposals of the Community—in the **concluding event to present the Retail 5.0 Strategic Report** (Thursday, December 15, 2022)—will provide the opportunity for further discussion among business leaders and representatives of government and institutions, in the spirit of a team effort to develop initiatives that benefit the nation and its economy.

In addition, the findings and proposals developed during the second edition of the Community will be summarized in a **Lettera Ambrosetti Club** newsletter which will be sent to a select mailing list of 3,000 Italian decision makers and published in January 2023.

## **MEMBERS OF THE RETAIL 5.0 COMMUNITY AND OTHER INITIATIVE PARTICIPANTS**

The Retail 5.0 Community is composed of the following members:

- EUROCOMMERCIAL PROPERTIES: **ROBERTO FRATICELLI** (Chief Financial Officer) and **LUCA LUCARONI** (Financial Director, Eurocommercial Properties; Deputy Vice President, Consiglio nazionale dei Centri Commerciali – CNCC), **CATERINA LIORI** (Group Economist), **SERGIO OLGIATI** (Human Resources Manager and Administrative Director) and **ILARIA VITALONI** (Research Manager)
- EURONICS: **MASSIMO DELL’ACQUA** (CEO), **MAURIZIO MINUTI** (President), **ALESSANDRO BUTALI** (former President and President, Butali), **SILVIA BUTALI** (Chief Digital Innovation Officer, Butali) and **MORENO BALDINI** (Chief Information Officer, Butali)
- EXPERT: **TOMMASO LESO** (President), **ROBERTO OMATI** (General Director), **FABIO BASINI** (CFO), **LUCA LANFRANCHI** (Sales Director) and **BARBARA DONELLI** (Marketing Manager)
- GALLERIE COMMERCIALI BENNET: **ADRIANO DE ZORDI** (CEO) and **RENATO ISETTI** (General Manager)
- GROSSISTI RIUNITI ELETTRODOMESTICI (GRE) – TRONY: **SALVATORE FANNI** (President), **IVO AMORINO** (Vice President) and **STEFANO BELINGHERI** (General Director)
- BARDELLI GROUP: **ANTONIO MARIA BARDELLI** (Legal Representative, C.C.D.F.), **STEFANO BELTRAMINI** (Director, Centro Commerciale Città Fiera)
- TEDDY GROUP: **ALESSANDRO BRACCI** (CEO), **MATTEO LESSI** (Head of Communications), **PIETRO MAMBELLI** (Corporate Communications & People Care) and **ANDREA PROSPERI** (HR Manager)
- IGD SIIQ: **ROBERTO ZOIA** (Head of Asset Development and Management; President, CNCC – National Council of Shopping Centers) **LAURA POGGI** (Director of Sales, Marketing and CSR) and **PAOLA AUGELLI** (HR Manager)
- KASANOVA: **MAURIZIO GHIDELLI** (CEO), **EMANUELE CAMONI** (Franchising Manager), **FAUSTO CARAVELLO** (Human Resources Director), **WILLIAM CARETTI** (Marketing and Communications Advisor), **FABRIZIO MANTOVANI** (Member of Advisory Board, Franchising Development), **MARCO GHIDELLI** (E-commerce & Omnichannel Manager) and **LUCREZIA BUONGIORNO** (HR Training Specialist)
- KFC ITALY: **CORRADO CAGNOLA** (CEO), **STEFANO TERZI** (Head of Business Development), **NICOLA DAGNA** (HR Manager) and **ANGELA BELCASTRO** (Brand Manager)
- KLEPIERRE: **UMBERTO TRUSSONI** (Chief Financial Officer) and **FRANCESCA RUSSO** (HR Manager)
- MAGAZZINI GABRIELLI: **LAURA GABRIELLI** (CEO, FG Gallerie Commerciali) and **FRANCESCO DELLA CIOPPA** (Board Member, FG Gallerie Commerciali and Real Estate Advisor)
- MEDIAWORLD: **EMANUELE COSIMELLI** (Country Manager, Finance & Board Member) and **ALESSANDRA BERGAMO** (HR Manager)
- MONDOCONVENIENZA: **DARIO CAROSI** (Chief Innovation Officer), **FEDERICA BARBERIS** (Head of Retail) and **VINCENZO GIORGI** (Head of Digital)
- SES-IMAGOTAG: **ALESSIO GRUFFÉ** (Managing Director, Italy), **SOFIA ANDREONI** (Marketing Manager) and **ROBERTO QUADRONI** (Organization, development and innovation)

- UNIEURO: **ANDREA SCOZZOLI** (Chief Corporate Development and President of Aires – Associazione Italiana Retailers Elettrodomestici Specializzati), **FILIPPO CASELLI** (E-commerce Manager), **FRANCESCO PRIVITERA** (Retail Technologies & IT Service & TLC Manager) and **LUIGI PONTILLO** (Head of ICT)
- AIRES – ASSOCIAZIONE ITALIANA RETAILERS ELETTRODOMESTICI SPECIALIZZATI: **DAVIDE ROSSI** (General Director)

The Community is managed and coordinated by The European House - Ambrosetti. The European House – Ambrosetti Working Group is comprised of:

- **Valerio De Molli** (Managing Partner & CEO)
- **Benedetta Brioschi** (Food & Retail and Sustainability Area Manager, Project Leader)
- **Maurizio Andronico** (Retail Senior Advisor and Sicily Area Leader)
- **Laura Basagni** (Head of Brussels Office)
- **Giulia Tomaselli** (Project Coordinator, Scenarios and Intelligence Area Consultant)
- **Alessandra Bracchi** (Analyst, Scenarios and Intelligence Area)
- **Filippo Barzagli** (Analyst, Scenarios and Intelligence Area)
- **Ludovica Massacesi** (Analyst, Scenarios and Intelligence Area)
- **Chiara Maero** (Analyst, International Summits and Events Area)
- **Fabiola Gnocchi** (Communications Manager)
- **Alessandro Braga** (Senior Consultant, People & Talent Management)
- **Luca Scimia** (Consultant, People & Talent Management)
- **Valeria Casati** (Assistant)
- **Eleonora Magnani** (Event Manager)
- **Annalisa Pinto** (Assistant)
- **Alice Vertemati** (Assistant)

The work of the Community involved a constructive exchange of opinions and viewpoints with representatives of Italian and European institutions and relevant organizations.

Special thanks go to:

- **Evita Barra** (Media, Entertainment and Luxury Industry Director, Meta)
- **Marina Bassi** (Journalist, Mark Up)
- **Massimo Bitonci** (Undersecretary, Minister for Enterprises and Made in Italy)
- **Daniela Carriera** (Sales and Marketing Manager, European Recycling Platform)
- **Hans Carpels** (President, European Consumer Electronics Retail Council; Board Member, EuroCommerce)
- **Francesca Ceruti** (Researcher, Department of Sustainability of Production and Territorial Systems, ENEA)



- **Angelo Coletta** (President and Co-Founder, Zakeke)
- **Andrea Corti** (Head of Shopper & Retail, Kantar)
- **Christel Delberghe** (Director-General, Eurocommerce)
- **Yuko Harayama** (Executive Director, RIKEN; Former Executive Member, Council for Science, Technology and Innovation)
- **Adriano Fabris** (Professor of Moral Philosophy, University of Pisa)
- **David Fitzsimons** (Director, European Remanufacturing Council)
- **Umberto Frigelli** (National Research Coordinator, AIDP - Italian Association for Personnel Direction; Professor, Organizational Psychology, Università Cattolica)
- **Ladeja Godina Košir** (Member, Coordination Group, European Circular Economy Stakeholder Platform and Founder and Executive Director, Circular Change)
- **Joanna Kulczycka** (President, Waste Management and Recycling Cluster)
- **Cristina Lazzati** (Editor in chief, Mark Up)
- **Gianluca Lombardo** (Technical and Professional Training Coordination Manager, Italian Ministry of Education, University and Research)
- **Alberto Mattiello** (Head, Future Think Project)
- **Paola Migliorini** (Deputy Head of Unit for Sustainable Production, Products & Consumption, European Commission – DG Environment)
- **Lorenzo Montagna** (Italian President, VRAR Association; Founder, Secondstarvr)
- **Bruna Nava** (Manager, Orientation and Career Coaching for the Masters program in Marketing and Digital Management, Istud and Cattolica)
- **Andrea Nazario Ferrando** (Advocacy and Political Affairs, Eurocommerce)
- **Federica Pasini** (CEO, Hacking Talents)
- **Mattia Pellegrini** (Head of Unit Waste Management & Secondary Materials, European Commission – DG Environment)
- **Antonio Petrullo** (Retail Account Manager, Google Cloud)
- **Gilberto Pichetto Fratin** (Minister of the Environment and Energy Security of the Italian government)
- **Martins Prieditis** (Deputy Head of Consumer and Marketing Law Unit, Directorate-General for Justice and Consumers, European Commission)
- **Véronique Riotton** (President, French National Assembly Circular Economy Committee)
- **Seán O'Reagain** (Deputy Head Industry 5.0 Unit, DG Research & Innovation, European Commission)
- **Angelo Salsi** (Head of Unit Eco-Innovation, European Commission – DG Environment)
- **Letizia Sapuppo** (Key Account Manager, Openjobmetis)

- **Paul Scully** (Minister for London, Parliamentary Under Secretary of State - Department for Business, Energy and Industrial Strategy)
- **Giuseppe Stigliano**, Global CEO, Spring Studios; Professor of Retail & Brand Communication, IULM University)
- **Massimo Temporelli** (President and Co-Founder, The Fablab)
- **João Torres** (Secretary of State for Commerce, Services and Consumer Protection, Government of Portugal)
- **Francesca Vecchioni** (President, Diversity)
- **Jean-Paul Ventère** (Independent Expert and former Policy Officer for the French Ministry of Ecological Transition, who developed the Repairability Index)

## THE 10 KEY MESSAGES OF THE RETAIL 5.0 STRATEGIC REPORT

### 1. We are currently facing an unprecedented period in which five crisis factors have arisen that had never appeared simultaneously before and were unimaginable until just a short time ago: global pandemic, conflict in Ukraine, explosion in energy and logistics costs, disruption in a number of supply chains and sudden rise in inflation

- Like many other Western countries, Italy finds itself in the eye of a “**perfect storm**”, with the appearance of **five crisis factors** that had never appeared simultaneously and were unimaginable until just a short time ago:
  - the **COVID-19 pandemic** is still a global public health emergency: 32 countries have a vaccination level below 30% and 38 countries below 50%. Overall, from the beginning of the pandemic to the present (November 2022), over 634 million cases and over 6 million deaths have been recorded around the world;<sup>1</sup>
  - the **outbreak of the conflict in Ukraine**: starting in February 2022, the Russian invasion of Ukraine has created an unprecedented humanitarian crisis, with over 15 million refugees into neighboring countries. The response of many governments and private companies with sanctions and limitations on their economic activity on Russian soil has led to Russia being the country with the greatest number of sanctions in the world (6,400 active measures), and many multinationals have suspended or limited their presence in the country, resulting in severe impacts on business relations;<sup>2</sup>
  - the **explosion in energy and logistics costs**: natural gas prices in Europe have increased by over 300% since May 2021. Between April 2020, which saw the lowest price since the outbreak of the COVID-19 emergency and October 2022, the average price of oil increased 4.3-fold on a global level, and between October 2020 and October 2022, the price of natural gas in Europe at the TTF (Title Transfer Facility) in Amsterdam increased 7.4-fold;<sup>3</sup>
  - **disruption of a number of supply chains** that are strategic for Italy and internationally: Ukraine, and in particular the Donbas region—among the worst-hit by the current conflict—has 20,000 deposits and sites of 97 types of minerals. Italy is at-risk in the supply of critical raw

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<sup>1</sup>Source: The European House – Ambrosetti elaboration of World Health Organization data, 2022.

<sup>2</sup>Source: The European House – Ambrosetti elaboration of UNHCR and Yale University data, 2022.

<sup>3</sup>Source: The European House – Ambrosetti elaboration of ISTAT, World Bank and TTF (Title Transfer Facility, based in Amsterdam) data, 2022.

materials<sup>4</sup> essential to the development of sectors considered strategic for the nation's economy. In fact, €564 billion of Italian production depends on the importation of critical raw materials from outside the EU (equal to about one-third of GDP in 2021). In addition, the pandemic and the outbreak of war on European soil has resulted in significant impact on supplies: the average time required for goods to pass from exporter to importer by sea has gone from 45-60 days in 2019 to 110 days in 2022;<sup>5</sup>

- **sudden rise in inflation:** the economic recovery in 2021 generated major inflationary pressure, which increased further in 2022. Inflation settled significantly over alert levels, hitting a record 11.8% in November 2022, the highest level since March 1984<sup>6</sup>, creating significant pressure on households and businesses.

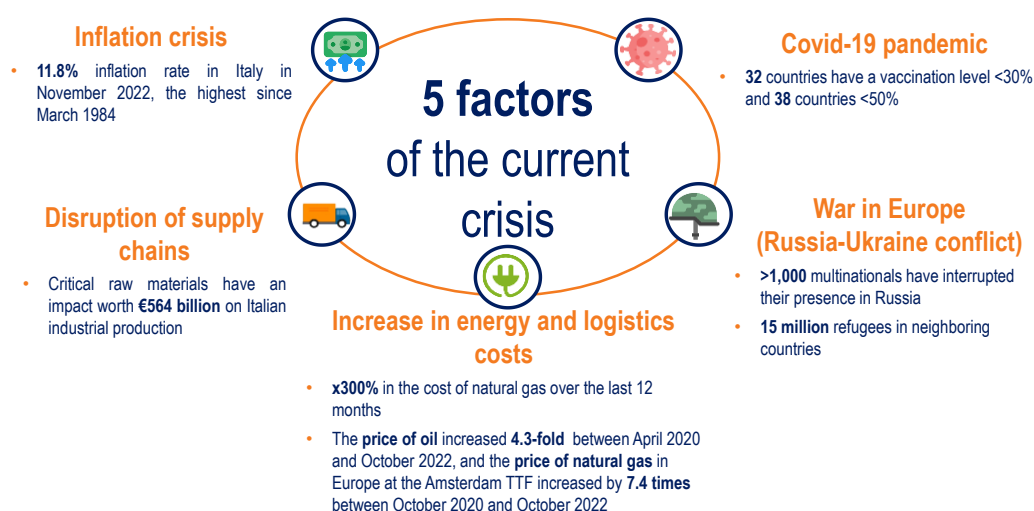


Figure 1. The five current crisis factors. Source: The European House – Ambrosetti elaboration based on a number of sources, 2022.

## 2. Specialised Retail is being called upon to rethink its short- and medium-term strategies to be able to face the changes that involve society as a whole

- In light of the challenges in today's world, the Specialised Retail sector also finds itself in the midst of a “perfect storm” that requires **rethinking of short- and medium-term strategies** to be able to guarantee the growth and importance of this sector within the entire economic system.
- The **rise in inflation**, which is well above alert levels, reaching a record **11.8%** in November 2022 (the highest since March 1984), risks generating a

<sup>4</sup>Critical raw materials are considered to be palladium, rhodium, platinum and primary aluminum.

<sup>5</sup>Source: UBS Entrepreneur Compass, 2022.

<sup>6</sup>Source: The European House – Ambrosetti elaboration of ISTAT data, 2022.

**major impact on the consumption of Italian households.** It is important to take into consideration that inflation will have asymmetrical effects and less-wealthy families will be the ones worst hit. Essential expenditures (i.e., for food, rent, utilities and health care that cannot be avoided) represent 20% more in the family budgets of those in the poorest quintile of the population than those in the richest (76% vs. 56%). This phenomenon must be monitored very closely by Specialised Retail companies because the majority of non-food consumption falls specifically in the category of “non-essential expenditure”. This expenditure item is precisely the only one which less-wealthy families can reduce to compensate for the effects of inflation and the increase in the energy bill and, therefore, it is the one that requires immediate support.

- From this standpoint, the Specialised Retail sector must **adapt its offer models**, also taking into consideration the new demographic trends currently in-progress. The sector must come to terms with a **progressively higher average age of the population** (by 2050, those over 65 could represent 35% of the total, while those under 14 will only be 11.7% of the total) and **increasingly-small families**. There will be growing demand for new services (“**service transformation**”) that combine medical care, psycho-physical well-being, personal care products, leisure time management and new food products. Digitalization will make a fundamental contribution to this transformation and physical points-of-sale will be required to evolve from **places in which products are sold or distributed, to a privileged, intimate space with customers** in which to offer new services through cross-sector partnerships, including with other operators outside of the retail supply chain.
- Given its direct, front-end relationship with the consumer, the sector **has the resources to effectively react to the context of the current crisis**. Thanks to their spatial and relational proximity and familiarity with consumer needs, retailers develop a direct and deep awareness of the needs and preferences of consumers, and they have the opportunity to promote and launch a new vision that puts **people at the center (“Society 5.0”)**.

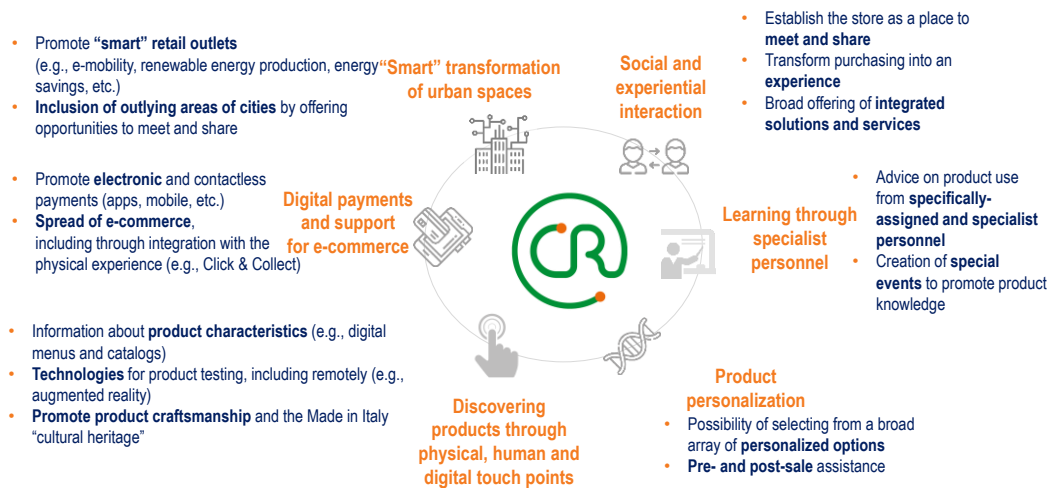
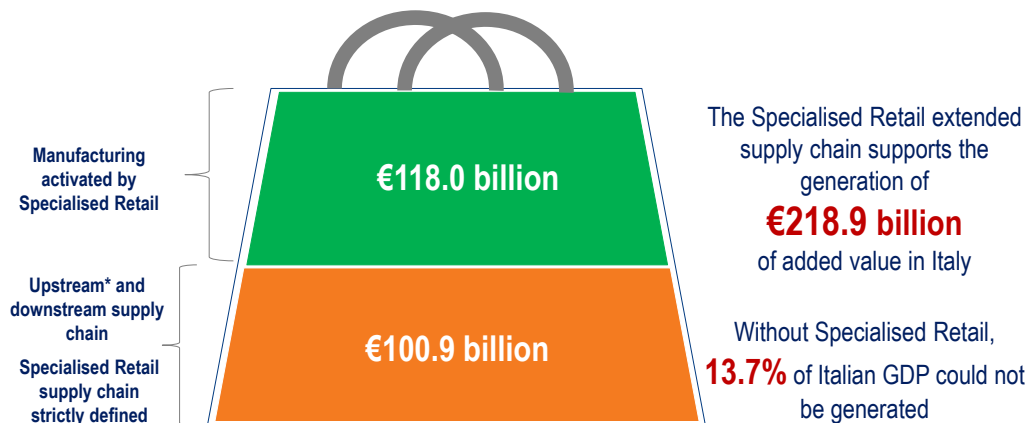


Figure 2. Contribution of the Specialised Retail sector to the establishment of Society 5.0. Source: The European House – Ambrosetti data elaboration, 2022.

### 3. The economic and social impact of the Specialised Retail extended supply chain on the country is much greater than what is perceived, accounting for 13.7% of Italian GDP

- The Retail 5.0 Community has produced the first attempt to **reconstruct the Specialised Retail extended supply chain** through a database containing multi-year economic data for all the companies operating in the Specialised Retail extended supply chain in Italy, amounting to **over 35 million** pieces of data and **over 500,000** companies.
- Included within the analysis are:
  - **Specialised Retail operators themselves**, comprised of the companies working in the specialist sales sector;
  - the economic activity generated by the supply chain of **upstream services** (e.g., retail space management services) and **downstream services** (e.g., cleaning, surveillance and logistics services).
- The findings of the mapping and reconstruction of the Specialised Retail extended supply chain highlight its strategic role and importance for the nation’s industrial development and competitiveness. In fact, the economic and social impact of the Specialised Retail extended supply chain on the country is much greater than what public opinion thinks: **revenues of €450.6 billion, added value of €100.9 billion** and **investments worth €9.7 billion** (nearly 10% of total private investment in Italy).
- Overall, also considering the Italian manufacturing sector supported by this supply chain, in 2021, Specialised Retail generated **€218.9 billion in added value** in Italy, the equivalent of **13.7% of the nation’s GDP**. The value generated is comparable to the size of the economies of a number of important countries: the supply chain is worth **86% of the GDP of the Czech**

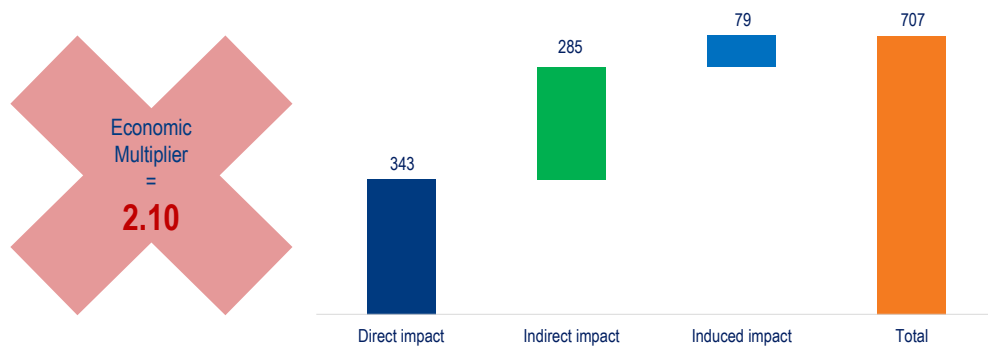
**Republic** (€256 billion) and is greater than Greece's GDP (€196 billion) and that of Italy's Emilia-Romagna region (€150 billion).



**Figure 3.** Added value of the Specialised Retail supply chain in Italy (absolute values), 2021. (\*) The upstream supply chain also includes shopping centers. *Source: The European House – Ambrosetti elaboration of ISTAT and Aida Bureau van Dijk data, 2022.*

#### 4. Thanks to the activation of supply and outsourcing supply chains, the Specialised Retail sector generates a major indirect and induced impact on an economic and employment level

- In addition to its direct impact, the Specialised Retail supply chain generates a major **indirect and induced impact** through the activation of supply and outsourcing supply chains. This impact was quantified using investment and employment multipliers. Given that every company active in a productive sector generates output by purchasing and combining various inputs from other industries, each economic sector plays a dual role on the market: that of purchaser of the goods and services it uses in its production process, and that of seller of goods and services to other sectors of the economy. In addition, the payments made by the companies forming the supply chain and related supply and outsourcing chains to their employees produce an induced effect on consumption throughout local areas. Calculation of the **multiplier effect** of investment and employment generated by the sector was made using ISTAT sectorial interdependence input-output matrices.
- Analysis shows that the Specialised Retail sector is a driver for the nation's economic growth, with a high coefficient of economic activation. For every euro produced in the Specialised Retail supply chain, an additional 1.10 is activated in the rest of the Italian economy, with a **multiplier effect of €2.10**. Through analysis of the data and input-output matrices, the Retail 5.0 Community of The European House – Ambrosetti estimates that the Specialised Retail extended supply chain itself generates a direct, indirect and induced impact worth **€707 billion** in terms of its contribution to Gross Domestic Product.



**Figure 4.** Direct, indirect and induced revenues generated by the Specialised Retail supply chain itself in Italy (bln €). *Source: The European House – Ambrosetti elaboration of ISTAT and Aida Bureau van Dijk data and sector inter-dependence tables (input-output), 2022.*

- Using the input-output matrix system, it was also possible to quantify the **social impact generated by Specialised Retail**. The Specialised Retail supply chain generates a significant direct, indirect and induced impact in terms of employment, amounting to over **3 million employees**. In fact, the employment multiplier of the Specialised Retail extended supply chain is **2.10**. In other words, each person employed in the sector supports more than one additional job in the economy.

## 5. The transition of Specialised Retail toward a 5.0 model, centered on the well-being of individuals and communities, is based on three pillars: i) widespread omnichannel retailing; ii) sustainability and Circular Economy; iii) inclusion and attraction of skilled human capital

- Currently, the Specialised Retail sector finds itself in the midst of a “perfect storm”. The disruption of some supply chains, the inflation crisis, the increase in energy costs and the decrease in the purchasing power of Italian households risk generating a major impact on consumption. Specialised Retail is facing a **new test in its ability to change toward a new model that is omnichannel, circular and inclusive**.
- The winning combination of these three elements will be possible thanks to the strengthening of **partnership models across the supply chain**. For companies, it is strategic to develop real collaboration, including across sectors, by finding new ways to create synergy and critical mass, and overcoming the fragmentation in some sectors.



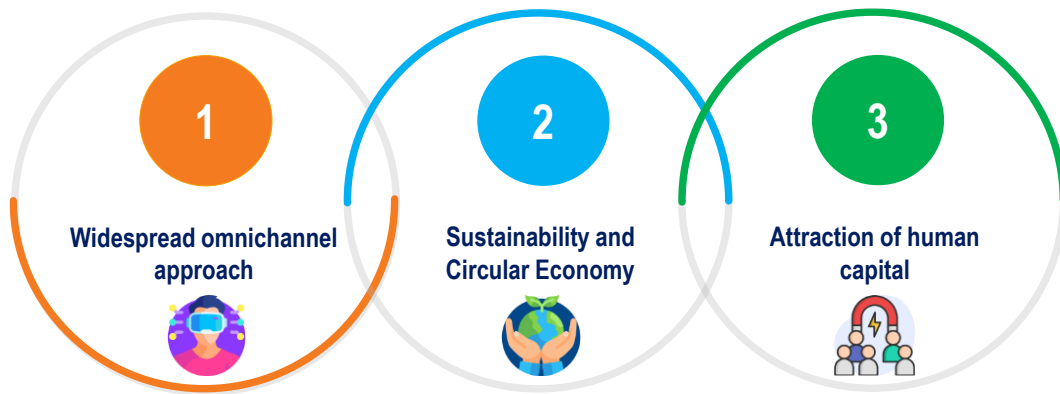


Figure 5. The three pillars for rendering the new Specialised Retail 5.0 model operative (illustrative). Source: The European House – Ambrosetti data elaboration, 2022.

## 6. The Specialised Retail sector could be the promoter of a new paradigm in customer relations, evolving from integration between physical and digital channels to a widespread omnichannel approach that also adds the virtual channel, starting with the metaverse

- For many years now, e-commerce has been a **dynamic** market. Even before the pandemic, in fact, the value of e-commerce showed a significant growth trend. Between 2015 and 2019, the value of online sales rose from €16.2 billion to **€35.6 billion** on the Italian market.
- In addition, during the pandemic, there was a major increase in companies that generate part of their revenues through the **online channel**. These dynamics, taken together, are contributing to creating an **unprecedented transformation** for the Specialised Retail sector, in particular involving the integration and coexistence of the physical and the digital channel.
- Within these technological innovations, the **metaverse** will play a key role. It represents an extension of the digital channel and has the potential to rapidly establish itself as a new virtual world in which consumers can get to know each other, interact and live immersive experiences. In 2020, the overall metaverse market was worth \$500 billion and, according to Bloomberg, by 2024, it could reach \$800 billion, with an annual growth rate of >13%, thus highlighting the need to invest to prepare in advance for the future of commerce within this virtual space.
- Some **retail companies are already making successful use of the metaverse** and related technologies (e.g., augmented reality, virtual reality and integrated branding) to allow customers **enhanced customization and engagement with the brand**, for example by launching lines of virtual products or organizing events to promote the latest collections.
- The Specialised Retail sector could be a protagonist in guiding this transformation by enabling a **new paradigm of customer relations** that

allows for the evolution of the omnichannel concept—that integrates the physical and digital channels—to a **widespread omnichannel** approach, thanks to the inclusion of the virtual channel and the metaverse.

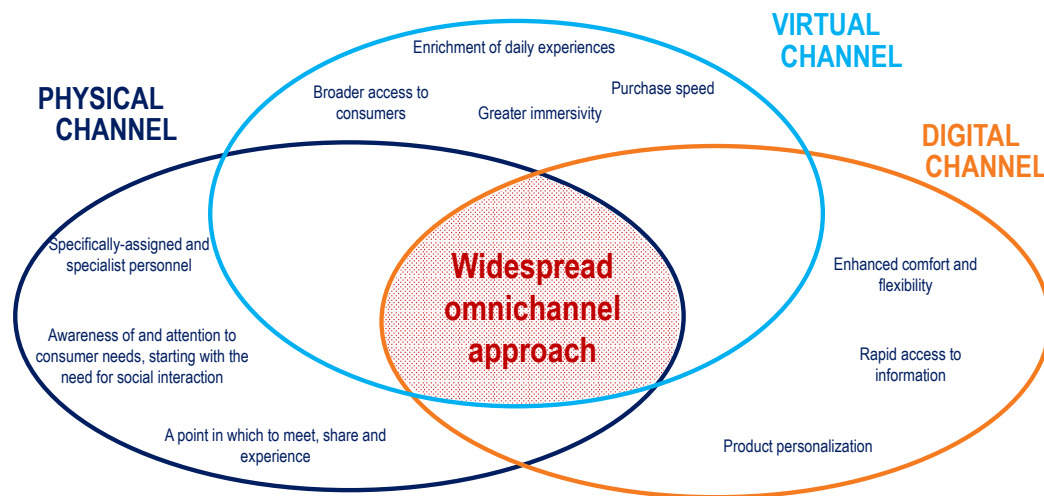


Figure 6. Coexistence of the physical, digital and virtual channels in Retail 5.0. Source: *The European House – Ambrosetti data elaboration, 2022.*

## 7. Specialised Retail as the connection between production and consumption plays a fundamental role in the sustainable transition and promotion of Circular Economy models

- The entire world, the European Union and its member states are currently having to face unprecedented challenges. Profound and rapid economic, climatic and technological changes are currently underway that are molding societies and lifestyles, opening areas of uncertainty and stimulating new needs, including environmental protection and social equity. Within this scenario, the COVID-19 pandemic brought to light the fragility of today’s society and the necessity for **sustainable development** to become a major, system-wide project at the center of development and vision for the future of society.
- Nor is Specialised Retail exempt from the stimuli and requests of both consumers and institutions. From **consumers**, there is an increase in the request for a commitment on the part of Specialised Retail: **34%** believe Specialised Retail should expand its offering to include products with sustainable packaging and **25%** of consumers are requesting initiatives to improve the sustainability of retail stores.
- On the other side, **government and institutions** are increasingly promoting greater spread of policies in favor of a paradigm shift, from a circular perspective, including in the Specialised Retail sector. In January 2022, the European Commission introduced the “**Right to repair**” a product, irrespective of the warranty period. This new concept is designed to promote

the possibility for consumers to repair the products they own to lengthen their useful life and reduce the incentive to purchase new products.

- In this context, Specialised Retail plays a key role in implementing a Circular Economy model because it is the **point of connection that unites production and consumption**. Being the final link with consumers and interfacing upstream with producers and logistics personnel, this sector has a comprehensive perspective on the entire production and consumption process. Within this supply chain, the contribution of Specialised Retail in terms of sustainability and circularity primarily involves five aspects: stimulating the production supply chain; improving efficiency in retail outlets; promoting consumer education and awareness; promoting repair and disposal activities; and optimizing its logistics.



Figure 7. Areas for improving the Circular Economy in which Specialised Retail can play a role. Source: The European House – Ambrosetti elaboration of Confindustria data, 2022.

## 8. As an enabler of the new Society 5.0 model, Specialised Retail is called upon to respond to a double challenge: position itself as a social point of reference for consumers and establish itself as an attractive employer for young talent

- In terms of the social aspect, over the coming years Specialised Retail will be called upon to respond to new threats and opportunities arising from the evolution in the reference scenario, including in light of its role as an **enabling force in the evolution towards Society 5.0**. The challenges for the sector are multi-faceted, both toward consumers and internally in managing human resources:

- in terms of the challenges regarding **consumers**, Specialised Retail is increasingly being asked to position itself as a point of reference within society and within cities in light of the growing importance of the social role of retail outlets and the gradual tendency to integrate product sales into a complementary array of services with enhanced added value;
- in terms of the **internal challenges** in managing human resources, Specialised Retail is being asked to place at the center of its choices the well-being of its employees, from a 5.0 standpoint.



Figure 8. Challenges for Specialised Retail in being more inclusive and attractive. Source: *The European House – Ambrosetti data elaboration, 2022.*

## 9. In this second year, the Retail 5.0 Community prepared an “Agenda for Italy” that starts from a national strategy for the Specialised Retail supply chain

- To be able to deploy the full potential of the Specialised Retail supply chain for the entire national economy and to render operative a new “Retail 5.0” model that is omnichannel, circular and inclusive, a **national initiative capable of uniting the contribution of all players** in the Specialised Retail extended supply chain must be defined.
- Urgent action is imperative regarding the factors impeding this and to promote the factors that could accelerate the development of the retail supply chain in Italy and its recognition, including on a political/institutional level.
- This must begin from a **national strategy for the Specialised Retail supply chain** which integrates the contributions of all business and political/institutional players, including through making use of the permanent Observatory of the Retail 5.0 Community. The **goals established** within this national perspective must be as complementary to each other as possible to overcome the fragmentation in the initiatives of individual operators and to guarantee a common vision that will be strengthened reciprocally and create a “systemic effect”.
- It is proposed that the **Retail 5.0 Observatory be made permanent**, where its working groups will focus on monitoring Specialised Retail data,

mapping the major trends, examining benchmark cases and elaborating proposals to bring to the attention of key national players.

- Identification of a **specific institution** as the designated interface with which sector players can initiate ongoing, constructive dialogue would also make it possible to identify effective means for responding quickly to the specific needs of the sector—unlike what occurred during the pandemic emergency and in line with what already occurs in major European countries.
- To promote **sector recognition**, including from an economic and statistical point of view, it is proposed that the product sector classification be reviewed to combine under a **single Ateco code the activities of the Specialised Retail sector** which, currently, involve 4 different 2-digit Ateco codes and 27 individual sub-codes. In addition, it would be useful to establish a formal dialogue among sector operators to define the direction for further development and plan investment accordingly.

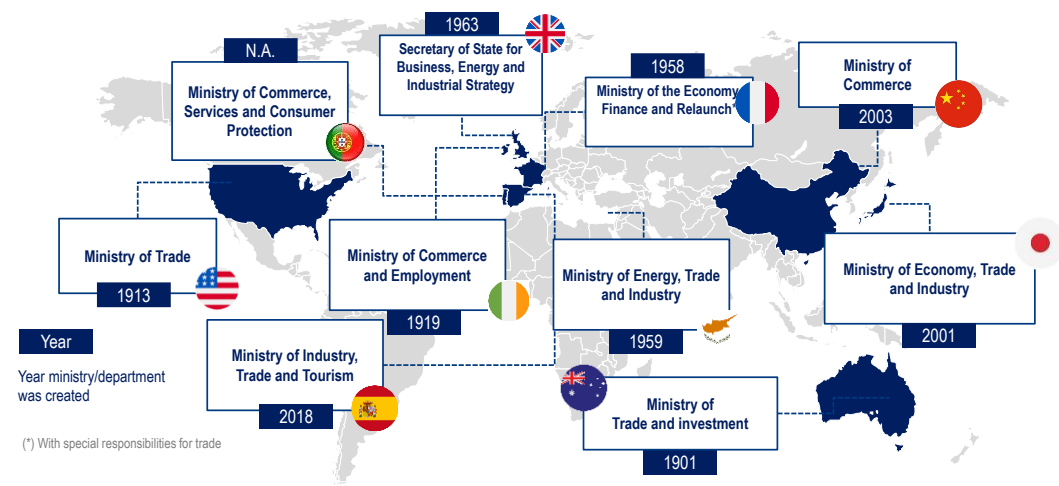


Figure 9. Examples of countries with a Commerce Department/Ministry. Source: The European House – Ambrosetti elaboration based on a number of sources, 2022.

**10. Starting from the national strategy, the Retail 5.0 Community identified three additional areas for initiative with specific concrete actions to support the evolution of the Specialised Retail sector in Italy and its transition toward a new 5.0 paradigm**

- **Three areas for initiative with specific concrete actions** to support the evolution of the Specialised Retail sector in Italy and its transition toward a new 5.0 paradigm were identified.
  1. **Promote technological and digital innovation of Specialised Retail from an omnichannel perspective.**

To **promote the omnichannel approach in Specialised Retail**, it is proposed to: create a permanent observatory on the metaverse for the retail sector; provide incentive to educational activities by Specialised Retail companies; create economic incentives for companies wishing to

test and introduce digital innovation; and launch promotional and communications campaigns.

To implement European regulations, it is suggested that the European proposal for the management of **online and offline space** be supported; promote an **online ecosystem that is more secure** for consumers; and redefine the role of platforms as **withholding agents** to guarantee VAT payment, including on goods subject to reverse charge.

To solve the problem of **competitive imbalances**, it is proposed that parity of obligations and conditions among physical Specialised Retail players and online platforms be promoted (greater responsibilities for platforms; homogeneous taxation on a European level for online retailers; and implementation of WEEE norms also for platforms).

2. **Orient the Specialised Retail sector toward increasingly sustainable and circular development** through the introduction of **economic incentives** for consumers (e.g., green disposal bonus) to promote the purchase of high-efficiency devices and promote recycling of obsolete equipment; launch **information and awareness campaigns** about the need to orient consumers toward more efficient products and promote sustainable and circular consumption habits; launch **specific training programs** about sustainability across the entire retail supply chain; introduce incentives in **support of “one-for-one” waste disposal mechanisms** for electrical and electronic device waste and introduce control mechanisms to combat “parallel flows”<sup>7</sup>; make **agreements with online platforms** to also promote the recycling of electronic waste connected with their sale and the creation of a **“barometer” to measure the level of retailer circularity**.
  3. **Reinforce the social and inclusive role of Specialised Retail and its ability to attract talent** through proper implementation of the Price Indication Directive; support ongoing dialogue between the Specialised Retail sector and schools and training entities; support ongoing training programs for employees; reinforce digital skills of employees; increasingly transform retail stores into laboratories of experience and sharing and pursue the effective storytelling of “it’s nice to work in retail”.
- The proposals of the Retail 5.0 Community for relaunching the sector can make a significant contribution to meeting the goals of the **National Recovery and Resilience Plan**, even if the word “commerce” is never mentioned in the document. It is a unique opportunity to render operational the new **omnichannel, circular and inclusive Retail 5.0 model**.

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<sup>7</sup>Illegal flows to foreign countries.



**Figure 10.** Action proposals of the second edition of the Retail 5.0 Community to render operational the new omnichannel, circular and inclusive “Retail 5.0” model. *Source: The European House – Ambrosetti data elaboration, 2022.*

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