

ICSC NATIONAL COUNCILS AND COMMITTEES >



NEWS FROM THE NATIONAL COUNCILS AND COMMITTEES IN EUROPE

Jan Kubicek, Chair of ICSC's Czech Republic National Committee, discusses the change of store opening hours during public holidays in the Czech Republic and explains how the Czech Republic National Committee is trying to overcome this challenge.

"The retail environment in Czech Republic is currently challenged by unprecedented legislative attempt for regulation of opening hours, in particular closing on public holidays any shop larger than 200 sq.m. We have been enjoying free market conditions for the past 25 years, which helped us to develop very robust and modern retail network. From time to time, there were voices, especially from the union side, to go back to old system from communism where all shops were closed on Sundays and open only till mid-day on Saturday. With the relatively liberal post-revolution environment, they did not have too many open ears on the side of policy makers. However, this time a senator's initiative found a specific political set-up, which will have a good chance of being approved."

"The reasoning behind this proposal seems very weak and driven by personal and political factors, citing positive effects of competition limitation and fact that people should be using public holidays elsewhere (e.g. in parks) rather than in shopping centres. They also claim pure working conditions of cash-desk employees in supermarkets to be a universal right. Those are clearly unreasonable arguments that demonstrate a dangerous attempt to regulate free time spending, resembling a communistic period which we hoped we had already overcome. From a practical perspective, the act would not reach its goals, but would rather introduce further injustice(s) and bring negative economic effects. Firstly, by reducing the working hours' fund by almost 2%, it is going to result unemployment in thousands of groups of lower socioeconomic status (part-timers, single mothers, security and maintenance workers, etc.). Secondly, it would establish workers discrimination by introducing a privileged group (5% of total working inhabitants work in retail) and missing other industries like leisure and restaurants, transport and shifts workers in factories. It also favours small shops over larger ones and brings unfair competitive advantage to internet shops which will, of course, be opened on those days."

"Due to the 8 days only in question, the economic impact of that measure would not be dramatic for Czech economy, but it would still be negative and in our view, unnecessary for a market that has proven to auto-regulate. We consider the bigger issue to be the fact that it represents the first step on a road to limit Sunday sales. The union leaders have already publicly admitted this. This comes at a time where there is a complete opposite trend in Western Europe."

"We discussed this topic intensively in our Committee and established a special group to coordinate our activities. In cooperation with Association for Trade and Tourism, which are officially recognised as an opinion point for government, and actually brought us the topic sufficiently in advance, we have commissioned a nationwide survey to gauge people's view on it. Two-thirds of the participants do not wish government to get involved in it and more than half are strictly against it, representing four million people. We have organised a press conference and taken part in TV and Czech radio discussions

Jan Kubicek
Chair of ICSC's Czech Republic
National Committee

"The retail environment in the Czech Republic is currently challenged by unprecedented legislative attempts for regulation of opening hours..."



Lieke Van Delft
Winner of the Dutch Thesis
award

to get this topic into circulation in the public domain. We also created a Facebook campaign supported by Facebook accounts of various shopping centres. Additionally ICSC has hired a special PR consultant to directly talk to parliament members. In parliament, the proposal has to go through three hearings and the first one is scheduled at the end of this month; so let's see how this all will be reflected in it."

THE ICSC DUTCH COUNCIL OF SHOPPING CENTRES PRESENTS THE FIRST EDITION OF THE DUTCH THESIS AWARD. LIEKE VAN DELFT WON THE PRESTIGIOUS PRIZE WITH HER THESIS "STUDYING OMNICHANNEL SHOPPING BEHAVIOUR DURING THE CUSTOMER JOURNEY".

This year, the Research & Education commission of the Dutch Council of Shopping Centres introduced a new initiative, the Dutch thesis award. The award brings attention to relevant and innovative research on the Dutch retail market. The first winning thesis "Omnichannel shopping behaviour during the customer journey", written by Lieke van Delft, was praised for its current and interesting topic on 20 January 2015.

The thesis can be summarised as follows: There has been an increasing interest in retail channel usage of consumers. Nowadays, consumers use many different online and offline channels during their shopping process. They can shop everywhere and at any time. Therefore, it is important to understand their online shopping behaviour.

Within omnichannel shopping, all channels work together using one strategy in which the customer is the centre of attention. Furthermore, the customer switches easily and continuously between the channels while experiencing this as one complete channel. Omnichannel shopping behaviour is related to the customer journey. This journey can be considered as a consumers' decision-making process.

Consumer segmentation was studied to understand the different clustering techniques for analysing omnichannel shopping behaviour during the customer journey.

GAINING INSIGHT IN CONSUMER BEHAVIOUR

The main question was: What is the relation between omnichannel shopping behaviour during the customer journey and personal characteristics? The study confirms that consumer behaviour is linked to sociodemographics and psychographic characteristics.

The use of online channels is influenced by age and innovation: key findings are that consumers under 30 years old are more likely to use social media, and consumers between 30 and 49 years old with high incomes use apps on their mobile devices. Retailers must therefore take into consideration the audience they want to target on social media and their mobile apps in order to offer the right information through the right channel to the shoppers during the customer journey.

The complete summary of the thesis is available at www.nrw.nl

THE THIRD "EUROPÄISCHER INNOVATIONSPREIS STADT UND HANDEL" WAS AWARDED BY THE GERMAN COUNCIL OF SHOPPING CENTERS

During their traditional New Year's reception in Frankfurt, the German Council of Shopping Centres (GCSC) awarded European Innovation in Cities and Retail to its winners for the third time. The "Bikini", Berlin, (Retail) and the successfully revitalised "Rindermarkthalle Hamburg" were honored by Klaus Striebich, Chairman of the GCSC, and GCSC management members Christine Hager and Markus Trojansky in the presence of 250 guests.

"The jury chose two winners among a multitude of candidates, who fulfilled our high standards almost perfectly. The futuristic qualities, already visible during the planning of the projects, are exemplary" said Klaus Striebich. Furthermore, Franziska Deus, Berlin, received the GCSC award for future journalists.

FOCUS ON EQUAL OPPORTUNITIES FOR STATIONARY RETAILERS

The stationary retail sector faces its biggest challenge in discussing chances and risks of the online market constructively, critically and, most of all, in a customer-oriented way. The 24/7 opening hours are a clear advantage for online retailers: a problem stationary retailers, and hopefully politicians, will discuss.

Is it necessary to use revitalization to make existing centres fit for the future? If yes, is it by enlarging them? Is the infrastructure really sufficient for daily use? Are restrictions in areas and range actually useful? All these questions will be addressed by the German Council of Shopping Centres over the next months.

VLADISLAV ZABRODIN, CHAIR OF THE ICSC RUSSIAN LIAISON NATIONAL COMMITTEE ANALYSES RUSSIAN RETAIL REAL ESTATE FOR INFORM

What is the state of the retail real estate industry in Russia?

The retail real estate industry in Russia has been one of the fastest-growing industries during the recent years. It is important to mention that in 2014, the market in Moscow alone expanded by around 0.9 million square metres of retail premises. Thus, over the recent years, the retail estate industry has nearly reached the average European level of shopping area per person in major Russian cities.

The number of retail facilities in many major cities is comparable to what we can see in other retail destinations of the world – the competition in this segment is rapidly increasing. That being said, many retail facilities that were built several years ago now require redevelopment in order to become more attractive for customers. At the same time, the focus is moving to regional cities that still lack quality retail areas. Such development projects can be quite effective for investors looking for long-term projects.

The other issue is transfer of power from landlords to tenants. During the last 10+ years, the market was landlord-oriented and the shift of power has been rather drastic. However, this is a healthy transfer, in the long-term, and the move in this direction will significantly contribute to the efficiency and quality of operations by property owners.

How will the industry evolve in this region?

The retail estate industry in Russia today is rather advanced and is subject to the same trends as in any other country. However, I believe that in the next 5-10 years we will see many projects in Russian regions and new shopping formats entering the market, such as outlets that have started to appear in some of Russia's biggest cities.

At the same time, the current economic situation will significantly increase the competition, and developers will need to become more effective in order to retain their place on the market. That is expected to result in quite a number of deals and a permanent upgrade of the existing centres.

In the last 15 years, the Russian retail industry has come a long way from virtually non-existent and to one that includes modern shopping centres that can compete with the world's best facilities. The level of professionalism of the market players has increased drastically and the market is now very open to new and the most advanced approaches.

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Klaus Striebich

The GCSC Board and the Winner of the "Europäischer Innovationspreis Handel und Stadt"

