

Press release

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Consumer Goods Digital Day: Interview with keynote speaker Sanjay Sauldie

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The Consumer Goods Digital Day, the digital meeting place for the international consumer goods industry on 20 April 2021, will start with a keynote by Sanjay Sauldie. According to the renowned management consultant and speaker, it is imperative that Germany and Europe succeed in digitally connecting consumers with analogue trade. Digitalisation must be seen as a bridge. Only then we will be better able to survive future developments and pandemics. In the interview, he reveals what participants can expect and what will be important in the future.



The multi-award-winning keynote speaker and digital business consultant Sanjay Sauldie will open the Consumer Goods Digital Day on 20 April 2021 with a plea to actively shape the digital transformation. Photo: Messe Frankfurt.

Sanjay Sauldie is Director of the European Internet Marketing Institute EIMIA, Mannheim, and an expert on the topics of disruptive innovations and digital transformation. His presentation at the Consumer Goods Digital Day "Retail 4.0: Digitalisation and the stationary trade - friend or foe?" uses practical examples to show which means companies can use to help shape the future in Retail 4.0 without becoming victims of digitalisation.

In recent years, a fundamental change has begun in the retail sector that is set to intensify. The dynamics of digitalisation are considered to be the main driver of this development and are often seen as a considerable challenge, especially for the stationary trade. Particularly at risk seem to

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be the small and medium-sized, mostly owner-managed companies, which have only very limited resources to react to this change.

1.) Mr Sauldie, you once said that consumers' attention has to be captured digitally and picked up analogue with emotional offers. What does an intelligent dovetailing of digital and analogue strategies have to look like for retailers in the consumer goods industry in the current pandemic situation? Now and after the pandemic?

I am always amazed at how easy it can be to implement an intelligent strategy for the digitalisation of retailers in the consumer goods industry, but unfortunately this is often neglected. Too often it is thought that this area is only something for the "big boys" like Amazon, or some retailers even quickly give up on the challenge.

It starts with entering one's opening hours correctly on Google, checking the phone number and also checking corresponding reviews. This can even be done for free and is the beginning of the digital strategy "iROI", which I have developed for retailers. The consumer's shopping already starts at home on the couch; via the internet or the respective app, he comes into contact with companies digitally. Customer demographics and their needs have also changed. Therefore, the consumer must be picked up from there and no longer only from the analogue shop window. Digital displays etc. are only useful in the shop window if they are not only used but also accompanied by a sustainable strategy.

The solution to these five challenges is strategically crucial: First, it is about the ongoing reallocation of operating resources, for example also for the development of purely digital business models in addition to the stationary business. This is followed by the creation of (value) networks within a shopping street or city, the development of a customer-centric infrastructure in consultation with city administration, then the systematic development of new competences & capabilities within the company and the accelerated decision-making & implementation of managers.

2.) The digital transformation is gaining momentum in the pandemic. Many speak of digital Darwinism. What specifically must stationary trade offer online in order to survive?

It depends a lot on what the customer structure looks like. Basically, retail has to make shopping easier, not harder - Amazon has benefited from this. Likewise, digital visibility, as mentioned above, is extremely important. First, it is crucial to educate oneself to take away the fears of digitalisation and then look at the strengths. What about radically rethinking the business? How about using digital assistants such as touchpads to provide optimal product advice or self-service? How can products be individualised so that they are no longer comparable?

One of the most important approaches to take is not to invade the online giants' playing field. But rather to make themselves so strong through offline networks, for example, that stationary retailers challenge all online players on the offline playing field. It is always better to play to one's strengths and become a master there, instead of expecting quick success in unfamiliar territory with little experience.

In order to survive, it must be understood that waiting until the customer comes into the shop will no longer be enough. At the latest when Amazon opens stationary shops in Germany, which is already happening in the USA, we can expect a worse situation than the pandemic. Because Amazon is thinking about shopping behaviour and not about making trade in its traditional form more "digital".

3.) Where are the advantages and strengths of stationary retail?

In a nutshell: On the stationary retail side, the following strengths can be found in particular, which retailers should continue to exploit in a very targeted manner: The customer can directly enjoy the physical product (look at it, touch it, try it on, smell it and taste it). He can discuss and clarify his questions, ambiguities and explanations directly with the salesperson.

In addition, he can shop with friends, acquaintances, colleagues and family members and make shopping a "social experience". He can process his complaints and also the payment more quickly. There are no shipping costs or minimum order values.

Furthermore, stationary trade is much more environmentally friendly because less packaging waste is produced and less has to be disposed of, and fewer returns have to be sent.

4.) How can retailers win back more customers in their stationary shops after Covid? What role does the emotionalisation of shops and stores play in this? Are new city centre concepts needed?

Yes, the inner city as such needs to be rethought. In this context, the so-called "carriage" syndrome must be taken into account: If you had asked carriage owners and carriage users what they wanted, the carriage users would have answered: "we want to get to our destination faster and more comfortably!" The carriage owners - trapped in their traditional thinking - only know horses and would then have switched to eight horses instead of four, until a complete stranger to the industry came up with the idea of leaving all that behind and inventing the motor. This is exactly what we are facing with stationary shops and city centre concepts.

Why aren't digital experts brought in who don't come from the ranks of the city centre conceptualisers ("carriage owners") but from the digital world? That is exactly what is missing. That is why very few city centre concepts are successful.

At the Consumer Goods Digital Day, I will give you "disruptive ideas" in my lecture on this very topic, and there is also something for city centre concepts. I think it's risky to rely only on the emotionalisation of shops when hardly anyone wants to enter the city centres, just like the emotionalisation of shops and stores. Every city marketing should think about putting the advantages mentioned in the above question in the right light and not leave the marketing to each individual, but talk to innovative digital experts.

5.) Do you have a concrete idea for this?

What has been on my mind a lot is why there are not bundles of products and services within a city that make it easier for the consumer to connect offline and online. You have to ask yourself: When was the

last time your offline business was rethought - and from the customer's perspective? Why isn't there a central location for pickups in every city? Imagine that the customer can simply go shopping in a street, mark his goods in a single app by scan and can then pick them up comfortably at a pickup station, which is perhaps right next to the car park, near a restaurant, where they can wait for a short while over a coffee after Corona. City marketing and city administrations would be in demand for this issue.

6.) How are shopping and shopping behaviour changing in general? What do we learn from the crisis?

Any company that does not prepare for change will have a hard time in any crisis. In times of digitalisation, it is important to quickly become digitally literate. Furthermore, it is important to prepare your own company for changes against which the Corona crisis will be considered child's play.

I am talking, for example, about artificial intelligence, robotisation, Big Data, digital marketplaces, the Internet of Things, drone technology, etc. Knowing the shopping behaviour of customers online and offline and linking it to these new tools of the trade will make a company crisis-proof. Customers adopt new technologies very quickly, as we have learned from the crisis. Suddenly, home office is also possible in traditional companies, which used to be the exception even in innovative companies. Customers now place such high demands on shops because Amazon defines the standard. The days of expecting and lamenting that the customer should come back to the city centres because the stationary trade is "so nice with him" are over!

7.) What advice do you pass on to the stationary trade?

Retailers in city centres must put the shopping behaviour of customers at the centre of all decisions and strategically embark on the journey. This means acquiring their own leadership skills and thus challenging their own industry and the concepts of the city centres.

The following questions in doing so are for example: How can I simplify shopping for my customers (payment system, etc.)? How can I offer the customer a larger selection - than what I offer in stationary retail (tablets for sales assistants, etc.)? Is the customer's journey offline and online interlinked (do I know the customer's journey at all)? Am I a lone wolf in the city or are we making optimal use of the "city centre" network digitally and analogue? Do we have the right, innovative and "crazy different thinking" experts in this project?

Of course, now that the crisis is over, many people will flock to the city centres and generate a lot of sales - which will be wonderful. But online retailers have also learned from this and will also prepare for the time after Corona - with filled pockets from the crisis period. Therefore, it is important to act quickly now. From the crisis we learn that together we are much stronger than the individual - and this is exactly what the stationary trade should use as a strength to really make the project "City Centre 4.0" and "Retail 4.0" successful. Are we all ready for this?

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