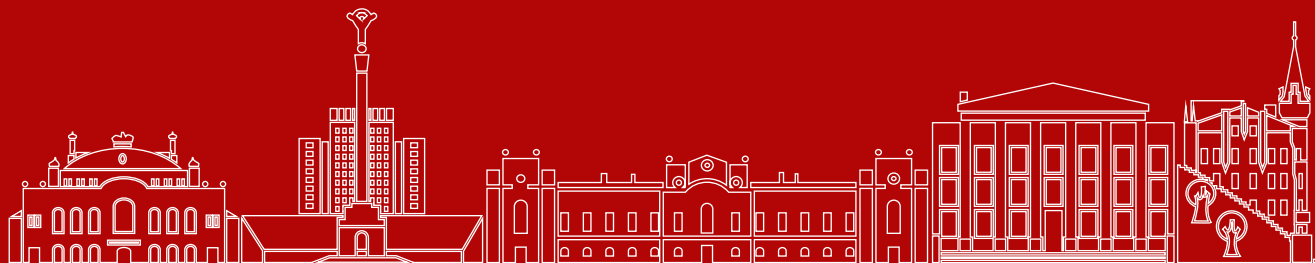


ARRICANO NEWS DIGEST №19



arricano
commercial real estate

The results of the III quarter of 2019

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Dear partners!

In this digest, we prepared a review on the development and management of Prospekt shopping mall with a particular focus on various departments and business functions. This useful team-building exercise allowed us to analyze the effectiveness of the chosen project development strategy and change it in the future, taking into account the changing context: new consumer preferences, increased competition in the market of retail space, the growth of online trade. Indeed, on December 1, Prospekt shopping mall will celebrate its 5th birthday. And this is a ready story both for the business and for the object itself, which has obvious advantages - a unique food court, the strongest representation of sports goods category in Kyiv, more than 130 brands in the categories sport, fashion, home, food, service points, which are popular among guests, as well as a rich entertaining component and 1.7 million monthly traffic of loyal visitors. For me, success is, first of all, a strong team based on trust, mutual understanding, respect and interaction. Over the past two months, I became even more convinced of this in September, after taking on the responsibilities of the acting Director General.

Achievement of the most ambitious goals is possible with a team of professionals who can be relied on and know their job, take a responsibility, initiate projects and offer their professional vision to resolve issues of any complexity. Working in such a corporate atmosphere one can speak about the steady growth of the company, trust in partners, new development projects and innovations. The third quarter was successful for us: the vacancy rate in all of our shopping malls did not exceed the technical one, the tenants' turnover demonstrated a stable growth year after year. Together with our tenant partners, we celebrated the receiving of the award by City Mall (Zaporizhzhia), which in September became the winner in the nomination "Best average shopping mall in cities with a population of up to 1 million people". This happened at the III solemn ceremony of awarding the best companies working in the field of retail and retail real estate Retail & Development Business Awards 2019. On August 31, we celebrated the 7th birthday of Kyiv shopping mall RayON and on September 28 - the eleventh birthday of Kryvyi Rih shopping mall "Sun Gallery". In this digest we will share our experiences and tell you about the results which can be achieved using such a BTL

tool as a birthday party of a shopping mall.

We have a lot of new tasks and projects that should be finished this year. At the same time, the Arricano's team is already living in the next year, where new challenges are waiting for us. This motivates us to make our retail facilities better, to develop personal and team competencies. I want to wish all of us not just to fulfill our plans, but to gain such experience, knowledge and skills that contribute to sustainable development and ensure leadership positions in any context.

New Year is coming soon and before the New Year we have a lot of things to do. Moreover, it is the hottest period in the fashion retail market. In our shopping malls in Kyiv and in the regions, the final preparations for the winter holiday season are being completed so that our guests will enjoy shopping, leisure, comfortable atmosphere and celebrate the New Year in a good humour with friends and relatives.

Retailly yours,
Hanna Chubotina

Tenant-mix changes in Arricano shopping mall in the 3rd quarter of 2019

In the 3rd quarter of 2019, anticipating a “high” shopping season, in Arricano’s shopping mall a tenant-mix was updated, transformed and strengthened according to brand and category priorities for each shopping mall. In Prospekt shopping mall, the sustainable platform for healthy lifestyle, sports and healthy eating has been expanded thanks to new sport & fashion and food court operators. In the regional shopping malls “Sun Gallery” and City Mall, changes in the tenant-mix mainly concerned the fashion and electronics shopping categories, which demonstrate consumer demand among target groups.



- Sports shop of the international brand Skechers
- Bookstore “Bukva” (“Letter”) in a new format
- Lingerie shop of the Ukrainian brand “Jasmin”
- Sports shop of the international brand “New Balance” in a new format
- Fashion Store “Lerros”
- Restaurant “Roti chicken”
- Restaurant “Savor”
- Express Manicure



- Fashion shop of the Ukrainian brand “Promin” in a new format
- Shoes multi-brand store “Merit”
- Jewelry Island “Sribnyi Vik” (“Silver Age”)

CITY MALL

- Comfy household appliances and electronics store in a new format
- Colin's fashion store in a new format
- Multi-category store of the international brand “Miniso”
- Fashion-clothing store “Remix concept store”
- Fashion store “Giulia”
- Island shoes for children of the Ukrainian brand “Palaris”
- Currency Exchange



- Fashion fur and skin shop “Klaros”
- NYX Cosmetics Island
- Island of gadgets and accessories “Techno Yozh” (“Techno Hedgehog”)
- Clothing dry-cleaning “Kims”
- IQOS Island

Strategy, development, business processes

In 2019, Prospekt shopping mall will celebrate its fifth birthday. For the entire management team, for partners and, of course, for guests of the mall, this date is important. After all, many changes were implemented over the previous five years. The mall has been opened in difficult times - the social, political and economic unrest in 2014 suspended some of the planned activities, not allowing the facility to develop all of its functions. However, in the future Prospekt shopping mall continuously developed, the approaches to its management changed: in marketing, leasing and operation department innovative management and operational solutions were implemented. Today, after 5 years of well-coordinated and effective work, Prospekt shopping mall is one of the most visited and successful facilities in the capital.



Architecture

Mykola Yakymenko, director of development and operation departments:

"The architectural concept of Prospekt shopping mall, which has been developed more than six years ago by specialists from the world-famous British architectural bureau Chapman Taylor Spain, today, as well as 5 years ago, is modern, relevant and functional. Thanks to architectural and design solutions, guests feel comfortable and easy to orientate themselves in the mall. A favorable atmosphere is created by natural light, the atrium, which is a composite unit, laconic aesthetics and harmoniously arranged internal space. At the design and construction stage, the basic principles in the selection of materials and technologies for the construction and design of Prospekt shopping mall were quality and safety, as well as durability and functionality. Such approach has provided competent development, design and aesthetic solutions that have been remaining in trend for a long period. A spacious rooftop parking which 5 years ago has been an innovative European development decision for Ukraine - is still a rational solution for using the limited space of the shopping mall. The technologies used by the construction and creation of engineering systems, including interactive navigation systems, heat, water, cold, electricity, ventilation, fire extinguishing, BMS systems, have demonstrated quality, reliability and functionality. At the same time, when new technological solutions appear, we have an opportunity to improve ourselves. Indeed, in Prospekt shopping mall we continue to develop innovativeness and energy efficiency, focus on safety and quality."

Lease and Tenant mix

Natalia Denysiv, Deputy Director of Retail Space Department:

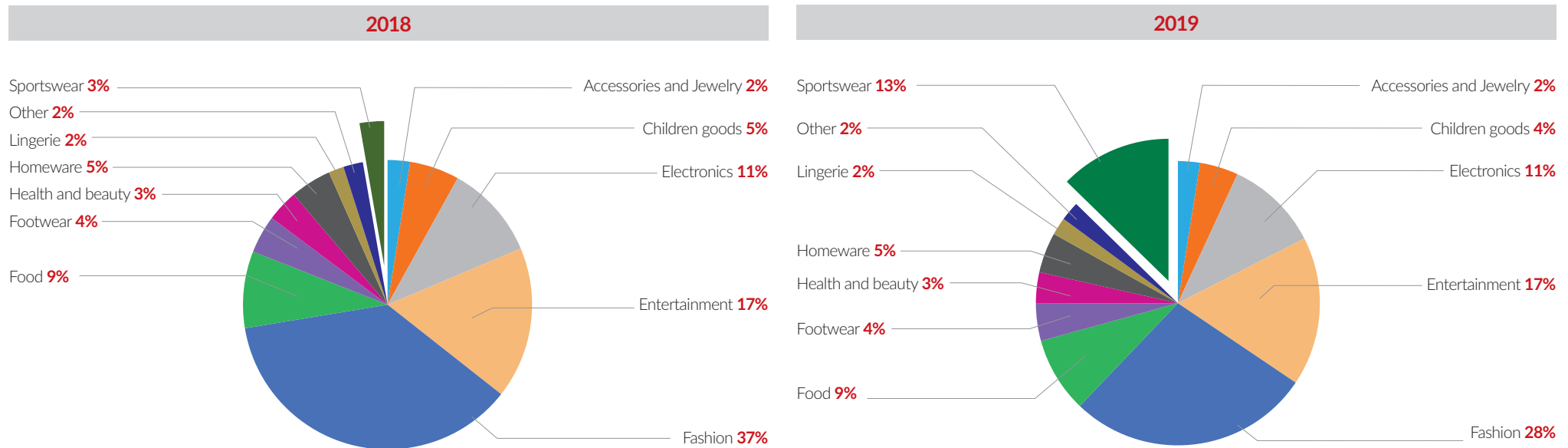
"The shopping mall, being a living, dynamic and flexible ecosystem, feels the external environment and adapts to its needs. Any changes in the priorities and lifestyle of different generations are immediately reflected on the mall, which embraces and interacts simultaneously with X, Y and Z. And this, in turn, requires new Tenant mix selection rules.

Until recently, the consumer's choice in the classic fashion category meant tight suits, bandage dresses and uncomfortable shoes, which, in spite of giving a feeling of discomfort, corresponded to the fashion trends of their generation. Taking this into account, Prospekt shopping mall since its opening and during the first years of work focused on fashion, footwear and household goods stores.

Today Tenant mix of the mall has changed. Buyers prefer freedom, comfort and a healthy lifestyle. Demand is changing offer, prompting the simultaneous increase of popularity of normcore style with its unisex trend of unpretentiousness and simplicity.

These lifestyle trends directly influenced the concept of the Tenant mix model in Prospekt shopping mall. Most of changes are associated with the rapidly growing sport and sportcasual categories, which popularity is increasing. The area of shops increased from 825.0 sq.m. up to 3 825.0 sq.m., thus increasing the presence of the category in GLA from 3% to 13%.

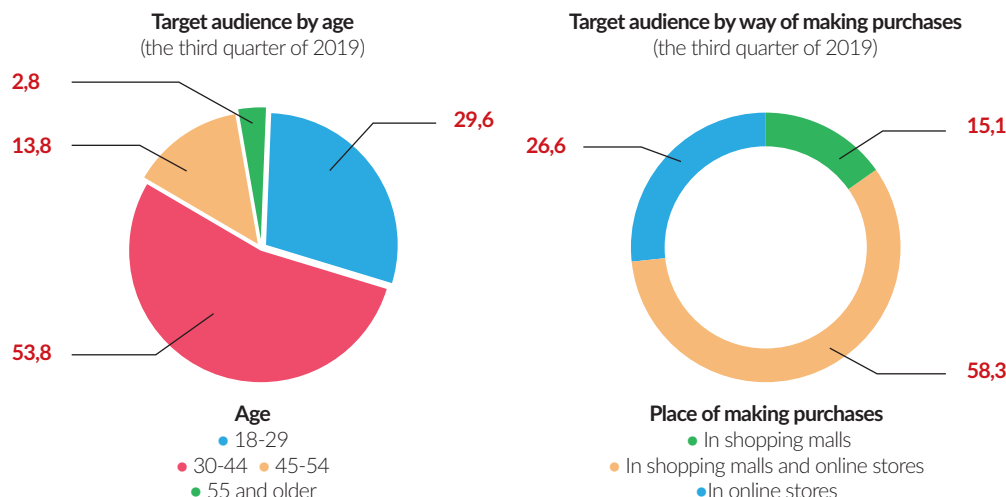
Globally, the high-quality Tenant mix in 2019 is the same important component of a commercially successful shopping mall. However, today the fundamental difference is that the mall should adjust as quickly as possible - without changing completely - to the needs of its visitor and consumer. Sometimes even contrary to global and public examples or momentary financial gain."



Marketing

Natalia Dmytrenko, Marketing Director:

"Since 2015, the portrait of a buyer of Prospekt shopping mall and his/her consumer pattern have changed significantly. Thus, the target audience of Prospekt shopping mall prefers to mix its shopping history: only 15.5% of buyers buy offline in their favorite stores, in the most convenient shopping mall, while more than 58.3% of respondents select goods on the Internet, track fashion trends and draw attention to rational information about discounts and special offers and this trend is getting stronger. Consumer experience in a shopping mall is impossible without online connection. That is why the marketing of Prospekt shopping mall develops several communication lines in digital channels using both quantitative (number of subscribers, coverage), and qualitative (reactions, involvement) parameters. We offer not only rational information about discounts in the stores of our partners, but also form an emotional connection, telling the stories of brands and involving our consumer in communication. To increase the recognition of a brand's communications and stimulate engagement, we've developed a unified visual style in all communication channels and formed a tone of voice that was clear to our target audience."

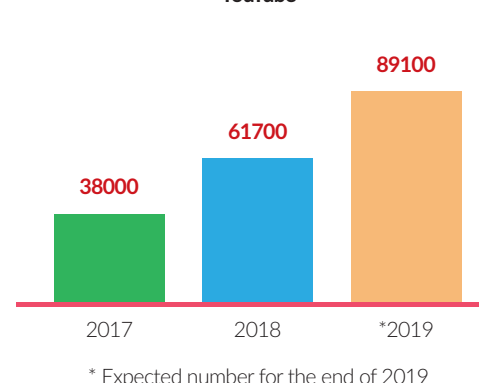


Olena Pogodina, digital manager:

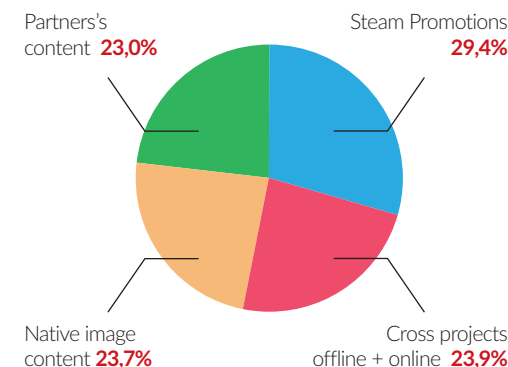
"Today, the total number of subscribers in the social networks of the shopping mall makes 77.5 thousand. Among them, 66% use Facebook social network, 17% - Instagram and 16% - YouTube. According to the portrait of the audience, 68% are women and 32% - men, and the largest age group are people aged 23 to 44 years. We revised the methods for deliver-

ing information about Prospekt shopping mall, focusing on outreach marketing campaigns targeted by geolocation, interests and behavioral patterns of users. Today it allows us to "tune" the mall as accurately as possible. This year we employed a new tool in social networks, which allowed us to demonstrate the most popular and interesting products from Prospekt shopping mall in the online storefront format. The user could not just evaluate the product visually, but also receive information about the quality of materials, the dimensional grid of the product and ask a question. This is one example of using digital capabilities, allowing us to get closer to our buyer and plan his/her shopping in advance, before visiting the shopping mall, as well as get a user's feedback and understand his/her priorities! Which brands were the most interesting in the online showcase, which products received the biggest number of views? In the last years, the digital content of Prospekt shopping mall has changed - along with traditional shopping promotions, stimulating purchase in the mall, we have added more fun, situations and other native light content, increased online support of our partners, used new content formats at the intersection of offline and online activities, offering the customer ready supply chain solutions."

Dynamics of number of Prospekt shopping mall subscribers on social networks Facebook, Instagram, YouTube



Index of audience coverage by marketing messages of Prospekt shopping mall

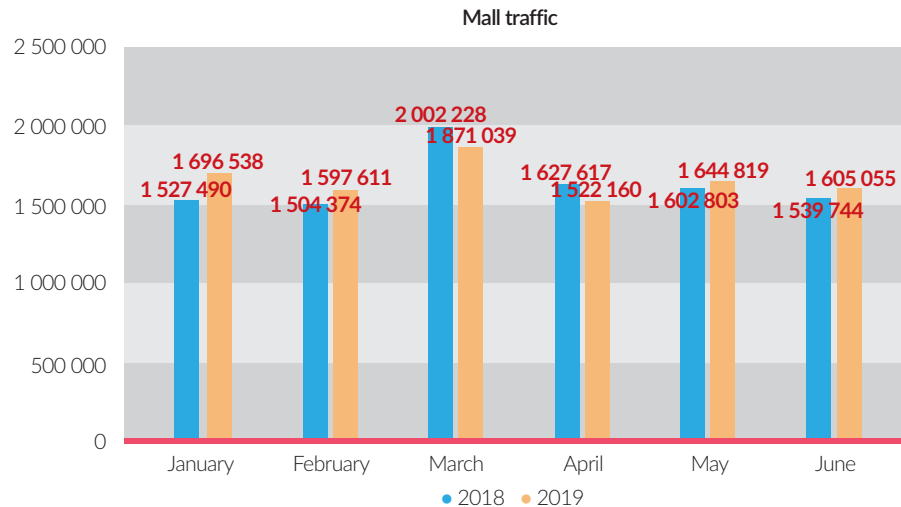


Daria Ponkratova, brand manager:

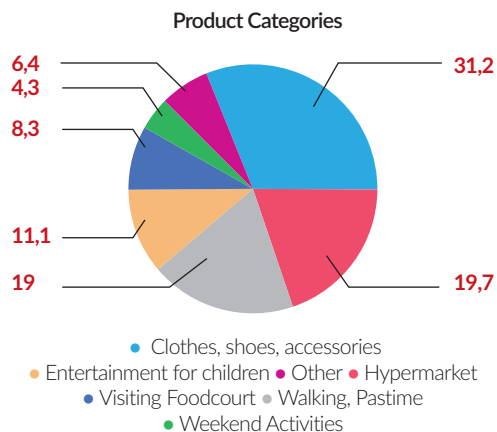
"For several years, Prospekt shopping mall has been demonstrating a steady increase in traffic. According to studies that we conduct several times per the year, the number of loyal consumers increased from 57% in 2015 to 77% in the 3rd quarter of 2019. More than 61% of the audience are residents of Dnipro, Darnytskyi and Desnianskyi districts, about 37% of the audience are residents of the right bank of the capital. We carry out all marketing activities in

support of Prospekt brand in synergy with our partners, key events are held with the support and in cooperation with the brands represented in the shopping mall. In the third quarter of this year, 30 retailers took part in various marketing campaigns and activities of Prospekt shopping mall”.

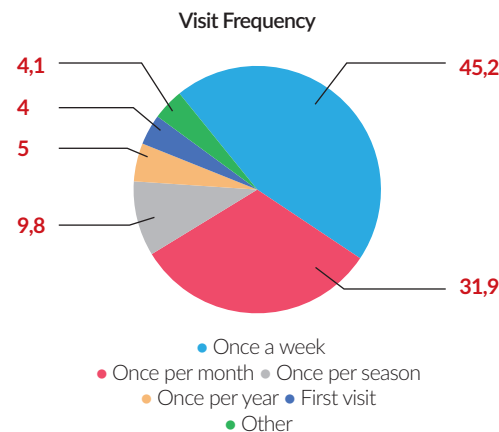
Traffic in Prospekt shopping mall
(compared period – 1st half of 2018/2019)



The purpose of visiting of Prospekt shopping mall
(2019)



Loyal visitors of Prospekt shopping mall
(data for the 3rd quarter of)



Oleh Lytvynskyi, art director:

“It is difficult to assess the atmosphere in the mall assess using quantitative parameters, it may assessed by measuring number of smiles on faces of our visitors during the events. Despite the fact that we have significantly reduced the number of events this year, innovative and wow effects, which have become an integral part of each activity, allow us to predict the viral effect of such a standard tool. For example, thematic photo zones with AR elements dedicated to calendar holidays and special marketing campaigns are becoming more and more popular, and having a special hashtag they get on social networks, prolonging the campaign in new communication channels.”



Olena Obukhivska, communication manager:

“The communication strategy of Prospekt shopping mall is based on different thematic content mix: useful and rational information about new store openings and promotions; educational and inspirational materials. For example, recommendations and advice; fun content with elements of humor; celebrities and shopping - interviews with celebrities about consumer experience and favorite brands. Thus, we influence the information field of several segments of the target audience of Prospekt shopping mall. On average, each month PR generates more than 10 news items, also working with information from retailers. In the third quarter of this year, the most popular were news and storytelling about preparations for the start of the school season. Among the most effective communication channels there are public and entertainment media, the website and pages of Prospekt shopping mall on Facebook and Instagram. By the way, solely on our Facebook page, the coverage of publications about the school amounted to more than 10,300 views of the target audience.”

Mykola Yakymenko: many innovative solutions from #Futureishere can be used in Ukraine

Mykola Yakymenko, acting Head of Development Department, acting Arricano's Operations Director, at the end of June 2019, has become a member of the business tour #Futureishere 1. The participants of the project - architects and developers from Ukraine, visited London and saw the most significant and successful architectural projects, personally talked to specialists from leading world architectural companies, studied new approaches to design and implementation of new technologies in architecture, development and construction. "The trip gave me an opportunity to see live the best projects of the world and communicate with the architects who created these projects; find out in which areas architecture and development will develop in the future; get acquainted with the innovations that are used in the field of development and which are just being introduced in construction. It is interesting that many innovative solutions from #Futureishere 1 can be used in Ukraine," Mykola comments. The photo story from just two places - Digital Architecture and Robotic Lab and King's Cross Central gives an idea about the future of the industry and approaches that can be used by creation of objects.

Digital Architecture And Robotic Lab

Digital technology change professions. Many things are changing in architecture too - from design to production. Digital Architecture and Robotic Lab (DARLAB) is intended to make these changes faster and more efficient. This is a research robotics laboratory that experiments in the field of architecture, engineering and design in search of new technologies and materials using digital solutions.



The ideology of the laboratory's activities is re-use of all material things - mechanisms, equipment, and development of software for robots that are used in construction and design. For example, high-precision robots, which today create models for construction and design, were

previously used in automobile and machine building. In high-precision industries, robots are updated frequently enough to ensure maximum micro-precision manufacturing of parts. Such manipulating machines are suitable for construction, because the standards for accuracy are much lower.



Product options for facades and interior finishes. Made in 3-D printing technology from recyclables (plastic).



Plastic product (miniature), which is used as a formwork in monolithic construction. When an element becomes unusable, it is melted down, the item is prepared and used again, realizing one of the tasks of the laboratory

- search for technologies of work with waste and recyclable material. The laboratory plans to create full-scale formwork for columns and to apply it on a construction site.

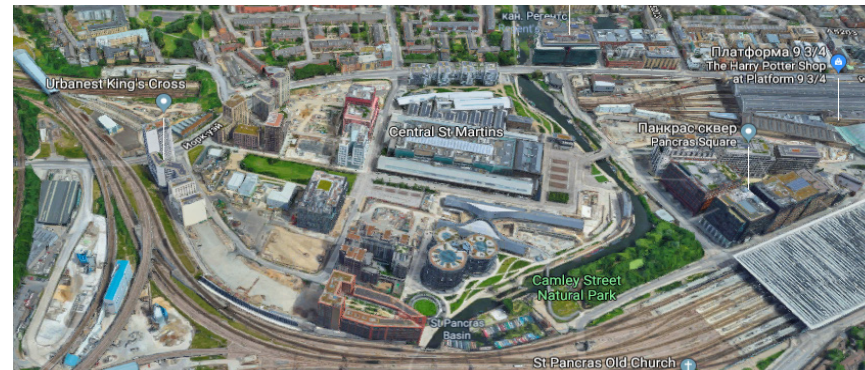
King's Cross Central

Reconception, redevelopment and regeneration today are the world trends in development. King's Cross Central, a multifunctional real estate development on the northeast of central London, is a brilliant example of renovation of the territory which has been depressive once. This is one of the largest regeneration projects in the UK, which is being implemented for more than 15 years.

On the area of 27 hectares, there are offices, houses, shops, hotels, places of rest and social institutions, music centers, galleries, bars and restaurants, Central Saint Martins - the world famous art college of University of the Arts London, Facebook, Google, YouTube offices, train station, transport hub. One can't help being impressed with the harmonious neighborhood of old and new elements everywhere.



Today it is a new part of London, where comfortable conditions for future generations are created. There are many interesting projects on this territory: gas storages have become residential buildings of Gasholders London, the old railway station was reconstructed and new railway lines were added, coal warehouses turned into commercial real estate and



social spaces, old buildings are adjacent to new 16-story high-rises, the new shopping district Coal Drops Yard is located at the very heart of King's Cross.



Former coal warehouses have turned into shopping facilities. The buildings were preserved and restored, the materials that could be reused to the maximum extent, such as paving stones, metal structures, wooden beams, bricks - old and new masonry that could be seen on the walls were used by the construction.



Sheet metal was used for the roof, as in old times, in order to preserve the color and overall style.



In the place where there used to be old buildings, new buildings were not constructed, the space between the buildings was transformed into walking areas, decorated with mobile flower beds. In the arched openings (on the right) one can see shop windows with very modest laconic signs.



The banks of Regent's Canal, connected with a bridge, with modern moorings, turned into public zones. The downgrade to the embankment was made in the form of large steps covered with an artificial lawn. This is a place for relax, where in good weather citizens and guests of the city have a rest on poufs and pillows.

Gasholders London: the structures were dismantled, cleaned and re-used in the project. 70 layers of paint were removed from the metal constructions until the authentic bluish hue was obtained.



Gasholders London: three circular structures from gas storages became residential buildings, where the task to preserve the appearance and maximize the use of old elements was fulfilled. Appearance and shape are amazing.



Gasholders London is a residential complex.

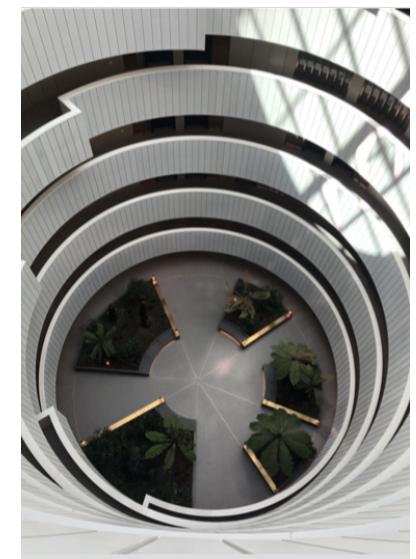
Recreation areas with fountains, mobile food street stalls and mobile lawns are located between the reconstructed buildings. It is also a place for social events and concerts.



Gasholders London are smart homes: the blinds close independently on a sunny day, the lighting and household appliances are controlled remotely, there is a green zone and a public recreation area on the roof.



Gasholders London: the interior space of a residential complex, apartments are located in a circle. In three barrels there are 100 apartments.



Photos provided by Mykola Yakymenko

Birthday party of a shopping mall as a marketing tool to increase turnover and strengthen emotional communication with visitors

In the annual marketing plan for the development of each Arricano's shopping mall, the thematic campaigns with the aim of promoting the positioning of a shopping mall and tenants' brands were developed. The concept of the main events is the organization of educational and training programs aimed to increase the culture of consumption of goods and create additional demand. Summer Sale and Grand Sale weekend, dedicated to the popular "Black Friday" have become favorite shopping traditions of shopping hunters. Christmas fairs and fairs dedicated to Valentine's Day and a new shopping season are intended specially for families.

One of the most effective shopping and building tools is a birthday party of a shopping mall. This holiday allows you to achieve many goals, the most important of which are goal associated with commerce, communication and image. In 2019 Zaporizhzhia City Mall already celebrated its birthday using the concept of "New Year of Impressions", Kyiv shopping mall "RayON" in the last day of summer celebrated "Fix your Summer at the Birthday Party of "RayON", Kryiviy Rih shopping mall "Sun Gallery" had "Party in SuperYa". On December 1, a festive event will be held on the occasion of the 5th anniversary of Prospekt shopping mall in the style "Give a High Five and Feel Our Holiday."

A birthday party is a great occasion both for tenants and for a mall to tell about themselves with a new impetus. At Arricano, there is a mandatory mix kit, which combines tenants' brand interests, customer's needs, and fulfillment of a mall's tasks.

1. Festive concert with a headliner. Such well-known Ukrainian performers as MamaRika, DILEMMA, Fuji, Sonya Kay performed on the stages of our shopping malls. Live music and hits as well as a gift from a shopping mall to its guests attract traffic of different target groups.
2. Listing of discounts, promotions and offers, allowing brands to attract attention using rational arguments. After all, profit always attracts buyers.
3. An updated story about a shopping mall with new facts, presented, for example, in form of an info graphic about achievements during a year. Such an image immediately creates a positive and loyal opinion about a mall.
4. BTL, enabling brands to involve customers, influence them, and communicate directly with their target audiences, integrating key messages and competitive advantages into

the concept of the event, presenter's words, competitions and questions from the stage.

5. Digital, PR and advertising communications using new content solutions in text, video and design.



Foam party in RayON shopping mall

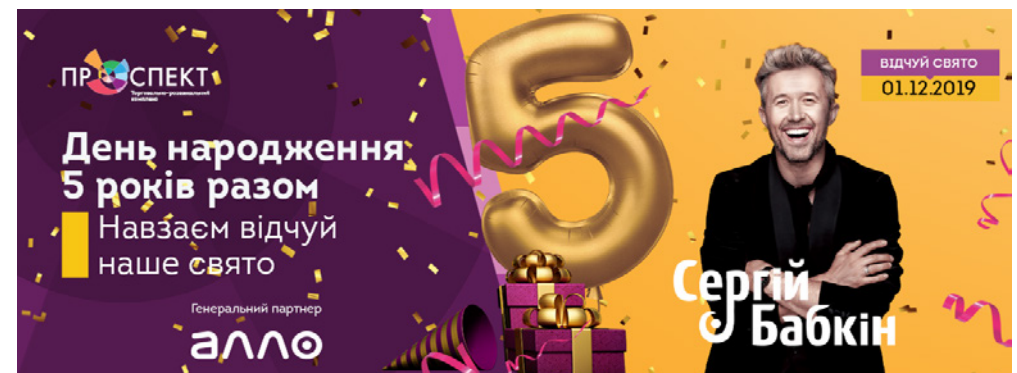
A birthday party of a shopping mall – implementation of integrated goals

Commercial	Communication	Image
<ul style="list-style-type: none"> • Increase in turnover • Sale of shelf-stocks • Attraction of additional traffic • Increased time of stay in a shopping mall, which facilitates two-stage shopping + visiting a food court 	<ul style="list-style-type: none"> • Multilevel mix-communication, using PR, digital and advertising tools • Announcements • News • Thematic posts in SMM • Info graphics about achievements • Interview • Direct dialogue with visitors of a shopping mall 	<ul style="list-style-type: none"> • Brand awareness • Storytelling on holiday scene, in PR and SMM • Competitions

According to the results of analytical data, on the birthday the traffic growth and increase in turnover makes from 20 to 50%. Even if the main objective by visiting a birthday party of a mall is a gala concert, not shopping, the store's brand still has a delayed effect on the target audience: remembering of a shop window, a signboard, information from the stage, partnership or announced actions. Each brand decides for itself which tool is more effective for it in order to leave the communication cluster and build a direct communication with the target segment of the audience, which is located near the shopping mall, next to the store, or passes by the mall.



MamaRika recital in "Sun Gallery" shopping mall



Conception of 5th anniversary of Prospekt shopping mall

Bookshelf



Victoria Shevchuk, HR manager

Type Talk: The 16 Personality Types That Determine How We Live, Love, and Work
Otto Kroeger, Janet Tusen

The book is based on the doctrine of personality types, i.e. typology. The described techniques can help treat each person's characteristics as strengths, and not as weaknesses, respect them and change their lives for the better. In the book, you can find answers to eternal questions: "Why it is easy and simple to communicate

with some people, while communicating with others brings us no pleasure? How can we contact other people when we do not feel like doing this, but we have to? How to interact successfully and how to find a common language at work, in family or with children? How can different types of people get along in the same team and achieve results?"

The authors once again recall that as long as people exist, there are differences between them. For example, the function of collecting information works differently – people may have developed sensory functions or developed intuition; the decision-making function also may be different – logic or ethics may prevail; by source of energy people may be extroverts and introverts; by way of life – rationals and irrationals.

According to the author's theory, there are 16 types of personality!

The book provides an opportunity to understand ourselves better, to learn how to manage ourselves more effectively in various situations, knowing our type, and being able to determine the types of other people and build relationships.



Iryna Kraveva, design manager

In search of a stream.
The Psychology of Inclusion in Daily Life
Mihai Chiksentmihayi

At first glance, this book describes the common things – themes, ideas, reasoning. However, sometimes reading simple truths is necessary. You remind yourself that everything is extremely simple and clear – you have to discard all that is superfluous; vanity, which sometimes takes a lot of your time and space is, most often, empty.

When you read this book, it gives you the impression that everything you thought about, and everything that seemed simple, is played into patience, where everything is ordered and regular. It is clear what it is worth concentrating on, and what should be thrown away, like a broken sofa.

I like books, by reading which you can immediately make an analysis and draw analogies with your life. It means the book is no longer abstract, but close to you. "In Search for a Stream" is exactly this type of a book.





Natalia Dmytrenko, Marketing Director

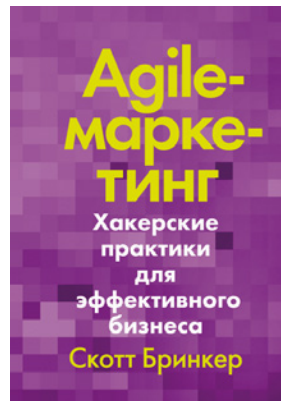
Agile-Marketing

Scott Brinker

Today speed is one of the most important and expensive factors of success. Expensive from different points of view, because the price of slow work and careful movement is too high. Quick decision-making instead of long meetings, parallel business processes instead of sequential ones, short tests instead of massive research - all these are the characteristics of a flexible agile

system, which use, in the author's opinion, helps to increase management efficiency. For example, one of the key agile principles is, "A working product is more important than comprehensive documentation." One can argue with this or not, but finally, the goal of the team and the speed with which it moves towards it are important. Digital transformations reinforced the need for understanding agile techniques in each business. Although these approaches are especially relevant for teams with the IT focus, let's be honest - today IT makes the world around. Agile Marketing is an attempt to combine the techniques, which proved to be efficient in order to make management more flexible.

Besides, there are two news that not everyone has realized yet. The first one, there is no digital marketing; there is a marketing in a new digital environment. The second one is, no matter, whether we like it or not, but everything will be agile. Start stretching now, so that it will be easier to do the splits tomorrow.



Natalia Denysiv, Deputy Director

of Retail Space Department

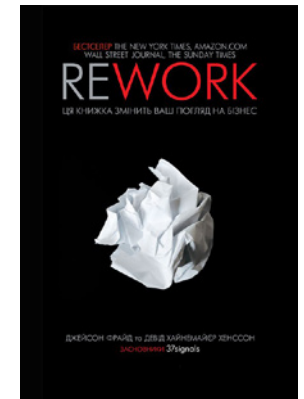
Rework

Jason Fried, David Heinemeier Hansson

If you are tired of dry, mentoring books with a whole bunch of dramatic terms, then REWORK, from the founders of 37Signals company, will bring back your love to business literature. A concise and accessible form of writing, with grounding of each piece of advice and real-life examples, will save your time and energy answering

the questions, "What to do?", "Why?" and "How to be an entrepreneur?"

The authors express an unusual, perhaps even provocative, look at startups, meetings, workaholics and long-term planning. Even though their statements contradict the established stereotypes of business structure development techniques, you believe all the theses, because 37Signals is a company with a 20-year history of success, which makes millions of profits. Besides, the book has a wonderful bonus - a considerable number of minimalist illustrations with key ideas of authors, which can pretend to be motivational posters.





Olena Obukhivska, communication manager

The Innovator's Dilemma:

When New Technologies Cause Great Firms to Fail

Clayton M. Christensen

This book is about reinforcement and disruptive technology. And how to identify disruptive threats and opportunities. The author, using the example of the hard disk market, demonstrates the factors that lead to the collapse of strong companies. Why does this happen? Sometimes, companies that are deeply entrenched, have a powerful influence on their customers and research their needs, sometimes experience a fiasco in the competition with startups. The author believes, it was the disruptive technologists not trusted by top managers, who brought the aggressive, reasonably managed strong companies to failure.

Because in the dilemma of developing in the main market or capturing a new, unknown one, management made the decision to remain in the main one, clear and obvious to management and to consumers. However, start-ups do not hesitate to concentrate on something new, generate new products, quickly “nibbling” their customers.

The author identifies several reasons why managers make decisions in favor of losses. First, it is the fear of “cannibalizing” their own products. As if their innovative products are “eating” their own, already existing. However, it happens, that they will be swallowed by innovative product solutions of competitors anyway.

Second, strong companies wait to see and to make sure while the new technology reaches the stage of commercial maturity in the field it is used. Then, as a response to the attack, they start to introduce their own version of technology, but time is lost, young competitors are already entrenched both in the creation of new products, in their promotion, and in choice for consumers.

The author's recommendation is not to ignore or not to miss strategically important technological innovations.



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