

RETAIL

Competing forces influencing retail's future: Euromonitor

October 15, 2021



Consumers want more convenience and more environmental responsibility from retailers. Image credit: Amazon

By SARAH RAMIREZ

Consumer demands are increasingly at odds, making it challenging for retailers to navigate an evolving industry.

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During a keynote address at Euromonitor's "[Commerce 2040](#)" digital event, an executive discussed how shoppers' expectations for convenience and personalization seemingly contradict consumer demand for sustainability and privacy. These competing forces are increasingly associated with technology and will shape the future of the retail store.

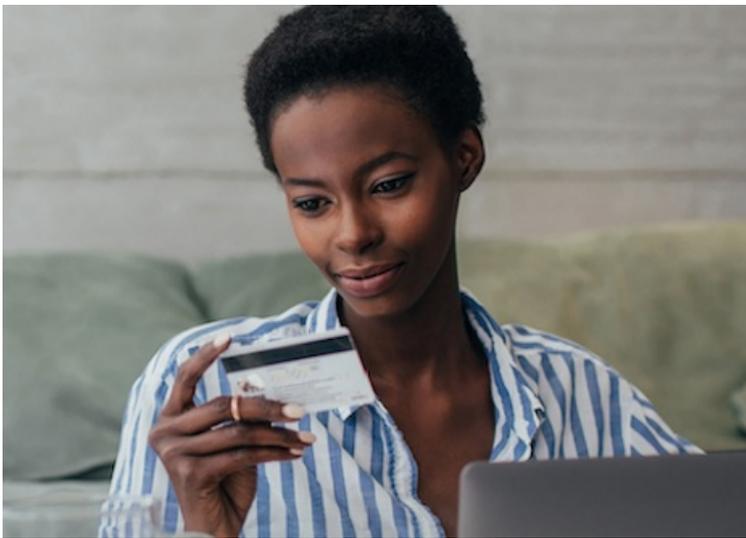
"The rate of change will increase, so I expect that the change that we see in the next two decades will come faster for us than it has in the last two," said Michelle Evans, senior head of global digital consumer research at [Euromonitor](#), Chicago.

"As innovation moves beyond imitation, retailers, brands and others across the ecosystem have to embrace the approaches and technologies that appeal to their base, rather than just replicating their neighbor."

Give and take

The COVID-19 pandemic's impact on retail has been incomparable, from accelerating ecommerce, straining the supply chain and increasing consumer awareness.

According to Ms. Evans, these shifts have influenced today's biggest retail trends, which are more akin to power struggles and often pit the consumer against companies or brands against retailers.



Shoppers want their personal data to be private, but they also want personalized retail experiences. Image credit: WWD/ American Express

For instance, consumers are increasingly seeking personalized experiences but are also more concerned about privacy.

Although consumers are wary about data being managed responsibly and the volume of data, many still recognize the value exchange. Per Euromonitor, 22 percent of digital consumers feel in control of their data while 24 percent want tailored shopping experiences.

Retailers can leverage personal data to offer tailored product recommendations, with a quarter of digital consumers citing personalization as key motivation for sharing personal data. This explains in part why curated subscription boxes are popular despite and even because of the seemingly endless choices available to shoppers.

Another retail conflict heightened during the pandemic is consumers' desire for convenience, which can come with a high environmental cost.

More than half of consumers prefer free shipping, free returns and package tracking when shopping online which has only accelerated during the pandemic. These expectations, however, can strain workforces and require fast fulfillment options that are not environmentally efficient.



Product returns can be costly for retailers and the environment. Image credit: DotCom Distribution

The demand for convenience remains elevated despite consumers' growing interest in corporate social responsibility. Globally, 32 percent of digital consumers will buy from brands that support the same social and political issues, while 27 percent will boycott brands that do not.

"Values-based buying isn't top of mind for all consumers, but it is important for some," Ms. Evans said.

Physical vs. virtual

The tensions between the physical and virtual, or online, realms of retail will continue, according to Ms. Evans.

Convenience plays a role here as well, as 43 percent of consumers shop in-store for immediate gratification.

As the hybrid, omnichannel customer journey becomes mainstream, post-pandemic shoppers are expecting more convenience from retailers.

According to "The New Face of Local" report from Uberall and MomentFeed, the presence and accessibility of physical stores remains an important shopping consideration even amid the growth of ecommerce. Three-quarters of consumers plan to continue shopping locally after the pandemic, and plan to use digital services such as buy-online-pickup-in-store (BOPIS) for added convenience ([see story](#)).

While ecommerce is often winning out when it comes to convenience, the retail store is far from dead.

Generation Z and millennial consumers are the age groups most likely to shop at bricks-and-mortar stores, according to a 2019 study conducted by Oracle NetSuite, Wakefield Research and The Retail Doctor. Gen Z shoppers are also the most likely to have purchase decisions impacted by in-store technology such as virtual reality ([see story](#)).

"We're moving more towards being digitally connected," Euromonitor's Ms. Evans said. "The online and the physical world will continue to blur."

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