Expo Riva Schuh & Gardabags and Retail Hub again working together on the Innovation Village Retail project.

 **THE INNOVATION THE RETAIL SECTOR NEEDS**

**What does retail, particularly physical stores, need today to offer a shopping experience in keeping with the times and with consumer expectations and demands? We asked Massimo Volpe, Co-Founder of Retail Hub, and Alberto Mattiello, Partner & Head of Innovation Retail Hub.**

**The answer is quite clear: retail must offer a measurable experience.**

*Riva del Garda,15 December 2022*

We can criticise Black Friday, by all means. What we cannot do is deny that as the most striking expression of online commerce, it has radically changed the idea of buying and shopping. There is no escaping the question: **what can retail do today to keep up with the times and customer expectations?**

Expo Riva Schuh, together with some expert partners in the sector, has been asking this question for two years, selecting and proposing to the retail world the experience of innovative start-ups, through the Innovation Village Retail project.

With Massimo Volpe, Co-Founder of Retail Hub, and Alberto Mattiello, Partner & Head of Innovation of Retail Hub, we find out what the hottest topics are ahead of the next Innovation Village Retail in January 2023.

**WHAT IS INNOVATION?**

Let's start with the basics. For both experts, **an idea can be called innovative if it can solve a problem** or satisfy a need. If it does not solve a problem, it is not worth considering.

For Massimo, “the most interesting ideas are those that have not necessarily already defined every detail of a solution, but those that are able to provide a very clear outline of the problem to be tackled. Also because solutions, especially when it comes to early stage start-ups, are never definitive. They are more like concepts that gradually become a reality as they come into contact with the market, adjusting and adapting to the environment. They can also change their whole appearance and end up completely different”.

For Massimo, innovations are even more interesting when they identify problems that industry players themselves did not see or could not identify: “That's why, when I founded Retail Hub, I decided from day one to set up a division to deal with training. It’s no use talking about innovation if your partner does not understand it or does not have the tools to grasp its implications”.

Alberto adds a fundamental point: “Nothing that isn’t sustainable. **If it’s not sustainable, it’s not innovation**”.

**WHAT INNOVATIONS DOES RETAIL NEED?**

According to Retail Hub's vision, retail is an extremely fluid, ever-changing sector, the first to feel the effects of social change. We saw this clearly during Covid and we see it today with the spike in inflation.

Consequently, every time society evolves, the retail sector must evolve accordingly. That is why it needs the right tools to help it in its process of continuous analysis and adaptation.

As Massimo Volpe says: “Until recently, the limitation of online was said to be that it was unable to build a real shopping experience, but only delivered a cold purchase. Today, the paradigm has been reversed. Online is an innovative shopping experience that allows people to “browse” through different shops, get information, share, get excited and buy even while on the tram. Physical stores must get back to building an experience on a par with those offered online, otherwise people will no longer count on it. And that's as bad as it can get, because it’s the shop where the real engagement takes place, where a salesperson can conduct effective cross-selling and thus raise the value of the average receipt, as well as build buyer loyalty”.

“Physical stores must regain their position of leadership in creating experiences that captivate customers”.

“Furthermore, in light of the profound changes in society brought about by the digital world, they can only do so by creating measurable experiences, the most obvious asset offered by e-commerce”.

“Not an easy task for physical retail: how can I measure how effective a shop window is? Yet, **today it is unacceptable that even one element of the in-store shopping experience is not measurable.** This is undoubtedly the most pressing need in retail”.

The issue is also highlighted by Alberto Mattiello, who defines it as the “ability of retail to listen to its customers”. There are already some tools to do this: “Right now, artificial intelligence, sensors and algorithms are enhancing the ability of retail to “listen” to its customers. Consider a technology like that developed by Wonderflow, one of the winners of the start-up contest organised by Expo Riva Schuh & Gardabags. The application can analyse all the feedback left by consumers online. This amount of information is very valuable for **retail**, which can no longer allow itself to be blind, but **must have all the necessary information in real time to evaluate investments and engage customers”**.

Alberto adds another point: “Retail should also start thinking about possible **changes to its business models**, taking a cue from the great success of subscription-based services”.

**TRACEABILITY AND RETAIL**

There is a lot of talk about **traceability**, especially in manufacturing. Is it a topic that also makes sense for retail? Very much so, according to Alberto Mattiello, who considers traceability “**the only way to make products that are truly sustainable** and allow consumers to compare them with each other”.

Furthermore, tracing the value chain has the benefit of making retail much more aware of the problems and complexities involved in production, allowing closer cooperation between the two sectors in order to **prevent and not just react to** possible opportunities or crises (shortage of raw materials, price hikes, new markets, etc.).

“Traceability is crucial to guaranteeing the authenticity of the luxury products we buy. It is key in the expanding world of second-hand (or pre-loved, as many like to call it): to be certain of a product’s origin, of the modifications that have been made to an object (a watch, an accessory, etc.) or of the hands it has passed through”, says Massimo.

**THE MOST INTERESTING INNOVATIONS (ALSO FOR RETAIL)**

“I love going to CES in Las Vegas”, says Massimo Volpe, “a big technology show that allows you to identify new technologies that are not dedicated to retail, but that could in some way be transferred to it. It was in Las Vegas this year that I tried Tesla's **self-driving** technology for the first time. Until you experience certain technologies first hand, you don't realise how much they could **change the world**. In this case, I’m thinking of the world of **logistics and delivery**”.

But for Massimo, the real innovation, that which could be a game changer for retail, is Airbnb: “They may not have realised it yet, but what they have is a commercial network with incredible potential”.

Alberto Mattiello shifts the focus onto the possibilities opened up by certain software: “New ***Text to Something*** technologies could change the way shoe and bag collections are designed, made and sold, and enable consumers to put forward their own requests. Artificial intelligence already enables us to write a text describing anything into a computer, which can then display an image of it. This technology has inconceivable implications in many fields, especially in creative environments. It could turn out to be a new way of developing footwear collections: all you would need to do is specify how you imagine the model, what materials you would make it out of, what shapes and colours, and then let the computer generate the collection, combining human and artificial creativity”.

**EXPO RIVA SCHUH AND INNOVATION**

The technological environment is changing so radically that no sector can afford to ignore it.

For Alberto Mattiello, **“it is not strange that a trade show like Expo Riva Schuh & Gardabags should be concerned with stimulating its sector with these topics. It is strange if it does not”**.

After all, as the interface between distribution and production, a trade show is the perfect time to inspire both to change.

“Innovation Village Retail has the laudable task of exploring a different theme in depth every year and thus selecting the best start-ups, which already work with industry. This provides a very useful screening for companies that would otherwise have to deal with an excessively broad and confusing offer”.

For Massimo, through this initiative, Expo Riva Schuh & Gardabags could also play a leading role “in bringing companies together and incentivising experiments that a single entity could not sustain”.

There are many topics on the agenda and many complex innovative solutions that could revolutionise the retail world of today and tomorrow.

While waiting to discover very soon the next start-ups that will take part in the Innovation Village Retail from 14 to 17 January 2023, [you can take a look at the innovations presented in 2022 by clicking on this link](https://exporivaschuh.it/it/innovation-village-aziende)*.*

**About Expo Riva Schuh & Gardabags**
With more than 40 countries represented among exhibiting companies and visitors from all over the world, Expo Riva Schuh & Gardabags – organized by Riva del Garda Fierecongressi SpA – is the leading international trade show dedicated to volume footwear and accessories.

The next edition will be held from 14 to 17 January 2023, at the Riva del Garda Exhibition Centre.
Opening hours: Saturday 14, Sunday 15, Monday 16 January 2023: from 9 am to 6 pm. Tuesday 17 January from 9 am to 4 pm.

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