



Preparing for a new leap forward

If the agenda of the Milan ECR conference and the contents of this issue of the International Commerce Review are anything to go by, the consumer goods industry is once again brimming with new ideas and out-of-the-box thinking – along with a realization that faster change is not only possible but necessary.

The ECR movement laid the foundations for cooperation between retailers and suppliers in its first ten years. But now we are poised to make another leap, as the movement's new co-chairs Peter Brabeck-Letmathe and Anders Moberg make clear. In separate interviews they underline just how much more we can and need to do: going much further in 'basic' areas such as the supply chain; opening up new avenues of collaboration in areas such as social responsibility; working together to create new opportunities for growth.

Two further articles in this issue ram the message home. In his discussion of 'the invisible opportunity' Daniel T. Jones dispels the myth that the industry is mature and that value is being sucked out of it. Supplier retailer cooperation not only helps improve the performance of the status quo, it also lays the foundation for radical innovations that could re-ignite the fire of growth and make the industry truly exciting once again. The only thing we have to fear is being held back by our existing ways of thinking and business models.

Central to the way forward is the realization that the principles of cooperation already established for retailers and suppliers unlock even greater potential when extended to include the consumer.



Daniel T. Jones dan@leanuk.org
Ross-on-Wye, United Kingdom



Arnd Huchzermeier arnd.huchzermeier@whu.edu
Koblenz, Germany



Alan Mitchell asmitchell@aol.com
London, United Kingdom

'Destination 2016' – a visionary but intensely practical look at what the supply chains of 2016 might look like – stresses the same theme. Over the coming years, it predicts, trust-based information-sharing with consumers will lie at the heart not only of new levels of service and value, but improved efficiency too.

The same article also shows why we need to be aware of the bigger picture. Just what does the rise of BRIC countries (Brazil, Russia, India and China) mean for our industry? What are the implications of geo-demographic trends in western Europe and the US, and of rapid urbanization elsewhere? Of growing concerns about climate change and the environment? Of ever accelerating technology changes? And how, exactly, do all these trends come together to create new threats and opportunities? Seen from this perspective, 2016 looks very close indeed.

On the other hand, one of our great white hopes for the future – RFID – is beginning to look like it's stuck in the future forever. We investigate this challenge from a number of angles.

Hau Lee explores the difficulty of justifying investment into RFID and suggests a way forward. Problem: the savings we can most accurately identify are probably the least important long term. So how best to deal with the uncertainty? Paul Zipkin delves a little deeper into the detail to show just why these uncertainties are not going to disappear any time soon. Meanwhile Katerina Pramatarı and Arnd Huchzermeier highlight wide disparities between consumer and practitioner expectations and priorities. RFID never was going to be a quick techno-fix. These articles show why.

Another increasingly controversial issue for our industry is the cost of payment cards. 'Plastic' payments are rising rapidly and should represent a win-win-win between retailers, banks and consumers. Instead, fees levied by the banks increasingly act like a tax on transactions. What's particularly puzzling, however, is why it's so hard to make reforms stick. Arnd Huchzermeier and Ludo Van der Heyden show how a different, 'sociological', angle of analysis not only explains more, but reveals real opportunities for progress.

Finally, we return to a theme which always crops up when retailer/supplier cooperation is under scrutiny: competition between private label and supplier brands. Reviewing recent developments in this field, Nirmalya Kumar and Jan-Benedict Steenkamp highlight how fast both retailer and supplier strategies are evolving.

This is the first issue of the new look International Commerce Review (which builds on the pioneering work of the ECR Journal, which it replaces). We want to make this publication a practical tool for the industry: somewhere where practitioners can be sure to find the latest cutting edge research and thinking; somewhere where researchers know they can get an airing for their discoveries.

One reason for the change of name is our expanded, broader vision. Our industry is global and many of the challenges we face are global. So any publication serving the industry must take a global perspective. To this end we have recruited a high-powered editorial board from top academic institutions and leading industry thinkers not just from Europe but worldwide. We are particularly pleased with the strong support for the Review from Asia - as well as academic expertise from there.

The Review is only one part of this quest, however. It is part of an expanding package including the Progressive Management Programme and a new web portal (www.ecr-institute.org). Over time, we hope the web portal will become a natural focus for leading edge debate, experimentation and discussion – and a reference resource for practitioners. In a world of information overload, we hope the portal will help you cut through to what matters, not add to your burdens. So as we try to implement this vision, please keep us on our toes: tell us when and if we are not living up to it, and how we could improve!

Daniel T. Jones, Arnd Huchzermeier
and Alan Mitchell.