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To resource, space
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The Future of Retail

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The four megatrends Rapid Urbanization, Changing Demographics, Hyper Globalization, and Accelerated Innovation will leave a sustained and transformative impact on businesses, societies, economies, cultures and our personal lives. The focus of this article will be on Rapid Urbanization and its implications on retail.

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Overall, people are increasingly moving to Urban environments. In 12 years' time, by 2030, there will be 8.6 Billion people in the world, and the majority of them will live in increasingly larger and larger cities. We call these cities with 10 million or more people – “Megacities”.

There are roughly 21 Megacities today. But by 2030, that number will double to 41. And we don't have to wait till 2030 to see the change take effect. By 2024, only 6 years from now, 42% of the world's population will live in Cities, driving 50% of global GDP growth. This equates to 1.8 billion new consumers, with an estimated 95% of them from Emerging Markets.



Rapid Urbanization will lead to the impactful trend of City Evolution, which sees the introduction of pop-up stores, smaller

stores, reusing of space, a sharing economy, and shifts in merchandizing and store designs. Cities have to evolve from being space constrained, congested and resource intensive, to being space, time and resource efficient. With shared

spaces and smaller spaces, spaces need to be utilized in a smarter way, such as the introduction of pop-up stores.

Pop-up stores are warmly welcome in densely populated environments and allow for expanding customer reach, lead generation, product education, brand awareness and upselling through new formats and partners. Through pop-up stores, retailers can test new products, formats and concepts, and experience-driven brand exploration - such as test-sitting in a car, trying on VR goggles, et cetera - while reducing real-estate costs.



Even traditional retailers are increasingly investing in same-day delivery services in urban centers. Brick-and-mortar stores now offer the same

products and prices in their online stores too. This redefines the role of the traditional brick-and-mortar store, where there is a shift of the consumers' mindset from “just in case” shopping/hospitality to “just in time” shopping/hospitality.

The future of retail is driven by global megatrends, affecting the world and impacting our experiences. HP's vision of the future of retail is to reimagine the retail store, reimagine the supply chain, and to reimagine the buying and merchandising.