RETHINKING THE PHYSICAL RETAIL STORE FOR THE DIGITAL AGE

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About PRA

The Philippine Retailers Association

- The Philippine Retailers Association is recognized as the national organization of retailers and represents nearly 80% of the retail industry which counts all major players like SM, Robinsons, Ayala Malls, Rustans, Araneta Center, Bench, Mercury Drug, Penshoppe, Wilcon Depot and more.
- “Pulse & Voice of Philippine Retail”



PH Retail Sector

Retail industry is one of the main economic drivers of the country

It is one of the biggest sectors that contributes to the Philippine GDP and provides a large portion of employment to Filipinos



64.6%
share to the PH GDP

Services
Where retail sector is, remains to have the highest share to GDP in Q3 2022

58.9%
of total employed persons in September 2022

Services sector continued to account for the largest share to employment in September 2022

Source: PSA Q3 2022

Retail Trade in the Philippines has been vital & dynamic

- Share of retail trade in quartlerly GDP stands at 14.3% on average
- 8.4% recovery since Q2 2021
- Gross value added from P500B in early 2018 to P600B in the first quarter of 2022

Source: DTI



RETAIL DIGITAL TRANSFORMATION

Retailers pivoted to online and digital transactions that led to the acceleration of E-Commerce

BRICKS & CLICKS

The coexistence of online & offline retail

Hybrid experiences reshape retail





The bar is now set on providing the best seamless shopping experience to customers, be it online or offline, or both.



- E-commerce is here to stay, and so does brick-and-mortar stores will continue to be relevant.
- Both offline & Online stores are evolving.
- retailers are reimagining the role of the physical stores for the digital era.

Retail Stores adapting to its different roles:

- For **Transactional** – to satisfy shopper needs
- It is also **Experiential** – stores are now being utilized to communicate about the brand,
- And it also becomes the **last mile fulfillment** – stores are now used to enable e-commerce fulfillment, like buy online and pick-up store.







Source: Bain & Co.





Physical & Digital Era in retail

- In order to win in the every-dynamic retail industry, retailers must consider an open mindset, as possibilities are now endless with the digital-first or multichannel approach to retailing.
- Knowing your customers' preferences and offering them the best customer experience is still one of the top targets of every retailer - both online and offline.

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THANK YOU

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