The future of retail in city-centres

Challenges, good practices and recommendations for small retailers in city-centres, including small centres in rural areas

STUDY

European Economic and Social Committee

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AUTHORS	*Jacqueline Snijders* *Amber van der Graaf*
CONTACTS	j.snijders@panteia.nl a.van.der.graaf@panteia.nl

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Table of Contents

List of figures

EU Member State abbreviations

In the report narrative, EU Member States are referred to by name. However, to ensure tables and figures are presentable, EU country abbreviations are used.

EU abbreviation	Member State	EU abbreviation	Member State
AT	Austria	IE	Ireland
BE	Belgium	IT	Italy
BG	Bulgaria	LT	Lithuania
CY	Cyprus	LU	Luxembourg
CZ	Czech Republic	LV	Latvia
DE	Germany	MT	Malta
DK	Denmark	NL	Netherlands
EE	Estonia	PL	Poland
EL	Greece	PT	Portugal
ES	Spain	RO	Romania
FI	Finland	SE	Sweden
FR	France	SI	Slovenia
HR	Croatia	SK	Slovakia
HU	Hungary	UK	United Kingdom

AFEOSZ-COOP Hungarian National Federation of Consumer Co-operative Societies and Trade Associations

BEUC The European Consumer Organisation

B2B business-to-business

CIAP Interpretation Centre for Architecture and Heritage

DG GROW Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

EASME Executive Agency for SMEs

EECS European Economic and Social Committee

ERDF European Regional Development Fund

EU European Union

FNH Fédération Nationale de l'Habillement

GfK Growth from Knowledge

ICT information and communication technologies

IT information technology

MEP Member of the European Parliament

MP Member of Parliament

NPP Northern Periphery Programme

POP point of purchase

REAP Retailers' Environmental Action Programme

REINPO RETAIL Regional Innovative Policies to Reinforce the Retail Sector

SMART specific, measurable, achievable, realistic, time-dependant

SME small-to-medium enterprise

SZÖVOSZ The Federation of Hungarian Cooperatives
UEAPME Union Européenne de l'Artisanat et des Petites et Moyennes Entreprise
USA United States of America
UTP unfair trade practice
VET vocational education and training
VKF Permanent Consultation Forum of the Government

Abstract

This report provides a study of the retail sector, which is one of the biggest in Europe in terms of the number of enterprises active and individuals employed. The study aims to provide practical insights on revitalising small retailers in urban and rural areas. The underlying objective is achieved through identifying the main trends, challenges and opportunities faced by small retailers, and outlining what types of good practices have been put into place to support these enterprises in city-centres, including highlights on the situation of small retailers located in rural areas.

Besides the development of the sector and the specific features small retailers have to cope with - less time, financial means and specialised human capital - their performance is also affected by other contextual forces and environmental factors. Tourism, mobility and urban policy areas play an important role in promoting engaging centres, which small retailers benefit from.

Next to the description of good practices, the study contains a series of recommendations for the EESC which could be used to help the retail sector, as well as insights on the overall architecture and content of an EU database or platform on small retailers.

The study was conducted from January 2019 to September 2019.

Executive summary

Introduction and study aim

Retail is one of the biggest sectors in Europe in terms of the number of enterprises active and individuals employed. There are nearly 5.5 million enterprises active in the retail and wholesale sectors, which comprises approximately 23% of all non-financial businesses in the EU economy.

Though the **retail sector is important to the EU in terms of added value and employment**, the sector has been affected by a series of developments, trends, and challenges. Digitisation, e-commerce, new and changing consumer preferences and habits for example, all impact the retail sector.

In April 2018, the European Commission shed more light on the retail sector publishing a communication '*A European retail sector fit for the 21st century'*. The communication aims at strengthening the competitiveness of the retail sector and highlights the need to reduce regulatory restrictions affecting retail market performance, including operational and establishment restrictions.[1] At the end 2018, the EECS adopted its opinion on the Communication of the Commission. [2]

Study aim and approach

This study aims to provide practical insights on revitalising small retailers in urban and rural areas. To achieve this result, the main challenges and opportunities being faced by small retailers are identified while giving examples of good practices that are taken to address those challenges.

Specifically, the study aim is achieved through **three main task areas**:

> **Task 1: Identifying challenges affecting the retail sector**. In order to collect and select practices it was first necessary to examine what challenges are encountered in the sector, through desk research and expert interviews.
> **Task 2: Identifying practices to support the revitalisation of** retail in city-centres with some highlights on the situation of small retailers located in rural areas: Through desk research and a few expert interviews, a long list of practices has been identified among which 5 good practices have been selected for deeper analysis.
> **Task 3: Analysis and reporting** of which practices help address which types of challenges. The study provides an analysis of what types of practices have been put into place, and which work well. The study also provides a series of recommendations for the EESC which could be used to help the retail sector, as well as insights on the overall architecture and content of an EU database or platform on small retailers.

The study was conducted from January 2019 to September 2019.

Defining small retailers

Small retailers are similar to small and medium-sized enterprises due to their size and characteristics. The European Commission defines a small enterprise as an enterprise with less than 50 staff members and a turnover of less than € 10 million, or a balance sheet total of less than € 10 million[3]. Retail as a

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[1] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A European retail sector fit for the 21st century' COM(2018)219 available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018DC0219.

[2] Opinion of the Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A European retail sector fit for the 21st century' COM(2018)219, INT/854.

[3] http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en.

sector has a specific industrial and economic focus, namely on selling consumer goods and products, and on delivering consumer services.

To ensure consistency, the European Commission understanding of small retailers will be adopted in this study. The European Commission understands small retailers as the **traditional, small and independent shops**.[4] This means that small stores which are part of larger chains and stores operating in a franchise or in a buying group will be excluded. Retailers operating on a social basis, such as small cooperatives, will instead be considered as they are often present in rural areas.

Major trends and challenges to small retailers

Small retailers are often characterised by certain common characteristics, which lead to specific, immediate challenges when compared to large retailers. In combination with the trends outlined in this report, those features of small retailers lead to new challenges and opportunities as well.

Some of the **common characteristics** of small retailers include having less financial resources and liquidity when compared to larger retailers, having on average less access to human capital and skills, and having more informal management and administrative structures.

These common features mean that in practice some immediate challenges more often arise amongst smaller retailers compared to larger ones. These immediate challenges include:

- Higher administrative and regulatory burden as there is less time and financial resources available to identify, understand, implement, and comply with regulations;
- Less time and resources available to adapt to changing environments including changing consumer preferences and new digital sales methods, supply chains, etc.;
- With less human capital and skills available compared to large retailers, and less formalised organisational structures, small retailers have less resources available for exploring and investing in innovation for their enterprise compared to large retailers.

These common characteristics and immediate challenges faced by small retailers interact with some of the major retail trends at work today. This interaction in turn leads to specific impacts which are felt more acutely by small retailers and less so by large retailers. The environment and context in which small retailers find themselves can play a further role here.

Major trends and challenges include:

1. The aftermath of the economic crisis and new approaches to purchasing by consumers. Globalising market places lead to added competition from retailers outside the EU.
2. Complex and numerous regulations for establishing and operating an enterprise, notably in smaller towns or more bustling and busy urban areas.
3. Demographic and societal changes, including aging populations, shrinking consumer bases (notably in rural areas), trends of desertification of towns and villages, and mobility challenges which affect accessibility of small retailers..
4. Digitalisation and e-commerce trends, leading to pressure from online stores and retailers on small retailers to also diversify their sales platforms. Adapting in this way and also setting up delivery systems for online purchases can be a comparatively larger challenge for small retailers compared to larger ones.

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[4] This approach was also taken in the EC study (2018), "Development of Solutions and an Online Guide on Fostering the Revitalization and Modernization of the small retail sector", available at: https://publications.europa.eu/en/publication-detail/-/publication/d606c517-4445-11e8-a9f4-01aa75ed71a1/language-en.

5. Human capital and skills requirements are more often in shorter supply for small retailers as they need employees which know more about all the different types of activities involved in running a business, as opposed to one area as can be the case in large retailers.
6. Trends in the retail sector as a whole, including the rise of private labels amongst retailers, vertical integration and consolidation of larger enterprises, the increase in one-stop shops for different combinations of products and services, and the rise of new store concepts.

The **contextual environment** in which a small retailer is situated also plays a role. For small retailers the commercial centre where they are located should ideally be attractive to visitors as a whole. To attract visitors to smaller towns and villages, there is a role for tourist, urban and mobility policy planning to help make an area more accessible and attractive to visitors. A thriving centre attracts more foot traffic and with it, more consumers for small retailers in the area. Having an attractive commercial centre with thriving shops in turn reinforces the likelihood of people visiting this town or village, thereby creating a positive cycle. This in turn may encourage other enterprises to establish in the area.

Whether a centre is in **an urban or a more rural area** also plays a role. Some challenges are more related to urban versus rural areas. In urban areas, high rental costs and limited space are likely to be more pressing challenges, while seasonality and competition from larger stores outside of the centre play less of a role. Small customer bases and lack of infrastructure and accessibility are likely to be much less of a challenge to small retailers in more urban areas. In rural areas on the other hand, accessibility, smaller customer bases, seasonality, less mobility, less digital infrastructure, and competition from larger stores outside of the cities all form stronger challenges to small retailers. Rental costs and space availability in turn are often much less of a challenge.

This suggests that the small retailers in rural areas face comparatively higher challenges compared to small retailers in more urbanised areas.

Good Practices

The **good practices** identified in this study each address different types of challenges faced by small retailers:

- The **Tropa Verde** case in Spain addresses changing consumer preferences, such as the desire for more sustainable ways of shopping, as well as the lack of digital know how amongst some small retailers by setting up a central digital platform for citizens and retailers. Not only this, but retailers promote foot traffic for themselves by participating in this initiative.
- The **Areskee** case in turn addresses lack of time and resources to set-up fully fledged online sales platforms and delivery service, by allowing multiple small retailers in an area to use the sales platform. One delivery service works for all the small retailers so that clients can buy from multiple shops on the platform, and have it all delivered together.
- The Dutch case of the **Gelderlandplein** is an instance where investors, urban planners, and small and large retailers developed a commercial hub for an area in a large city. A pleasant and diverse area was created, and quite importantly, the centre owners fund a bus line to and from the centre to promote accessibility. This case is a good example of a successful partnership, keeping small retailers in the city-centres, combined with mobility solutions to encourage shoppers.
- The case of **AFEOSZ COOP** in Hungary is a practice which targets the environment in which small retailers operate. The organisation represents and lobbies on behalf of a series of cooperatives of small retailers at the national policy making level to promote better regulation and taxation policies. The organisation also provides knowledge and support to small retailers in particular in rural areas.

- The French case **Action Coeur de Ville** in turn allows for individual local authorities to set up projects to help revitalise their city, town, or village centres. Local authorities can request funding for these local projects which helps achieve the goals of the Action Coeur de Ville programme. These include supporting and revitalising commerce as well as the centres of towns as a whole. This practice also addresses the environments and conditions in which small retailers operate.

Conclusions

The findings and analysis conducted in this report have led to a series of insights and recommendations. **Concluding insights** include the fact that digitisation and e-commerce, as well as changing consumer preferences and trends in the retail sector form some of the more prevalent and widespread trends affecting the retail sector. Supporting small retailers in their capacity to adapt to these changes is perhaps one of the most important steps for EU policy makers. Retailers do have opportunities to capitalise on these new developments as well, but are likely to need some support from the public sector to allow them to do so. An inherent feature of small retailers is that they often have less time, financial and human capital available to explore new directions for their businesses. Helping small retailers by taking away some of the steps involved, by providing shared tools at the local level, or policy support and good practices at the national level could therefore be helpful.

Retailers do not thrive or perish in a vacuum and other contextual forces and environmental factors can impact the performance of small retailers as well. Notably tourism, mobility and urban policy areas play an important role in promoting engaging centres, which small retailers benefit from and contribute to in turn in a positive, upward cycle. Guidance on public-private partnerships could be instrumental in this.

Recommendations

Recommendations for a European policy agenda on small retailers would include several points for attention.

- Providing accessible and concise **digital learning tools**: encouraging national stakeholders to cooperate with existing national and EU organisations to further roll out some of the existing measures and initiatives to provide digital learning and skills to small retailers in Europe. The Tropa Verde example highlights the value of shared, centralised digital solutions.
- **Highlighting the importance of public-private partnerships** between local authorities, retailers, and civil society, and encouraging their establishment to help village, town, and city-centres thrive. This is important for improving the general environment in which small retailers operate; good and pleasant town centres invite more foot traffic, which helps a town and benefits (small) retailers as well. Retailers, large or small, cannot thrive in a vacuum, and small retailers especially.
- **Framework conditions and the environment** are a key aspect here, especially in more rural areas which are also often less accessible than more urbanised areas. An important note here is that the local features and needs of an area are highly important when revitalising a village, town, or urban centre. This is exemplified in the approach adopted within the Coeur du Ville initiative in France and in the Gelderlandplein initiative in the Netherlands.
- **Partnerships between retailers** can also be useful, and this is an area which organisations such as the EESC can help to support and encourage more of. Civil society can play a role in bringing small retailers together, and helping foster collaboration with local authorities. The EESC could for example, promote successful practices and support retailers in setting these up such collaborative partnerships between the public and private sectors.

- In connection with setting up partnerships, to meet current consumer preferences for multi-modal sales platforms, **retailers can be supported in setting up shared digital sales platforms with delivery services**, as was the case with the Areskee practice described above.
- Related to the contextual environment is the regulatory complexity and administrative burden which small retailers experience more keenly than large retailers. **Reducing the complexity of regulations and designing certain regulations to actively support and help small retailers** could also be very useful in promoting small retailers. The example from the city of Groningen in the Netherlands provides a possible approach. The case study on the ÁFEOSZ organisation also shows how representing the interests of small retailers at national policy making level is important.
- A final recommendation would be for **small retailers to also celebrate their strengths** and realise their potential. In the face of changing consumer preferences, small retailers are in many ways positioned to capitalise on those preferences. The desire for private labels, local products, sustainable or socially conscious products and services, unique products, etc., offer opportunities for small retailers in particular to respond to those changing preferences. In this regard, testimonials and experiences from other retailers who have done so could be useful and educational. As time and resources are in shorter supply for small retailers compared to their larger counterparts, providing guidance, good examples, and testimonials in one centralised place could be very useful to small retailers in Europe and help them capitalise on the changing consumer preferences and retail trends.

The **EESC and other European bodies** could build on their current roles and activities in providing such guidance and inspiration by sharing more practices by small retailers across Europe. Studies such as this one provide a sound first step, but more could be made to further promote good and interesting ideas amongst retailers themselves.

1. Introduction

Panteia is pleased to present the draft report for the study "The future of retail in city-centres: challenges, good practices and recommendations for small retailers in city-centres, including small centres in rural areas" for the European Economic and Social Committee (EESC). The study aims to *provide practical insights on revitalising small retailers in urban and rural areas*.

Retail is an important sector of the European economy. It generated some **4.6 % of the gross added value** for the European economy in 2018, and provided **almost 9% of the total employment in the EU**[5]. *Retail is one of the biggest sectors in Europe in terms of the number of enterprises active and individuals employed*. There are nearly 5.5 million enterprises active in the retail and wholesale sectors, which consists of some 23% of all non-financial businesses in the EU economy. Specifically, there are 3.6 million enterprises active in the retail sector, and 1.8 million active in the wholesale sector. Together these two sectors produce 11.1% of EU added value and employ 15% of the European labour force.[6]

Though the retail sector is important to the EU in terms of added value and employment, the sector has been affected by a **series of developments and trends**. Digitisation, e-commerce, new and changing consumer preferences and habits for example, all impact the retail sector. These trends and their effects on retailers, and smaller retailers in particular, will be explored in this report. The role of the environment in which small retailers operate also plays a role in this. These trends, developments, and aspects have been recognised in past and more recent EU policymaking.

In 2013, the *European Commission* created an action plan to promote the retail sector. The communication *'Setting Up A European Retail Action Plan'* identified five key priorities for the Union for a more competitive and sustainable retail services in the European market: consumer empowerment, improved access to more sustainable and competitive retail services, fairer and more sustainable trading relationships along the retail supply chain, more innovative solutions, and better working environments for both employers and employees.[7] In the same year the EESC, presented its opinion on the plan.[8]

In April 2018, the European Commission again shed light on the retail sector publishing a communication *'A European retail sector fit for the 21st century'*. The communication aims at strengthening the competitiveness of the retail sector and highlights the need to reduce regulatory restrictions affecting retail market performance, including operational and establishment restrictions.[9] Later in 2018, a *'Guide for revitalising and modernising the small retail sector'* was issued by the European Commission in order to identify positive examples primarily for local authorities to keep city-centres vital and prevent the disappearance of small retailers[10]. At the end of 2018, the EECS presented its opinion on the Communication of the Commission. [11]

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[5] European Commission, Retail services, [online], available at: https://ec.europa.eu/growth/single-market/services/retail_en.
[6] European Commission, Retail services, [online], available at: https://ec.europa.eu/growth/single-market/services/retail_en.
[7] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Setting Up a European Retail Action Plan' COM(2013) 36 available at https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0036:FIN:EN:PDF.
[8] Opinion of the Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Setting Up a European Retail Action Plan' COM(2013) 36, INT/682, July 2013.
[9] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A European retail sector fit for the 21st century' COM(2018)219 available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018DC0219.
[10] European Commission, Facing the future. A practical guide for fostering the revitalisation and modernisation of the small retail sector (European Union 2018).
[11] Opinion of the Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A European retail sector fit for the 21st century' COM(2018)219, INT/854.

Study objectives and methodological approach

This study aims to provide practical insights on revitalising small retailers in urban and rural areas. To achieve this result, the main challenges and opportunities faced by small retailers are identified while giving examples of good practices that are taken to address those challenges. This will lead to a series of study outcomes which include:

- Understanding priority areas of action to be translated into concrete proposals for an ambitious EU agenda to foster the growth of the retail sector
- Identifying good practices at different administrative level to revitalise small retailers, including cross-border experiences
- Describing the relevance of an EU database to measure and assess the major social and economic trends in the EU retail sector and, consequently, the impact of incentive measures. Indicate the relevant sources for the relevant data that should be included in the EU database.

In order to arrive at the outcomes, the study conducted the following three tasks:
Task 1: Identifying challenges affecting the retail sector. In order to collect and select practices it was first necessary to examine what challenges are encountered in the sector, through desk research and expert interviews.
Task 2: Identifying practices to support the revitalisation of retail in city-centres. Through desk research and a few expert interviews, a long list of practices has been identified among which 5 good practices have been selected for deeper analysis.
Task 3: Analysis and reporting of which practices help address which types of challenges. The study provides an analysis of what types of practices have been put into place, and which work well. The study also provides a series of recommendations for the EESC which could be used to help the research sector, as well as providing insights on the overall architecture and content of an EU database on small retailers.

Structure of the report

This report is structured within four main chapters. The following Chapter 2, outlines the major the trends in the retail sector and will focus on the challenges and opportunities faced by small retailers within the EU as a result of these major trends.
Chapter 3 presents a long list of both good and less good practices taken in order to address the challenges of small retailers in city-centres in rural and urban regions. Chapter 4 then presents 5 good practices for supporting small retailers in detail in order to provide specific indications on how small retailers in city-centres in urban and rural areas can be revitalised. Chapter 5 provides a reflection on the information collected as well as inputs for a future European agenda on retail including a database for retailers at EU level. Chapter 6 draws together the findings and reflections in conclusions and recommendations.

2. Retail trends and challenges for small retailers

During the last years, the retail sector has undergone major transformations due to a large extent, to e-commerce and changing consumer preferences[12]. Other challenges which affect small enterprises in particular have also been acknowledged for some time by policy makers. This section elaborates on the major current *challenges for small retailers* operating in the EU from a variety of perspectives, starting from an economic and regulatory point of view to then address the demographic changes, innovations of the retail sector as well as customers' trends and trends within the retail sector, examining the role of rural and urban settings where relevant. This basis will be used to identify appropriate practices tailored to the context in which these small retailers operate.

What is a small retailer?

Before examining small retailers, it is important to establish what exactly is understood by this term. Small retailers are similar to small and medium-sized enterprises due to their size and characteristics. The European Commission defines a small enterprise as an enterprise with less than 50 staff members and a turnover of less than € 10 million, or a balance sheet total of less than € 10 million. The focus of this report is however, on small retailers, which further limits this definition. Retail as a sector has a specific industrial and economic focus, namely on selling consumer goods and products, and delivering consumer services. To ensure consistency, the European Commission understanding of small retailers[13] will be adopted in this study.

The European Commission understands **small retailers** as the **traditional, small and independent shops.**

This means that small stores which are part of larger chains, and stores operating in a franchise or in a buying group will be excluded. Retailers operating on a social basis, such as small cooperatives, will however be considered as they are often present in rural areas.

Overview of main challenges to small retailers compared to large retailers

The section below presents an overview of the main challenges faced by small retailers today in Europe. Some of these challenges result from current trends and the fundamental characteristics of small retailers. Small retailers differ from larger retailers and this affects how they are able to deal with the changing world of today. The **common characteristics** of small retailers compared to larger retailers are summarised below. These common characteristics affect how small retailers are able to respond to current trends in society and economy; these will be explored in the remainder of the chapter.

It is also important to note that these basic, common features of small retailers lead to a series of more **immediate challenges.** These will also be explored briefly before moving to examine the major trends affecting the retail sector and small retailers today.

[12] EuroCommerce "Retail and Wholesale SMEs working for growth" (November 2017).
[13] This approach was also taken in the EC study (2018), "Development of Solutions and an Online Guide on Fostering the Revitalization and Modernization of the small retail sector", available at: https://publications.europa.eu/en/publication-detail/-/publication/d606c517-4445-11e8-a9f4-01aa75ed71a1/language-en.

Common characteristics of small retailers:

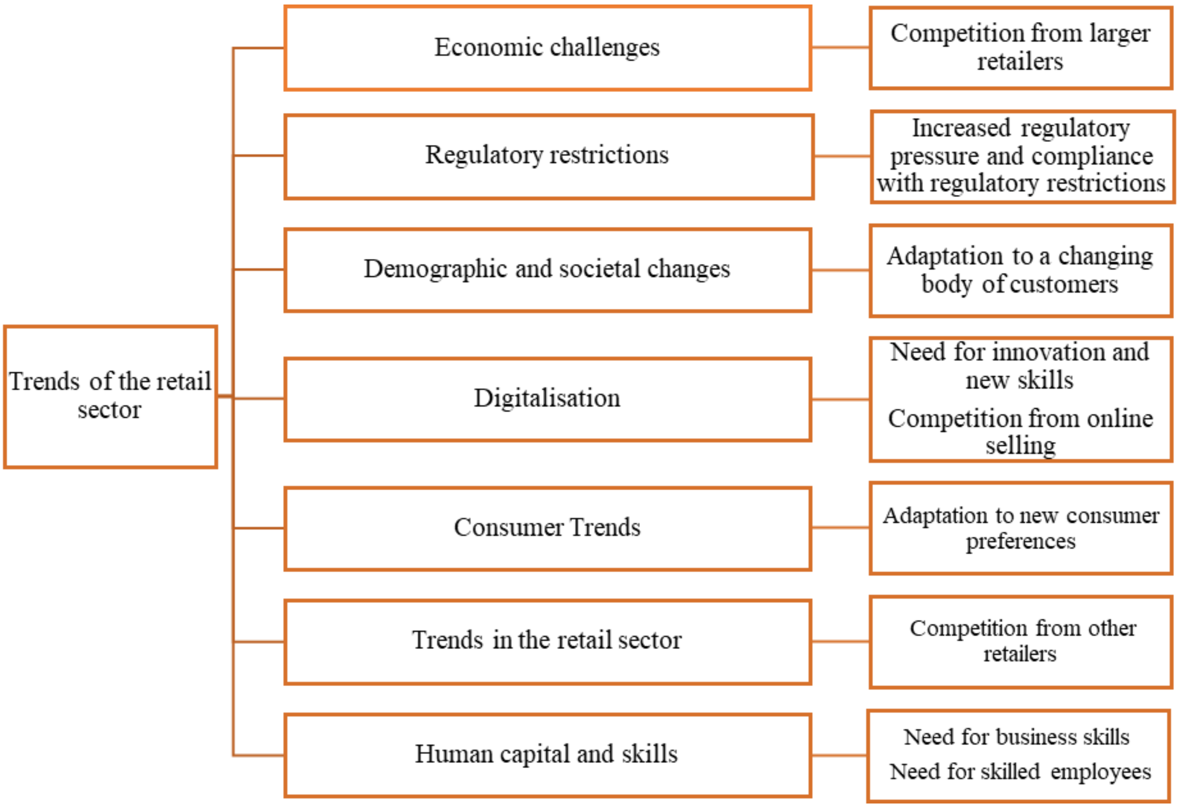
- Compared to large retailers, small retailers tend to have fewer financial resources at hand. This means that making changes to business activities, investing in extra staff or other resources can be more difficult for a small retailer compared to a larger one.
- Small retailers tend to also have fewer human capital and skills. As hiring extra staff is a comparatively larger investment for smaller enterprises (and this includes small retailers), small retailers consider hiring someone more carefully. A larger enterprise is better able to hire another member of staff as proportionally, the salary and social security makes up a smaller proportion of a larger enterprise's total income. In a similar vein, it is more difficult for small retailers compared to larger ones to train and provide education in certain skills to their employees.
- Small enterprises typically also have more informal management and organisational structures. In smaller enterprises there is usually less need to formalise processes and establish organisational hierarchies. In fact, such formalised structures can be inefficient and restrictive for smaller enterprises while they are very necessary to larger enterprises. Consider for instance that many small enterprises in Europe are family businesses. Small family businesses are not usually characterised by high levels of formal organisational and management structures for obvious reasons. Family members in practice can help an entrepreneur in an informal manner by working in the enterprise in a non-contractual capacity. Many small businesses, including small retailers, are family businesses, and family members working in small retailers in an informal manner is not uncommon.

Some of these features of small retailers mean that several more immediate challenges start to present themselves:

- **Regulatory and administrative burden** tend to be higher for smaller enterprises. Larger enterprises have more time and human resources to explore and understand administrative and regulatory requirements compared to smaller enterprises. There also tend to be formal organisational processes in place to assign the responsibility for these activities to specific people. For a small retailer it costs comparatively more time and resources to understand and comply with administrative and regulatory requirements.
- There are on average fewer financial resources available to purchase and invest in new resources, equipment, partnerships, or staff to adjust business activities. By extension, there is less time and possibility to respond to the **changing retail environment** and **consumer preferences**.
- With less human capital and skills available there is less possibility and time to explore and learn new skills and innovations, and less time to consider new business ideas and activities. There is less time and room for **innovation** and for instance, learning about and implementing **digital technologies** within the enterprise.

In summary, the challenges faced by small retailers originate in part from some of the fundamental characteristics of small retailers, which interact with contextual circumstances and trends. The following figure captures the main challenges identified for small retailers today. These challenges are described in further detail in the following paragraphs.

Figure 1 Overview of retail trends and challenges for small retailers



Source: Panteia, 2019

2.1 Economic considerations

The **economic and financial crisis of 2008** had a significant impact on consumers' purchasing power. In most Member States' markets there has been an increase in *discount retailing* as customers are less willing to spend and seek lower prices. Economic instability does not affect all members of society in the same way, increasing inequalities and furthering the fragmentation of the market. In addition, at the national level, Member States have different economic situations which in turn mirror different levels of retail sales.[14]

A recent trend which affects retail is that of **e-commerce**. E-commerce increases the market place for consumers offering them **choice, competitive prices for products and services, and convenience**. The market place has not only expanded within a country, but consumer **cross-border purchasing** from within as well as outside the EU, are also greatly facilitated by e-commerce. The globalising market place also means that retailers must compete with products coming from larger markets outside the EU, such as the USA, China, and India. Customers following the lowest prices on the market often rely on large retail outlets which import low-cost goods from China, India, etc. This ties to another recent trend of customers **seeking out large retailers**. If these retailers do not offer the product at a reasonable price, customers seek out online stores instead as they provide a competitive alternative. The predictions for

[14]European Commission, Development of Solutions and an Online Guide on Fostering the Revitalization and Modernization of the small retail sector 486/PP/GRO/PPA/15 (2017), pp.33-34.

retail growth in 2018 were positive for brick and mortar stores (+ 2.1%), even though only a modest real increase was estimated when put in relation with the level of inflation.[15]

Between **rural and urban areas**, small retailers in both areas struggle with this aftermath of the crisis and its impacts on economic considerations. However, in urban areas there is the advantage of a **larger customer base**, though this is more often also coupled with more competition from other small and large retailers in the area.

Summarising effects of economic challenges on small retailers:

- In the wake of the 2011 economic crisis in Europe, the purchasing approaches and habits of consumers changed as well. A new trend in retail is discount retailing, where customers were willing to put more energy into finding the lowest prices for products.
- For some small retailers offering such discounted products tends to be more difficult as they do not have the same economies of scale as larger retailers to offer such discounts.
- Small retailers also tend to have less presence online. Shoppers are therefore more likely to miss a small retailer in their search for products online.

Possible types of practices for small retailers

- Practices which can be used to address the practices from large (online) retailers is to set-up cooperative networks to pool their resources, and offer comparable services and product selections to customers. For example, sharing a delivery services for goods sold online could be an interesting practice for small retailers.
- Another example could be to have all the sales and promotions for shops in an area on one platform or website. The website Tagether allows customers to find and locate retailers, as well as how long it takes to travel there, access information on the retailer and promotional activities, as well as allowing customers to submit pictures to the retailer of the products bought.

2.2 Regulatory considerations

Laws and regulations that administer how, where, and when a retailer can operate limit a retailer's business choices and can affect its market performance. The regulations which the retail sector has to deal with have increased in the last decades and are projected to increase further as Member States address public policy concerns. In fact, issues regularly included in political agendas include **animal health, energy consumption, food and product safety, occupational health and safety to name a few**[16]**.**

In addition, retailers can be subject to **multiple layers of regulations** at the national, regional, and local level.[17] According to the European Commission it will therefore be essential for Member States'

[15]GFK, European Retail in 2018.GfK study on key retail indicators: 2017 review and 2018 forecast (April 2018) http://www.gfk-geomarketing.de/fileadmin/gfkgeomarketing/en/EN_European_Retail_Study_2018.pdf.

[16]CBI Ministry of Foreign Affairs of the Netherlands, Trends and strategies of the European retail, pp.5-6 http://www.siicex.gob.pe/siicex/documentosportal/alertas/documento/doc/795362701radA43F6.pdf.

[17] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A European retail sector fit for the 21st century SWD(2018) 236 final (19 April 2018).

authorities to ensure that a balance is struck between achieving public policy objectives and ensuring the development and growth of retailers[18].

From a different perspective, the **role of retailers in addressing societal concerns** is important; retail is the last ring of the chain of supply when a product is passed to a consumer. Retailers make meaningful choices on the products to sell and on the messages they send, which impact the choices of consumers. The choices they make in terms of products to sell and supply chains have social impacts as well. For example, this is visible in the context of the circular economy and in reducing the **European environmental footprint**, where retailers can promote more sustainable products or services to consumers, but also support sustainability with their own actions in the selection of suppliers[19]. At European level, a number of policies, legal instruments, and various initiatives have been established in this context. Some examples include the European Strategy for Plastics in a Circular Economy[20] and the Retailers' Environmental Action Programme (REAP)[21].

When new regulations are adopted **small retailers are at a disadvantage compared to large retailers**. Incorporating and complying with new standards in order to continue business activities can require updating business plans, hiring new employees, searching for new suppliers and involve navigating through a new set of products.

Old and new regulations restricting retailers' business activities can normally be listed into two categories. Both types of regulations play a role in urban and rural areas. We will address each type of regulation in turn.

1. Restrictions on the establishment of a retail outlet and;
2. Restrictions in its daily operations.

Establishment restrictions

Restrictions to the opening of new selling points or a new retail business can have a negative impact as they can preclude access to a market. Elements normally taken into consideration by Member States' authorities to assess whether to allow the establishment of a business are: the **size of an enterprise**, its **location,** and **economic data**. In addition, in each Member State **different national and regional regulations exist**, such as those of town and spatial planning, which oblige retail companies to adhere to further conditions.

Focusing on small retailers, such regulations **may prevent small retailers from expanding** their business or even more drastically, discourage them from entering the market at all. The latter could be the case of a family retailer, when the inability to use the premises which belong to the family members may cause small retailer to never take off.

In a different situation, establishment restrictions are also significant **when expanding the business abroad.** This is because a small retailer might not be equipped to face complex administrative procedures, or may decide from the start not to embark on a possibly cumbersome journey in another Member State.

Disproportionately burdensome, long and uncertain establishment procedures have been declared incompatible with the freedom to provide services *within the internal market as* '*serious market entry barriers'*[22].

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[18] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A European retail sector fit for the 21st century SWD(2018) 236 final (19 April 2018).
[19] http://ec.europa.eu/environment/industry/retail/index_en.htm.
[20] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social committee and the Committee of the Regions: A European Strategy for Plastics in a Circular Economy COM(2018) 28, (January 2018)
[21] Concerning large retail outlets European Round Table and EuroCommerce, 'Retailers' Environmental Action Programme (REAP)' (2012) available at http://ec.europa.eu/environment/industry/retail/pdf/reap_tor.pdf.
[22] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions 'A European retail sector fit for the 21st century' COM(2018)219 available at https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018SC0236&from=EN.

A study from the European Commission on barriers to establishment highlighted some of the disparities between Member States' regulations. For example, in some Member States, such as France and The Netherlands, it is possible to open a retail point with an 'all in one' permit, as opposed to other Member States requiring up to five different permits (Slovakia and Hungary).

Most Member States distinguish between large and small retail outlets. For small retailers there are often **simplified procedures and fewer requirements for establishment** in comparison to large retailers, thus recognising small retailers' weaker position in the market. [23]

Operational restrictions

Operational restrictions are instead regulations that limit the **daily operations** of a retailer. These include restrictions mainly in the s**ales activities, restrictions on promotional activities, sourcing restrictions** and **financial restrictions**.[24]

Restrictive operational regulations put additional difficulties on small retailers. Small retailers, in fact, normally **experience higher production costs** and organisational activities to stay competitive with larger retail outlets. It is reported that all Member States have operational restrictions, especially restrictions on sales activities.[25]

These restrictions encompass **shop opening hours, distribution channels** and other **selling restrictions** such as the requirement that specific products be sold only in certain types of shops (e.g. strong alcoholic products, non-prescription medicines) or also only through a specific channel (e.g. physical presence or online selling). An example of this situation can be seen in shop opening hours, which reduce an otherwise more flexible schedule of small retailers, increasing competition with large retailers as well as with online selling channels, which do not have opening hours.

Another operational restriction is on **promotional activities**. This encompasses a retailer's ability to advertise or announce promotional activities for their shop and include practices such as end-of season sales, end-of business sales, or sales below cost. Member States tend to present the most restrictive measures in the context of end-of season and end-of business sales, whereas only one fourth of the Member States allow for unrestricted promotional activities (the Czech Republic, Germany, Hungary, Ireland, Malta, Sweden, and the United Kingdom). Among these restrictions, **limitations on advertising** are considered amongst the most burdensome for small retailers because these often impose a heavy administrative burden. For instance, small retailers may have to keep a record of all prices before the sales period to demonstrate the authenticity of the discounts.[26]

Lastly, other types of operational restrictions include **sourcing restrictions and financial restrictions** which are the least regulated by the Member States. Financing restrictions are regulations which impose **taxes and other fees** on the retail sector and property taxes. These are especially relevant for large retailers as they have higher turnovers and larger premises, but can also be a burden for small retailers and the brick-and mortar stores using a physical distribution channel. Sourcing restrictions also mostly affect larger retailers. These can affect retailers directly, such as once a certain turnover is reached, as well as indirectly, as is the case with origin labelling. [27]

Different types of operational restrictions can be more or less burdensome for large or small retailers. Above all, **product specific restrictions** have been highlighted as the most important concern for small

[23] European Commission, Legal study on Retail Establishment through the 28 Member States: Restrictions and Freedom of Establishment (European Commission, 2014), p.42.
[24] European Commission (LE Europe, Spark Legal Network and Consultancy and VVA Consulting) Operational restrictions in the retail sector (2017), p. 5.
[25] European Commission (LE Europe, Spark Legal Network and Consultancy and VVA Consulting) Operational restrictions in the retail sector (2017), p.11.
[26] European Commission, Operational restrictions in the retail sector (2017), pp. 48-49.
[27] European Commission, Operational restrictions in the retail sector (2017), p. 5.

and medium retailers. This is because often product restrictions refer to high value goods, which is one of the ways small retailers distinguish themselves from larger retailers, who instead can compete in high volume and lower-value goods.[28]

Regulatory restrictions affect **small retailers** in particular as they tend to have **limited capacities, smaller budgets** and are less recognisable in the market. When addressing these restrictions, an important consideration that emerges already from the Member States' regulatory framework is the use of proportionality. This entails the application of **lighter and less complex requirements** for small retailers while still achieving the objectives for which a restriction was in place and without jeopardising small retailers' operation in the market.

Summarising effects of regulations on establishment procedures on small retailers:

- Understanding and complying with the full range of regulations can be costly in terms of 1) time and 2) money. Acquiring the correct permits can cost time to understand and arrange, and money to acquire. There is often less of a financial buffer in case of delays or extra costs related to complying with establishment restrictions.
- For small retailers the time and money required form a comparatively larger portion of a retailers human and financial resources. This then forms a barrier to establishing an enterprise.
- In city-centres or smaller town centres, there may also be more complicated regulations to adhere to given that space tends to be less available in centre areas, and establishment regulations can be more complex or strict.

Summarising effects of regulations regarding operational restrictions on small retailers:

- Small retailers may not necessarily have the human capital resources to adhere to the regulated shop opening hours. For instance, many countries have an evening once a week where shops are open. Not all small retailers can afford to pay employees (a sometimes higher wage rate) to work outside of the usual business hours.
- On the other side of the spectrum: some businesses may want to sell outside of business hours to make their business viable; they prefer to be open as much as possible. Opening hour restrictions can also limit a small enterprise's activities.
- Sales and promotion regulations: when sales, promotions and advertising are restricted, this can disadvantage small retailers comparatively more than large retailers. Small retailers may rely more on these activities to sell their products or services, and feel a comparatively larger loss than large retailers if this is restricted.
- Product requirements and regulations relating to products can also form a comparatively larger challenge to small retailers as often the time and money needed to research, understand, and comply with such regulations forms a larger proportion of a small retailers resources.

[28] European Commission, Operational restrictions in the retail sector (2017), p. 92.

Possible types of practices for small retailers

- In terms of practices to address regulatory restrictions, a number of aspects play a role. The urban or town planning policies of an area play a role in the type and complexity of the regulations which small retailers must adhere to. With political will and commitment both establishment and operating regulations can be made more advantageous to small retailers.
- An example of such an initiative can be seen in the Dutch city of Groningen, in the northern part of the Netherlands. The town centre made a commitment to trying to get more customers and consumers into the town centre, which in 2009 had some 10% of its locations empty. To remedy this, the municipality took several steps, including banning public transport to outside of the core of the picturesque, old city-centre. The rationale here was that busses do not spend money, consumers do. Therefore the core city-centre was kept traffic free. Besides this, the regulations were simplified from retailers, so that there are two main types of regulations to adhere to. These are that monumental and historical buildings are respected and that rules concerning the sale of alcohol are also respected. Beyond this, any type of retailer may settle in and establish their business in the city-centre.

2.3 Demographic and societal changes

Consumer demands are intrinsically linked to the features of the European society in the 21st century. It is reported that the **population in the Union is shrinking**, coupled with an **increase in the elderly population**. In the context of the retail sector, this leads to a continued and intensified competition for the remaining customers, especially in already sparsely populated rural areas. This also leads to an increase in products and services targeted to older individuals, such as healthier products and home deliveries.[29]

Another trend which affects consumers and retailers alike, is the general trend in Europe (and in many countries beyond Europe), of **desertification**. This entails residents leaving smaller towns or rural villages in favour of being in the city or in larger towns. This has the consequence of cities becoming very full, while small towns and villages become empty. The **consumer bases shrink** in such areas, making it increasingly difficult for retailers to survive, let alone thrive.

Somewhat related to this trend of desertification is that **mobility** then becomes a more important topic. Making smaller towns and villages more accessible for those not living there becomes more important to keep consumers and residents visiting and settling. Having good mobility systems in place, such as bus lines or shuttle buses from larger train stations etc., all become important features to get consumers to come to villages and smaller towns. **Increasing the foot traffic** in such smaller, less urban areas is important for the small retailers still established in those smaller cities and towns. While investments and developments such as European motorways help to connect areas within a country, as well as one country with others, resources to build such motorways are finite. As such connecting smaller, rural towns and villages is usually not as high a priority as connecting larger towns and cities. This means that smaller, rural areas remain comparatively difficult to reach.

Among the other significant societal trends impacting the retail sector, increasing households with one or two people, single parents as well as women working outside of their homes, make **convenience shopping** a frequent and practical phenomenon. This leads to a preference for some households for convenient shopping locations, with shoppers preferring well-connected locations to large retail outlets

[29] Erik Sandberg, The retail industry in Western Europe: Trends, facts and logistical challenges (Department of Management and Engineering, Linköping University, 2010), p.8 http://handelsradet.se/wp-content/uploads/2016/01/2010-The-retail-industry-in-Western-Europe-%E2%80%93-Trends-facts-and-logistics-challenges.pdf; CBI Ministry of Foreign Affairs of the Netherlands, Trends and strategies of the European retail p.3 http://www.siicex.gob.pe/siicex/documentosportal/alertas/documento/doc/795362701radA43F6.pdf.

in city outskirts. The latter trend is particularly relevant for daily purchases and food products.[30] In addition, the composition of the society within the Member States of the Union has changed. An ever growing internationalisation of the European population from outside of the Union, as well as from other Member States, is raising consumer demands for international (usually non-European products) products or services.

The adaptation to changing consumer preferences and societal trends such as desertification, can be highly demanding for a small retailer. Normally this requires changing the business plan, selecting new products and new suppliers, while still having a limited budget and possibly poorer business partnerships in comparison to larger retailers.

Summarising effects of demographic and societal change on small retailers:

- Adapting to these changing customers and their desires is more difficult for small retailers; setting up delivery services for customers who appreciate convenience, or providing competitive prices across a vast range of products (as large retailers do), is more difficult for small retailers. Providing multiple sales and distribution channels is more challenging for small retailers.
- The shrinking population and growing proportion of elderly consumers mean there is a continuing and intensifying competition for the remaining customers who are less inclined to use online services. This is especially acute in more sparsely populated rural areas, leading to more opportunity for smaller, local retailers.
- Trends of desertification and mobility issues lead to a smaller consumer base as well for small retailers. Large retailers are often able to establish somewhere, even outside of a centre, as municipalities or other stakeholders (such as owners of the large retailer shop), set up mobility options such as busses, or cheap and easy parking for cars. This trend tends to be more difficult for small retailers to address, especially in more rural areas.

Possible types of practices for small retailers

- While not so much can be done about demographic and societal changes, there is room here to address some of the challenges these trends present to small retailers. This can be done by addressing the environment and conditions in which retailers operate through policies relating to urban planning and mobility.
- For instance, as indicated in the FNH White Paper, as well as in EU policy documents, town centres and small retailers also have a social and community role to play. Small retailers and other services can provide a community area in a town, bringing citizens together and fostering social cohesion. However, this phenomenon does require a pleasant centre to visit, and this is where tourism and urban planning policies can play a role. By creating pleasant centres with for example, small parks or benches, or inviting other necessary services for a town centre such as doctors or postal offices, etc., a centre in a village or town can start to attract both people and small retailers. Urban policy can in this way help to expand the customer base which is said to be shrinking due to urbanisation and desertification.
- Furthermore, setting up accessible mobility options in a town centre can be conducive to helping get older people or people who live further from towns into the centres. For instance in the Dutch city-centre of **Leiden,** in the Netherlands, there are large car parks outside the

[30] Urbact, Final Report. Innovative strategies for retail revitalization in medium sized cities (RetailLink project, 4 April 2018), p.16 http://urbact.eu/sites/default/files/media/final-report-per-web.pdf.

historical city-centre. A free shuttle bus runs regularly between one of these car parks and the city-centre, to aid mobility into the centre itself. Customers can park relatively easily, and take the free City Shuttle Bus into the centre and shopping area.[31]

- Simply making a centre more accessible and more peaceful can also positively affect retail. In Portugal, under the redevelopment of the historical area of Almada and following the arrival of the tram, Almada City Council pedestrianised "Candido dos Reis" street. This significantly reduced the presence of cars in the street and improved the quality of life of its inhabitants (noise and pollution) while at the same time promoting local revitalisation (commerce and retail activities). The pedestrianisation of the street is a success because many new shops opened in the last years and an urban regeneration has occurred.[32]

2.4 Digitalisation

E-commerce and digitalisation have become the most fundamental aspects of the retail sector. It is estimated that there are approximately 296 million online shoppers in Europe and that the sector is expanding.[33] Online sales almost doubled between 2012 and 2017, from 121 € billion to 224 € billion.[34] Furthermore, it is expected that e-commerce will progressively move from a national to an international context.[35] **Multimodal channels of distribution** as well as **innovative business models** are being employed to combine online and offline sales platforms and mirror the new common phenomena of web-rooming and shop-rooming. The digitalisation of the retail sector **changed typical consumer behaviour** such as that of looking for products and comparing prices on the Internet and later visiting the physical shop for the experience.[36] In parallel, the opposite behaviour can also take place, namely to choose something in a physical store and then decide to purchase it online to benefit from additional services, such as home deliveries or more competitive prices.

The rapid transformation of retail into digital retail has brought opportunities as well as challenges for retailers. Small retailers, especially the so-called brick and mortar stores, have encountered **difficulties in adapting to new ways of doing business** through online channels of distribution. Among others, they often experience a **lack of time to gain new skills and knowledge** on what type of e-commerce solution is best applicable to their business together with legal, administrative and IT information.[37] Furthermore, **managing multimodal selling arrangements** involves a more elaborated logistical plan as well as establishing a competitive delivery system. Other challenges for small retailers include **limited knowledge of foreign languages** (for cross-border activities), lack of digital infrastructure and costs and management of IT equipment.[38] Therefore, it is often more difficult for small retailers to apply digital solutions to the internal business and administrative activities of the enterprise, besides the

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[31] Visit Leiden (no date), *Parkeerterrein Haagweg* available at: https://www.visitleiden.nl/nl/plan-jouw-bezoek/parkeren/parkeerterrein-haagweg.

[32]INTERREG, https://www.interregeurope.eu/policylearning/good-practices/item/911/pedestrianisation-of-candido-dos-reis-street-in-almada/.

[33] European Enterprise Network (EEN), A guide to e-commerce in Europe (22 February 2018)

[34] GFK, European Retail in 2018.GfK study on key retail indicators: 2017 review and 2018 forecast (April 2018) http://www.gfk-geomarketing.de/fileadmin/gfkgeomarketing/en/EN_European_Retail_Study_2018.pdf.

[35] McKinsey& Company, Perspectives on retail and consumer goods (4 November 2015)

[36]Urbact, Final Report. Innovative strategies for retail revitalization in medium sized cities (RetaiLink project, 4 April 2018), p.16 http://urbact.eu/sites/default/files/media/final-report-per-web.pdf.

[37] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the European Economic and social Committee and the Committee of the regions setting up a European Retail Action Plan COM(2013) 36 final, p. 10.
https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0036:FIN:EN:PDF; European Commission "Development of Solutions and an online guide on fostering the revitalization and the modernization of the retail sector" (European union, October 2017).

[38] EESC Opinion Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee of the Regions- A European retail sector fit for the 21st century [COM (2018) 219 final], p.5 https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/retail-sector-communication.

external the sales platforms and delivery modes. Not to mention complementary services such as customer service along with online payment options, returns and/or repairs.

When comparing small retailers and internet-based companies, it is questionable to what degree they will be able to maintain the advantage of a personal and direct relationship with the customers**. Internet-based companies** are in fact progressively **opening small physical shops,** as stores for collecting items ordered online but also as flagship, representative stores in city-centres.[39] Furthermore, some internet stores make **consumer support** and care one of the top priorities in their organisation to compensate for the distance selling aspect of their activities. This raises the competitive pressure on independent brick and mortar retailers who need to find alternative ways to differentiate themselves and gain space in the market.

Summarising effects of digitalisation on small retailers:

- The challenge for small retailers is that adapting to multiple sales platforms is difficult. Setting up an online platform such as a website requires certain expertise, and setting up sales distribution channels and return policies can be especially burdensome and expensive.
- Lack of time to learn the new skills required to set up online buying platforms and delivery and distribution methods are key challenges for small retailers. Small retailers typically do not have as much time as larger enterprises to invest time and money in such innovations compared to larger retailers. This dynamic also holds for internal business activities, which can be made more efficient using digital technologies.
- Other challenges related to setting up e-commerce opportunities include lack of language knowledge, which is needed to engage in cross-border e-commerce.
- A lack of good IT and digital infrastructure is to a larger degree outside of a retailer’s control, but may affect small retailers in rural areas more so than retailers, large or small, in more urbanised areas.

Possible types of practices for small retailers

- Small retailers often do not have the time and human resources for training staff to obtain necessary skills. Digital skills in particular could offer many benefits on running the internal business and in terms of their selling platforms. However, while younger entrepreneurs are more likely to be digital natives, brought up with digital technology, this tends to be the case less often for small retailers. For this reason, initiatives which attempt to bring digital skills to retailers could be interesting practices to help small retailers cultivate digital skills.
- In Austria, another example for addressing digital skills is the Handel Goes WWW initiative, set up by the Austrian Federal Economic Chamber. This practice involved holding several road shows for retailers on the topic of digitalisation. These were organised in all Austrian states by the Austrian Federal Economic Chamber. In addition, the seminars were broadcasted live creating 10 web shows on e-commerce. The event series took place in 2013, 2014, and 2017. The most recent edition focused on online marketplaces together with contents from the fields of law (tax law and e-commerce law), search engine optimisation, social media, as well as business administration and content production (image and text).[40]

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[39] Urbact, Final Report. Innovative strategies for retail revitalization in medium sized cities(RetaiLink project, 4 April 2018), p. 16 http://urbact.eu/sites/default/files/media/final-report-per-web.pdf.

[40] WKO Austria, (2019), Handel goes www – PART3: Wissen – Workshops – Webshows, [online], available at: https://www.wko.at/branchen/handel/handel-goes-www-part3.html.

2.5 Human capital and skill requirements

In many Member States, certain sectors are starting to face **shortages of labour**, or struggle to find labour with the **relevant skills** for given professions. In the retail sector, a similar trend exists, where individuals do not have the right skills to set-up and scale-up their enterprise. This is especially the case amongst small retailers as employees need to know more about all the different types of activities involved in running a business. In larger enterprises there may be dedicated individuals for financial control, administration, sales, etc. In a small enterprise, **a few individuals take on multiple types of tasks**, which means that finding staff who possess enough of such skills can be problematic.

Summarising effects of human capital and skill requirements on small retailers:

- Finding employees which have the skills can be a challenge to small retailers, combined with the added challenge that for small entrepreneurs, hiring staff can be a comparatively expensive endeavour. Wages and social security payments represent a comparatively larger expenditure for a small business than for a larger one, and as such hiring qualified staff is more likely to be a challenge for small retailers.
- Concretely, small retailers expertise on modern (multi-channel for instance), business models, technical savvy to set up digital sales platforms, expertise to set up distribution channels for online purposes, knowledge concerning digital solutions for other business activities, and other expertise on the necessary administrative requirements comply with are all knowledge which a modern small retailer is likely to need. Small retailers more often run into the bottleneck of not having the time to invest in such knowledge to set up, let alone develop their enterprise.

Possible types of practices for small retailers

- Small retailers often do not have the time and human resources for training of staff or themselves in necessary skills. Other skills such as business administration, financial management, marketing and promotion, etc., are all also important skills to learn as an entrepreneur, and this of course includes small retailers. While some universities and schools across Europe provide entrepreneurship education, this is often in the shape of a more formalised course and these are therefore not accessible to the average small retailer who does not have time for a full-time course. Therefore, here again there are opportunities for civic institutions, or public authorities and institutions, to come together with the business sector to provide basic training in skills needed by small retailers.
- The association Digital Europe ran an awareness raising campaign on eSkills, and how this can help people within their education, training, and in their work. The project ran from 2015 to 2016, and involved 580 stakeholder across Europe, set up 6,575 events, and produced 2 manifestos on eSKills, as well as 32 videos.
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- A similar initiative is that of the eCF Alliance, which is a free online training platform. Several types of stakeholders came together to address the mismatch between the demand and supply of ICT skills in Europe. The initiative was set up to also address the skewed

[41] Digital Europe, (no date), Skills Development & Employability, [online], available at: https://www.digitaleurope.org/project-category/skills-development-employability/.

geographical distribution of such ICT skills. Stakeholders including employers, higher education institutes, vocational education and training (VET) institutes, regulatory bodies, public agencies, and SMEs came together within this project to provide the more necessary skills.[42]

2.6 Consumer trends and preferences

As partially already highlighted in the two previous sections, consumer preferences and behaviour have changed in recent years. Customers now have a **different point of view as to what is valuable in a product or service**. Notably amongst young consumers at first, the emphasis on convenient and quick products and services rapidly gained traction as online shopping became increasingly prevalent. **Sustainably produced goods and local, more artisan products** also started to become more popular. Where these trends started with young consumers, these elements have increasingly become issues which most modern consumers value and look for. Specifically, today a number of aspects are taken into consideration by *modern customers* in choosing a product or service:

- There is a special attention to the **protection of the environment and to sustainability concerns**. Customers are better informed and evaluate a retailer also looking at environmental and social impacts of the products it sells. Consider for example organic, Fairtrade, or bio products.[43]
- Customers are drawn to **personalised or individualised products and services** which are adaptable to individual needs and likings. This makes an otherwise standardised product a better fit.[44]
- A **multicultural body of customers' demands more varied** and international products, but is also welcoming towards novelties and attracted to innovation.
- **Health and well-being are a significant concern for customers**, who are now aware of the life-style diseases that characterise industrialised nations. As a consequence, attention is devoted to safer and healthier products as well as more information on their composition.[45]

Today's customers are more **sophisticated and demanding, especially in urban areas** where they encounter a larger offer of products and services. It should also be noted that this development also carries risks with it, as this additional knowledge on products might be very superficial and not always positive. An example of this situation occurs with eco-labelling or so called green solutions, where a consumer relies on a label or indication which in reality has a different meaning and does entail the expected quality. This has not only negative consequences for the consumers but also for the retailers, because those who provide the higher quality standards might not be recognised by the buyers.

[42] Digital Europe, (no date), Skills Development & Employability, [online], available at: https://www.digitaleurope.org/project-category/skills-development-employability/.
[43] CBI Ministry of Foreign Affairs of the Netherlands, Trends and strategies of the European retail p.6 http://www.siicex.gob.pe/siicex/documentosportal/alertas/documento/doc/795362701radA43F6.pdf.
[44] CBI Ministry of Foreign Affairs of the Netherlands, Trends and strategies of the European retail p.5 http://www.siicex.gob.pe/siicex/documentosportal/alertas/documento/doc/795362701radA43F6.pdf.
[45] CBI Ministry of Foreign Affairs of the Netherlands, Trends and strategies of the European retail pp.3-4 http://www.siicex.gob.pe/siicex/documentosportal/alertas/documento/doc/795362701radA43F6.pdf.

Summarising effects of changing consumer trends and preferences on small retailers:

- The challenge for small retailers is that they do not always have the capacity and resources to respond to these changing demands. There are not enough resources to tailor products and services to too many individuals or across a wide range of products.
- Finding eco-friendly products and sustainable value chains can also be a challenge for smaller retailers: they are less likely to have the resources to research, identify, purchase, and distribute such products compared to larger retailers.
- The increased appreciation amongst consumers for own, private labels, or locally made and sold products could on the other hand present opportunities for small retailers.

Possible types of practices for small retailers

- Adapting to changing consumer preferences is a challenge for small retailers, in large part due to the fact that small retailers often do not have time, capacity, and resources to adapt their business activities to changing consumer preferences. A practice which could perhaps mitigate the changing consumer preferences would be to bring local and regional enterprises, including small retailers together through events. Such events can serve to give small retailers a forum for exchanging ideas on how to address new consumer preferences, and also provide a platform for enterprises to connect and explore opportunities for collaboration to address those changing consumer preferences in practice.
- By bringing small retailers together, the bottlenecks of having limited time and capacity to explore and implement new business activities can be reduced to some degree. For example, cooperation between local and regional enterprises could lead to more ecologically sustainable fashion, thereby responding to the changing consumer preference for more local sources or environmentally friendly products and services.
- Bringing entrepreneurs together in an area, or connecting them, can take place digitally or face to face. Local or regional networking events could for instance help small retailers to address these changing preferences to some extent. Such events can be arranged privately, though stakeholders in the retailer sector indicate that public-private partnerships (PPPs) can be instrumental in helping small retailers in town and city-centres as well. PPPs can help retailers to thrive by setting up retailer friendly regulations and policies, and they could also be used to set-up such networking events for small retailers.
- Approaches to keeping retailers together and having them cooperate can include retailers setting up promotional activities together. For instance, by purchasing something in one retailer, a consumer may receive a small discount in another retailer in the same area.

2.7 Trends of the retail sector

Private labelling has increased and is projected to increase.[46] This business practice involves retailers who purchase products from manufacturers and sell them through their store brand. There has been a transition from the traditional retail-owned brand aimed at offering the lowest price alternative to a **medium level in terms of quality, packaging, advertising with the objective to resemble original brands.**[47] Furthermore, the so-called premium owned brands can offer high value added products whose quality can be higher than the original branded product.

[46] The Nielsen Company, The rise and rise again of private label (2018, Nielsen Holding plc), p. 2.
[47] Erik Sandberg, The retail industry in Western Europe: Trends, facts and logistical challenges (Department of Management and Engineering, Linköping University, 2010), pp.10-13.

Here retailers enjoy more control, but also have more responsibilities. As indicated in the section on consumer preferences, this trend represents an **opportunity for small retailers**. In fact, some of the advantages of this practice are the control over production, pricing, branding and ultimately profitability. Large retailers can use this to their advantage as they experience consumer preferences and have the tools to monitor consumers' orientation.

Vertical integration occurs when **manufacturers and retailers control together multiple parts of the supply chain** such as assortment and the definition of a customer target group. In this way retailers reduce their costs and can offer lower-priced products. Once manufacturers and retailers are united, suppliers involved in the distribution lose their role as retailers, and become more and more involved in managing the physical distribution of products.[48]

This practice presents a number of **challenges for small retailers** and is usually performed by large retailers aiming to increase their competitiveness. Above all the lack of budget, of expertise to successfully manage more phases of the supply chain, and a number of organisational and logistical challenges are among the factors hindering small retailers from adopting vertical integration strategies.

Among others, *vertical integration* is one of the business practices which leads to a **growing power among large retailers**. An increasing concentration and influence of large and multinational retailers on the European market has drawn the attention to **unfair trading practices (UTP).** UTPs are practices that grossly deviate from good commercial conduct and which are contrary to good faith and fair dealing in business-to business (B2B) relationships. These are usually imposed on the weaker party in a situation of power imbalance and they can have negative impacts affecting the capacity of enterprises to invest and innovate, particularly amongst smaller enterprises.[49]
In April 2018 the European Commission proposed a Directive to address business-to-business (B2B) relationships in the food supply chain, and in December of the same year, a political agreement was reached on a new set of rules to protect EU farmers and EU agri-food companies.

Another trend of the retail sector is the increasing use of **store concepts**, which set a retailer apart from others. Examples can include discount or market killer retailers. Here, customers know what kinds of products are sold and therefore already orient themselves before actually entering in a store. Shops "in the middle" without clear direction and customer focus are reported to lose market share.[50]

Becoming more attractive and choosing a store concept is not always an easy task for small retailers, but might be essential to improve their competitiveness against large retailers. In particular, small retailers in urban areas might be located in unattractive shopping areas or surrounded by empty shops.

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http://handelsradet.se/wp-content/uploads/2016/01/2010-The-retail-industry-in-Western-Europe-%E2%80%93-Trends-facts-and-logistics-challenges.pdf ; (also mentioned in the Commission Action plan for retail).

[48] Erik Sandberg, The retail industry in Western Europe: Trends, facts and logistical challenges (Department of Management and Engineering, Linköping University, 2010), pp.15-16. http://handelsradet.se/wp-content/uploads/2016/01/2010-The-retail-industry-in-Western-Europe-%E2%80%93-Trends-facts-and-logistics-challenges.pdf .

[49] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the European Economic and social Committee and the Committee of the regions setting up a European Retail Action Plan COM(2013) 36 final pp. 11-12 https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0036:FIN:EN:PDF; EESC Opinion Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee of the Regions- A European retail sector fit for the 21st century [COM (2018) 219 final] p.5 https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/retail-sector-communication.

[50] Erik Sandberg, The retail industry in Western Europe: Trends, facts and logistical challenges (Department of Management and Engineering, Linköping University, 2010), pp.15-16. http://handelsradet.se/wp-content/uploads/2016/01/2010-The-retail-industry-in-Western-Europe-%E2%80%93-Trends-facts-and-logistics-challenges.pdf, p.13.

Summarising effects of trends of the retail sector on small retailers:

- Consolidation of large retailers: large retailers are integrating horizontally and adding extra business activities to their retail activities. This makes them larger and more difficult to compete with; their size makes it easier to provide more and more varied products, with more convenience in ordering and return policies and delivery options. Smaller retailers are in a comparatively weaker position as a result; they cannot compete with such expansive business models in the same way.
- Another trend in retail is the changing store concepts. There is more emphasis on the experience of a consumer who comes to a retailer, and this is rooted in the store concept. Brainstorming and exploring the development of a store concept requires, time, energy and expertise. Small retailers do not always have the time and expertise to develop a modern store concept, and can make less use of this new trend in the sector.
- That said, there are trends such as private labels and producing and supplying local products which small retailers can capitalise on, given the changing consumer preferences which are also arising.

Possible types of practices for small retailers

- Concerning vertical integration, a practice which may be implemented include the establishment of cooperatives of different enterprises. This would allow different enterprises as well as small retailers in a given region to come together, and bundle their various products and services. In doing so, resources could be shared, and a form of vertical integration can be established by a group of smaller enterprises and retailers.
- Regarding store concepts, this is something which small retailers are doing as well. What is required here is perhaps time and some (modest) financial investment to adjust business activities to a slightly different or expanded concept. A current trend is the coming together of different products and services in one shop.
- As an example, Clinique Doctor Sneaker: situated in the city of Toulouse, two students still in business school, set up a small business together dedicated to the proper cleaning of sneakers. They started by doing so for friends and their own network, before realising the idea had real potential, and could be expanded. The two starters were joined by two more friends, and the store concept shifted towards an enterprise specialising in the cleaning, repairing, and customisation of trainers and sports shoes. Each of the founders brought in resources amounting to EUR 15,000, and together with the existing network and "buzz" created, the customer base grew as well. The founders also set up a website and advertisements in shopping centres helps to further their exposure[51].
- Other examples include a Parisian butcher whose establishment becomes a gastronomical restaurant by night, or selling quality coffee in a bike shop so that customers can enjoy these while waiting for their bike to be serviced or repaired[52]. This idea of adapting a store concept is tied closely to the trend of changing consumer preferences, outlined above in this report.

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[51] Capital avec Management, (2018), CES NOUVEAUX PETITS COMMERCES QUI REDYNAMISENT NOS CENTRES-VILLES, written by BRUNO ASKENAZI, [online], available at: https://www.capital.fr/votre-carriere/ces-nouveaux-petits-commerces-qui-redynamisent-nos-centres-villes-1313810.

[52] Capital avec Management, (2018), CES NOUVEAUX PETITS COMMERCES QUI REDYNAMISENT NOS CENTRES-VILLES, written by BRUNO ASKENAZI, [online], available at: https://www.capital.fr/votre-carriere/ces-nouveaux-petits-commerces-qui-redynamisent-nos-centres-villes-1313810.

2.8 Contextual circumstances and trends in small towns and villages

When looking at small retailers and the challenges they face due to different contemporary trends, it is also important to consider the local or regional environment in which a small retailer is situated. This is important because developments in other policy areas and different local characteristics affect the success of a small retailer.

The trend of **urbanisation and desertification** of small towns and villages means that for small retailers, their client base often shrinks as well. In order to encourage small retailers to settle in small towns and villages, or to allow the retailers established there to thrive, foot traffic often needs to be increased. However, doing so requires a more holistic, cross-policy approach. Literature emphasises the need to revitalise a town centre, in order to revitalise its business community as well. There is an **interactive relationship between the quality and vibrancy of a town or village's centre and its enterprises and retailers;** if there are things to do, such as good shopping in a nice area, people are inclined to visit. Entrepreneurs in turn are then more likely to settle in an area which has high numbers of visitors. Visitors tend to be less inclined to visit a smaller, further removed or isolated place if there is not much to do there, or if the surroundings are anything less than pleasant.

For this reason, supporting retailers can also be achieved through other policy avenues, such as urban planning and mobility policy. **Urban planning policy, tourism, and mobility policies** are important in the process of revitalising a town or village centre. Research and local policy initiatives show how having a pleasant centre, whether this includes having a small parks, town squares, or commercial hubs, having a place in a community for people to come and spend time shopping, running errands, or socialising, are important features for a town or village. **Increasing the foot traffic by creating a community hub, can help small retailers.** Urban planning of such communal areas, together with mobility initiatives, can make a centre more accessible. Introducing newer and better roads, public transport solutions, and accessible parking options can help increase foot traffic to villages and towns, thereby also benefiting small retailers there. Urban planning policy and the tourism sector can in turn help to create an incentive for visitors to come to a town or village. Identifying the unique historical or aesthetically pleasing parts of a town or village, or any other appealing aspects and promoting these as a tourist highlight, can invite further foot traffic.

When trying to help and support small retailers in rural areas, or in smaller towns and villages, the framework conditions in a local area must be considered as well. The trends affecting small retailers are diverse as, has been illustrated above. It is therefore intuitive that the initiatives and good practices to help remedy those challenges will also be diverse; an inter-policy approach appears necessary to help revitalise towns and centres, and within that, their business communities and small retailers as well.

Specific challenges relating to urban versus more rural areas

While the framework conditions described here refer to smaller towns and villages, there are other contextual factors which lead to challenges for small retailers in urbanised areas and large cities. These have been summarised in the table below.

As can be seen, in urban areas, high rental costs and limited space are likely to be more pressing challenges, while seasonality and competition from larger stores outside of the centre play less of a role; visitors and foot traffic are higher all year round in a more urbanised area. With more shops established, urban centres usually lose less visitors to large retailer shops outside of the centre. However, as space is more of a rare commodity, rental prices for small retailers may be more of a challenge. In rural areas on the other hand, accessibility and smaller customer bases, form important challenge for small retailers. Encouraging individuals to come and visit a small village the town, and providing the means for visitors to visit comfortably are issues which small retailers alone cannot resolve, as has been described in the preceding paragraphs. Seasonality is also more of an issue, with certain tourist attractions and businesses (think of water parks, ice-cream vendors, holiday locations, etc.), closing during certain seasons. Promoting a stable income flow and the viability of the business becomes more of a challenge in this context. Adding to this, small retailers in rural areas also face, on average, less mobility and digital infrastructure, and competition from larger stores outside of the cities. Rental costs and space availability in turn are often much less of a challenge.

Table 1 Challenges of small retailers due to their location in an urban or rural area

Location influenced challenges for small retailers		
Challenges	**Impact in urban areas**	**Impact in rural areas**
Competition from large outlet chains or bigger outlets at the outskirt of the city	Medium	High
High rental costs	High	Low
Empty spaces (vacancies)	High	Medium
Accessibility	Low (often)	High (often)
Reduced customer base	Low (often)	High
Seasonality	Medium	High
Lack of infrastructure	Low	High (often)
Lack of digital infrastructure	Medium	High (often)

Source: Panteia, 2019

This overview here suggests that the **small retailers in rural areas face comparatively higher challenges compared to small retailers in more urbanised areas**. Some of these challenges relate to the general trends described above, such as regulatory obstacles, trends in the retail sector and the demographic and societal shifts. Other challenges, such as the rental costs and seasonality are more closely related to the urban or rural nature of a small retailer's location.

3. Good practices to revitalise small retailers in city-centres, including small centres in rural areas

This chapter presents a long list of practices, followed by a detailed analysis of 5 good practices (selected in cooperation with the EESC). In order to be considered a practice for further analysis and be an example for future action, **a practice needs to fulfil a set of requirements**. Without a clear understanding of what a practice is supposed to achieve, it is difficult to assess the effectiveness and impact, and even more difficult to compare practices. Therefore, a good practice should have clearly identifiable aims and objectives which are SMART specific, measurable, achievable, realistic, and time-dependant.[53]

In addition to determine eligible good practices the following criteria are relevant:

- The practice should already be in place.
- It should have clearly identifiable aims and objectives.
- It should be user-friendly and accessible for retailers or authorities.
- It should be adaptable and transferable.
- Its results should be identifiable and capable of evaluation.
- Over a range of relevant indicators, it should clearly out-perform other practices in terms of efficiency and effectiveness.
- It should be capable of being continuously improved.

In the context of this project, the following additional criteria will be used to select the 5 practices that will be studied in-depth:

- The practice should address one or more of the most pressing challenges for small retailers in urban respectively rural areas, or both.
- Given the mission of the EESC, the role of and the importance for civil society should be addressed.
- The 5 practices show a geographical representation of the European Union.
- A cross border element should be addressed in at least one of the challenges.
- The selection should take into account the balanced multi-layered policy approach (actions at EU, Member State, regional or local level).

A long list of practices have been identified which support small retailers. Based on this long list, 5 good practices have been selected in discussion with the Steering Committee, and these practices have been further developed as case studies.

Overview of selected good practices to revitalise small retailers

Based on the long list provided (see annex), the following five practices were selected:

Practice case study	*Summary of practice*
Tropa Verde *Spain* Initiated by: Teimas entrepreneurial activities.	• Game based platform encouraging environmentally responsible behaviour. Citizens can earn points by completing recycling tasks at some of the city locations (e.g. waste disposals). In return, the points can be exchanged by the City Council and local retailers. The

[53] European Commission, *Impact Assessment Guidelines*, Brussels, 15 January 2009.

	initiative started in 2015 and is currently active in 6 Spanish cities. • Bridge between the promotion of environmentally responsible behaviour and supporting local retail.
Areskee.com *Cyprus* Initiated by: Areskee Ltd., a limited company registered and based in Cyprus.	• Website providing an online platform for Cyprus-based creators and independent retailers to display and sell their products. Electronic payments, delivery, customer service, management of personal data, and returns and refunds are managed centrally by the platform. • The website allows creators and small retailers to enjoy the benefits of online selling while removing some of its burdens, above all the logistics and the management involved in another selling channel.
Gelderlandplein *The Netherlands* Initiated by: Kroonenberg Groep	• Gelderlandplein is a shopping centre which exists since 1968. With the renovation of 2016 the mall is improved by creating a more luxurious appearance and fancy stores. This makes the mall more attractive to the well-earning employees of the nearby *Zuid As* (where a lot of offices are located), and becomes a peaceful place to spend time, by for instance, by including art and various food establishments.
ÁFEOSZ-COOP Federation *Hungary* The organisation was established in 1949 and reorganised in 1990.	• The national Federation represents the interests and specificities of this co-operative business model at the national policy making level, supports the economic, financial and social efforts and activities of those consumer co-operatives and helps promote their international activities (membership in Euro Coop). • The organisation pays special attention within its activities to promoting good operating conditions in rural areas and villages, thus contributing to the financial, economic and social sustainable development at the local level. • The organisation also provides technical help and guidance for co-operative enterprises (small retailers in practice), through advice and information on tax laws, employment requirements, and economic activities in general.
Action Coeur de Ville *France* Initiated by: The Minister of Territorial Cohesion (la Cohésion des territoires).	• As of 2019, 222 medium-sized cities signed the agreements to revitalise their city-centres. The programme aims to facilitate and support the work of local authorities, encourage housing, commerce and urban planning actors to reinvest city-centres, as well as to promote the maintenance or establishment of activities in the heart of the city. • The state budget for this programme is EUR 5 billion.

4. Best practice case studies

This section presents the best practice cases identified above in more detail. Each case has been presented in a standardised case study format containing information on the practice, how it operates, and which challenges the practice helps mitigate for small retailers.

4.1 Case: Tropa Verde, Spain

Introduction

Name of practice	Tropa Verde
Year introduced or started	The project started in 2015
Geographical location	Santiago de Compostela, Spain
Rural, urban, or general small retailer focus	The project is set up urbanely, with a small retailer focus.

Description of the practice

1. **Who initiated the development of the practice?**
   This practice is led by the Spanish city Santiago de Compostela and was developed by the local technology and waste management company Teimas Desenvolvemento.

2. **What was the reason for starting this practice?**
   The project started in 2015, when a survey showed that many inhabitants in the city were reluctant to recycle, due to a lack of information and personal habits of citizens. The idea behind the practice is to encourage environmentally responsible behaviour and to support local retailers.

3. **Please describe how the practice works:**
   Tropa Verde is a game-based web platform. Citizens can earn recycling vouchers and exchange them for rewards at Santiago's City Council and participating local retailers. The website connects the following elements:
   - The locations where citizens can dispose of waste and get their rewards: green points, civic and local social centres, recovery points, Santiago's City Council.
   - Local businesses that provide gifts or discounts: retailers, restaurants, outdoor activities, shops and other businesses.
   - Citizens who have recycled using this waste disposal network or at green points, get points which they cash in online on the platform. This platform shows what deals or discounts can be collected with those points and at which retailers. Citizens can then visit to the local businesses or local services for their reward.

4. **Which challenges to small retailers are addressed with this practice?**

Economic challenges:
This practice supports small retailers in getting more presence online and in gaining more name recognition. Local businesses therefore get the chance to be discovered more easily by shoppers. Additionally, the government helps local businesses to provide discounts and rewards. Local businesses struggle more to offer those products, because they do not have the same economies of scale as larger retailers.

Digitalisation challenges:
Online and offline promotional activities are combined in this practice. Tropa Verde is a multimedia platform, which connects the citizens, disposal points, and shops online. Discounts or rewards can be collected in physical stores and places. Because of the environmental responsibility, game-based approach, and rewards, local businesses are now able to compete with e-commerce, because consumers are stimulated to shop at local businesses who are connected to Tropa Verde. This is especially beneficial to small retailers, who face higher barriers when adopting online channels of distribution. These difficulties are taken away to a degree by the technology produced by the company Teimas Desenvolvemento.

Consumer trends and preferences challenges:
In this practice, there is special attention for the protection of the environment and sustainability concerns. Environmental responsibility is made easier, which encourages the citizens with a lack of information and bad habits. Local businesses that participate in Tropa Verde represent environmental and social meaning with their products, which adds value for the consumers.

Trends of the retail sector challenges:
Through the initiative, extra business activities are added to the retail activities. Tropa Verde helps small retailers to compete with those large retailers, by offering (besides the product):
- discounts and rewards;
- all participating enterprises indirectly stimulate environmental responsibility and thus contributes to the environmental responsibility experiences of the consumers;
- an entertaining experience due to the game-based idea.

5. Please describe the reasons for highlighting this practice:

EU Best practice criteria	*Description of extent to which criteria are satisfied*
• **The practice should already be in place.**	The practice is active since 2015 and is still in place.
• **It should have clearly identifiable aims and objectives.**	Tropa Verde aims at promoting recycling and environmental responsibility among the citizens by: 1) rewarding good environmental practices; 2) increasing recycling rates; 3) promoting the environmental awareness of the citizenship applying gaming and rewarding techniques.[54]
• **It should be user-friendly and accessible for retailers or authorities.**	The system is fairly clear and intuitive. It is easy to register for citizens as well as local retailers. Therefore it is user-friendly and accessible.
• **It should be adaptable and transferable.**	The practice is adaptable and transferable because similar or comparable actors are present in all countries, as well as the trends in society towards greater environmental responsibility.
• **Its results should be identifiable and capable of evaluation.**	Results are measured and published (see question 10).

[54] URBACT, "Tropa Verde, rewarding recycling!' via https://urbact.eu/tropa-verde-rewarding-recycling

• **Over a range of relevant indicators, it should clearly out-perform other practices in terms of efficiency and effectiveness.**	This practice is set up on city/municipality level and retailers from most sectors are involved as well as the City Council. No practices are performed in a comparable, comprehensive way.
• **It should be capable of being continuously improved.**	Involving more local retailers and reaching more citizens leads to higher results in recycling. The plan is to promote recycling at popular festivals, sports events or solidarity actions.

Results and evaluation of the practice

6. **What have been the outcomes and/or results of this practice so far? Consider the number of users, effects on/for the target groups?**
   Data presented by the Environment Minister, Ánxeles Vázquez says that Galicia registers the second largest increase in glass recycling in Spain, with an increase of 11% compared to 2017. Recycling has avoided the emission of 38,260 tonnes of CO2 into the atmosphere.
   - High citizen participation, over 2,500 users; 114 sponsors; 1,500 rewards offered; more than €15,000 in prizes and rewards; 22 centres issuing vouchers; over 16,000 vouchers given; more than 1,230 Facebook followers; more than 440 Twitter followers; and over 800 rewards delivered.
   - Several workshops for children have been held: "Recycle, Reutilise and Play" with Tropa Verde to commemorate the European Environment Week, and two school campaigns ''Recycling at school is rewarded''. The campaign consists of the collection of used cooking oil and electrical and electronic appliances involving 20 different educational centres, with a total of 2,416 students. In the school campaigns, a total of 2,356 litres of used cooking oil and 3,299 electrical and electronic appliances were collected.
   - The involvement of citizens in recycling has increased, with a higher volume of visitors at the waste collection points. Tropa Verde's initiative has improved environmental quality and, consequently, the citizen's quality of life, while at the same time promoting the local economy. [55]

7. **Please estimate how effective the measure is (to what degree are the stated objectives achieved?)**
   The objectives of the Tropa Verde initiative and its progress include:
   1) *Promoting recycling and environmental responsibility among the citizens:* while difficult to measure in concrete statistics, large numbers of followers on social media indicate that this objective has been achieved. Furthermore, promotion takes place through workshops and campaigns.
   2) *Increasing recycling rates:* results show that the action has considerable effects on recycling: 11% more glass recycling took place than in 2017 and recycling has avoided the emission of 38,260 tonnes of CO2 to the atmosphere. Next to this, there were also workshops and campaigns. It is difficult to measure the effectiveness of workshops and (school) campaigns. But the fact that 2,356 litres of used cooking oil and 3,299 electrical and electronic appliances were collected, indicate that those campaigns were effective. This shows that the objective is achieved.
   3) *Promoting the environmental awareness of the citizenship applying gaming and rewarding techniques*: these techniques can also be measured by the number of participants. There are over 2,500 users and 1,500 rewards offered (more than 15,000 euros in prizes and rewards). This indicates that by applying gaming and rewarding techniques, the environmental awareness of the citizens is promoted.

[55] URBACT, "Tropa Verde, Rewarding recycling!' via https://urbact.eu/tropa-verde-rewarding-recycling.

The practice's originality and effectiveness have earned it several awards, such as the Sustainable City Award in the category of Waste Management, granted by the Environmental Forum Foundation.[56]

8. **Please estimate how efficient the measure is (comparing resources required to implement the practice compared to the outcomes achieved).**
The budget was between 10,000 and 20,000 euros at the start of the project, and between 3,000 and 6,000 euros per year after 2017. [57] This is quite a small budget when consider the impact for small retailers and when taking the large effects on CO2 emission reduction into account.

9. **Impact of current measure and possible results it may contribute to:**
Beyond helping small retailers, the measure has had a positive impact in terms of helping to increase recycling rates in cities in Galicia. The measure involves bringing together networks of public services and actors, as well as private actors. The measures is considered effective to the degree that URBACT, (the EU programme focusing on improving EU cities), has supported the measure to be transferred and implemented in other cities across Europe including in Thessaloniki, Budapest, Nice, the Cote d'Azur, and others.

Conditions of transferability

10. **Consider the success factors and potential fail factors of transferring this practice to another context.**
For the successful transfer of this practice to another context, several factors have to be met:
    - Network of waste disposal systems and points needs to be set up so that there are enough accessible points for more citizens to use. If recycling points are too far removed, the incentives for citizens to use them become too low.
    - A gaming platform for organising and coordinating the recycling points and rewards system.
    - A network of local businesses and sponsors willing to provide rewards or discounts.

    Good promotion of the added value of the project to both local authorities (for local financial support to start the project up), and amongst local businesses to encourage them to participate. Promotion of the platform amongst citizens is also key.

    Tropa Verde already demonstrated that this idea can be transferred to other cities. In Spain this practice has been implemented in different cities. It is active in six different City Councils of Galicia (autonomous Spanish region): Redondela, Lugo, Ames, Sarria, Porriño and Santiago de Compostela, thereby reaching more than 300,000 inhabitants throughout Galicia. Next to that, several municipalities in Spain are interested in both the platform and the different environmental awareness campaigns carried out in schools in the city.

    Internationally, a European working group within the Urbact III programme (2014-2020) is formed of five cities that are also interested in the project and methodology of Tropa Verde. The Urbact III program is an exchange and learning project that promotes sustainable and integrated urban development and encompasses 550 cities in 29 countries. The meetings are in Santiago. Opole (Poland), Guimaraes (Portugal), Zuglo-Budapest (Hungary), Nice (France) and Pavlos Melos

[56] EFE VERDE (September, 2018), 'Reciclar con recompensa: más fácil todavía', via https://www.efeverde.com/noticias/reciclar-recompensa-facil/.
[57] URBACT, "Tropa Verde, rewarding recycling!' via https://urbact.eu/tropa-verde-rewarding-recycling.

(Greece), members of this group, have already expressed their intention to implement the same methodology, recognised as good practice at continental level, according to the City Council.[58]

11. **Consider the administrative requirements, human resources, financial resources, regulatory and institutional requirements in a country, and any other relevant factors for transferring this practice to another country or region.**
Administrative requirements include a multimedia gaming platform that has to be set up. Therefore human resources are needed, and specifically, individuals with technical skills. Furthermore, financial resources are needed because of the costs of collecting waste and providing rewards. The project is relatively transferable, as the company setting up Tropa Verde has gathered experience and has plans ready on designing and developing a gaming platform, and on approaches for recruiting both businesses and citizens to participate in the practice.

4.2 Case: Areskee.com, Cyprus

Introduction

Name of practice	Areskee
Year introduced or started	The website was set up in 2018.
Geographical location	Cyprus
Rural, urban, or general small retailer focus	The practice is set up nationally, for local, small retailers all over Cyprus.

Description of the practice

1. **Who initiated the development of the practice?**
Electronic Engineering graduate, Constandinos Stavrinides came up with the idea. The practice is executed by Areskee Ltd. (a limited company registered and based in Cyprus).[59]

2. **What was the reason for starting this practice?**
Constandinos Stavrinides came up with the idea when he was living and working in the United Kingdom.[60] E-commerce is generally more developed there with a range of marketplaces for local creators and small businesses. There is an absolute wealth of crafty talent in Cyprus, but also a real lack of platforms and organisations capable of helping these individual creators establish their work and grow their businesses. The vision of Areskee is formulated as:

Our vision is to build a community of talented local creators and carefully selected shops, who are passionate about what they do. We believe that by sharing our passion, ideas and knowledge, and that by working and learning together, we can grow collectively and improve significantly the range of our products and the quality of the service that we offer to our customers.[61]

[58] La Voz de Galicia, "Cinco ciudades europeas implantarán el proyecto Tropa Verde', via https://www.lavozdegalicia.es/noticia/santiago/2018/09/18/cinco-ciudades-europeas-implantaran-proyecto-tropa-verde/00031537303937399633501.htm.
[59] Cyprus Mail, obtained on 26 April, 2019, via https://cyprus-mail.com/2018/12/11/the-best-of-local-crafts-and-craftsmen/.
[60] Cyprus Mail, obtained on 26 April, 2019, via https://cyprus-mail.com/2018/12/11/the-best-of-local-crafts-and-craftsmen/.
[61] https://areskee.com/our-story/.

3. **Please describe how the practice works:**
   Areskee is a multi-store shopping website, an online platform that centrally manages electronic payments, delivery, customer service, management of personal data, and returns and refunds. Everything sold on the site has been made and designed by independent creators, artists and small shops based in Cyprus.[62]

   The team of Areskee consists of four people:
   - Panayiotis Neophyytou (Managing Director);
   - Marianna Markou (Sales and Marketing);
   - Marios Pantelides (Communication);
   - Constandinos Savrinides (Products and technology)[63].

4. **Which challenges to small retailers are addressed with this practice?**

   Economic challenges:
   Small retailers are helped by this practice in that they become more accessible and visible to customers. Furthermore, small retailers often struggle to offer discounted products, in comparison to retailers with economies of scale. Areskee offers one discount, for all suppliers on the website together, €5 off at the first purchase. Besides this, small retailers also tend to have less presence online. Areskee addresses this issue by collecting those small retailers into one platform, where small retailers are able to show their products online.

   Digitalisation challenges:
   Small retailers are able to use e-commerce through Areskee. Most small retailers struggle to adapt to new ways of doing business through online channels of distribution. Areskee enables small retailers to use e-commerce without having to gain new skills and knowledge on what type of e-commerce solution is best applicable to their business together with legal, administrative and IT information. Areskee provides technology, tools, support and access for local suppliers. Therefore, they are able to offer their products online. Besides this, Areskee offers fast shipping across Cyprus, 15-day returns, cash, card and Pay Pall payments and home delivery.

   Human capital and skill requirement challenges:
   Areskee addresses this issue by offering four employees with technological, communicative, marketing and management skills. Small retailers do not need to find nor pay employees with these specific (digital) skills. All knowledge is already present at Areskee, thereby removing a common obstacle.

   Consumer trends and preferences challenges:
   Areskee offers local products by local individual retailers, because consumers are more and more drawn to personalised or local products and services. For individual retailers it is easier to focus on responding to the demands of the consumers, because they can outsource other work to Areskee (for example, delivery, customer service and technology).

   Trends in the retail sector challenges:
   Through Areskee, more products are being provided, ordering and return policies are set up and delivery options are available. The position of small retailers is strengthened so that they may compete with large retailers who also offer these services, enabled by Areskee. Besides that, Areskee

[62] https://areskee.com/our-values/.
[63] Cyprus Mail, obtained on 26 April, 2019, via https://cyprus-mail.com/2018/12/11/the-best-of-local-crafts-and-craftsmen/.

offers some kind of store brand, by offering original products by local retailers. When buying from Areskee, the consumer can safely assume that the products are locally produced by individual retailers.

5. Please describe the reasons for highlighting this practice:

EU Best practice criteria	*Description of extent to which criteria are satisfied*
• **The practice should already be in place.**	The practice is active since 2018
• **It should have clearly identifiable aims and objectives.**	The aims and objectives of Areskee is: to support the local businesses and to motivate new retailers to produce creative and original products.
• **It should be user-friendly and accessible for retailers or authorities.**	The platform is user-friendly. Fast shipping across Cyprus, cash/card/PayPal payment and home delivery are offered. The platform is assumedly also easy accessible for retailers, with over 60 stores joining and this number is rapidly increasing.[64]
• **It should be adaptable and transferable.**	The practice is adaptable and transferable to other countries or regions in case initiative is taken to set up the platform, local retailers are willing to participate and demand for local products is in place.
• **Its results should be identifiable and capable of evaluation.**	At the moment over 60 stores joined, offering over 1,000 products (April, 2019).[65]
• **Over a range of relevant indicators, it should clearly out-perform other practices in terms of efficiency and effectiveness.**	It is the only market place in Cyprus for local creators and small businesses. This makes it most effective, because it centralises the market of Cyprus on a national level.
• **It should be capable of being continuously improved.**	Delivery options can be further diversified. Also, supply can further be expanded by involving more local retailers.

Results and evaluation of the practice

6. What have been the outcomes and/or results of this practice so far? Consider the number of users, effects on/for the target groups.

The outcomes and/or results of this practice can be viewed by examining the participating stores and products offered. At the moment (April, 2019) over 60 stores are connected to Areskee and over 1000 products are being offered.

7. Please estimate how effective the measure is (to what degree are the stated objectives achieved?)

The objectives of Areskee are: "*Supporting the local businesses and motivating new retailers to produce creative and original products*".

[64] https://areskee.com/
[65] https://areskee.com/

The objectives are met for at least 60 local stores and over 1000 creative and original products are offered. These are the results since July, 2018 and the amount is growing rapidly. Based on these facts, one can conclude that the objectives have been achieved.

8. **Please estimate how efficient the measure is (comparing resources required to implement the practice compared to the outcomes achieved).**
   Objectives are measurable by looking at the amount of participating stores and offered products.

9. **Impact of current measure and possible results it may contribute to**
   By gaining more participating stores and offered products, the platform becomes more interesting for visitors as well as local businesses to offer their products.

Conditions of transferability

10. **Consider the success factors and potential fail factors of transferring this practice to another context.**
    For this practice to work out in another context, several factors should be in place.
    - *Supply of local businesses:* Enough local retailers should be in place to offer creative and qualitative products.
    - *Demand for local businesses:* There has to be a trend of demand from consumers to local businesses.
    - *Connection by a website:* There has to be a platform/website that connects the local retailers with consumers.
    - *Delivery system:* A delivery system has to be in place to enable local businesses to send their products to the consumers in an easy way.
    - *Screening of the suppliers:* The platform has to check the local retailers on the suitability of their businesses and products for the platform.

11. **Consider the administrative requirements, human resources, financial resources, regulatory and institutional requirements in a country, and any other relevant factors for transferring this practice to another country or region.**
    Particularly, administrative requirement, human resources and financial resources should be considered. Some challenges could be: software development to store discovery, product refinement, technology challenges, identification and collaboration with service providers.

4.3 Case: Gelderlandplein, the Netherlands

GELDERLANDPLEIN

Introduction

Name of practice	Gelderlandplein
Year introduced or started	The renovation took place in 2016.
Geographical location	Amsterdam South, the Netherlands
Rural, urban, or general small retailer focus	The shopping centre has a diverse retailer focus. Small and larger retailers are present in the shopping centre

Description of the practice

1. **Who initiated the development of the practice?**
   Kroonenberg Groep (executed by architect Rijnboutt)

2. **What was the reason for starting this practice?**
   The owner of the shopping centre, Kroonenberg, wanted to make the shopping centre more attractive to visit and to stimulate the number of customers.

3. **Please describe how the practice works:**
   Gelderlandplein is a shopping centre which has existed since 1968. With the 2016 renovation the centre was remodelled and improved. The idea was to create an amusement park, not only for shopping but also for ‘’looking and experiencing’’. On the one hand a more luxurious appearance has been created and there are more luxury and high-end stores. This makes the centre more attractive to the well-earning employees of the nearby Zuid As (where a lot of offices are located). On the other hand the centre has also been transformed into a peaceful place to spend time by adding art and lots of cafés and restaurants.

4. **Which challenges to small retailers are addressed with this practice?**

   Economic challenges:
   The renovation leads to more visitors to the shopping centre resulting in more purchases at the stores, and revitalises the shopping centre, thereby encouraging more stores and retailers to establish themselves there.

   Demographic and societal challenges:
   The accessibility of the shopping centre has been improved through the renovation. The owner, Kroonenberg, established a free public service in 2015. Accessibility of the Gelderlandplein is especially important, because the elderly population has increased in the neighbourhood. Besides the bus line which runs to the centre, there is free parking for up to 1.5 hours and the shopping centre is close to the Amsterdam Zuid train station. Besides that, the shopping centre has broadened its target group. By renovating the shopping centre and including more high-end shops, the target group has broadened from inhabitants of the neighbourhood to also include employees from the nearby located offices at the Zuid-As.

   Consumer trends and preferences challenges:
   The shopping centre has adapted itself to the standards and desires of its visitors. The renovation of the building gives the shopping centre a more sophisticated look and the supply in products and services is diverse with more luxurious products. Besides that, experiences are offered (for example by providing art) and places to spend some peaceful time.

   Trends in the retail sector challenges:
   The shopping centre offers a diverse range of products and services. Besides that, the stores are located in an attractive shopping area and after the renovation, an emphasis is made on the experience of the consumer. Normally for small retailers it would take time, energy and expertise to create a shopping experience, but now this has been done by Kroonenberg, by using an architect and an international artist to achieve a more luxurious atmosphere. In this way, small retailers can make use of this new trend in the sector.

5. Please describe the reasons for highlighting this practice:

EU Best practice criteria	*Description of extent to which criteria are satisfied*
• **The practice should already be in place.**	The shopping centre was renovated in 2016.
• **It should have clearly identifiable aims and objectives.**	The objective of the owner of the shopping centre is to attract a broad range of customers to the shopping centre, so that people enjoy shopping and shops can sell their products.
• **It should be user-friendly and accessible for retailers or authorities.**	The shopping centre is easily accessible for visitors. Kroonenberg Groep finances a bus line because the regular bus line was cancelled. This bus service is free.
• **It should be adaptable and transferable.**	The renovation and changes towards diversifying product and services is adaptable and transferable to all shopping centres.
• **Its results should be identifiable and capable of evaluation.**	Results can be measured by looking at the amount of visitors, their purchases and the profits of stores.
• **Over a range of relevant indicators, it should clearly out-perform other practices in terms of efficiency and effectiveness.**	According to the owner of the shopping centre and news, the shopping centre is successful. This is also shown in the fact that many small retail stores are settled in the shopping centre. Over 100 shops are in place, of which more than 50 are small retailers.
• **It should be capable of being continuously improved.**	The shopping centre can be continuously improved by attracting more visitors and adding and maintaining the small retailers.

Results and evaluation of the practice

6. What have been the outcomes and/or results of this practice so far? Consider the number of users, effects on/for the target groups?
There are 100 shops, a hotel, apartments and offices located in the shopping mail. There are 85,000 visitors a week. A bus goes every 30 minutes, and during lunch breaks and peak hours every 5 minutes.

7. Please estimate how effective the measure is (to what degree are the stated objectives achieved?)
The stated objectives of the owner of the shopping centre is: *to attract a broad range of customers to the shopping centre, so that people enjoy shopping and shops can sell their products.*

Considering the number of visitors a week (85,000) one may conclude that the objective is met. Although there are no results about the purchases of the consumers, it can be assumed that shops can sell their products, because there still is a broad variety of suppliers in the shopping centre. Over 100 shops are in place, of whom more than 50 are small retailers.

8. **Please estimate how efficient the measure is (comparing resources required to implement the practice compared to the outcomes achieved).**
   The costs of the free bus service are 220,000 euros a year, for Kroonenberg. Around 250 to 400 people use this bus line every day.[66] This shows that providing the bus line to attract more visitors to the shopping centre has been efficient.

9. **Impact of current measure and possible results it may contribute to**
   The more vibrant the shopping centre is, the more stores and therefore also visitors it will attract.

Conditions of transferability

10. **Consider the success factors and potential fail factors of transferring this practice to another context.**
    To show if, when and why this practice can be transferred to another context, a comparison is made to New Babylon. This is a fairly newly renovated shopping centre located in The Hague, next to the central station, which struggled to attract visitors. By comparing New Babylon to Gelderlandplein, an insight is given why factors work or do not work in different contexts. The following key factors play a role in the successfulness of this practice:

    Accessibility: The shopping centre should be located in a place where it is accessible for visitors. Accessibility is promoted through nearby public transport stops, parking service, nearby offices and houses. In the case of Gelderlandplein all this applies.

    Response to demand of visitors: It is important to adapt the supply to the demand of the visitors of the shopping centre. Gelderlandplein did this by offering a diverse range of products and services as well as a peaceful (for the elderly) and luxurious (for Zuid-as employees) appearance. For New Babylon this was not the case, cheap outlet stores and all 'you can eat' places did not survive.

    Competition: The shopping centre has to offer something exclusively as compared to the environment. Gelderlandplein does not really have competition, because it is not located nearby other city-centres of Amsterdam. Next to that it also offers experience, which distinguishes itself from other shopping places. In New Babylon this is not the case. There is competition from the city-centre, which is located within a 10 minutes walking distance, were the similar facilities are provided.

    Recognition: People have to be aware of a shopping centre, in order to visit it. With the renovation of Gelderlandplein extra attention was given to the shopping centre. Also the entrances of the mall are improved and better recognisable.

11. **Consider the administrative requirements, human resources, financial resources, regulatory and institutional requirements in a country, and any other relevant factors for transferring this practice to another country or region.**
    To renovate a shopping centre, a great amount of money has to be invested. This could be an issue for places where financial resources of that size are not available.

[66] https://www.parool.nl/nieuws/buitenveldert-krijgt-meer-gratis-ov~b0d14353/.

4.4 Case: ÁFEOSZ COOP, Hungary

Introduction

Name of practice	ÁFEOSZ COOP
Year introduced or started	The organisation was founded in 1990
Geographical location	Hungary
Rural, urban, or general small retailer focus	The organisation has a general small retailer focus, within its main focus of targeting SMEs.

Description of the practice

1. Who initiated the development of the practice?

This practice consists of an organisation and its activities, specifically the Federation of Hungarian Cooperatives. The organisation was founded in 1990 as a successor to the SZÖVOSZ. The establishment and the activities of this organisation constitute the focus of this particular practice.

2. What was the reason for starting this practice?

The rationale behind setting up the Federation was to provide contacts to the Government and to provide interest representation for its members, the trade cooperative companies. The main activities of the Federation have not changed since its inception. Its main activities involve keeping contacts with government institutions, and with national MPs and MEPs. The Federation is social partner in Hungary, thus it has been active in the social dialogue since it has been set up, conducting lobbying and interest representation to its members at the national policy making level. The goal here is to help provide for good framework conditions for enterprises, including retailers, in Hungary.

3. Please describe how the practice works:

The organisation is an association of consumer associations and trade associations. It exists at the federal level, and acts as a social partner to the national government. The organisations represents the interests of more than 1,000 companies which belong to the Hungarian Coop Group. The Hungarian Coop Group consists of Hungarian cooperative-based supply chains, many of whom are active in the retail sector.

The overall objective and specific objectives of the organisation are *to represent the interests of the 1,000 cooperative enterprises belonging to the Coop Group, which is exclusively owned by Hungary, to support their economic activities and to foster international relations*.[67]

- Specifically, the objectives are:
- Further development and wider dissemination of the Coop chain system;
- Supporting food retailing in Hungary;
- Social responsibility and contribution to the predictable operation of the economy;
- Develop social dialogue and strengthen social cooperation;
- Improving the cultural conditions of purchase, upgrading the store network, expanding the circle of regular buyers;

[67] Áfeosz-Coop, (no date), Bemutatkozás, [online], available at: http://www.afeosz.hu/Index.aspx?MN=Bemutatkozas&LN=Hungarian .

- Effective operation of joint procurement and logistics;
- Developing and spreading the IT system with Co-op Hungary Zrt;
- Compliance with European Union regulations and aspects;
- Effective advocacy with high professionalism.[68]

The organisation represents the interests of these types of companies in the policy domains including economic issues, financial framework conditions, working conditions and the world of work generally, as well as the economic and legal issues which affect companies. Within the legal topics, the organisation pays special attention to regulations which relate to the ownership of companies. As the organisation is a governmental partner, it also lobbies at the national level to improve the competitiveness of the Hungarian economy. It does so by lobbying for enterprise-friendly regulations and more effective vocational education and training for enterprises and entrepreneurs.[69] The organisation is part of a permanent consultation body to the government to promote more and better market competition, the Permanent Consultation Forum of the Government (VKF). In this organisation represents the Association of Interest Representatives for Small and Medium-sized Enterprises. The association has a special focus on SMEs in more rural areas of Hungary.

The practice in this case therefore consists of lobbying for better framework conditions for small and medium-sized enterprises (SMEs), which include small retailers within their scope. The AFEOS-COOP association also supports member enterprises specially situated in more rural or further removed towns and villages. The association contributes to community forming activities for its members by supporting activities such as choice festivals, traditional cultural events, sports events, and other activities to bring communities together. One of the ways in which it does so is through sponsoring such activities.[70]

The organisation also provides more direct support and guidance to SMEs and small retailers. In 2014 for example a project was implemented, where SMEs in the South Plain Region of Hungary were provided legal guidance on new labour laws, regulations, guidance and good practice insights in order to improve entrepreneurial knowledge in the area. The aim here was to ultimately help local knowledge to grow and to develop better advocacy for the local regions of Hungary.[71]

SMEs form the target group of this organisation and its activities. The Board and secretariat appear be the factions which plan and implement activities. The lobby and interest representation activities are based on how the AFEOZ perceives the main challenges in the sector; the main economic and legal challenges for SMEs are common areas of focus for the organisation. This organisation is in essence a civil society organisation representing its 1000 members at the national level.

4. Which challenges to small retailers are addressed with this practice?

This organisation helps to mitigate different challenges to retailers. The challenged addressed include the economic challenges, regulatory challenges, demographic and societal challenges, and challenges relating to human capital and skills.

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[68] Áfeosz-Coop, (no date), Stratégiai célkitűzések, [online], available at: http://www.afeosz.hu/Index.aspx?MN=BemutatkozasStrategia&LN=Hungarian .

[69] Áfeosz Coop, (no date), Köszöntő, [online], available at: http://www.afeosz.hu/ .

[70] Áfeoz-Coop, (no date), Oktatási, kulturális és sport tevékenység , [online], available at: http://www.afeosz.hu/Index.aspx?MN=AdatokOktataskulturasport&LN=Hungarian .

[71] Afosz Coop, (2014), Felkészült érdekvédelem, [online] available at: http://www.afeosz.hu/Documents/ProjektTajekoztatok/Felk%C3%A9sz%C3%BClt%20%C3%A9rdekv%C3%A9delem%20t%C3%A1j%C3%A9koztat%C3%B3%20f%C3%BCzet.pdf .

Economy challenges:

In a more indirect manner this organisation aims to improve the economic environment for SMEs in Hungary. This includes small retailers, and representing their interests at the national policy making level. The organisation addresses economic challenges in an indirect manner and not in a direct, company level way. The organisation does engage in supportive projects aimed at SMEs, but the frequency with which the organisation implements such projects is not clear.

Regulatory challenges:

The organisation aims to make the economic and legal environment more favourable for Hungarian SMEs. As with the economic challenges to small retailers, the AFEOZ-COOP organisation aims to tackle these challenges in an indirect way by lobbying for better regulation and legal mechanisms at the national level. The federation for instance changed establishment procedures to make it easier for small businesses to be set up.

Though the organisation provides support to enterprises in a more direct manner, it is unclear what type of support is provided in practice.

Demographic and societal challenges:

The practices of organisation address the societal trends of people leaving rural and less urbanised areas in favour of living in larger towns and cities. This, coupled with the aging population mean that consumer bases are shrinking in less urbanised areas. This forms a challenge to SMEs and small retailers in those areas.

The organisation has a special focus on rural communities and on promoting community spirit there through sponsorships by the member companies of the association. In revitalising the communities the organisation aims to encourage enterprises to come to or remain in these less urban areas. By celebrating and promoting communities, the organisation tries to emphasise the importance and appeal of rural areas for both enterprises and consumers in the region.

Human capital and skills:

The practice also helps to address the challenge of not having enough skills and human capital in the retail sector. The organisation as an interest representation group also tries to promote better skills and education for SMEs at the national policy level.

5. Please describe the reasons for highlighting this practice:

A. Consider: why this practice, and not another?

This practice forms an interesting case because it targets national level framework conditions and tries to improve these in aid of cooperative companies and retailers. Retailers, small or large, do not exist in a vacuum, and the conditions in which they operate contribute to their success or struggles. As such, this practice constitutes an interesting approach as the AFEOSZ COOP aims to improve those conditions through interest representation, lobbying, and social dialogue with national politicians.

B. Please examine the extent to which Best Practice Criteria are adhered to.

EU Best practice criteria	*Description of extent to which criteria are satisfied*
• **The practice should already be in place.**	The organisation has been operational since 1990.
• **It should have clearly identifiable aims and objectives.**	The organisation has one main overarching objective: "to represent the interests of the 1000 cooperative enterprises belonging to the Coop Group, which is exclusively owned by Hungary, to support their economic activities and to foster international relations."[72]
• **It should be user-friendly and accessible for retailers or authorities.**	The organisation and its activities are quite intuitive and user-friendly. Essentially this is an association of coop companies in the retail sector. These are brought together in the AFOSZ organisation so that their interests and the framework conditions affecting the members can be improved at the national policy making level.
• **It should be adaptable and transferable.**	The practice, namely the existence of such an industry organisation representing SMEs (and small retailers within this target group), is straight forward to implement and is transferable. The organisation also appears to be quite adaptable, given the different types of activities it engages in; from lobbying at the national level, to sponsoring community level sports and cultural events.
• **Its results should be identifiable and capable of evaluation.**	The results are less immediately evident as some of the outcomes of the activities are of a softer nature of more indirect. The lobbying activities for instances may not always lead to immediate outcomes, but over time, shifts in policy relating to SMEs might become more apparent. The number of members the organisation has, the number of community project supported can be taken as indicators of the organisation's achievements and results. The number of enterprises helped by the organisation's guidance and information provision projects can also be taken as indicators of the activities carried out. Furthermore, the legal and regulatory changes which the Federation contributed to can also be taken as indicators of activity.
• **Over a range of relevant indicators, it should clearly out-perform other practices in terms of efficiency and effectiveness.**	(Please see the field above)
• **It should be capable of being continuously improved.**	The practice could indeed be improved by evaluating and reflecting on the organisation's various activities and working to improve those activities. An example could be to introduce membership surveys, or project surveys amongst beneficiaries to assess the quality of activities and how to improve those.

[72] Áfeoz-Coop, (no date), Bemutatkozás, [online], available at: http://www.afeosz.hu/Index.aspx?MN=Bemutatkozas&LN=Hungarian.

Results and evaluation of the practice

6. What have been the outcomes and/or results of this practice so far?

The outcomes of the lobbying activities are not clear based on publically available information. The same is true for the outcomes of the support and guidance activities provided for SMEs, such as the South Plain support project.

The Federation is active on a continuous basis, having achieved results in the areas of taxation and the regulation of e-commerce. Furthermore, the Federation has helped to lobby for further easing and facilitated the setting up of a business venture in Hungary.

7. Please estimate how effective the measure is (to what degree are the stated objectives achieved?)

The measure appears to be relatively effective in that the membership base is quite broad. This suggests that there is an added value for the over 1,000 member companies who are members of the association. That being said, there are very little to no results publically available regarding the outcomes of the organisation's activities. As such the effectiveness is difficult to estimate concretely.

8. Please estimate how efficient the measure is (comparing resources required to implement the practice compared to the outcomes achieved).

Just as estimating the effectiveness of the organisation is difficult, it is also difficult to estimate the efficiency of the organisations and its activities. There is little to no publically available information on the outcomes of the activities, and therefore comparing the resources which go into the organisation compared to what it achieves, is problematic. The resources used and the outcomes generated given an indication of an organisation or a practice's efficiency and in the absence of such information, an assessment of the efficiency is difficult to make.

9. Impact of current measure and possible results it may contribute to

As indicated above, the Federation has made an impact on the framework conditions for cooperation enterprises. Retailers are part of the members of the COOP association, and the practice has made an impact on the taxation, e-commerce, and establishment procedures for setting up an enterprise in Hungary.

Conditions of transferability

10. Consider the success factors and potential fail factors of transferring this practice to another context.

Having an established network of contacts amongst national politicians and policy makers is a success factor for the Federation. This is rooted in its long standing history, having been established almost 30 years ago. It is an established social partner. Furthermore, it has a vast network of members, which improves the federation's expertise on what the main challenges for cooperatives are, and provides legitimacy to the organisation in its lobbying and social dialogue activities at the national level.

11. Consider the administrative requirements, human resources, financial resources, regulatory and institutional requirements in a country, and any other relevant factors for transferring this practice to another country or region.

In terms of administrative requirements and institutional requirements this practice is relatively transferable. The organisation has a national council, a President, a secretariat office, and several committees, some of which are ad hoc, some of which are standing[73]. The financial and human resources needed to run the organisation are less clear, but it is not expected that the resources needed will be particularly large as the organisations activities are relatively straight forward; they do not require overly technical personnel or technology to be carried out. In broad terms therefore, this practice of having an interest group for SMEs as a social partner, and as a body providing guidance and support to SMEs seems relatively transferable.

Requirements include being able to reach and support a network of SMEs all over the country, including companies in more rural areas.

4.5 Case: Action Coeur de Ville, France

Introduction

Name of practice	Action Coeur de Ville
Year introduced or started	The programme started in 2018
Geographical location	222 medium-sized cities in France
Rural, urban, or general small retailer focus	The programme is set up nationally for cities, with a medium-sized city level focus.

Description of the practice

1. **Who initiated the development of the practice?**
   The minister of Territorial Cohesion (la Cohésion des territoires) announced the action National Plan, 27 March, 2018.

2. **What was the reason for starting this practice?**
   According to the minister, medium-sized cities are essential for the development of the territories. They account for 23 percent of the French population and 26 percent of employment. Their vitality is essential because it benefits their entire catchment area, and more broadly the surrounding urban and peri-urban territories.

3. **Please describe how the practice works:**
   The practice constitutes a 5 year revitalisation agreement to revitalise 222 city-centres in France. The funding doubled from 5 to 10 billion euros, for strong action for medium-sized cities and their inter-municipalities. The programme aims to facilitate and support the work of local authorities, encourage housing, commerce and urban planning actors to reinvest city-centres, encourage the maintenance or establishment of activities in the heart of the city.
   The programme has several objectives and works along 5 axis of action. These include the revitalising of city-centres:
   - From rehabilitation to restructuring: towards an attractive offer of housing in the city-centre;
   - Foster balanced economic and business development;
   - Develop accessibility, mobility and connections;

[73] Afeosz COOP, (no date), Bemutatkozás, [online], available at: http://www.afeosz.hu/Index.aspx?MN=Bemutatkozas&LN=Hungarian.

- Highlighting urban forms, public space and heritage;
- Provide access to public facilities and services.

This practice does not target small retailers directly, but rather aims to support and revitalise small town and village centres generally. Local and regional governments submit a plan and receive funding via the programme to address the specific needs in their areas. This case demonstrates the value of also tackling the wider circumstances in a town or village in order to foster the development of business and retailers. To illustrate how this practice affects the local level and small retailers, an example is provided below:

The City of Blois

An example of the projects funded by the Action Coeur de Ville can be found in the City of Blois, where a series of projects have been started to revitalise the town's city-centre.[74]

The City of Blois wrestled with the problem that it lacked shops, and that many homes were unoccupied and empty. Food shops became scarce and supermarkets started developing at the peripheries of the towns. At the same time, people started leaving the rural areas to get closed to the cities to reduce transport costs and to find good schools for their children.

In response to this the City of Blois decided the vitality of its central areas needed to be improved. This improvement was to take place in terms of trade, but also living possibilities, services, and enhancement of the cities heritage. The aim is to improve the quality of life for locals, traders, and tourists alike.

This was implemented through a series of projects, including but not limited to:

- **A new use for the House of Eglantine (ex Expo 41):** The installation of the Blois-Chambord Loire Valley Tourism Office, a new museum, the Resistance Museum, and an Interpretation Centre for Architecture and Heritage (CIAP). They were all to be placed in one, accessible location so as to contribute to the development of tourist and heritage activity.
- Square St. Vincent: This long-term project has the objective of developing an open-air shopping centre behind Saint Vincent's Church. The rationale is that this will broaden the commercial offer in the city-centre, by recruiting some 25 new shops on the site, complementing the existing shops in the city-centre. The idea is also to prove larger commercial locations outside of the heart of the town. Parking will be created and will benefit all downtown businesses, helping mobility and transportation enterprises.
- Establishment of the commercial pre-emption right: the goal here is to help maintain local commerce and to ensure diverse trading and crafts. The city has pre-emption rights for providing leases to enterprises within a certain proximity to trade and commercial crafts. In this way, small retailers get an establishment advantage.
- Pathways and public spaces Saint-Vincent – Gare: mobility is also a key element to revitalising a town, and for consumers to reach small retailers. In connection with the Saint-Vincent Square project, a consultation will be conducted concerning the streets and public spaces of the neighbourhood. The aim is to set up mobility systems which help ensure good connection with the hyper centre and with the Gare district and to promote mixed mobility.

[74] La Ville de Bois, (no date), Grand projets: Action Coeur de Ville, [online], available at: https://www.blois.fr/3031-action-coeur-de-ville.htm.

4. Which challenges to small retailers are addressed with this practice?

Economic challenges:

Small retailers do not have the same economies of scale as larger retailers, to offer for example discounts. This issue is addressed by subsidies from the programme, because reinvestment in the city-centres is facilitated and supported. This makes it easier for small retailers to compete with larger retailers who offer discounts.

Regulatory challenges:

It is not known if establishment restrictions are addressed. This could be provided by 'facilitating'. Establishment of activities in the heart of the city are encouraged, which means that promotional activities are stimulated. Also, financial restrictions are taken away because of the extra funding of 5 billion euros.

Demographic and societal challenges:

The funding could help small retailers, to adapt to the changing costumers and their desires. The revitalisation of the city-centres could attract consumers to the city-centres, where small retailers can distribute their products.

Digitalisation challenges:

The conquering of e-commerce and digitalisation in the retail sector, changes the demand for retail. Demand for e-commerce makes that commercial vacancy rate in city-centres is more than 10 percent and even much higher for medium-sized city-centres.[75] Revitalising the city-centres counteracts this development. It gives small retailers the tool to compete with E-commerce, by offering a vibrant city-centre, which e-commerce cannot provide.

Consumer trends and preferences challenges:

Customers value the social impact of the products. For example, the programme has invested in rehabilitation of economic wasteland in Morlaix into a young company space. The measure also allows local authorities to set up initiatives in their towns which respond to and address local needs. In this way, consumer trends and preferences, to the degree that these align with local needs, are also considered by the practice.

Trends in the retail sector:

Large retailers try to add more business activities to their retail activities. Small retailers are helped with the revitalisation of the city-centres, because it attracts more visitors. They can compete with the large retailers by offering a vibrant city-centre.

[75] https://bfmbusiness.bfmtv.com/le-tete-a-tete-decideurs/tagether-l-application-qui-booste-la-visibilite-des-commercants-1680207.html.

5. Please describe the reasons for highlighting this practice:

EU Best practice criteria	*Description of extent to which criteria are satisfied*
• **The practice should already be in place.**	The practice is active since 2018.
• **It should have clearly identifiable aims and objectives.**	Framework agreements have been signed by the cities. The plan consists of two parts: 1. to improve the living conditions of the inhabitants of medium-sized cities. 2. to strengthen their role as a driving force for the development of the territory.
• **It should be user-friendly and accessible for retailers or authorities.**	It is accessible for local public authorities. They in turn set up projects to help citizens, services, retailers, and larger companies (such as transportation and infrastructure companies).
• **It should be adaptable and transferable.**	The action has been applied in 222 cities in France, which means it could be adapted and transferred to other cities as well.
• **Its results should be identifiable and capable of evaluation.**	As many as 1,700 actions have been identified and are being implemented.
• **Over a range of relevant indicators, it should clearly out-perform other practices in terms of efficiency and effectiveness.**	The measure is efficient in the sense that there is one national level budget, for which cities apply with project ideas. Individuals with insight, ideas, and experience within municipalities are awarded projects. There is one mechanisms in place as it is a national level initiative, instead of many local level projects. The approach also allows for more knowledge sharing, which is an added efficiency issue.
• **It should be capable of being continuously improved.**	Facilitating and supporting the applicant municipalities can always be improved by sharing application and implementation experiences when it comes to projects

Results and evaluation of the practice

6. What have been the outcomes and/or results of this practice so far? Consider the number of users, effects on/for the target groups?

Out of the 222 cities concerned, all the framework agreements have been signed. Some have started to be implemented, and others are being developed at the time of writing this report. Nearly 1,700 actions have been identified and are being implemented. They are part of both economic development and the renovation of buildings. Over the past year, nearly 300 million euros have been committed to different projects.

7. Please estimate how effective the measure is (to what degree are the stated objectives achieved?)

The stated objectives are:

- to improve the living conditions of the inhabitants of medium-sized cities;
- to strengthen their role as a driving force for the development of the territory.

Because the programme is still in the deployment phase, this is difficult to measure. There are no concrete examples yet where it is shown that the living conditions of the inhabitants of medium-sized cities is improved.

8. **Please estimate how efficient the measure is (comparing resources required to implement the practice compared to the outcomes achieved).**
   It is not possible to estimate the efficiency of the measure at this stage as the Action Coeur de Ville supports many different smaller, local projects. These smaller projects are still in the process of being implemented in many cases. In a few years' time a mid-term assessment could take place which could try to concretely assess the efficiency of the measure.

9. **Impact of current measure and possible results it may contribute to**
   The Action Coeur de Ville consists of many local projects. To estimate the impact would require some time, so that the local projects would have had time to be implemented. Following this, the improvement, good results of the projects supported by the Coeur de Ville programme can be aggregated and used as a measure of its impact.

Conditions of transferability

10. **Consider the success factors and potential fail factors of transferring this practice to another context.**
    It is important to have participation of different actors. The State has several partners which help them to realise this programme (Caisse des Dépôts, Action Logement and Agence Nationale de l'Habitat). It requires commitment of the municipalities to work as well.

    Besides this, it is also important that supply is adapted to demand. The demand of consumers shifts, and only revitalizing city-centres like in the past will not work. It is important to take into account the specific challenges and needs being faced in different cities, towns and villages. Based on the needs of citizens, traders and consumers. Local revitalisation projects are set up and support by the Action Coeur du Ville.

11. **Consider the administrative requirements, human resources, financial resources, regulatory and institutional requirements in a country, and any other relevant factors for transferring this practice to another country or region.**
    It mostly demands financial resources and an application and assessment framework. The State invests10 billion euros into this programme.

5. European Database on small retailers

This chapter reflects on the information collected regarding the content of a database at the EU level in order to monitor the main trends in the retail sector and how these impact small retailers. The rationale behind the database is politically motivated in the sense that policy makers desire insight into the trends and challenges being faced by small retailers. Information and other supports for small retailers should ideally also be featured on the platform. The differences in trends, challenges, and the measures to remedy those challenges are key here, notably the differences in challenges and approaches required for urban and rural areas.

Rationale and aim of the digital platform

A first point of interest to clarify and make concrete are the **aims of this database**. Based on discussions with the Steering Committee of the EESC and research conducted for this study, the aims of the database are:

*Providing **insights on trends and challenges** being faced by small retailers in urban and rural areas in the Europe Union. These insights could be used to lobby on behalf of small retailers, and be provided directly to users of the platform, including small retailers themselves. This can be a database or **digital platform for small retailers and stakeholders** working in areas related to small retailers, including policy makers, local authorities, urban planners, etc.*

Given the aim of providing information and support to small retailers and relevant stakeholders, as well as monitoring data on small retailers, this report will refer to a "**digital platform**" instead of a database henceforth. This report foresees a platform in order to provide a more encompassing digital environment with which to support policy makers, stakeholders, and small retailers alike. This digital platform would have:

1. A database-like area for data, and
2. Areas for qualitative information for retailers and policy makers.

Content of the data area of the digital platform

The aim outlined above would require having some **data insight** into the numbers and types of small retailers active in Europe, as well as information on trends and challenges

For **international, comparable data on the small retailers** (number, turnover, employment etc.) international databases are relevant such as data provided by Eurostat.

- **Eurostat** provides data on the retail sector dating up to 2017 at the time of writing this report. Though the data is not always complete, a series of other variables are available for retailers in the EU28. The size class in terms of employment and in terms of turnover are both monitored for enterprises active in different parts of the retail sector[76]. This data is all publically available. This means that the EESC digital platform would be able to locate and access data on small retailers in Europe, as both aspects of size class are collected by Eurostat.
- Beyond this, **European reports and analyses** based on Eurostat data can contain even more recent data, as the EU institutions have more immediate access to this data. Some of the data mentioned in reports for instance, is not publically available on Eurostat.

[76] Eurostat, (2019), Annual detailed enterprise statistics for trade (NACE Rev. 2 G), [online], available at: https://ec.europa.eu/eurostat/data/database.

- Data from **other sources, such as civil society, research institutes, and other sectors** may also be useful concerning data collection. Examples include: GfK and its Retail Monitor, or national level platforms and databases on retail could be useful as well. Another example is the Dutch platform set up by Dutch civil society, which wished for more insight on the retail sector: **Retail Insiders,** https://www.retailinsiders.nl/.
- There is an existing platform in place that collects data on European companies called **Amadeus**. Amadeus contains comprehensive information on around 21 million companies across Europe. It can be used to research individual companies, search for companies with specific profiles and for analysis. Amadeus contains: company information for both Western and Eastern Europe, with a focus on private company information, company financials in a standard format for comparing companies across borders, financial strength indicators, directors, images of reports and accounts for listed companies, stock prices for listed companies, detailed corporate structures, market research, business and company-related news, M&A deals. Amadeus can only be accessed by members and does require payment to use the data. The database could be used to gather data on European companies (at least a part of it), which would be less costly than collecting the data from scratch.[77]

Qualitative information for the digital platform

One of the other aims of this platform is to provide information on **trends and challenges to retailers**. This could be collected in a qualitative fashion, through reports and by consulting other existing monitors and platforms.

- **Experts and stakeholders** active in the retail sector, or sectors related to retail could also be consulted, and their **insights presented on the platform**. Civil society from Member States, including affiliates of the EESC, could also be called upon to contribute by commenting on trends and challenges noted in their national countries. Various organisations are active in producing reports and insights regarding the retail sector, and these could be used in the platform. Examples include the annual Retail Reports developed by GfK[78], organisations such as EuroCommerce, BEUC, policy making arms such as DG GROW and EASME, and private information platforms could all be used and included in the platform.
- Relevant organisations at EU, but also at national, regional, and local levels could be invited to **contribute small briefs on challenges** they see in their immediate environments regarding small retailers. Testimonials or interviews with relevant individuals on the ground or in communities could also be an added value here.
- Another idea could be to set-up a **standing panel of experts and stakeholders** relating to the retail sector. This could be an international panel with representatives from Member States, who could be approached on an annual basis for example to offer insights on the sectoral trends.

Besides information on trends and challenges, **examples of good practices** should be made accessible to small retailers and stakeholders. Examples of practices or inspiring examples could include:

- Ideas and practices from **urban planning stakeholders** at the EU level. For example, URBACT – which provides good practices supported by the ERDF across a range of topics: https://urbact.eu/good-practices/home .
- **Initiatives and ideas set up by local, regional, or national authorities**. National level organisation involved with small retail, national level experiences could be collected via the

[77] Available at https://www.bvdinfo.com/en-gb/our-products/data/international/amadeus.

[78] GfK, (2018), EUROPEAN RETAIL IN 2018 GfK study on key retail indicators: 2017 review and 2018 forecast, available at: http://www.gfk-geomarketing.de/fileadmin/gfkgeomarketing/en/EN_European_Retail_Study_2018.pdf. .

members of EU level social partners and groups. For example: the Dutch Retail monitor and knowledge platform: Retail Insiders: https://www.retailinsiders.nl/ .

- **Initiatives and ideas by citizen action and business-led initiatives.** At the EU level, sources include the Independent Retail Europe, EuroCommerce, UEAPME, etc. Other independent initiatives and groups could be invited to provide insights on practices as well. For example *Demain La Ville*, a website on interesting urban and business practices to share knowledge and ideas for cities of tomorrow: https://www.demainlaville.com/author/lumieres-de-la-ville/page/2/ .
- **Business practices** themselves which deal with different challenges.

These organisations would be listed as contributors on the database, with links to their websites to promote mutual circulation and dissemination of knowledge generated.

Moving towards a digital platform

Setting up and keeping a database updated in all languages of the European Union is a large challenge and difficult to achieve. This is also not necessary strictly speaking since **much information is already available and accessible** on the internet. In addition small retailers prefer databases in their own language. There are also a number of national and regional organisations active in the area of retail, and therefore a suggestion would be to bring together the existing information into one accessible location.

Therefore, as indicated, the authors of this report suggest developing an **internet platform** through which policy makers and retailers can access relevant national and international sources of information and websites with the relevant information. With the aims of the platform, type of information needed, and suggestions on collecting this information, a possible approach would be to set up a digital platform which brings this information together.

Taking inspiration from approaches used in other databases, one example is the platform set-up for women entrepreneurs by the European Commission. This platform contains an open area, and a private area for stakeholders and female entrepreneurs alike. The platform is called **WEgate** (https://wegate.eu/), and has the aim of supporting women entrepreneurs, and supporting women entrepreneurship by providing information to stakeholders and policy makers as well. The open part of the website contains information and resources useful to female entrepreneurs. In order to connect with policy makers or other fellow entrepreneurs, use can be made of the private, closed area which requires log-in details to access. This closed area of the website contains further information and resources.

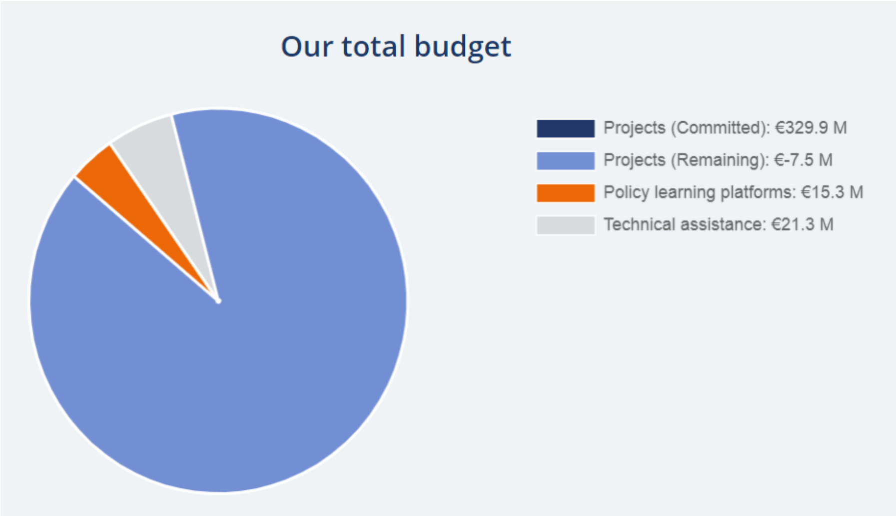
Another example is the platform **Interreg**[79]. Interreg Europe helps regional and local governments across Europe to develop and deliver better policy. They support research and innovation, SME competitiveness, low carbon economy and environmental and resource efficiency. Their platform contains good practice examples of different Member States, project descriptions, news and event information and a policy learning platform. It also has an area which requires log in and through which members can connect with other regional actors exchanging on interregional cooperation. Online access to the Platforms is through the Interreg Europe website: www.interregeurope.eu. To benefit from the services of the Platform, interested stakeholders need to fill in an online registration form and describe their relevance to a topic tackled by the Platform. Their registration will then be confirmed and access to the Platform will be granted. Registration is required to access the online information and databases and submit a request for advice or a service (e.g. peer review, thematic workshop etc.) to the Platform

[79] Available at: https://www.interregeurope.eu/about-us/what-is-interreg-europe/.

expert team. Registration and participation to all the Platform services, information, events, workshops etc. is free of charge.

- **Special tools and features of the platform:** Interreg Europe provides the opportunity for organisations involved in regional policy to gain access to the experience of partners in other parts of Europe. Specific project ideas can be developed by relevant authorities throughout Europe based on their specific responsibilities and interests. Regarding the development of project ideas, the programme provides tools to future applicants, such as project idea and partner search database available on the programme's website.
- **Exchange of experience:** Exchange of experience among partners is an interregional learning process. It is the main catalyst for generating the expected policy change in the participating regions. The typical activities supported under interregional cooperation projects are activities such as seminars, workshops, site visits, staff exchanges, peer reviews. The learning process is based on the identification, analysis and exchange of knowledge and practices in the policy field tackled by the project. Interregional cooperation projects need to analyse the experiences and/or practices exchanged within the projects and disseminate the most interesting findings. In particular, this is achieved by providing input into the programme's online good practice database which allows publishing the good practices identified on the project's website.[80] Regarding a retail platform, such an environment on a platform would also be very relevant.

Figure 2: Budget Interreg, 2014-2020: EUR 359 million



Source: Interreg, (no date), Facts and Figures, [online], available at: https://www.interregeurope.eu/about-us/facts-and-figures/.

Annual reporting

In order to bring this information together in a holistic, readable, and useful manner, a suggestion could be to have annual reports developed which draw together the main 1) data, 2) updates on trends in the sector in Europe, and 3) interesting, recent approaches. This would be disseminated in a (print friendly) digital version to contributors, users, and subscribers to the platform.

[80] ibid p. 40.

Practical considerations

Setting up such a platform, recruiting experts and harmonising data to fill the database with would likely be a fairly costly exercise. Having said that, to know the exact cost would require more knowledge and investigation on what national level data and information is available. It may well be that European civil society can offer statistics and data in this respect.

Without knowing the exact content of the database, providing a **budgetary estimate** is difficult and perhaps unwise at this juncture. As such this study again consulted existing digital platforms and looked at two examples:

Taking note from other EU databases and platforms, which pursue a similar aim of providing information for the target group, by the target group, such as the EU platform for Women Entrepreneurs, can provide a budgetary estimate of sorts. The **WEgate platform** as it is called (https://wegate.eu/), was tendered for 1,000,000 million euros for the first year of the contract, with the expectation that costs would amount to some 400,000 euros in following years to maintain the platform. Maintenance and promotion of a platform are included in such tasks, but nonetheless, such an investment in time and energy requires reflection from the EESC.

Another example of a platform is the **Interreg digital platform**, was one of the two operational goals of the EU Cohesion Policy in the 2014-2020 period and it is funded by the European Regional Development Fund (ERDF). It has a budget of EUR 10.1 billion invested in the several cooperation programmes responsible for managing project funding.[81] This is a substantial sum, and covers many of the practical background costs involved in running such a large programme as Interreg. Interreg Europe is co-financed by the European Regional Development Fund (ERDF). Close to 90% of the budget is for funding the interregional cooperation projects. Looking at the figure 2 above, the running of the policy learning platform costs for 15.3 million euro for the period 12014 – 2020. However, it should be born in mind that the Interreg programme platform is quite an expansive one which supports a rather large European programme. As such the scope and cost of this platform may be less relevant to the needs of the EESC.

A series of other European-wide platforms have been examined in order to arrive at more detailed budget estimates. Despite examining various platforms form different sectors to, budgetary information on setting up and running a platform proved difficult to discover. Platforms examined include the European State Finance Database, the Lifelong Learning Platform, the Age Platform (a voice for Europeans over 50), and the private Amadeus platform.

[81] https://interreg.eu/about-interreg/.

6. Conclusions and recommendations

6.1 Concluding remarks

The aim of this report is to examine the main trends and challenges facing small retailers in the Europe Union. The study has the further objective of providing some examples of good practices for addressing some of those challenges, and offering some ideas as to the content and shape of a European retail database to aid small retailers and policy makers alike.

Summarising the main findings on trends and challenges in the retail sector, it is important to reiterate some of the key characteristics of small retailers. Small retailers are often characterised by certain features, which lead to certain immediate challenges. In combination with the trends outlined, those features of small retailers lead to new challenges and opportunities as well.

Some of the **common characteristics** of small retailers include having less financial resources and liquidity compared to larger retailers, having fewer human capital and skills on average, and having more informal management and administrative structures.

These common features mean that in practice some **immediate challenges** more often arise amongst smaller retailers compared to larger ones. These immediate challenges involve:

- Higher administrative and regulatory burden as there is less time and financial resources available to identify, understand, implement, and comply with regulations.
- Less time and resources available to adapt to changing environments including changing consumer preferences, new digital sales methods, supply chains, etc.
- With less human capital and skills available compared to large retailers, and less formalised organisational structures, small retailers have less resources available compared to large retailers, for exploring and investing in innovation for their enterprise.

These common characteristics and immediate challenges faced by small retailers interact with some of the major retail trends in place today. These interactions in turn lead to specific impacts which are felt more acutely by small retailers and less so by large retailers. The environment and context in which small retailers find themselves can play a further role here.

Major trends and challenges include:

1. The aftermath of the economic crisis and new approaches to purchasing by consumers.
2. Complex and numerous regulations for establishing and operating an enterprise, notably in smaller towns or more bustling and busy urban areas.
3. Demographic and societal changes, including aging populations, shrinking consumer bases (notably in rural areas), trends of desertification of towns and villages, and mobility challenges.
4. Digitalisation and e-commerce trends, leading to pressure from online stores and retailers on small retailers to also diversify their sales platforms. Adapting in this way and also setting up delivery systems for online purchases can be an issue to small retailers.
5. Human capitals and skills requirements are more often in shorter supply as small retailers need employees to know more about all the different types of activities involved in running a business, as opposed to one area as can be the case in large retailers.
6. Trends in the retail sector as a whole, including the rise of private labels amongst retailers, vertical integration of larger enterprises which makes the increasingly one stop shops for different combinations of products and services, and new store concepts arising.

The **contextual environment** in which a small retailer is situated also plays a role. For small retailers especially in the commercial centre where they are located should attract customers as a whole; here there is a role for tourist, urban and mobility policy planning to help make an area more accessible and attractive to visitors. In seeing a thriving commercial centre, a positive cycle of more visitors for a location, and more foot traffic for small retailers and other enterprises can begin to take hold.

Whether a centre is in an **urban or a more rural area** also plays a difference. Some challenges are more related to urban versus rural areas. In urban areas, high rental costs and limited space are likely to be more pressing challenges, while seasonality and competition from larger stores outside of the centre play less of a role. Small customer bases and lack of infrastructure and accessibility are likely to be much less of a challenge to small retailers in more urban areas. In rural areas on the other hand, accessibility, smaller customer bases, seasonality, less mobility and digital infrastructure, and competition from larger stores outside of the cities all form stronger challenges to small retailers. Rental costs and space availability in turn are often much less of a challenge.

This suggests that the small retailers in rural areas face comparatively higher challenges compared to small retailers in more urbanised areas.

The **good practices** identified in this study each address different types of challenges faced by small retailers.

- The **Tropa Verde** case in Spain, addresses changing consumer preferences, such as the desire for more sustainable ways of shopping, as well as the lack of digital know how amongst some small retailers by setting up a digital platform. Not only this, but retailers promote foot traffic for themselves by participating in this initiative.
- The **Areskee case** in turn addresses lack of time and resources to set-up fully fledged online sales platforms and delivery service, by allowing multiple small retailers in an area to use the sales platform. One delivery service works for all the small retailers so that clients can buy from multiple shops on the platform, and have it all delivered together.
- The Dutch case of the **Gelderlandplein** is an instance where investors, urban planners, and small and large retailers developed a commercial hub for an area in a large city. A pleasant and diverse area was created, and quite importantly, the centre owners fund a bus line to and from the place to promote accessibility. This case is a good example of a successful partnership, keeping small retailers in the city-centres as well as mobility solutions being used to encourage shoppers.
- The case of **AFEOSZ COOP** in Hungary is a practice which targets the environment in which small retailers operate. The organisation represents and lobbies for a series of cooperatives of small retailers at national policy making level to promote better regulation and taxation policies, as well as providing knowledge and support to small retailers in particular in rural areas.
- The French case **Action Coeur de Ville** in turn allows for individual local authorities to set up projects to help revitalise their city, town, or village centres. Local authorities can request funding for these projects which help achieve the goals of the Action Coeur de Ville programme. These include supporting commerce as well as the centres of towns as a whole. This practice also addresses the environments and conditions in which small retailers operate.

The findings and analysis conducted in this report have led to a series of insights and recommendations. **Concluding insights** include the fact that digitisation and e-commerce, as well as changing consumer preferences and trends in the retail sector form some of the more prevalent and widespread trends affecting the retail sector. Supporting small retailers in their capacity to adapt to these changes is perhaps one of the most important steps for EU policy makers. Retailers do have opportunities to capitalise on these new developments as well, but are likely to need some support from the public sector to allow them to do so. An inherent feature of small retailers is that they often have less time, money, and human capital available to explore new directions for their businesses. Helping small retailers by taking away some of the steps involved, by providing shared tools at the local level, or policy support and good practices at the national level could therefore be helpful.

Retailers do not thrive or perish in a vacuum, other contextual forces and environmental factors play a role here too. Notably tourism, mobility and urban policy areas play an important role in promoting engaging centres, which small retailers benefit from and contribute to in turn in a positive, upward cycle. Guidance on public-private partnerships could be instrumental in this.

6.2 Recommendations

Recommendations for a European policy agenda on small retailers would include several points for attention.

- **Providing accessible and concise digital learning tools**: encouraging national stakeholders to cooperate with existing EU organisations to further roll out some of the existing measures and initiatives to provide digital learning and skills to small retailers in Europe.
- **Highlighting the importance of public-private partnerships** between local authorities, retailers, and civil society, and encouraging their establishment to help village, town, and city-centres thrive. This is important for improving the general environment in which small retailers operate; good and pleasant town centres invite more foot traffic, which helps a town and benefits (small) retailers as well. Retailers, large or small, cannot thrive in a vacuum, and small retailers especially so.
- **Framework conditions and the environment** are a key aspect here, especially in more rural areas which are also often less accessible than more urbanised areas. An important note here is that the local features and needs of an area are highly important when revitalising a village, town, or urban centre. The Action Coeur de Ville practice is an example of an initiative which incorporates the specific features of a town or village and allows local stakeholders to make proposals as to how best to improve and promote these. Looking at local needs and desires is also a valuable feature of the Dutch Gelderlandplein initiative.
- **Partnerships between retailers** can also be useful, and this is an area which organisations such as the EESC can help to support and encourage more of. Examples such as the Tropa Verde case, where using a recycling service helps consumers to recycle, but also promotes small retailers can be useful. Civil society can play a role in bringing small retailers together, and helping foster collaboration with local authorities. The EESC could for example, promote successful practices and support retailers in setting these up such collaborative partnerships between the public and private sectors.
- In connection with setting up partnerships, to meet current consumer preferences for multi-modal sales platforms, **retailers can be supported in setting up shared digital sales platforms with delivery services**, as was the case with the Areskee practice. By providing guidance and sources on how to achieve such 1) digital sales platforms and 2) delivery services in cooperation with other retailers, some key challenges for small retailers could be reduced.
- Related to the contextual environment is the regulatory complexity and administrative burden which small retailers experience more keenly than large retailers. **Reducing the complexity of regulations, and designing certain regulations to actively support and help small retailers** could also be very useful in promoting small retailers. The example from the city of Groningen in the Netherlands provides a possible approach. Representing the interests of small retailers at the national policy making level is also an important, continuous activity to help improve the environment in which these retailers operate. The ÁFEOSZ organisation in Hungary is an example of such an initiative.

- A final recommendation would be for **small retailers to also celebrate their strengths** and realise their potential. In the face of changing consumer preferences, small retailers are in many ways positioned to capitalise on those preferences. The desire for private, local products, sustainable or socially conscious products and services, unique products, etc. offer opportunities for small retailers to respond to those changing preferences. In this regard, testimonials and experiences from other retailers who have done so could be useful and educational. As time and resources are in shorter supply for small retailers compared to their larger counterparts, providing guidance, good examples, and testimonials in one centralised place could be very useful to small retailers in Europe and help them capitalise one the changing consumer preferences and retail trends.

The **EESC and other European bodies** could build on their current roles and activities in providing such guidance and inspiration by sharing more practices by small retailers across Europe. Studies such as this one provides a sound first step, but more could be made to further promote good and interesting ideas amongst retailers themselves.

7. Relevant reports

General Secretariat of the Benelux Union, "Benelux Retail 2025.A Benelux home market as springboard for growth" (January 2017)

"Brief Summary Report Single market strategy a European Retail Sector fit for the 21st Century" High Level Conference (19 June 2018)

Bruno Askenazi, "Ces Nouveaux Petits Commerces Qui Redynamisent Nos Centres-Villes" Capital avec Management (31 October 2018)

CBI Ministry of Foreign Affairs of the Netherlands Trends and strategies of the European retail,

Czech Technical University and Western Norway Research Institute, "Best Practice in Smart City Applied research in small and rural municipalities" (Jointly published by Czech Technical University in Prague: University Centre for Energy Efficient Buildings and Western Norway Research Institute, 2017)

Digital Europe, "Skills Development & Employability"

Emil B. Karlsson, "Retail in Rural Regions. Exploring ways to support rural shops" Centre for Retail Studies, Bifrost University. Iceland, (September 2012)

Enterprise Europe Network, "A guide to e-commerce in Europe" (22 February 2018)

Erik Sandberg, The retail industry in Western Europe: Trends, facts and logistical challenges Department of Management and Engineering, Linköping University 2010

EuroCommerce, Retail and Wholesale SMEs working for growth (brochure) 1-11-2017, Oxford Institute of Retail Management (OXIRM), Saïd Business School, University of Oxford., Retail & Wholesale: key sectors for the European Economy 1-4-2014

European Commission Fact sheet, "Strengthening the competitiveness of the European retail sector" (European Union press release, 19-4-2018)

European Commission (HVG), "Legal study on Retail Establishment through the 28 Member States: Restrictions and Freedom of Establishment" (European Union, 2014.)

European Commission Staff Working Document, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "A European retail sector fit for the 21st century" SWD(2018) 236 final, April 19 2018

European Commission, "CASE Studies Annex, Development of Solutions and an Online Guide on Fostering the Revitalization and Modernization of the small retail sector 486/PP/GRO/PPA/15" (European Union, October 2017)

European Commission, Development of Solutions and an Online Guide on Fostering the Revitalization and Modernization of the small retail sector 486/PP/GRO/PPA/15 (European Union, 2017)

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European Economic and Social Committee, Opinion of the Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Setting Up a European Retail Action Plan' COM(2013) 36, INT/682

European Economic and Social Committee, Opinion of the Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A European retail sector fit for the 21st century' COM(2018)219, INT/854

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Annex: Long list of possible good practices

Name of the practice	Initiator(s)	Description	Challenge addressed	Country	Year
Atalanda Platform (e.g. Online City Wuppertal - first project)	Private enterprise in cooperation with local authorities	Online market place. It collects products from local retailers and sells them through one website.	• Digitalisation: maintenance of e-commerce websites, electronic payments, IT equipment, IT security, delivery is organised.	DE	Currently active
Kaufmann/frau im e-commerce	Handelsverband Deutschland	The German Trade Federation created a new career profile the 'online retailer' with a dedicated professional course.	• Digitalisation: knowledge and skills.	DE	Active since, Aug 2018
Handel goes WWW	Austrian Federal Economic Chamber	Road shows on several topics of retail including digitalisation. Also online guides.	• Knowledge and skills: digital skills and resources, other aspects of retail skills.	AT	Active, started in 2013 -
Multiservicio Rural	The Official Chamber of Commerce and Industry of Teruel	Website collection of retailers (food) and other hospitality local businesses in several municipalities.	• Improving competitiveness: reducing competition from large retailers. • Digitalisation: easy and practical way to find different local services on the territory.	ES	active
Tropa Verde	Teimas entrepreneurial initiative in Santiago de Compostela	Game-based platform encouraging environmentally responsible behaviour. Citizens can earn points by completing recycling tasks at some of the city locations such as waste disposals. The points can be exchanged	• Environmental: encourage citizens to adopt environmentally sustainable practices • Improving competitiveness: attracts customers to local retailers.	ES	Active, started in 2015

		for rewards by the City council or local retailers (gifts, discounts etc.) Active in 6 Spanish cities.			
Collana Le Bussole	Confcommercio	Publications with explanations and practices in different retail sectors represented by Confcommercio, the Italian General Confederation of Enterprises, Professions and Self-Employment. The objective was to provide operational manuals to guide entrepreneurs including young entrepreneurs.	• Knowledge and skills building: information on different aspects of retail for a number of retail sectors including online selling.	IT	First book published in 2013
Torino Mercati/ Areas of Commercial Coverage	City of Turin	Organising all the city markets with a new model, small markets (two to six stalls) that feature food (meat, fish, or vegetables) and involve a lighter management system (self-waste management). In addition, a website displays all the city's markets guiding customers and tourists.	• Attractiveness of commercial centre and community area: avoids degradation and promote attractiveness of small grocery stands.	IT	Active, started in 2016
Ty Pawb	City of Wrexham	Community centre hosting local retailers, performances and food courts.	• Attractiveness of commercial centre and community area: revitalising a community as well as retailers, small businesses gain attractiveness.	UK (Wales)	Active, started in 2017
Retail Agenda	Dutch Ministry of Economic Affairs	National strategy to revitalise retail. The agenda encourages modernisation and investment aiming to among others reduce shop vacancies. In 2018 a toolkit for municipalities was	• Improving competitiveness: the strategy promotes better context for small retailers. • Attractiveness of commercial centre and community area: offering	NL	Active, started in 2015

		developed collecting examples of best practices and suggestions to follow.	guidelines to local areas to improve centres,		
Merkur programme	Ministry of Local Government and Modernization and (for example) the Municipality of Folderid (800 inhabitants)	Merkur programme is a tool used to develop stores at the outskirts of the country. The main aims of the programme are to facilitate the maintenance of good quality service provision, ensure access to a grocery store near homes, to increase the awareness of the population and politicians of the importance of the grocery store in the neighbourhood in sparsely populated areas. This is achieved through the support of 10 counsellors located in different areas of the country who advice on all business development activities as well as foster better cooperation with existing public and private organisations (e.g. postal services). Currently 1000 retailers have applied for the programme. A concrete example of the implementation of the programme can be seen in the rural village of Floderid. One of the main shops of the village joined the Merkur pilot program called "The store as a social arena" in 2012. The store itself is expanding, and a meeting and dining room has been built up to accommodate around 60	• Attractiveness of commercial centre and community area: provide services to increase liveability and improve centre, supporting small retailers.	NO	Started in 1995 with a limited scope, still ongoing

		people. The store is now a popular gathering place for the village.			
Retail in Rural Regions (RRR)	Northern Periphery programme (NPP)	International project implemented in Iceland. The project's rationale was to enable participating retailers to provide a wide range of products/services in addition to grocery provision (for example gas, lottery, gifts, local products, etc.) through the setting up of a multifunctional shop. Such multifunctional shops will in turn help to serve the needs of rural communities and help to improve the quality of services available within those communities. This was done by mapping the role and level of competence of small retailers, their needs and setbacks in order to find ways to increase their profitability and quality of service also thinking of using ICT and innovative solutions. Tailor made counselling and networking support were the main means used.	• Improving competitiveness: empowering local retailers improving their business models, raising awareness of innovative solutions, establishing a network of local retailers.	Finland, Iceland, Ireland, Scotland, Faroe Islands, Sweden, Norway. In depth report on Iceland and the Faroe Islands	2007-2013
SPAR Dorpwinkel Sterkstel	Catholic association of the Elderly in collaboration with SPAR	The village of Sterkstel has progressively lost a permanent supermarket as well as a number of services (e.g. post office). However, since 2004, the village has a new supermarket, a SPAR supermarket under the management of a	• Attractiveness of commercial centre and community area: addresses the needs of the community, improves social contact and the quality of life.	NL	The supermarket was open in 2004

		cooperative. The supermarket runs thanks to about 50 volunteers and one paid company manager. Not only does it provide for food but it also offer a number of services such as dry cleaning, post, tourist office, drugstore articles, greeting cards, photocopying facilities, neighbourhood bus information and telephone cards.			
REINPO Retail, MED programme	Chamber of Commerce of Castillión	• Quality Service and Client Support Audits- Audits to know how the quality service and the client is support of each retailer. These audits are based on the Mystery Shopping technique. • Energy Efficiency Audits- The aim is to serve as a tool to help the SMEs retailers to: A) Reduce energy consumption. B) Improve energetic efficiency. C) Reduce energy costs. Minimize the environmental impact associated with energy consumption. • Management tutorial plans in retail- The aim is to help the SMEs retailers to improve their competitiveness by a personalised monitoring and coaching assistance in retail marketing focus on one of these 4 areas: 1) Shop windows. 2) Promotion. 3) Surface management. A) In-store display management. • Point of Purchase (POP) Diagnosis- Analysis of the situation from the point	• Knowledge and skills: innovation (IT and sustainability).	ES	2007-2013

		of sale and delivery of a report with proposals for improvements			
REINPO Retail, MED programme	Chamber of Commerce and Industry of Lyon- pilot projects	• Web diagnosis- Online self-diagnosis which allows considering all the provisions, rules, practices and techniques that contribute to the performance of a website • Website performance- Individual support to enable the company to optimise the performance of its website • Lyon Shop WEBdesign- Awards for websites • Innovative in-store and mobile technologies, Omni channel strategies- Raising awareness workshops on the theme of new technologies.	• Digitalisation: support to for digital solutions, encouragement and promotion of innovative and improved solutions.	FR	2007-2013
REINPO Retail, MED programme	Chamber of Commerce and Industry of Heraklion - pilot projects	• Discount Point- Heraklion Chamber of Commerce in cooperation with the Commercial Association of Heraklion and the Port Authority of Heraklion developed a specific and tailor made designed promotional program aiming at the attracting of more cruise ships tourists in visiting the commercial shops of our city. • Simpratto- Action "SIMPRATTO (COOPERATE)" between Heraklion Chamber of Commerce and Commercial Association of Heraklion targeting at the support of consumers	• Attractiveness of commercial centre and community area: attract tourists and locals to local retailers. Revitalisation of the city-centres aiming to decrease purchases in large outlets at the outskirts of the	EL	2007-2013

		in the form of discounts on the parking sector of Heraklion city with the cooperation of retailers.			
REINPO Retail, MED programme	Andalusian Council of Chambers of Commerce- pilot projects	The Andalusian Council of Chambers of Commerce created a self-assessment tool for retailers, available online in the website. The tool gives information to improve the potential that ICT offers to shopkeepers. The tool is specially created for the sector. It has been used the large and wide experience with the sector and different studies and articles published during the last 3 years. The Council of Chambers organized a seminar in Andújar (Jaén) were 10 retailers could test the tool and answered the specific questionnaire on ICT use. The comments were really positive (see details in the press release) and in the future the Council will encourage the website tool repeating this sort of seminars and also using video marketing. Retailers who have participated in the test also attended a workshop on innovation that took place the same day. These retailers were really motivated by ICT and by make improvements in their businesses.	• Knowledge and skills: for operating online. Support creation of multichannel retail.	ES	2007-2013

REINPO Retail, MED programme	Chamber of Commerce of Naples- pilot projects	The pilot Project for retail and hospitality enterprises in Naples will involve 21 companies from the 7 pearls of Naples (Napoli, Ischia, Capri, Procida, The Phlegrean Fields, Pompeii and Mount Vesuvius, The Sorrento Coast). The Naples Chamber of Commerce is the Pilot site coordinator, in charge of organising all SMEs within the pilot site and coordination common action at the pilot site. Services for SMEs. The overall aim is to develop and integrated mobile marketing platform, exploiting fully new media applications and social media, to empower SMEs that are active at the broader retail tourism and hospitality sectors. The authoring and campaign management tools that enable content originators to place their business into mobile internet and to easily launch their mobile marketing campaigns. After downloading the native apps, virtually every owner of a Smartphone will be able to use the services.	• Digitalisation: overcoming the burdens of using technological solutions for marketing and operating the business (e.g. online bookings).	IT	2007-2013

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