

Evento finale della Community Retail 5.0 - 2022

2ª edizione - Giovedì 15 dicembre 2022 - Royal Space Rome, Sala Elisabetta



IL RETAIL ALLA PROVA DEL CAMBIAMENTO

Il nuovo modello di Retail Specializzato: omnicanale, circolare e inclusivo

PRESENTAZIONE DI

HANS CARPELS

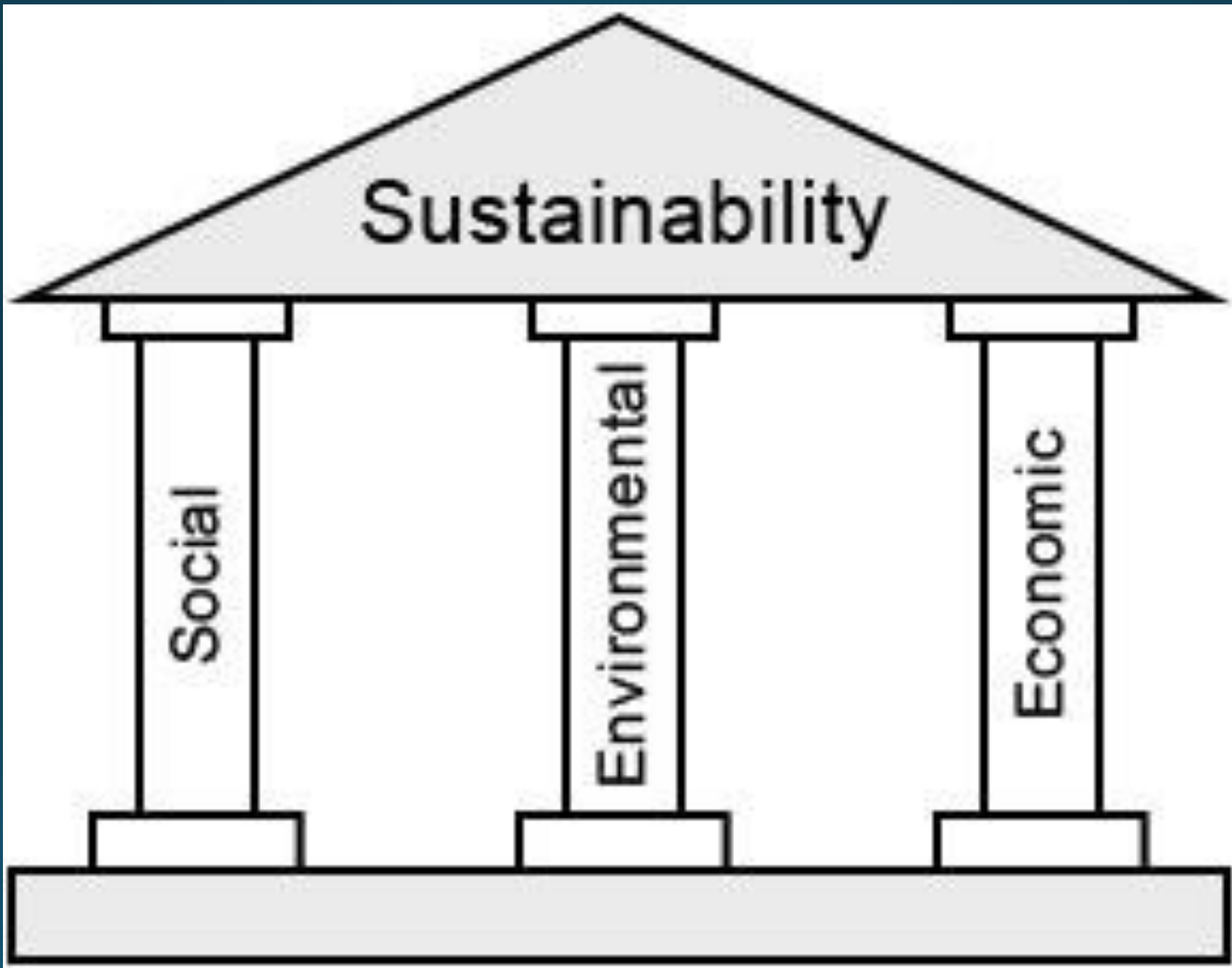
President, European Consumer Electronics Retail Council; Board Member, EuroCommerce



Hans Carpels

- President Euronics Int'l (turnover of 23 Bil €, 37 countries)
- President EuCER Council (European association of TCG retailers)





1st pillar: economic. Be profitable !!



Specialized Retail

-----→ evolution of last 10 years: link online to offline

-----→ huge cost for retail


First sector confronted with **digital transformation:**


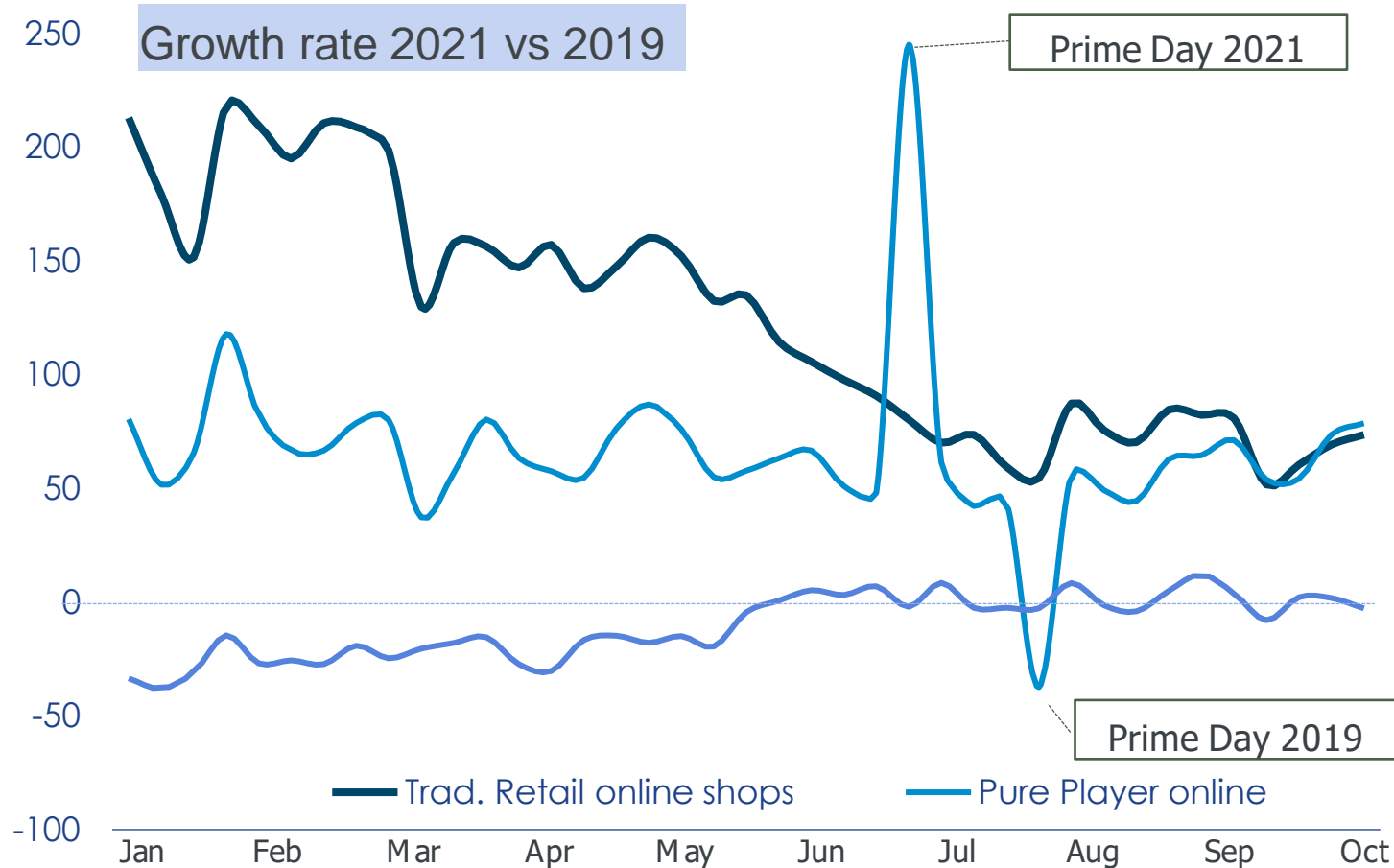
-----→ we are at the forefront of innovation


A retailer has NO future if is not **omni-channel**: offering both strong online and stores **at the same time.**


Omni-channel Retail doubles the growth of pure players




EU5
 TCG | value
 growth %YoY
 CW 01/20 –
 39/21

 W1-39 : **+124%**
 Trad. Retail
 online shops

 W1-39 : **+63%**
 Pure Player
 online

 W1-39 : **-11%**
 Traditional
 retail only

Source: GfK Market Intelligence, EU5, CW1/20 – CW 39/21 sales value EUR growth % YoY, Technical consumer goods include: Telecom: Smartphones, headsets – IT: Mobile/Desk computing (excl. Media sticks/boxes), media tablets, monitors, keying devices, pointing devices – Office: Laser and inkjet printers – Consumer Electronics (CE): TVs, audio home systems, soundbars – Major domestic appliances (MDA): Cooling and washing machines – Small domestic appliances (SDA): Vacuum cleaners, shavers, food preparation, dental care, hot beverage makers; Value is in EUR NSP (non-subsidized price).
 General Assembly November 17th, 2021

But 2022 is different....

- Until now online was only growing.
- Since end 2021 online has declined. In the U.S. online sales is **15% down**.
- In Europe **page views are down 14% (U.S. 7% down)**, which would mean EU online sales are down – 20%.
- **US online prices are down -1,9%**, notwithstanding inflation...
- TCG decline in prices (-15% in TV) are in no relationship with inflation.

Is pure online always sustainable ?

- **Free** delivery ?
- **Free** returns? (some onliners have +60% of their orders returned)
- Does pure online take up the tasks foreseen in the law:
 - Take back the old device ?
 - Pay the right VAT ?

Will the abuse be dealt with?

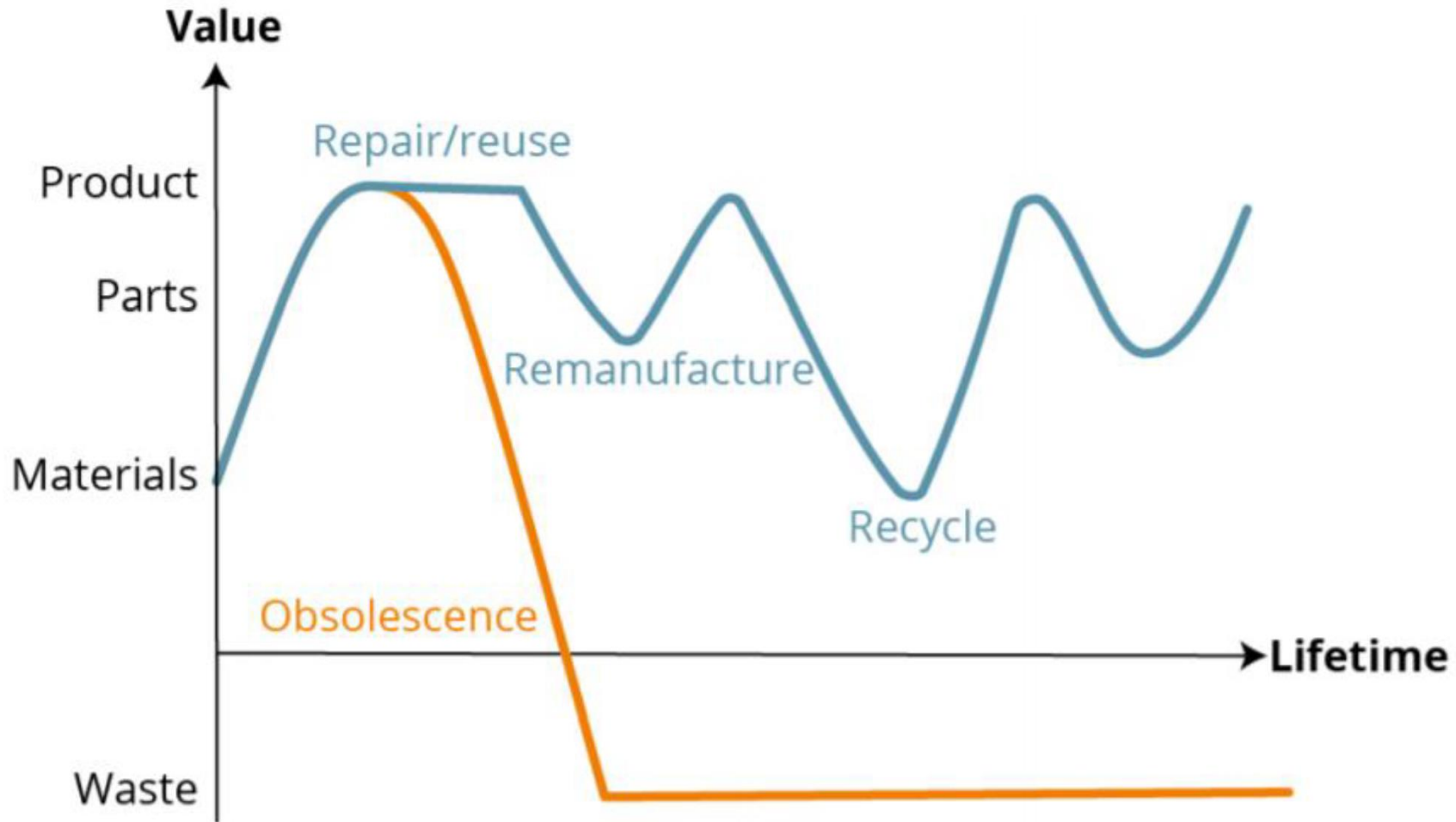
- For EuCER, a **dominant retailer** cannot at the same time own a **dominant marketplace**.
- We will have to see whether the D.M.A. & the D.S.A. have an influence on **the abuse** of dominant power of some online players.

2nd pillar: Environmental in TCG

- **Durability**: longer lifetime
- **Connectivity**: upgrade the product.
- **Repairability**: instead of new product, 3D-printed spare parts.
- **Recyclability**: save resources.
- **Energy consumption**: less is more



THE PRODUCT LEVEL



Retail is the first and last mile

- The industry is **not ready**, apart from telecom.
- Industry is afraid as extra legislation burdens the manufacturing process. In other areas in the world the **same set of rules do not apply**.
- But... steps are made. In **telecom** we see a positive approach: easier because product line up is smaller and they are global players.
- Retailer is **the first contact** of the consumer: explain, demonstrate, compare the product. We have the duty to inform the consumer.
- And... we are **the last contact**: when the consumer wants to get its product repaired or recycled or disposed of...

Touchpoints

- In Italy TCG retailers account for + 100.000 tonnes of electronic waste removal and ... free of charge.
- The **click & collect system is the most sustainable supply format** in the business (less traffic, less miles travelled, more community driven).
- **Energy efficiency has increased with 60%** in 10 years. An incentive which would encourage consumers to dispose of MDA-devices of +10 years would save the energy of a midsize town like Genoa or Palermo. **A small investment for a large gain!**

3rd pillar: social. Community

- A city needs stores, as without it, the city is dead. Retail is the social fabric of communities.
 - Who sponsors the local sports team?
 - Who subsidizes the local cultural initiatives?
 - Who pays for the Christmas decoration?

3rd pillar: social. Workforce.

- Retail is the **premier enabler** for low-skilled to improve their knowledge, experience and skills.
- Age groups from 18 till 65 are welcome and are employed in retail.
- Fortunately many retailers have a very good performance : Euronics' **churnrate** is 7 years.

3rd pillar: social. Diverse.

- As we are close to the consumer, our staff has to be a **mirror of society**.
- Representation of **female staff** is high on the workforce, but could be better in management positions.
- Initiative to mentor female staff to progress in our management levels.



The Mentorship Group 2023



Alyona Babushkina
Channel Sales Leader
CEE Region,
Microsoft



Ragip Balcioglu
Chief Commercial Officer,
Arcelik



Hans Carpels
President,
Euronics International



Emmanuel Fromont
Corporate VP,
President EMEA,
Acer



Marta Gnjatovic
Head of Commercial
Teams,
Coolblue

Right to Repair

- * Repair by consumer or focus on SME's to repair ?
- * Extra warranties have proven to be detrimental as costs go up and ability to repair goes down.

Digital Product Passport

- * TCG Retail will cooperate as the link between consumer and manufacturer
- * Safeguard the interest of consumers.

Waste from electrical and electronic equipment

- * What can TCG retail do more?
- * A European harmonizing would be a good improvement.

Effective execution of Regulation

Digital Markets Act / Digital Service Act / Price Reduction Information /...



Our advocacy aims to find the balance between entrepreneurial targets and public interest.