



# What's New In Retail: Emerging Global Concepts

EDITION 5





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This e-book features insights from our [New Concepts in Retail report](#). The data included is accurate according to data from Euromonitor International at time of publication: March 2022

*Euromonitor's Retail research took place before the invasion of Ukraine. As such, the impact of the war in Ukraine and sanctions on Russia are not factored into our forecast data and analysis.*

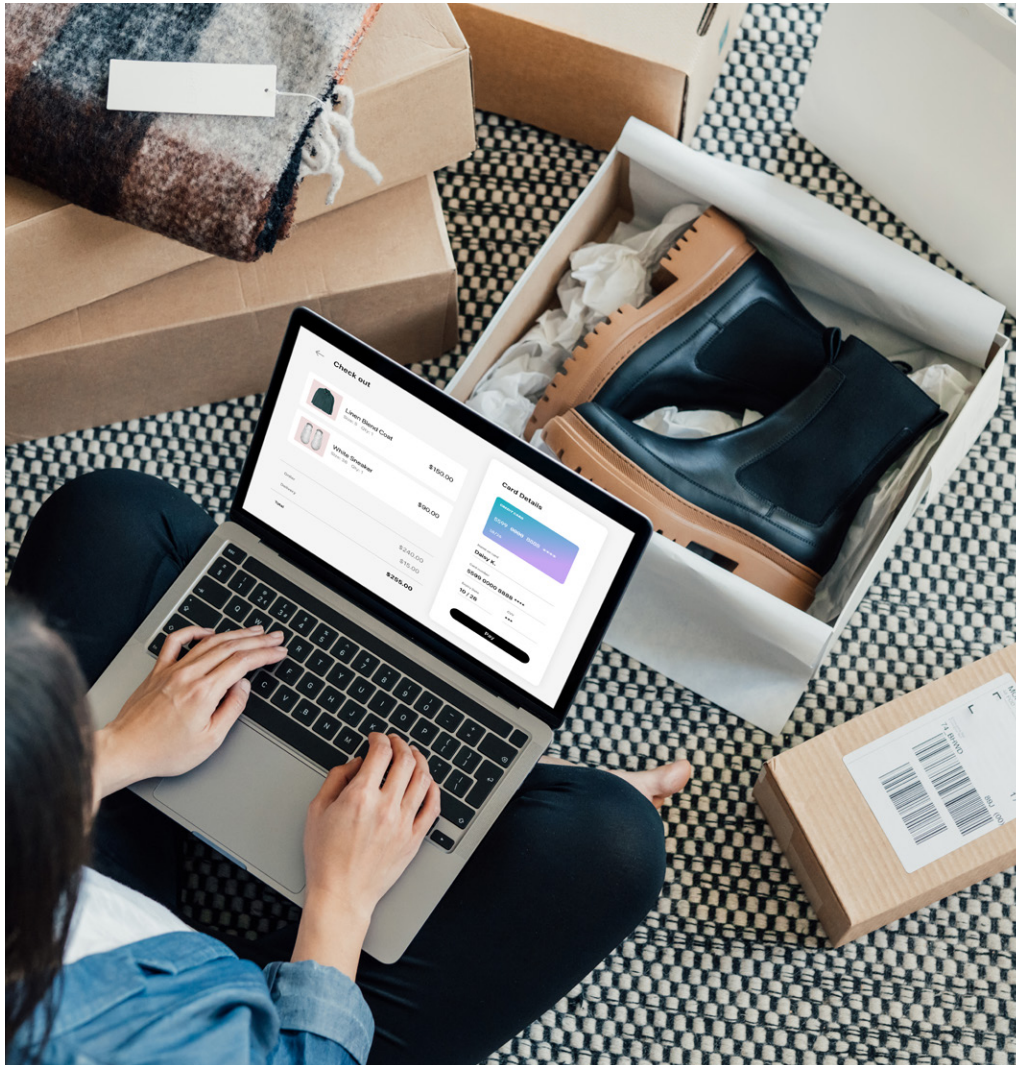




# RETAIL INNOVATION: WHERE TO START

Retailers are pushing the boundaries of innovation.

Today, stores not only sell products but also immerse customers in a brand story. And new technologies can turn once-unattainable concepts into reality.



Several competing forces dictate [where retailers invest](#) and how the industry ultimately develops in the future.

For example, delivery and logistics have become competitive advantages. Consumers have long said their motivation for shopping online is to save time and money. But this convenience comes with operational and environmental costs, leading consumers to rethink purchase decisions and retailers to adjust their priorities.

At times, the biggest retail trends seem to be at odds. The challenge is that this ever-evolving landscape makes it harder to innovate fast enough.

## 10 Competing Forces Reshaping Retail

Accessibility vs. Exclusivity

Choice vs. Curation

Consumers vs. Companies

Consumption vs. Minimalism

Efficiency vs. Effectiveness

Human vs. Bot

Personalisation vs. Privacy

Physical vs. Virtual

Retailers vs. Brands

Value vs. Values

## The Forces Shaping Retail Development

We identified 10 competing forces to guide your long-term strategic planning.

An understanding of these competing forces is the first step. How these manifest and where countries, companies and consumers land on the continuum will affect retail industry development in the years to come.

At the forefront now is the battle between physical and virtual, unfolding from fast-tracked digitalisation.

*This framework serves as a foundation to help you shape and pivot operations, investments and innovations.*

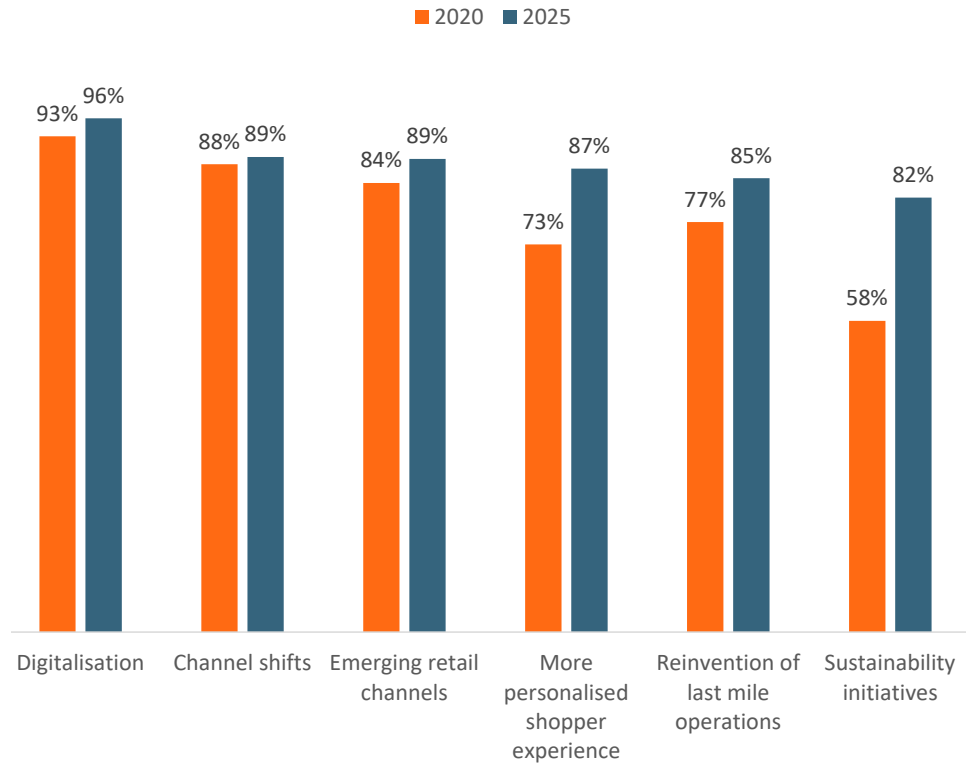
Retailers and brands need to be hyperaware of the influential digital channel and the pressure it places on the store. In our most recent survey of retail professionals, 93% point to digitalisation and 88% cite channel shifts as key trends that changed the industry in 2020.

Your company has to meet consumers when, where and how they want to shop. New business models and the right tech integrations can put you in front of them.

Looking forward, sustainability initiatives will gain the most momentum. Only 58% of retail professionals saw the impact of such tactics last year, but these plans will become equally important by 2025.

Consumers are starting to realise how their shopping decisions affect the environment. This eco-awareness will put pressure on retailers for greener solutions, especially with the projected expansion of e-commerce and last mile delivery.

### Impact of Trends on Retail



Source: Euromonitor International Voice of the Industry: Retailing Survey, fielded June 2021  
Note: Percentage of professionals at retailers and consumer brands who selected moderate or strong impact.

## New Themes. New Concepts.

Three themes emerge from the trends expected to have the most influence near term. Our retailing experts drew upon these to identify novel retail concepts seen across the globe.



### RETHINKING THE STORE

Creative brick-and-mortar concepts, including but not limited to store formats, displays, unattended commerce, collection services, checkout processes and new in-store services.



### DIGITAL SHOPPING AND ENGAGEMENT

Innovative online shopping concepts, including but not limited to improved digital shopping experiences, new apps or digital loyalty programmes, livestream shopping, last mile delivery and integration of new technologies like AR / VR.



### SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Retail concepts with a core social and / or environmental purpose, including but not limited to recycling and reselling, reducing use of plastic or other waste, transparency in the supply chain, services for underserved demographics and promotion of minority-owned businesses.

Euromonitor International's annual What's New In Retail: Emerging Global Concepts report highlights the evolution and reinvention of the retail environment. These concepts represent the future of retail.

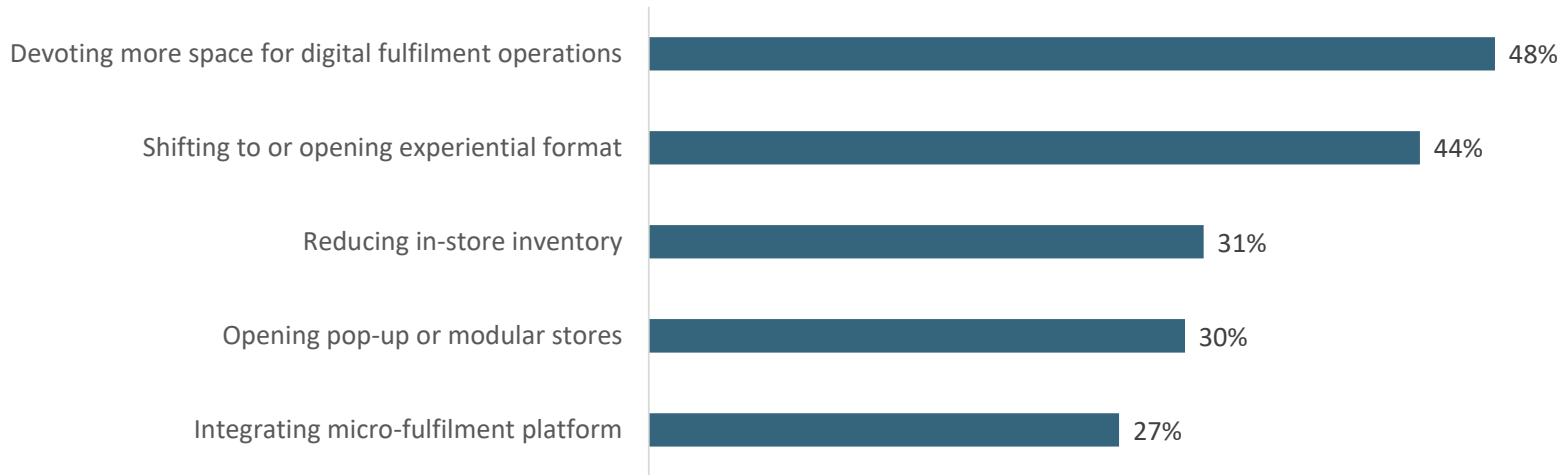


## RETHINKING THE STORE

The e-commerce acceleration does not diminish the significance of physical retail.



## Top Store Format Changes in 2021



Source: Euromonitor International Voice of the Industry: Retailing Survey, fielded June 2021

Note: Percentage of professionals at retailers and consumer brands that selected these changes their company is exploring with store formats.

Consumers continue to shop in stores to see, experience and test products. More than 70% of global retail sales will come from store-based outlets over the next five years. But we expect e-commerce to grow 60% compared to in-store sales at 9% concurrently.

Continued expansion of the digital channel requires retailers to reinvent their brick-and-mortar space. Supporting digital fulfilment, testing out experiential shopping and reducing physical selling space are adaptations seen in response to this channel shift.

**The future store** does not only require a change in format.

Retailers will also create new, elevated in-store experiences. The post-pandemic shopper will demand tech advancements that are seamless, streamlined and better integrated with the online channel.

The in-store experience and technology cannot be seen as separate entities. A comprehensive omnichannel strategy is crucial. Retailers must optimise store formats and in-store experiences to better weave the physical and digital retail channels together.



Source: adidas

LOCATION: UAE | LAUNCHED: FEBRUARY 2021

## adidas

adidas' flagship store in the Middle East transforms the traditional shopping journey.

Spanning nearly 1,500 square metres, the store features RFID smart fitting rooms and premium services like MakerLab, which personalises products. Shoppers can play esports FIFA sessions in the dedicated football area, join exclusive yoga sessions and shoot hoops at an in-store basketball court.

The adidas DXB store is the epitome of experiential retail. This concept embraces omnichannel, enabling the brand to connect with customers through several in-store digital touchpoints.

As a result, adidas delivers an engaging storytelling experience and offers a more personalised service to customers while elevating the brand's presence.



Source: Delipop

LOCATION: FRANCE | LAUNCHED: OCTOBER 2021

## Delipop

Delipop is a centralised click-and-collect location for pedestrians to access products from multiple retailers.

The new concept is a joint venture between French retail and logistics company Star Service and Polish robotics player Retail Robotics. The goal is to share the costs of last mile logistics while allowing customers to pick up their grocery orders from a single location.

Retailers, particularly in city centres, are at risk of market saturation and lower profitability as price wars intensify between delivery players.

Delipop can help address these issues thanks to lower logistical and real estate costs and their wider product selection.



Source: Ingka Group

LOCATION: CHINA | LAUNCHED: AUGUST 2021

## IKEA

IKEA reopened a newly renovated Shanghai outlet to test their Home Experience of Tomorrow format.

In addition to showrooms, the store is equipped with a theatre-like communal space for shoppers to socialise or relax, a restaurant that displays sustainable food practices and an area where staff can help repair old items and build new ones.

This store concept is designed to foster a sense of community, connecting customers through onsite workshops, knowledge-sharing sessions and entertainment.

Reclusive tendencies are common in the digital era as consumers turn to devices instead of one another. Stores can become a place for collaboration and thereby drive footfall.



# DIGITAL SHOPPING AND ENGAGEMENT

Online customers keep raising their expectations of the shopping journey.

COVID-19 expedited the need for a strong online presence. In our annual Voice of the Industry: Digital Survey, 78% of professionals reported that their companies accelerated their digital strategy in late 2021.

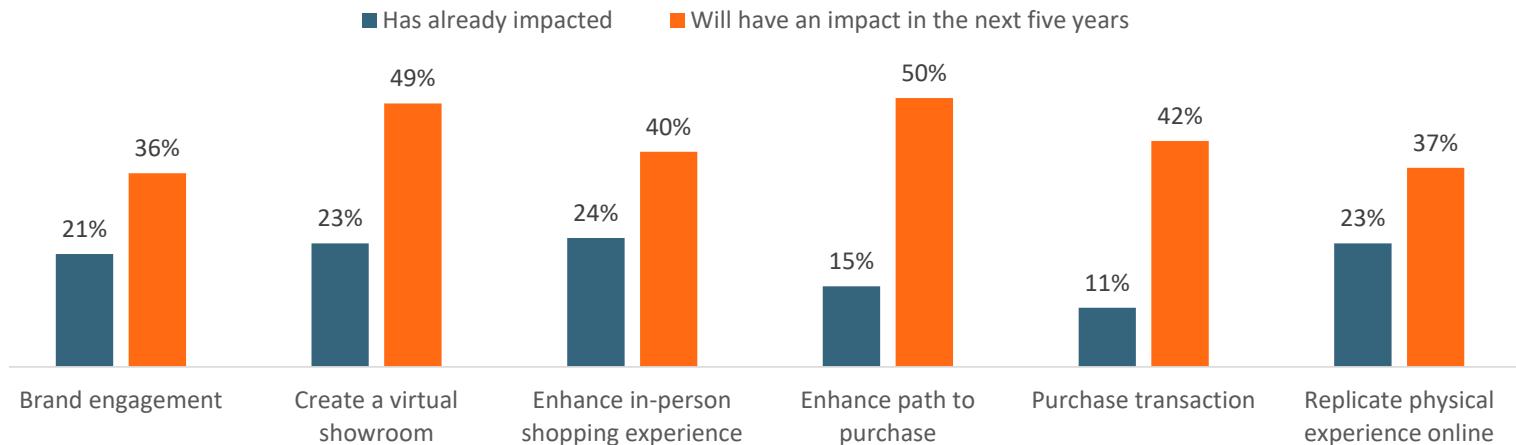
Now, companies are racing to establish themselves at the forefront of digital transformation. Digital shopping and engagement remain top strategic initiatives with virtual technologies playing a big role.

To date, AR and VR have been used to enhance brand interactions and replicate the physical experience online.

Tech investments in the coming years will relate to advanced applications like enhancing the path to purchase or creating a virtual showroom.

In time, these technologies will be leveraged to delve into the [metaverse](#). This futuristic virtual world will transform online shopping and allow consumers to experience brands in a more holistic manner.

### Impact of AR / VR Development on Retail



Source: Euromonitor International Voice of the Industry: Digital Survey, fielded November 2021

Note: Percentage of retail professionals that selected these responses as expected areas for AR / VR to have the greatest impact on their business.



Source: CU

LOCATION: SOUTH KOREA | LAUNCHED: AUGUST 2021

## CU

South Korean convenience store brand CU opened a digital store on ZEPETO, Asia's largest metaverse platform.

Players can participate in events or purchase virtual products, such as snacks, with ZEPETO's digital currency. The virtual CU store also features a concert stage, encouraging users to socialise and interact within the platform.

The metaverse recently came into the spotlight but is still emergent. Consumers are starting to participate in this burgeoning online universe, and usage continues to grow.

CU's digital convenience store exemplifies how a brick-and-mortar retailer can build brand awareness through a virtual platform to engage with existing and potential customers.



Source: Warby Parker



Renew your glasses or contacts prescriptions from home



Get started

Already a Warby Parker customer?

Sign in

LOCATION: US | LAUNCHED: JULY 2021

## Warby Parker

Warby Parker, known for disrupting the predominantly store-based optical goods channel in the US with their e-commerce model, created a new Virtual Vision Test app.

This app allows users to take an eye exam and renew glasses or contact lens prescriptions via their phones. Results are available in two days, and if the prescription is renewed, the customer is charged USD15.

Optical retailers have relied on in-store exams to drive sales because prescriptions are required for customers in the US to purchase corrective lenses.

Warby Parker's new app offers a digital alternative that will allow a larger portion of the business to move online, further disrupting this traditionally store-based channel.





LOCATION: SPAIN | LAUNCHED: FEBRUARY 2021

## Zalando

Zalando, a Berlin-based e-commerce retailer, launched a digital marketing campaign for a new streetwear collection, Street It All.

Using Google Street View, consumers can shop the apparel collection on Zalando's website while exploring the virtual streets of Barcelona, Madrid, Málaga and Valencia. This interactive platform allows customers to purchase items modelled by social media influencers while in Google Street View.

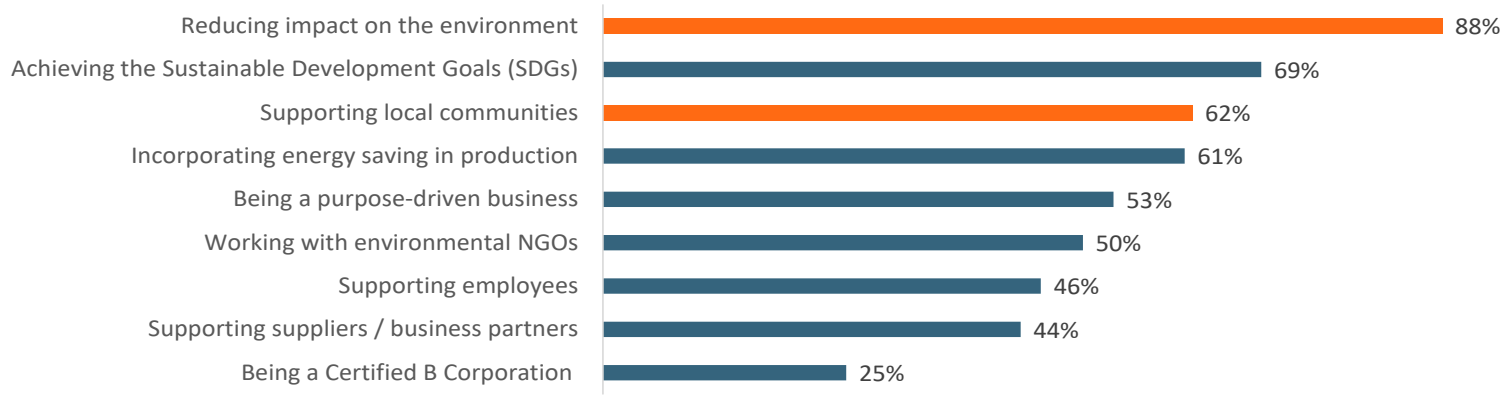
The partnership between Zalando and Google highlights the importance of finding unique, unconventional ways to showcase products. This collaboration previews the initial potential of virtual technologies, the metaverse and immersive digital shopping.



## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Social and environmental concerns sway purchase decisions and loyalty.

## How Businesses Viewed Sustainability in 2021



Source: Euromonitor International Voice of the Industry: Sustainability Survey, fielded June 2021  
Note: Percentage of professionals that selected each response.

Consumers are holding companies accountable. Retailers and brands must go beyond solely providing quality products to now also showcasing their corporate, social and environmental responsibility credentials.

These strategies are coming to life through eco-friendly packaging, circular models like renting and reselling, ethical production, services for underserved demographics or partnerships with minority-owned businesses.

In 2021, most retailers and brands defined sustainability as reducing environmental impact. But the pandemic also highlighted the importance of social responsibility.

Our Voice of the Industry: Sustainability Survey reported a strong 10 percentage point increase in the number of professionals associating sustainability with supporting local communities between 2019 and 2021.

Retailers need to focus on eco-efficient and ethical practices that reinforce the triple bottom line—people, the planet and profit.

¿Necesitas un producto Haceb,  
pero no tienes el dinero para comprarlo?

# Alquiler de electrodomésticos Haceb

Llama al  
**#466**

o escribe al WhatsApp  
**3164539797**



Un hogar, mil historias felices



LOCATION: COLOMBIA | LAUNCHED: AUGUST 2021

## Haceb

Appliance manufacturer Haceb is piloting a rental service for washing machines, refrigerators and stoves with a pay-per-use model targeted towards low-income consumers.

Customers only pay for their use of the appliance but have the option to purchase their rental unit if they want to keep it.

Leasing these products is common in the local informal market. But this service expands access to quality products from an established company.

This rental programme has both social and environmental benefits. Haceb leverages inventory to enter the shared economy with a new endeavour that reaches an often-underserved demographic.



Source: Movil Market 1070

LOCATION: COSTA RICA | LAUNCHED: JANUARY 2021

## Movil Maket 1070

Perla Cheves and Álvaro Jiménez converted a bus into a mobile supermarket to make grocery shopping more accessible to the elderly and other vulnerable populations.

Movil Market 1070 travels from Escazú to Santa Ana selling quality groceries and other supplies through partnerships with major companies like PriceSmart, Coca-Cola and Dos Pinos. The bus also accepts payments for utility bills.

E-commerce was a convenient substitution for in-store shopping during the pandemic, but some segments of the population, including the elderly, did not adapt as easily. Movil Market 1070 is a concept that could be scaled across regions to serve smaller, targeted communities.



LOCATION: GERMANY | LAUNCHED: MAY 2021

## REWE

REWE Green Farming supermarket takes a holistic approach to sustainability.

Built with natural wood, the store uses 100% renewable energy and rainwater for the rooftop farm, sanitary facilities and cleaning. The roof houses an aquaponic farming system that produces 14,000 pots of basil each week and one tonne of fish meat per month.

REWE's all-encompassing approach to environmental responsibility, from product range to construction to onsite resource-saving food production, stands out as a model to follow.



# WHAT'S NEXT FOR RETAIL?

Technology continues to break down barriers.

Digital touchpoints became a necessity to reach and engage shoppers. And e-commerce challenged the store's role.

These shifts are reflected in the strategic priorities of retailers.

In the year ahead, most professionals in our Voice of the Industry: Retailing Survey report the need to increase revenue in online channels, develop an omnichannel strategy and evaluate the role of the store.

The tension between physical and virtual is one of many at play. Social and environmental commitments are now turning into expectations. And sustainability initiatives will become the most important strategic priority in five years.

These forces are evident today. But retailers and brands are also navigating:

- How much data a consumer needs to share for cultivated moments
- The right balance between the role of a human versus a bot
- Power struggles as social media gives consumers a bigger platform against corporate giants

Rapid digitalisation over the last decade put innovation into overdrive. Adapting existing products, services and campaigns to meet consumer demands is essential for all players across the retail industry.

67%

Increase revenue  
in online channels

62%

Develop an  
omnichannel strategy

57%

Evaluate the role  
of the store

Source: Euromonitor International Voice of the Industry: Retailing Survey, fielded June 2021

Note: Percentage of professionals at retailers and consumer brands that selected these responses as strategic priorities for their organisation in the next 12 months.

*Make sure you identify how these competing forces impact your part in the retail world. Then, conduct scenario forecasting to better map out strategic directions for your business.*



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## About the Authors



Michelle Evans is the Global Lead of Retail and Digital Consumer Insights at Euromonitor International. Based in Chicago, Michelle drives the firm's retail and digital research, providing actionable insights into where and how consumers shop. Clients tap into her in-depth knowledge of digital transformation, e-commerce and tech innovation to accelerate growth strategies. She has shared her expertise across industry events, including NRF Big Show, CES, Shoptalk and Money20/20. She also has a reoccurring column in [Forbes](#).



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Special thanks to our global network of retailing experts who contributed to this report.

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## How Euromonitor Supports the Retail Community

Euromonitor International helps organisations understand where and how consumers shop through both syndicated and custom research. Comprehensive international data coverage and insights within [our syndicated subscription service](#) gives retailers, consumer brands and others in the retail industry the resources needed to guide decisions on investment, expansion or product positioning by category, channel or country. Surveys of consumers and industry professionals provide additional insights as to what consumers want from the retail experience and where industry peers are investing.

Euromonitor International also supports organisations with future-proofing their retail strategy for the digital era. Our custom solutions help them understand if their long-term strategy is aligned with wider industry shifts. These tailored research projects could include an exploration of where to invest next, what channels to focus on now, how to target consumers or what it takes to compete.

[Connect with one of our retailing consultants](#) to find the best solution for your business needs.