

# Shaping retails future: trends recap 2023

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As per the Edge Global Insights Report 2023 - overall, the retail industry this year has navigated the lingering effects of the pandemic, embraced digital transformation, addressed sustainability concerns, and tackled supply chain challenges.



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Coupled with the disentanglement of major market dynamics from the clutter that is, supply chain disruptions, rising inflation and the pros and cons of new tech. As well as making critical choices in the e-commerce space and pushing to deliver exceptional shopping journeys in the context of seamless omnichannel customer experiences.

Undeniably, the FMCG retail trade remains under enormous pressure with many retailers and brand owners bracing for conditions to worsen in the near term, yet despite this they are continuing to innovate, to serve shoppers, and turn a profit. Adding to the mix - innovation, flexibility, and agility, the benchmark for competitive advantage.

Leading retailers and brands will have to have disciplined, measured, and innovative programs that allow for business strategies that sense, vet and experiment to reimagine and transform themselves.

For example, by optimising investments with data-driven creativity, through powerful mediums such as Netflix and Hulu (with a collective 480+ million subscribers) to get in front of a much larger consumer market. Or in crowded e-commerce spaces, where sales are projected to exceed \$7tn by 2025, digital marketplaces are having to continually evolve, by offering more opportunities to engage with customers.

In line with that, retailers and brand owners are plugging into physical retail experiences in which physical elements and tech coexist, bringing brands closer to their customers and making sure the in-store and online space make a seamless connection.



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Disruptors going forward that will create space for winning solutions include, the need for stores to transform even more to offer exceptional shopping experiences to customers. The aforementioned digital integration and new technologies that will shape the retail environment of the future, offering personalised experiences, optimised operations, innovation, as well as meeting evolving consumer demands across the shopping journey.

Coupled with a deep understanding of the various markets as growth in the West and China is expected to slow in the medium-term, while Latin America and other developing markets such as Nigeria and Indonesia are expected to be more resilient to global economic slowdown.

At a high level, the following trend developments are on the radar as the retail industry transformation continues.

### Digital commerce

The integration of online and offline channels increased mobile usage, AI and a growing emphasis on sustainability, digital commerce is expected to continue its rapid growth and evolution.

### Social commerce

An important e-commerce sub-channel, social commerce in 2024 will continue to blend the worlds of social media and e-commerce, offering seamless and personalised shopping experiences on their favourite social platforms.

### Quick commerce

Is expected to offer consumers even faster and more convenient delivery options, with a focus on personalisation, sustainability and seamless integration off mobile apps and online platforms.

### D2C

Models will continue to be leveraged to connect with consumers with D2C expected to grow in popularity. Allowing companies to collect valuable customer data, enabling personalisation and a better understanding of target markets. As well as greater control over pricing and branding.

### Third-party marketplace

One significant trend that may arise next year is the consolidation of third-party marketplaces where larger marketplaces acquire smaller ones or form strategic partnerships to expand reach. This could lead to increased competition resulting in improved services and features for both sellers and buyers.

## **Store and warehouse of the future**

Both spaces are likely to undergo significant transformations in 2024 as technology advances and consumer expectations change yet again. From automation and robotics, to personalised experiences, seamless omnichannel integration, sustainable practices and enhanced data collection and analytics.

## **ABOUT THE AUTHOR**

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