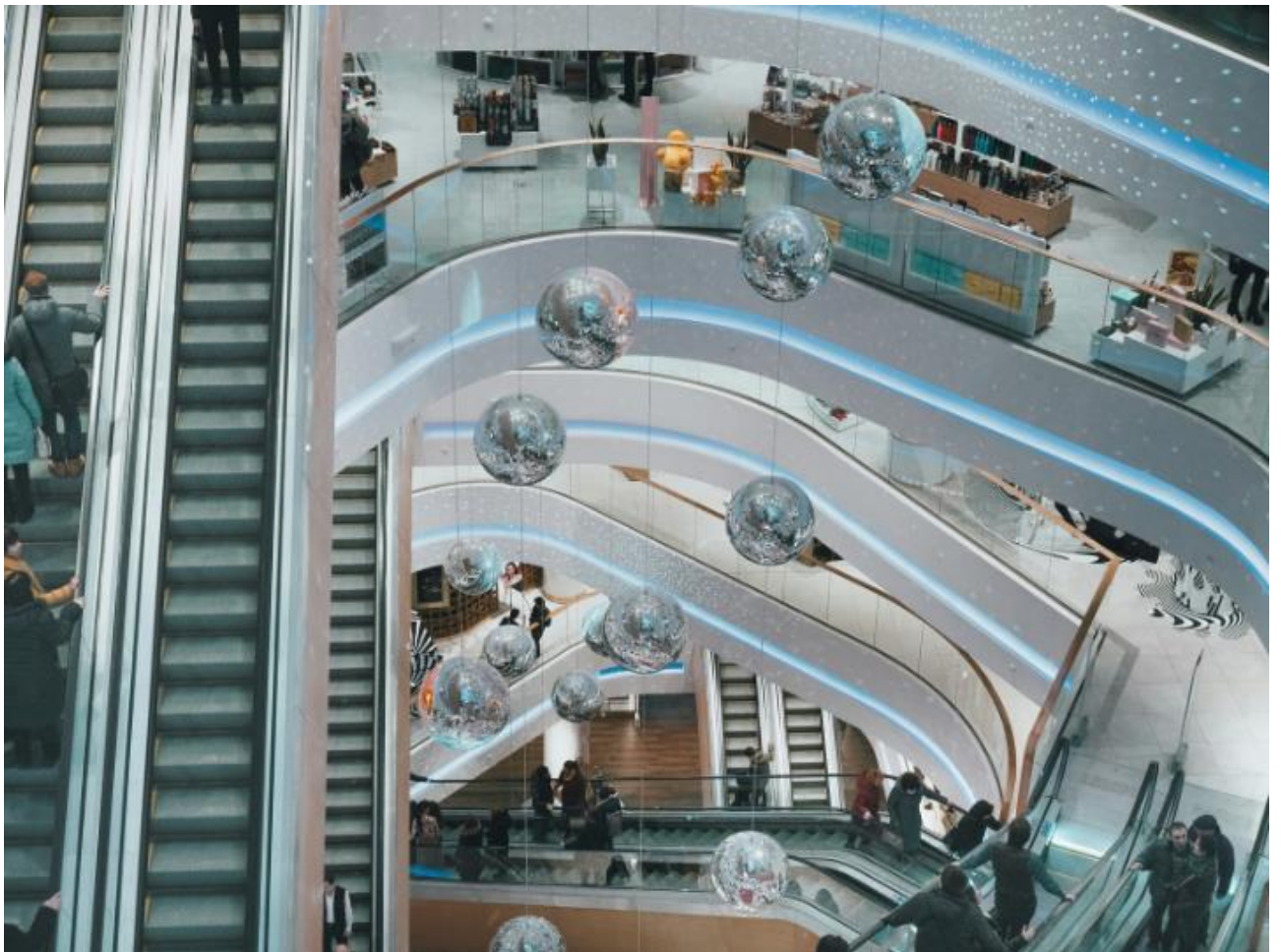


EUROPEAN BUSINESS REVIEW

RETAILING YEARS : THE DAY AFTER (2024-26)

by Antonis Zairis





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1. **2024-2026: Landmark years for the Greek and Global Economy**

The economic slowdown in both the US and China, as projected by UBS, is expected to decrease the global growth rate by 0.5% for the year 2024, with forecasts estimating it at around 2.6% and 3,1% for the year 2026 as well . More specifically, growth in the US is estimated at 1.1%, in China at 4.4%, in Japan at 0.7%, and in the Eurozone at 0.6%. However, the restrictive monetary policy and high interest rates are dampening the momentum of global growth, while companies are facing squeezed profit margins, and the labour market is in turmoil. Concerning Greece, UBS predicts inflation at 2.4% (2024) and projects a decrease in the growth rate, estimating it at 3% for the years 2024 and 2025.As for the Eurozone, based on the forecasts of the European Central Bank, the growth rate will be 1.3% for 2025 and 1.4% for 2026.

On the other hand, the estimates of the Bank of Greece for our country suggest a marginal increase in the growth rate to 2.5% in 2025 and 2,3% in 2026 from the 2.4% expected in 2023, while there is a notable decrease in inflation in 2024 compared to the 4.10% in 2023 and the explosive 9.3% in 2022. The fundamental drivers of Greece's economic growth should be investments, consumption, and notably exports, a strategy which aligns with the currently outward-oriented direction of the Greek economy. The goal is to increase exports by 60% by 2027 in order to offset the trade balance deficit between exports and imports. The digital and green transition, characterised by highly specialised technological products that are simultaneously environmentally friendly, will pave the way for enhancing the competitiveness of Greek products as well. Greek products will stand out precisely because they will be competitive in the context of international markets. After all, this is essentially the gamble for the Greek economy and the country more broadly.

However, it is also essential that potential threats are taken into account, and strategies for their successful mitigation are developed by the government. It is thus that the economy's secure progression will be facilitated.

Firstly, the long-term sustainability of the public debt, as by 2032 Greece will be burdened with additional costs due to the extension decision made in May 2018, regarding the interest payments of EFSF loans amounting to 25 billion euros (8% of GDP). It is noteworthy that the debt sustainability threshold according to the International Monetary Fund is set at 15% of GDP. However, it should also be considered that in Greece, the necessity for both social expenses and funding of investment projects is deemed imperative. Therefore, the increased uncertainty exposes the public to the risk of interest rates.

Secondly, the mismatch between the demand for and supply of jobs results in delays in unemployment reduction and negatively impacts productivity and economic growth rates.

Thirdly, consumption which continues to significantly contribute to the composition of GDP and has been further bolstered by increased employment in light of the obstacles posed by the country's current economic development model.

Fourthly, pressure due to inflation and expectations will persist, necessitating the adoption of prudent fiscal management strategy to mitigate the risk of deviation stemming from increased demand.

Fifthly, the low structural competitiveness, as indicated by the IMD index for 2023, which requires additional interventions in the legal framework, the tax system, tax evasion, bureaucratic issues, and aspects of corporate governance.

2. New dynamic economic model with a digital footprint

It is a fact the years to follow until 2027 that a new dynamic economic model is now beginning to emerge in entrepreneurship in the framework of the 4th industrial revolution and the digital challenges of our time. This paradigm will create new data, bringing revolutionary changes and overturning centuries-old economic models.

Important aspects of this new model that need to be taken into account and given careful attention are:

1. The source of surplus value, the value added to the product produced, is no longer considered to be the process and the duration of production, nor the participation of the factors of production, even if they operated in terms of increased productivity. The source of surplus value in the new economy is the valuation of the creative time spent on the conception of an innovation, a different idea, e.g. the design of a smart product or service (inventing an algorithm, new software, a smart application, etc.). Added value is now the clever idea, the innovation of the product's characteristics and the diversity found in all four marketing elements (product, distribution, promotion, price). The intangible element, the intelligent, the creative, now takes the place of added value, which is reflected in the cost of the product. This will now determine its competitiveness rather than its production. Moreover, it is this which ultimately weighs in terms of the productivity and competitiveness of the firm itself, which has the privilege of selling and marketing similar products.

2. The value of useful information, primary or secondary, from the internal or external environment of the enterprise is worth much more if this information will lead to the design of e.g. a technological product with particularly competitive characteristics that make it unique. In the past, access to information was a commodity reserved for a few, the political or economic elite, whereas today many more have access to it. However, the privilege of processing this information in order to obtain useful data to help design a product or service belongs to those with specialised knowledge and advanced technocratic perception.

3. Innovation and the business policies that adopt it and the government policies that encourage the corresponding environment for innovative initiatives. Based on international experience, as Bruno Lanvin, Executive Director of Global Indices INSEAD, argues, innovation policies are no longer supported not only by developed economies but also by developing economies as indicated by the Global Innovation Index (Global Innovation Index-GII). For example, in India there is the Remidio Innovative Solutions medical device company, thanks to which compact devices are connected to a Smartphone for the diagnosis of retinopathy and rapid treatment of infants in remote areas of the

country. Also in collaboration with INSEAD, Cornell University and the World Intellectual Property Organization (WIPO), the GII measures a country's innovation performance based on both innovation inputs (regulatory environment, higher education, R&D spending, infrastructure) and innovation outputs (online creativity and knowledge creation). In our country, the shift of Entrepreneurship to Innovation should be focused on high-tech products on the one hand, and on those of the agri-food sector on the other hand, where there is scope for the emergence of an innovative comparative advantage at the level of internationally marketable products capable of competing with similar products of other countries outside Greece.

4. AI is an important chapter of the new era and is expected to bring about fundamental changes in both the public and private sectors. It is a strategically important technology in the context of the fourth industrial revolution, aimed at improving the competitiveness of businesses and bringing innovative features to the services offered. Our country is in 23rd place in the ranking of the relevant index of the European Union (Government AI Readiness Index), with only 3% of companies using AI applications compared to 45% worldwide. According to a survey conducted by SEV (Association of Greek Industries), companies that adopt AI solutions have profit margins up to 17% higher than the competition. Retailers, for example, are able to achieve a 20% reduction in inventory, a 30% reduction in stocking time and a 30% increase in online sales.

5. The new 5G technology also complements the basis for the digital transformation of the economy. More data in mobile telephony, the possibility of fixed, wireless access and high-speed new innovative applications, a wide range of services in industry, transport, health, retail. We should not ignore the social dimension of 5G technology, as it contributes to reducing social inequalities, offering access for all at reduced costs in areas such as health and education!

3. The new type of smart, sustainable entrepreneurship and the next day

Both retail and industry go hand in hand with the new type of smart entrepreneurship as they are at the level of rapid developments and changes spearheaded by the new circular economy and sustainable development. This new type of entrepreneurship does not see profit as an end in itself, it focuses on the big picture and acts as a deterrent as it is impossible in the future to have prosperous businesses on the one hand and suffering societies on the other. The problems in our time are big and largely insurmountable, the circumstances are uncontrollable and the forecasts with numerous scenarios, which most of the time do not come out, such as: increasing poverty, inequalities, waste of resources, climate upheavals, drought, floods, irrational management, etc., but problems that demand the necessity of interventions and dynamic changes with the State, civil society and businesses as participants. The aim is to formulate a framework of constructive cooperation and agreement for the implementation of radical reform policies and changes, if, of course, their desire is to ensure a next, sustainable day!

This, however, requires a deeper understanding of these problems and their impact on all of our daily lives and of the changes that are likely to be painful and costly. As far as the adoption of bold Policies is concerned, these involve for one part of the Policy, unpleasant and unpopular decisions and regarding the Businesses, increased costs associated with the change mainly of mentality and the way they operate, for example for the production of environmentally friendly products immediate replacement and modernization of their mechanical equipment and serious investment in training to improve staff skills.

However, the challenge of sustainable entrepreneurship remains strong and serves prosperity and social responsibility and this is for the welfare of all: the businesses themselves, their employees and the consumers who accept and buy their products. The vision of SDGs (Sustainable Development Goals) ,as solemnly proclaimed at the UN , remains timeless ,promising and ambitious with sustainable development at the forefront of interest and targeting.

But, this is the future and in this sense the existing model of economic growth, in which Trade and Tourism are currently disproportionately involved with high percentages, should also be improved. However, the need for structural restructuring of the economy requires a greater contribution from production and manufacturing with an emphasis on high-tech and specialised products. This is the only way to touch the national dream of young children and put a stop to their flight abroad.

Obviously, dreams are not set up in the entrepreneurship of convenience but in creative, competitive entrepreneurship that must acquire characteristics of sustainability and in this light the rallying of all stakeholders is necessary. In this direction, the emergence of Education, the cultivation of a new Culture and the emphasis on creative skills make up the success mix for the next day.

4. Greek trade : a pillar of dynamic economic growth

Within the European Union, retail trade is among the most important ecosystems that contribute to the growth of the European economy, while in Greece the dynamics of trade as a whole, through the 230,000 or so businesses, of which 65% are retail businesses, extends to the wholesale, retail, export and transit trade sectors, as well as to the logistics sector.

Based on official data from as recently as 2010, the importance of trade in our country is considered huge since the value added to GDP amounted to 16%, accounting for 18% of total employment and 23.1% of employment in the private sector of the economy. However, the major restructuring took place in the period 1995- 2008 contributing significantly to productivity growth. In particular, the retail sales volume index at constant prices for the years 1995-2000 showed an increase of +3.8% with GDP growth in the same period at +3.5%. Similarly, the same index in the period 2000-2008 soared to 14.5% while GDP was at 4.06%. But since 2009 when the great financial crisis started the index has been falling sharply at -9.3%.

Today, after the crisis of the memorandum era followed by the pandemic crisis, Greek trade has entered a new phase of radical transformation with large companies growing further and micro businesses feeling the need for immediate restructuring and reorganization through mergers and acquisitions in order to respond to the newly emerging environment of competitive market operation. However, rapid changes are taking place in purchasing habits and the profile of the modern consumer, with the customer-centric approach and the emphasis on quality service constituting dominant comparative and competitive advantages in the multi-channel trading system imposed by the new market conditions.

According to official data from the INEMY of ESEE, employment in the trade sector accounts for 17.4%, and the number of employers is 95,000 people from 80,000 in 2020, which is why the trade sector is characterized over time as the largest employer in the country. As for the turnover of trade in 2022 reached 167 billion euros, where the retail trade accounted for 51.3 billion euros, and for the first half of 2023 the retail turnover was 31.79 billion euros, significantly increased by approximately 10% compared to the respective half of 2022. And for the entire retail trade, according to data from the Athens Chamber of Commerce (ESA), the turnover in the year 2023 finally reached 68.14 billion, marking an increase of 7.0% compared to the year 2022. But for retail trade, excluding the vehicle,

food and fuel sectors, the turnover in the year 2023 amounted to 24.82 billion, marking an increase of 5.6% compared to the year 2022, which was 23.50 billion.

Based also on the ELSTAT's seasonally adjusted data for the first half of 2022, the gross added value generated in the Greek economy amounted to 41 billion euros, while the share of the trade, transport - storage, catering and accommodation services reached 26.5% of the total gross value added.

As far as the retail turnover forecasts for both 2024 and 2025 are concerned, these certainly depend to a large extent on the course of inflation, but this does not mean that in the event of a de-escalation there will be a simultaneous stimulation of demand!

Retailers today are leading the way by adopting smart strategies in a competitive environment that "generates" daily challenges that require alertness, organisational repositioning, flexibility, skills and increased perceptiveness. The geography of the market is changing and the digital transformation of businesses, with a particular focus on the technologies of the so-called 4th industrial revolution (industry 4.0), is essential. And the Greek retail sector, an important factor in the production of added value, is in a "fighting position" to exploit opportunities, to take on healthy competition, to implement investment projects and to create new jobs. One thing is certain, however, that the destination of retailing is identical to the development of the economy and the evolution of Greek society.

5. Cultural background and modern entrepreneurial spirit in retail

Country's cultural background has always been negative to any entrepreneurship initiative, specifically in the case of retail what prevailed, as a confrontation ,between individual pursuit involving risk and risk taking and state protection offering security and protection, was either the aversion to activity that involved business and the incrimination of profit, or the elevation of the retail job as a transitional phase with no prospects and no meaningful career path until a new job was found.

In this way, Greek society has been grafted for many years with outdated concepts and ideological obstacles that crush individual initiative and individual interest on the altar of a flattening mentality regarding the values related to professional advancement in retailing and an inertia that acquires collective characteristics and has a deeper impact on the specific components that make up the personality of the individual.

The concept of risk is, of course, particularly important as the attitude of the person exposed to different degrees of risk depends entirely on his personality, his ability to analyse the environment, his rational criteria for evaluating an event, his ability to formulate rational assumptions, etc.

Taking all this into account, in combination with empirical knowledge, the risk-inducing event becomes obviously impaired and re-evaluated and the benefits-results of taking e.g. an entrepreneurial action prevail.

Otherwise the activation of individuals, even in everyday life events that involve a low degree of risk taking e.g. crossing a road with the risk of an accident, will remain inactive and the individual will permanently seek a low risk and of course low reward in terms of achieving the outcome.

The consumer revolution that took place in Great Britain in the 18th century, inextricably linked to the development of retailing, was a dynamic phenomenon with mass characteristics that brought about a series of institutional changes in the political social status quo of Western societies.

The 19th century for our country is crucial due to the foundation of the Greek state (1830) and the rapid changes that occurred in consumer preferences and the way of approaching commercial transactions. In this phase, the European value structure in Greece contributed greatly with romanticism (1830-1880) and literary tendencies spreading to every expression of social life.

So, from the Ottoman bazaar and the closed markets we move on to the national liberation struggle of 1821, the strengthening of the country's fabric and the improvement of infrastructure. However, after the occupation speculation in 1940, in the post-war period, the prevailing perceptions make business and the concept of profit a field of intense ideological confrontation and conflict, resulting in the State's wrong decision to take on an entrepreneur's role planning and coordinating the functioning of economic life.

In the last quarter of the 20th century, however, private initiative is liberated and works wonders, while at the same time we are heading towards the new promising era of commercial consumption, dominated by the shopping malls, stores and the first shopping centres. The famous generation of the '30s is already leading the European trends. Retailing is evolving through various phases and operates on the basis of new standards imposed by the need to satisfy the demands of the modern consumer, which are met through constant negotiation and commercial transactions on the battlefield known as the retail store. A new high aesthetic is beginning to emerge, which is visible on the facade and shop windows of commercial stores, but also through product demonstrations, for example fashion shows, aimed at attracting the existing and new highly demanding buying public.

The emergence of individual initiative 's importance and the primacy of individualisation over flattening uniformity and homogeneity brought a real revolution in entrepreneurship from the early 1980s.

Modernising concepts are prevailing and the promotion of entrepreneurship's concept is accelerating rapidly in every form of organised society at local, regional or global level. The onslaught of globalisation has been a catalyst for that and has broken the barrier of protectionist notions that kept societies in mediocrity and citizens hostage by providing them with a supposed livelihood safety net.

So, if the cultural background of a society operates in conditions where the alignment of economy's productive factors is identical to that of the government's aspirations in terms of the desired outcome, which is the production of wealth and social welfare, then entrepreneurship is facilitated and developed and the private initiative flourishes. In this context, retailing, the predominantly dynamic sector of the economy is able to produce results and operate beneficially in growth and employment rates of our country as the four (4) basic success factors that allow it to operate are fulfilled.

First on the one hand, there is an organizational structure and flexible management for crisis management and on the other hand, a strong perceptive capacity regarding upcoming events and situations. Both are under the responsibility of retailer's management.

Second, there is a spirit of teamwork and collaborative thinking that enables commitment to target achievement. Third, there is a clear vision, mission and value system that aligns with the retailer's culture. Fourth, there is a clear social footprint that is reflected to wider sections of society by the retailer's actions.

The spirit of entrepreneurship in retail is in line with the cultural background of a society that carries practices of free creative and individualized action that are liberated and in this way risk is approached and managed more effectively in the changing production and consumption pattern that the new reality demands. Of course, the way in which this new consumption pattern in retailing is served will also determine the degree to which it contributes to the economic growth of the country.

6. Agile retail in the new demanding era

Retail in the new era is changing its face, spearheaded by the new circular economy and sustainable growth. Fundamental shifts and changes are taking place around us and in rapid time. Distribution channels are being redefined and Companies' strategies are focusing on the power of the internet and mobile. The contribution of technology is assisting the further development of e-commerce and the utilization of call-centers is entering the agenda of priorities.

The value of the warehouse is maximized as well as its location as 'just in time' and 'delivery' (fast and timely delivery) are now the dominant criteria for purchasing choices on the part of the Customer.

On the other hand, the consumer remains dominant, "paving the way", shaping developments and influencing the design of strategies. In the newly shaped retail map, experience is leading the way, the omnichannel approach is entering the primary agenda of companies and artificial intelligence (AI) is gaining momentum. Retail parks, outlets and delivery points are evolving as they will experience rapid growth due to the fact that much of the transactions will be done through them.

The combined model of physical and online stores will continue to exist, with a strong presence, with Consumers, especially the Millennials and Z generations visiting storefronts and shop windows enjoying the shopping experience and returning home or to their office to order via their online platform. However, the Consumer shopping profile for physical and online store shopping is differentiated with the impulse element dominating in the physical store while for other product categories of semi-traditional consumer goods e.g. furniture, electricals, white goods they prefer online transactions.

In this combined model of symbiosis, the difficulty of modelling and standardisation of behaviours is based on the high degree of alternating diversity of preferences that characterises consumers in almost every commercial act they perform. Given the impairment of the value of channels in consumer's "eyes" and instead their focus on the platform and location in a universe simultaneously digital and physical, changes are imposed on Corporate Strategies related to the process of targeting, distribution, selection of "range" of products and organization of performance of functions within the Company.

A nimble retail business nowadays is one that does things that allow it to be nimble and as a rule it is one that firstly, knows how to discover ways of cooperation and symbiosis with other businesses operating in the field secondly, understands the value of the importance of personal relationships at the level of customer-oriented high grade of service thirdly, is adaptable to the constant changes in the external environment fourthly, knows how to exploit and process useful information concerning the customer and the business and fifth, adopts smart ESG practices, respecting the environment and operating in terms of sustainability for the next day.

Everyone needs to understand that competition is now shifting and moving to the level of functionality and overall service delivery, not just the cost, the quality and service.

7. Artificial intelligence and competitiveness in the retail sector

The importance of AI and machine learning in the retail market is confirmed by the projected dramatic growth of AI services worldwide, which will skyrocket from \$5 billion to \$30 billion by 2030. In our country, AI applications start to find brilliant scope in terms of automating many routine tasks, reorganizing key functions within the business, optimizing the product delivery process and better planning across all phases of the supply chain. In this way, resources are released in terms of human resources, which are used to provide better and higher quality customer service. The transformation of the retail landscape leads to operational savings, cost reductions and a dramatic increase in

business competitiveness, while at the same time enhancing the customer experience as they can now easily search and quickly find what they want to buy.

On the other hand, POS systems process and utilize information about both the type of customers and the product categories they choose. A major challenge today is to gain an in-depth understanding of changing customer behaviour and pricing policy choices, which, thanks to artificial intelligence, allows businesses to both predict demand and design more secure and successful strategies for reaching existing and potential customers. The analysis of consumer data leads to the implementation of personalised marketing strategies, and digital marketing tools through e-commerce now offer the possibility of targeting a much wider audience.

The changes brought about by artificial intelligence and robotics, one of the most fundamental components of the fourth industrial revolution, are testing the retail market's resistance to confrontation as adaptation will be forced, but they are also "generating" opportunities for workers to share knowledge, experience, seek specialisation and develop new skills that the market needs. The new added value that emerges from the use of artificial intelligence applications will make the category of those businesses that will incorporate it into their daily operations, strong, capable and with greater claims to compete in the field of international competition with multiple benefits not only for themselves but also for our national economy since they will also benefit the trade balance of our country.

The threefold basis of the new digital reality in retail in relation to consumers is therefore composed of: firstly, from a new form of digital consumer service experience (smart baskets, digital mirrors, etc.) secondly, from the presence of an interconnected supply chain, where new types of sensors are involved and detect in real time the movement of products in all phases of production until the finalization of the final product and close monitoring of stock control and thirdly, by the interconnected new type of consumer who is looking for a comparison experience between physical, digital and hybrid store with a large amount of information data and personalisation of needs and preferences.

8. The unequal battle of inflation and the appropriate sustainable solution

The exact situation in our country will continue in 2024 and 2025 even though the inflation based on the updated forecasts of the Bank of Greece will be decreasing but certainly above the limit set by the European Central Bank. The 2024 Greek state budget talks about inflation of 2.6% and 2.2% in 2025. Its steady deceleration is expected to occur from 2025 onwards taking into account of course those components that make it persistent and these are : **Firstly**, the two (2) ongoing wars in Eastern Europe and the Middle East and the behaviour of the Xouthi rebels which are a source of multiple problems in the smooth flow of the supply chain p. e.g. possible price increases in pasta, bakery products due to reduced supply of cereals from Russia and Ukraine, price increases in dairy products due to increased costs of feed, fertiliser etc. As far as container traffic via the Red Sea is concerned, 30% of world trade and about 15% of oil and gas is handled. Noting that structural inflation in our country (excluding energy, food, alcohol and tobacco prices) is expected to decelerate this year to 3% **Secondly**, the evolutionary trend in oil prices, which increased by more than 25% after OPEC's announcement, as early as mid-2023, of reduced production, which implies increased demand and upward price compression (it should be mentioned here that there has been a significant deceleration of oil, gas and coal prices from the highs of 2022). Third, the development of the El Niño phenomenon, which has started in mid-2023 and is bound to have a negative impact on production in many product categories.

All the previous concerns regarding the risks of inflationary pressures for 2024 are also mentioned by the OECD in its latest report (Interim Economic Outlook). The fact is that the Greek economy was

running with inflation above 20% in the period 1980-1986 and even in double digits from 1986 to 1994. The current tightening of monetary policy by the ECB with the "weapon" of raising interest rates has poor results for the simple reason that both energy and basic foodstuffs are inelastic choices for consumers, whereas restrictive monetary policy has obvious results and pays off in the case of a reduction in structural inflation excluding food and energy e.g. in the USA and Great Britain. The great misfortune for the European Union and for our country was the heavy dependence on Russian natural gas whose prices at some point in the 2022 crisis were ten times higher than those in the USA.

In addition, it is worth taking into account in any analysis of inflation in our country that there are products such as food that do not deflate easily or even the market of imported electrical goods that during the pandemic period experienced increases due to high transport costs and also other products from the clothing and footwear market that deflate relatively easily. On the other hand, however, the key growth variables of the Greek economy continue to remain satisfactory: Firstly, with an anaemic but still growing consumption (1.3% for private and -0.8% for public) since inflation in one way or another has affected disposable purchasing income. Secondly, with an increase in gross investment in the economy (+11%) and a slight decline in unemployment. Here, the role of the Recovery Fund in the rapid disbursement of resources to support investment is particularly critical; and Third, with exports growing at 3.7% as a result of the stabilizing situation in international trade. The next years It is also worth mentioning that with regard to Gross Fixed Capital Formation, the forecasts for 2025 speak of an increase of 10.7%, while for 2026 7.2%, respectively for exports 5.3% and 4.5%. (Stability Program 2023-2026 and State Budget 2023).

In conclusion, we would conclude that the problem of inflation and price inflation is insoluble and will continue to plague us. It is an unequal battle which is basically due to two (2) main reasons: on the one hand, because the majority of the inelastic products traded in the Greek market, e.g. food products, are imported, thus acting as "prey" to price changes and fluctuations in the international market and on the other hand, because the demand for these basic items has remained unabated, thus having little or no effect on the prices of the products offered in the market.

At this point it is worth reflecting and returning to the analysis and study of the behaviour of the Consumer who has the inalienable and sovereign right to freely choose one among many other alternative products. If this is established and strengthened as a dominant strategic choice then the invariant laws of supply and demand will inevitably apply and obviously the reduced demand for some products will necessarily lead to a de-escalation of high prices.

9. Retail sector trends for the next years *

With the effects of climate change and geopolitical turmoil dominating the headlines in 2023, trying to make sense of how the retail industry will be affected in 2024 and 2025 and in the future seems more difficult than ever. It is worth noting that today it is necessary for a retail business, almost four (4) years after Covid pandemic, to make regular adjustments to the ever-changing needs and consumers' desires in an environment of uncertainty, increased inflation and high interest rates, which is eroding disposable income and forcing a careful prioritization of consumer spending on the part of consumers.

The most notable trends that most analysts and retail industry operators globally argue that the retail industry will experience throughout 2024 are those trends that essentially reflect a mix of

technological innovation, personalized experience, sustainability with the integration of both physical and digital sales area:

1. Technology integration and multichannel commerce: Retail premises are increasingly integrating advanced technology such as augmented reality (AR), virtual reality (VR) and artificial intelligence (AI). These technologies are improving the customer experience by offering personalised shopping and engaging consumption environments. The changes brought about by AI and robotics, among the most fundamental components of the fourth industrial revolution, are testing the retail market's resistance to confrontation as adaptation will be forced, but they also "give birth" to opportunities for employees to share knowledge, experiences, pursue specialisation and develop new skills that the market needs. The new added value that emerges from the use of artificial intelligence applications will make the businesses that will incorporate it into their daily operations strong, capable and with greater claims to compete in the field of international competition with multiple benefits not only for themselves but also for our national economy since they will contribute positively to the trade balance of our country. As far as multi-channel retailing is concerned, the boundary between online and offline retailing is becoming increasingly indistinguishable. Retailers are offering unparalleled and seamless experiences across multiple platforms, allowing customers to shop via mobile apps, shopping websites and in physical stores as an alternative. Also, with the help of artificial intelligence and machine learning, supply chains are becoming increasingly efficient. This leads to faster and more reliable product availability, enhancing the customer experience. Additionally, automation in retail, such as self-checkout, contactless payments, and Buy Now Pay Later (BNPL) will be the everyday reality of retail sector.

2. Personalisation and experience: By leveraging data analytics and artificial intelligence, retailers are able to offer fully personalised shopping experiences. Based on customized recommendations on shopping habits, targeted marketing and personalization, consumer customer service is now becoming the norm. Now as far as the Retail experience is concerned, stores themselves are becoming destinations for experiences, not just shopping. This includes in-store events, interactive displays and leisure activities that create a more engaging shopping environment.

3. Focus on health and wellness: The health and wellness trend will continue, with leisure activities and products that focus on mental and physical well-being. This requires a retail environment that is related to sport and wellness and with a focus oriented towards a healthy lifestyle.

4. Sustainable and ethical practices - Green Marketing Strategy: Consumers are truly more environmentally aware, increasing the demand for sustainable products. Retailers in turn focus on 'ethical' suppliers who use sustainable materials and with environmentally friendly practices. Green or environmental marketing has at its core two key elements. The first, to meet the needs of consumers with quality products that will continually improve and enhance their lives. The second is that these products or services produced should have the minimum negative impact on the environment during their production and transport. In other words, it supports businesses and their products but at the same time incorporates environmental protection into them. In essence, green marketing as a mechanism of sustainable entrepreneurship supports the production and marketing chain of products and services, aiming to reduce the negative impact of human consumption. Green marketing uses green advertising and green promotion mechanisms as tools.

5. Changing consumer expectations and a new generation of Consumers: A by-product of the pandemic was a whole new group of consumers who started experimenting with e-commerce as a way of interacting with retail. The change we are seeing is that the way people shop in physical stores has changed. They now expect more from their in-store experiences as they have become accustomed to the convenient and flexible options offered by digital platforms. Consumers want to be able to interact with stores in new ways, including the ability to search, filter and find products in physical stores in the same way they do online. Consumers are now more cautious and reserved,

recipients of mass information from multi-channel information systems and with a diversity of perceptions about the approach of companies for their product purchases, about the criteria for judging the choices they make and the integration of key requirements that companies must meet in terms of Social Responsibility, e.g. linking corporate action to environmental sensitivity, interlinking with sustainable features , with social sensitivity issues, the involvement of companies in environmental protection, and the integration of social responsibility into their activities.

As for the new generation of consumers, they behave differently from their parents or grandparents, they are not car-dependent, they care about the environment, they want to consume more responsibly and they share their lives on social media networks. But how do we translate these expectations? Even if products are visible online and on social media, simple issues can still be a barrier for younger customers who don't drive a car to reach a physical store. Questions arise such as: Is there a bus/metro stop nearby? Is there a proper pedestrian lane to reach the destination? Can they park and charge e.g. their electric bike or scooter in a safe place protected from the rain? All of the above seem self-evident, but at the same time represent opportunities for improvement in many different retail environments.

6. Changing business practices : Many brands will increasingly occupy physical premises, not as a trading and distribution channel but as a platform for media and social spaces. If commercial premises owners develop strategies to accommodate such brands, this will open up long-term opportunities with brands and businesses that have never before considered physical space for growth. Thus, 2024 will bring more integrated retail models that incorporate advanced technology, coupled with experiential retail models. With a new generation of intelligent consumers becoming more demanding in terms of experience, value and sustainability, in an economic environment that will require better prioritisation of spend, the future of retail will continue to evolve. It should also be noted that there will be an increasing emphasis on local community and community-focused retail spaces, supporting small local businesses and creating community hubs for recreation and shopping.

So, starting from 2024 and for the following years they will arise more fully integrated retail models that incorporate advanced technology, combined with experiential retail models. With a new generation of intelligent consumers becoming more demanding in terms of experience, value and sustainability, in an economic environment that will require better prioritisation of spend, the future of retail will continue to evolve.

***This specific text was written with mr. Thanos Efthimiopoulos, Development Management Consultant of Sonae Sierra**