



# A Peek into the Future of Retail

Key aspects that will influence the future of retail business

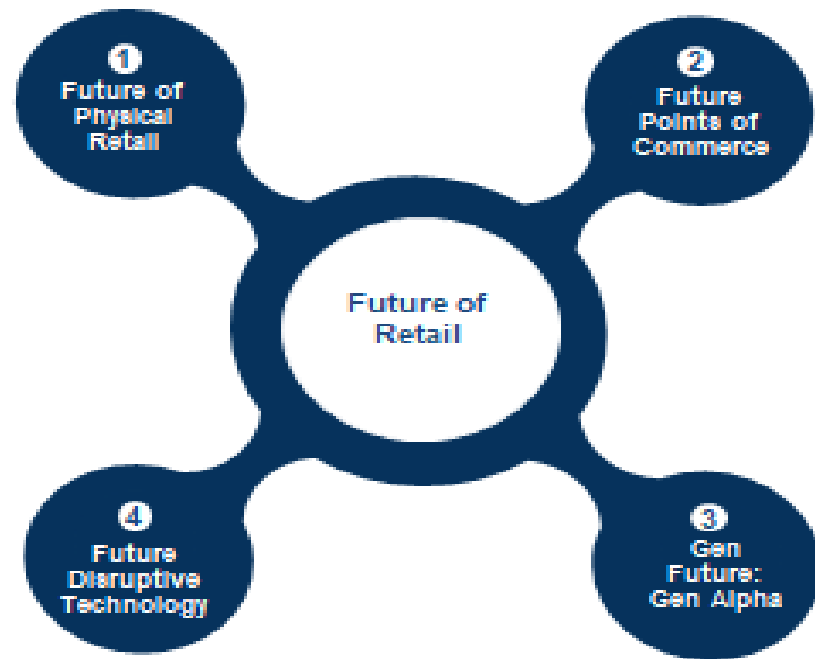
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The retail industry will undergo massive changes as the age of disruption continues to impact consumer behavior and buying trends. In this constant flux, retailers should understand and adapt to the market as well as prepare strategies to retain customers and gain an edge over their competition. The ability to understand the evolution of retail and the constant impact of technology over the next decade will give companies an opportunity to prepare for potential challenges.

## Future of Retail



(Source: Frost & Sullivan)



Primarily, four key aspects will influence the future of retail in a disruptive manner; it is essential to understand the implications of these aspects to prepare for the future. These four aspects are the shift in the future of physical retail; the creation of new future points of commerce; the future customer—namely, Generation Alpha; and future disruptive technologies. A focus on all these 4 aspects will enable a retailer to build a consistent strategy in times of uncertainty.

### **Future of Physical Retail Will Shift to ‘Novel Box’**

Future brick-and-mortar stores will aim at enhancing the overall customer experience to drive the intent of purchase. New store formats that focus on particular themes (e.g., customer experience and community-building) will begin to replace traditional stores. Big-box stores will evolve to small-sized, ‘novel box’ stores, which cater to the needs of the particular locale. A fundamental shift from transactional stores towards creating an overall ownership experience will drive loyalty-building and brand awareness. In-store experiences will be focused on building an emotional connection with buyers, with the advent of cutting-edge technology transforming the face of retail buying.



## **New Points of Commerce Will be Created in the Future**

A 'point of commerce' can be defined as a place from which commerce flourishes, or in bare terms, a place where buyers and sellers meet to transact. In our society, traditionally, shopping centers and retail stores operated as points of commerce. In time, there has been progress from retail stores to online retail platforms, mobile applications to digital assistants; thus, advances in technology and convenience have led to the creation of new points of commerce.

The future of technology holds great potential for the creation of new points of commerce, such as in-vehicle commerce. Furthermore, the advent of the Internet of things and sensorization, which refers to the increasing usage of sensors in devices, will require retailers and manufacturer brands to develop strong business strategies to compete in the market and position themselves in the lead.



## The Customer of the Future: Generation Alpha

Generation Alpha (Gen Alpha) is the first generation to be born completely in the 21st century—this refers to children born from 2010 to 2025, specifically. Retailers increasingly understand the fact that Gen Alpha exhibits a significant hold over decision-making in family purchases, as millennial parents are increasingly influenced by the opinions, habits, and behavior of their children. In addition to influencing their parents, Gen Alpha will also soon be consumers on their own; manufacturer brands need to remember this and build trust from a young age to establish a lasting relationship.

### Gen Alpha: The Future Customer





## **Future Disruptive Technologies**

Smart retail involves the use of digital technology solutions by retailers to manage supply chains, enhance the customer experience, and improve operational efficiency. Companies will increasingly invest in innovative technologies, such as augmented reality (AR), virtual reality (VR), and 3D printing, artificial intelligence (AI), and data analytics through the short-to-medium term to gain a competitive advantage. Digital assistants will become more powerful with reviews, comparisons, recommendations, and preferences leading to a seamless, omni-channel shopping experience.

## **Final Word**

Every aspect of retail will be disrupted by technology and demography. Looking ahead, one can expect the stores of tomorrow to be points of engagement, monotonous purchases to become fully automated, any point or space to become a place of commerce, and for customers to always remember the experience.

Thank you for reading.

## Webinar on “The Four 'P's of the Future of Retail”

*If you would like to learn more, we have an upcoming live webinar on 23<sup>rd</sup> January, 2020, 11 AM to 12 PM EST. If you would like to join us, [please click here](#).*

