

What Will Retail Stores Look Like in the Future?

The development of the internet sparked the most dramatic change in retail stores in the modern era. With more people shopping online, the future of retail will continue to change in remarkable ways. Some of which we are only just seeing today.

Despite the perception of a growing online market that is shrinking physical retail stores, the truth is that [retail sales are growing](#). Despite the COVID pandemic of 2020, retail sales grew by 7% that year and increased even more in 2021. In 2021, twice as many stores opened as closed which marks a healthy sign for brick-and-mortar stores.

There are currently just over a million retail or [brick and mortar stores](#) in the US alone. Furthermore, there are roughly 1.8 million online retailers that are based in the US, representing about 25% of the total online marketplace.

With the online world expanding while the brick-and-mortar stores seemingly in retreat, what does the future hold? The answer is still uncertain, but there are some definite trends that are emerging. What follows are some predictions about what the future of retail stores will look like over the next several years.

Digital Products

It may seem counterintuitive at first, but the embracement of digital goods combined with the paradigm shift in Web3 bolsters the sales from retail outlets. A virtual version of popular products provides customers, particularly younger ones the ability to experience them while increasing the sales from physical retail stores.

With the rise of Web3, it is believed that it will have an impact on retail like the arrival of Amazon in the late 1990s. With younger customers being drawn to what Web3 offers, the pressure on retail store owners to jump on the trend today is quite strong.

However, this approach is balanced with providing real-life experiences that continue to draw customers into brick-and-mortar stores. This means that bitcoin and blockchain technology along with Web3 provide a powerful advantage. But the metaverse itself where consumers do all their shopping and have experiences online is still far away.

People are still social creatures, which is why going to the theater, attending festivals and concerts, and shopping at retail stores is still a vital part of their lives. The future of retail stores is certainly strong in this regard, but it still will undergo many changes.

New Designs in Store Layout

It seems that for decades the layout of typical retail stores has changed very little. However, with the incursion of online-only brands opening brick-and-mortar stores or having physical sites in malls and larger retail stores, the layout of the traditional retail store is changing rapidly. Some of these changes are:

- Experience-Oriented Areas
- Fulfillment Centers
- Interactive Displays

By opening the space to create an area not unlike a boardwalk, it offers a greater number of experience-oriented events which are further explained in another section of this article.

Fulfillment centers have been growing rapidly over the past couple of decades. Best Buy is a great example of having stores designed primarily as fulfillment centers for local delivery. It's no surprise that other retail outlets are embracing the concept.

Fewer products will be on the shelves. The space will be taken by more interactive displays used to fulfill online orders. This is a small version of what a fulfillment center provides, but in a store that still offers plenty of physical products. The future of retail stores will continue its embrace of online fulfillment which provides a greater number of products available.

Ecosystem Platforms

Creating ecosystems within the retail store is a trend that has been building for quite some time. Instead of the traditional retail company that sells products it owns directly to customers, the ecosystem approach creates a platform for a retail store to provide products from several different companies.

Perhaps the most prominent example is Walmart which has created the Walmart Marketplace. You see examples of the ecosystem approach inside many larger Walmart stores which have banks, financial services, health clinics, and the like inside.

The ecosystem approach tends to work best with general retail stores such as Walmart. Such markets provide considerably more profits, can be scaled according to demand, and are quite resilient in terms of their supply chains. With greater pressure applied by uncertain supply and demand trends, the ecosystem approach offers a broader base to attract consumers into their stores. It also serves as a traffic generation strategy that draws more people into the stores.

Experienced-Based Economy

While there are several factors that affect retail stores across the country and around the world, one of the more interesting trends are stores that provide additional experiences for the consumer. Here are just a few:

- Art Programs
- How-to-Do Sessions
- Yoga Classes and more

Hardware or home improvement stores are well-known for offering paint and how-to-build classes for many of the products they sell. The concept is expanding to different types of retail stores which provide positive experiences for their customers. With the traditional retail experience being product-based, the future of retail stores may include providing experiences which give consumers more reasons to get out of their homes.

The goals of the experience-based retail store are to provide a positive experience and build a community of customers. The concept itself can be seen at festivals and public gatherings. While quite successful, providing more experiences for the customer will require a greater investment from retail store owners. The potential for greatest success may lie with niche or specialty stores that focus on one type of product.

What all this means for consumers who believe that retail stores may be on their way out is more than just hope they will stay around. Change is the essential element of survival, especially in a retail world where competition is king. And while the internet and online platforms have certainly changed the way people shop, it has also brought about positive changes for the physical retail stores as well.

The future of retail stores is sound, at least for the next few decades. Barring unforeseen advances in technology, the need for people to get out and purchase goods and services will mean brick-and-mortar stores will have a strong presence in communities around the world.

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About the Author:

Elias Amash, President of GRIP, is an industry veteran with more than 30 years of experience in global sourcing, manufacturing, distribution, retail merchandising, fulfillment, marketing, technology, and operations. He is a trusted partner to hundreds of retailers and has “leveled up” the industry with GRIP’s undying commitment to offering only the highest levels of service to its customers. Amash has published several books: 8 Skills That Pay Off Forever, The Top 10 Most Important Lessons, The Retail Advantage: How to Win the War with Amazon, Retail Survival: Who Lives, Who Dies and Why, The 50 Most Important Lessons in Life, The Future of Retail, Importing from China: The Good, The Bad, and The Ugly, and 101 Bright Ideas: Winning Tactics to Increase Retail Sales.

About GRIP:

GRIP was incorporated by Charles Amash in 1980 and has grown into one of the nation’s top suppliers of innovative products to the retail industry. Located just south of Grand Rapids, Michigan, GRIP features a 200,000 sq ft state of the art warehouse facility including a 2,000 sq ft product showroom. GRIP carries a product line of over 1,000 specialty tools, tarps, automotive, cargo control, cleaning, LED lighting, magnetics, outdoors, household items, impulse and general merchandise. GRIP has a proven track record of excellence in supplying retail clients with innovative products, timely fulfillment, and world-class customer support. At GRIP, everything is about earning your business...one customer at a time. It’s about building relationships and fostering business partnerships that will last long into the future. Our goal is to have Customers for Life. The future at GRIP is exciting and we’re hoping that you can be a part of it as one of our many Customers for Life.

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