



# Future of Retail

MIT CTL “Future of Retail” Roundtable – *insights summary*  
14 and 15 November, 2018



MIT Center for  
Transportation & Logistics

# Future of Retail

Insight themes:

- Retail operations.....3
- Diversification and competition.....4
- Dynamic consumer behaviors.....5
- Delivery strategies.....6
- Digital transformation.....7
- Omnichannel.....8

*Advance roundtable summary.  
complete report to follow.*



# Retail operations and supply chains

Sales are increasing and online is thriving!



**Purchasing preferences and technological usage**

Technology, AI and big data might help analyze data to build tailored route-to-market strategies.



**Convenience is a need**

Close location, ready-to-eat products and scheduled deliveries are competitive advantages.



**Health consumption, transparency and sustainability**

Curation is evolving as a strategy. It may also build brand awareness.



**Value the experience**

Retailers must create an emotional connection and attract clients to multiple channels.



**Quality products and delivery**

Stores with no inventory (show-rooms) provide a unique shopping experience and home delivery.

What if the stores had services like childcare or nutritionists?

Offer services in the retail stores

Bring retailers to offices

What if people could get their groceries at their workplace?

# Diversification and competition

**Who are the customers?**  
What will their preferences be?

Key drivers to compete: **manage differentiation; get a tailored diversification of products/services** and collaborate with diverse SC stakeholders.

**Customization help to shorten the product lifecycle** and is a way to compete with marketplaces.

**Innovative stores** turn consumers into active players in the stores.



The **marketplace experience** affects how the customer looks at the brand → This relates to **how much an individual invests/spends**.

**Differentiation** comes from **convenience, price, shopping experience and customized assortment**.

**Reverse** should be considered in the **SC planning**.

**Retailers should offer solutions instead of products!**

# Coupling dynamic consumer behaviors with evolving retail SCs



New business offer a **customized assortment, value-added services** and are more **customer-centric**.

Having data from their patronage, **retailers will understand** how they spend their money, where, how and why.

Shape the **future delivery services** using **omnichannel**, evolving **multi-tiered urban logistics** and **urban air mobility**.

Traditional geographic approach does not consider **product** and **consumer profile features**.

**The next step is how to use the data!**

Develop **smart order fulfillment and retail operations** across the SC **tailored by consumer profile**.

What are the **main factors** that **drive consumer preferences** and the dynamic **retail landscape**?

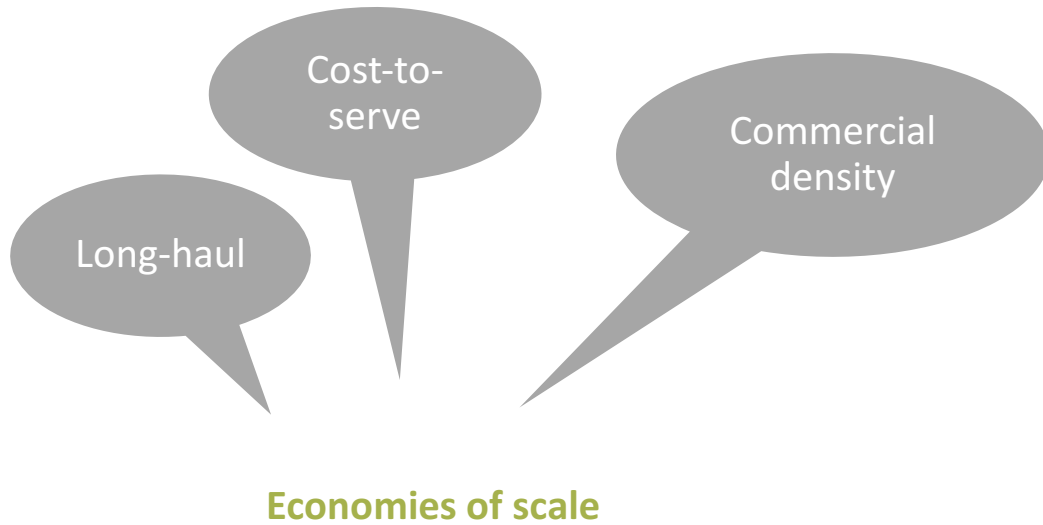
Retailers have to **connect** consumers to **products/services** via **pricing, promotions and locations**.

Retailers have to **serve** consumers using **flexible, forward-looking, effective SC strategies**.



# Transportation and delivery strategies

Optimization of current and future transportation strategies in retail SC.



Challenges in the transportation and delivery strategies for companies



Companies do not collaborate over the last mile because it depends on sharing their consumer's personal information. It is possible to monetize the process by collecting and sharing data → **Choose the right partner instead of competing.**

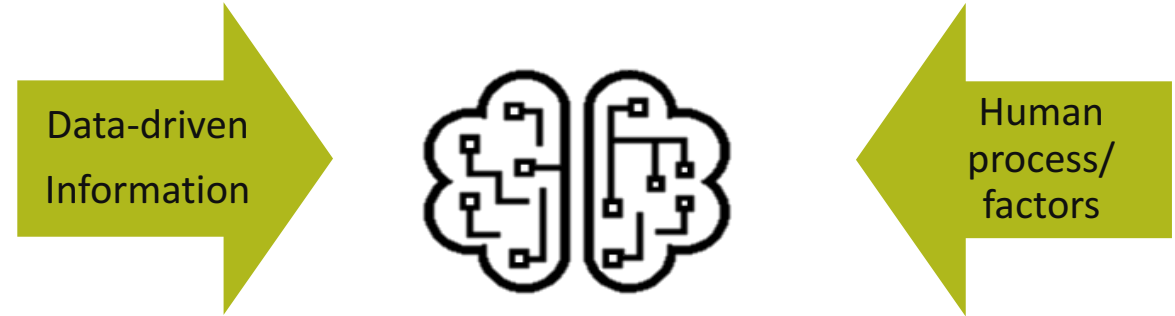
# Digital transformation and collaboration

How to integrate the value chain End to End.

## Main challenges for digital transformation in retail SCs?



## How to Balance?



Monitor performance and give feedback

## Next step in Digital Transformation: Challenge collaboration through value sharing and trust!



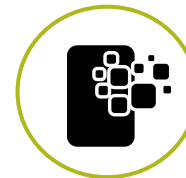
**Data + Customers and Relationships** are used to leverage customers and suppliers.



It is not about having a cheap solution or using technology. It is about changing the organization.



Data have become retail industry's ultimate goal; therefore, coupling **internal and external talents will lead the next stage for transformation.**

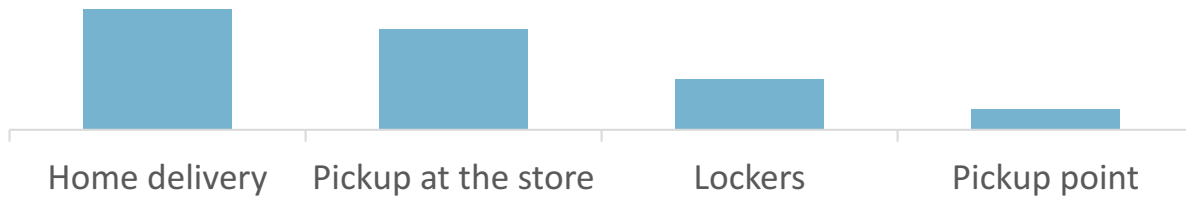


Digital Transformation is attacking your supply chain whatever you are ready or not.

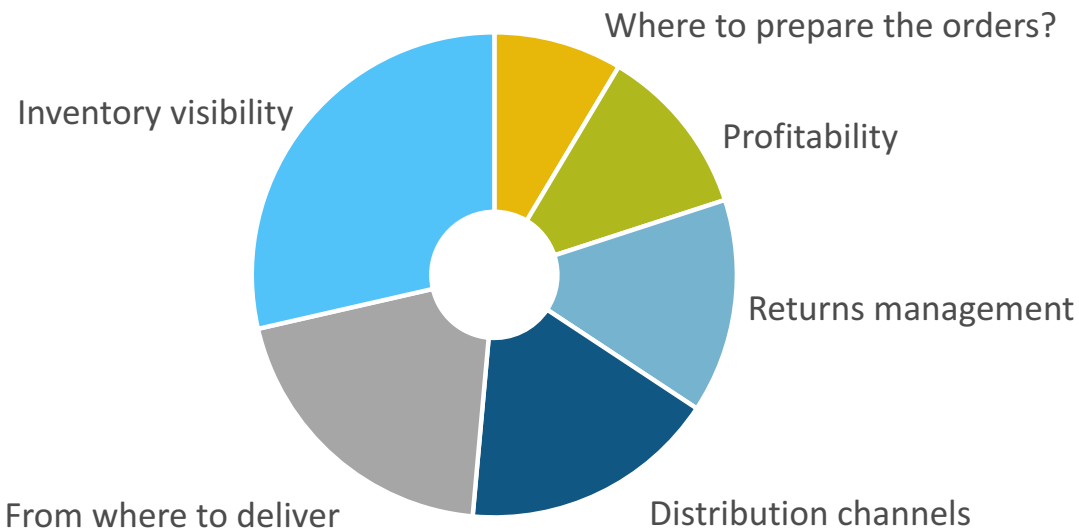
# E-commerce and omnichannel strategies

How to use assets more efficiently.

Distribution channels retailers are offering / planning to offer to the online customers



Main challenges



Mobile Commerce

Buy from anywhere



Pickup from anywhere

Connect consumer preferences with the logistics strategy!





# Future of Retail

Thank you for your participation and contribution to the conversation



MIT Center for  
Transportation & Logistics