Yuliya Dzyuba is a founder of Dzyuba Retail Atelier, has 20 years of experience in marketing, 8 of which she worked at Silpo and Comfy — leading supermarket retail chains in Ukraine. At Comfy, Yuliya built brand and communication strategy, and at Silpo, she managed the store design department and was responsible for design and in-store communication for 5 years. Yulia created 70 unique store formats, opened 90 supermarkets, 5 of which are recognized as the Best Innovative Designer supermarkets in Europe. In a series of author’s columns on the portal of Associations of Retailers of Ukraine, Yuliya talks about the concept of a “LoveStore” and shares tools for creating effective retail customer experiences. Yulia is a guest speaker at Retail and Commercial real estate forums throughout Europe and Central Asia.

Retail is an integral and very important part of the real estate ecosystem - shopping malls, cities, residential complexes, business centres, entertainment centres, museums, hotels - have retail as part of the complex concept.

Global retail sector has experienced huge disruption in the last few years. Never before in the history of the industry consumers dramatically changed their behaviour and expectations - all at one time. About half of consumers reported switching
brands in 2022, compared with only one-third in 2020. What’s more, about 90 percent said they’ll keep switching.

Current economic climate pressure and supply chain constraints influence the prices and margin. So in order to achieve profitable growth, retail should adapt and follow the key trends:

- Becoming omni-channel
- Being flexible in selling in any of the chosen channels
- Experimenting and changing the formats to be more close to consumers - Big became small, hybrid formats of pick-up points mixed with the store, pop-up stores
- Using energy saving and sustainable technologies
- Optimisation in personnel - moving towards self service cash desks
- Employees working from home, reduction of office areas and cost

The future of retail is in building emotional connection with its consumers. Imagine a consumer who is in love with a retail brand. He comes back again and again, brings his friends and relatives, recommends and says words of love in social media. And he or she is not the only one, there is the whole community who calls this retail - my LoveStore. LovesStore is about the choice and loyalty. And sales grow because of love and loyalty.

But how can a retailer can achieve this?

1. Start creating emotional experiences, not just do purchasing transactions. People can easily buy online and they need a strong reason to go a physical store. New retail should be about exploration, inspiration, education, entertainment and excitement.
2. Empathy as basis for all changes. It should be the DNA code of the owner, top-managers and the whole company. Wish to do cool things for your consumer, and believe that every consumer is worth going to a good store.
3. Take into account special needs and life attitude of consumers which means prioritizing deep segmentation in product categories and update product strategies to sustainability strategies. The number of consumers who are increasingly conscious of what they purchase, grows. They care about sustainability and social responsibility and vote with their wallets.

In Ukraine the success of Silpo supermarkets chains was based on these key strategic things. The launch of emotional format of Silpo led to the revolution in whole retail industry. All retail categories started to change. Because the consumers got used to go to caring and engaging retail with good vibes and made their choice. And today Silpo is absolute leader in food retail and the brand’s stores are LoveStores. Recently Silpo has opened ‘green’ supermarket with freon-free refrigerators, onsite renewable electricity generation and various waste-reduction activities.
Today, the quality of retail is taken into account at the stage of forming the concept of any real estate object. Innovative, emotional, consumer centric retail enhances real estate concepts and makes them more attractive to end customers.

I see huge potential for Saudi Arabian’s retail in terms of transformation ordinary stores into emotional and entertaining spaces. Consumers here are already used to emotional and engaging experiences due to fantastic concepts of Boulevard World and ROSHN Front, many outstanding restaurants and luxury stores. Malls here became gathering places where Saudi shoppers could meet friends, explore entertainment.
And now it is time for **innovative changes** and **significantly enhancing the in-store retail experience** in the categories of supermarkets, convenience groceries, pastries, electronics, DIY and many other categories of retail.
Some important data on KSA consumers' behavior that may motivate retailers to transform their strategies into consumer experience strategies (The shift towards immersive shopping: New opportunities for retailers in KSA 2023, PWC):

- 86% Saudi shoppers are willing to pay more for better experiences
• Malls are increasingly shifting their focus to providing a wider range of entertainment offers to attract customers. An estimated 50% of new retail space scheduled to open in Saudi Arabia over the next few years is focused on entertainment.

• Consumers increasingly want their buying experience to be truly custom-made to their needs and convenience. 38% are willing to pay higher than average price for bespoke or custom-made products.

• 7 in 10 Saudi consumers would go out of their way to visit a store that had at least one advanced technology feature such as smart mirrors and interactive screens.

• Over 40% would go out of their way to visit a store that had smart mirrors, while more than three quarters would use these features overall, highlighting how open consumers are to exploring new technologies as part of their in-store experience.

I believe that strengthening physical retail should be part of the complex strategy of Saudi Arabia in terms of preparation to World Expo 2030. So that visitors from many countries will definitely say that Saudi Arabia has the most unique and best entertaining stores in the world.