

European Cluster Alliance Against Coronavirus

Monday 25th May, 2020 at 8.30

Working format is based on “*Gilles Rules*” (designed to allow everybody to speak and share, optimizing time)

[Link to registration of the session](#)

Topic of the day: **Approaching the European Industrial Ecosystems: Retail**

CONCEPTUAL FRAMEWORK

In the meeting on the 25th May, the European Cluster Alliance start the **Analysis of Disruption in the Retail Ecosystem**.

The session is open to debate and all participants are invited to share contributions, experiences and solutions.

Retail can be divided **in two groups**: large retail and small- medium and traditional and the shops that have never been closed and the others that are closed.

Today **the closer of shops** create a big problem for owners and it's time to go in deep to try to find solutions. Usually the problems faced by the food retail are different but the two main ones during the pandemic crisis were the **correct functioning of the supply chain** and the **liquidity problem**.

There is also a **financial problem** for the future in the retail ecosystem.

The value chain of retail will suffer a great change after this crisis - the digital will reinforce its position, especially in terms of customer experience and the efficiency and trust in terms of the networks involving suppliers and customers will be critical.

Talking about **disruptions** it is possible to find some **logistics** interruption, a **lack of capability** to sell through internet, peoples are obliged to **stay at home, we are more local and less global**.

Moreover, one of the consequences of the lockdown was the unexpected quantity of stock and the related problems with suppliers and difficulties to switch the retail into e-commerce.

How can disruptions be overcome in the Retail ecosystem? What are the solutions?

In the new reality, it is important to **work on the sustainability** of the delivery. In order to have more solutions for reinventing business models it is important underline that there is a strong correlation between retail and **creative industry** and this is an important area to develop.

IDENTIFICATION OF DISRUPTIONS

Companies lockdown (ES)

- Companies have stopped their activities: they encounter liquidity troubles, warehouse lack to storage unsold stocks and financial questions

Social distances (PT, ES)

- Children are still at home: parents need to stay with them and can't work
- Civil society have postponed a lot of activities: consume are decreased

Trust (ES, PT)

- Customers need to trust their retailers and people need to feel safe not only in the shops but also buying safety products

Value chain (ES)

- Disruptions can be registered not only in the supply chain but also in the value chain

Delivery (ES)

- In order to take the same products to customers, there is the need of more transport, as retail / wholesale move to ecommerce channels and an increasing of number of final points of delivery has occurred.

Source: Ramón García, Cluster CITET

Future uncertainties (ES)

- Companies encounter few difficulties to make long – medium term planning
-

IDENTIFICATION OF NEEDS

- In order to define local impactful interventions there is as need for a **better dialogue between public and private actors**
 - Challenge in **being competitive** with the **ecommerce channels**
 - Need to balance the **global** dimension of supply chain and **local** dimension
 - **Sanitize shops and stocks** to improve a human trust relationship: is key now to find and buy specific tools to perform this need.
-

SOLUTIONS

- **Trade Associations will be essential** to EU to identify the problems: governance private and public actors can be facilitated by local development agencies and clusters
- **Digital and ecommerce** could be the solution to deliver stocks
- **New marketing and selling strategies** based on "human (trust) relationships" will be key: local companies have started to re-gain market shares and probably will continue.
- **Covid19 free certification**: a clean and safe certificate for retail would be helpful for costumers to regain the trust on commerce
- **Reinvent and rethink business models involving creative and cultural ecosystems** in order to find new solutions and to create strategies on promoting hotel / coffee shop / restaurants.
- **More sustainability** is looking at the footprint of the merchandise and working on being stronger in green solutions, driving new scenarios. People are rethinking about how adapting on a new demand
- Use **Urban Hubs** as solution to collect and deliver stocks and food

Source: Ramón García, Cluster CITET

- **Upgrading the delivery** by using certifications, identification of standards, collaborative robots to way to deliver products or drones

Source: Ramón García, Cluster CITET

- **Incentive companies** working on upgrading the delivery, making it profitable, selecting the right products, working with Mayors in order to propose the best governance solutions
- **Improve the internet capabilities of the smaller shops** to balance global and local markets