



# What Grocery Retail Will Look Like in 2030

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**KANTAR CONSULTING**



**Microsoft**







# The “Smart” Question

How is a retailer to reach 2030 with all the changes expected in every aspect of the business?

How will we be a successful part of the Smart Matrix of

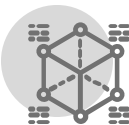
- Smart Shoppers,
- Smart Homes,
- Smart Cities,
- Smart Devices,
- Smart Employees,
- and Smart Stores.





# The Key Questions to be Answered

How is a retailer to reach 2030 with all the changes expected in every aspect of the business?



1

What will the **shopper** be like and how will their changed requirements for shopping change the store?

2

What **tools** do we need to explore, evaluate and invest in for that future?

3

How will **complex automation and artificial intelligence (AI)** enable or complicate that future?

4

What will the **store and its virtual extensions into the community** and home look like in the future?

5

How to cope and **leverage the huge amounts of data** that will be rapidly created in this new environment?

6

How can we manage **the requirement of transparency** and value from the shopper via product origins and tracking?

7

What **financial moves** do I need to consider now for the ten year journey ahead of us?

How will we be a successful part of the **Smart Matrix** of Smart Shoppers, Smart Homes, Smart Cities, Smart Devices, Smart Employees, and Smart Stores.

# The Retailer Matrix of 2030 and Planning

The one constancy of the future is that it will be more integrated at far higher speeds of connecting data and information





# What will the shopper be like and how will their changed requirements change the store?



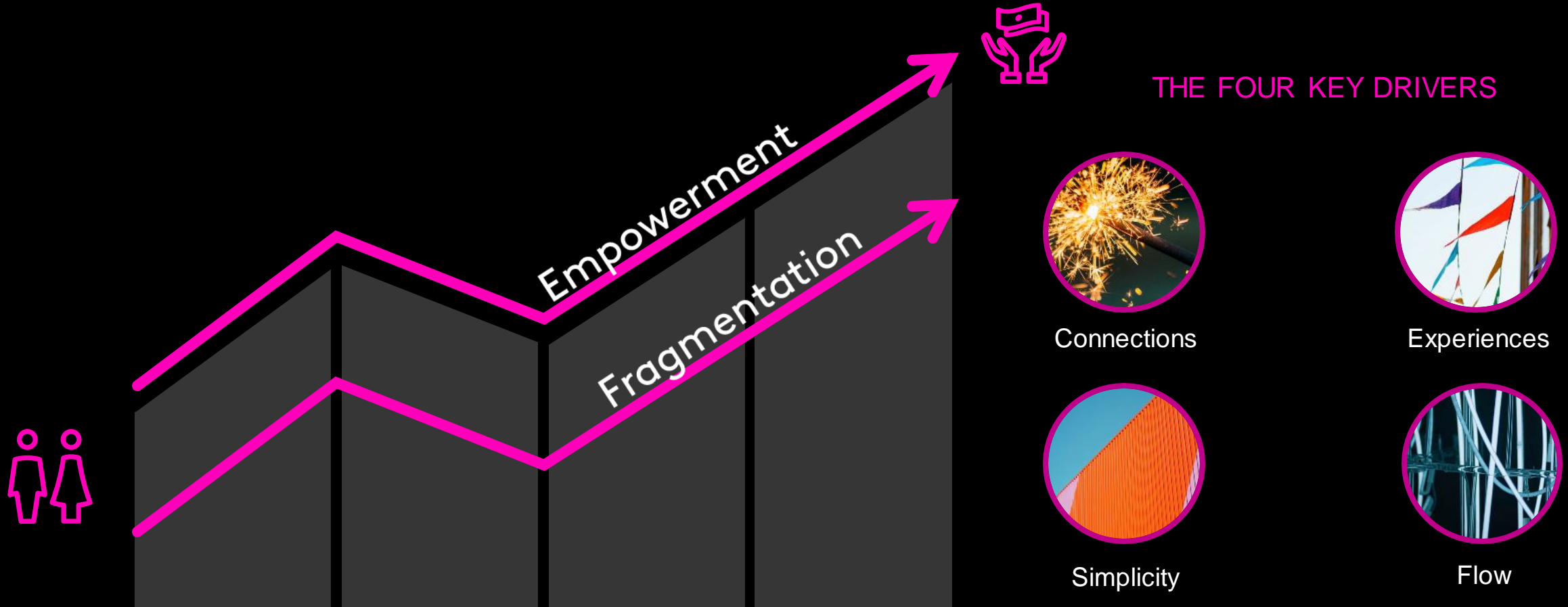
**The Smart Shopper Reality:** Providing **connections**, enabling **flow**, creating **experiences**, and seeking **simplicity**... all at the same time



The demands shaping the future shopper are overlapping and mutually supportive of their needs

# The current shopper is becoming 'epicurean'

Shoppers will shape the retail and shopper landscape over the next several years

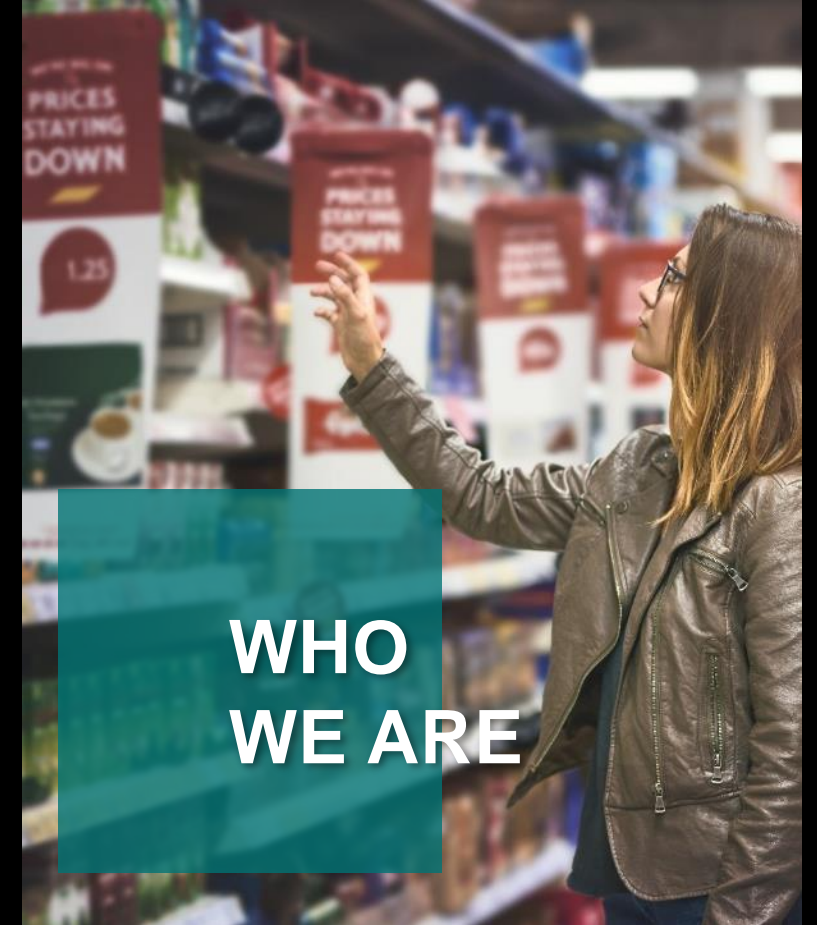




# Epicureans will shape the future of shopping in three main ways



All of them are digitally enabled across all channels: omni-digital



# For the Retailer to Function in the Future it will need the Right Tools



Smart Tools are a requirement for managing with a very dense data and automated environments that will be the future store.



Visual recognition of ratio and movement



Emotion identification



Facial verification



**Financial Tech (FinTech)** establishes frictionless experiences while lowering price sensitivity and raising the value of convenience and experience



# For the Retailer to Function in the Future it will need the Right Tools



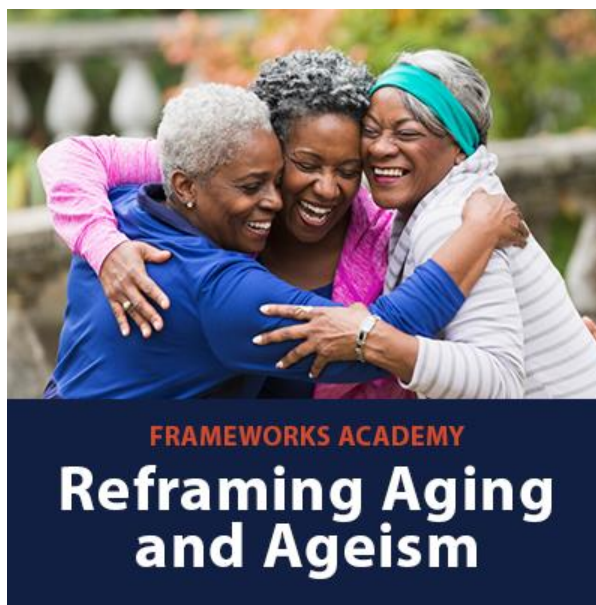
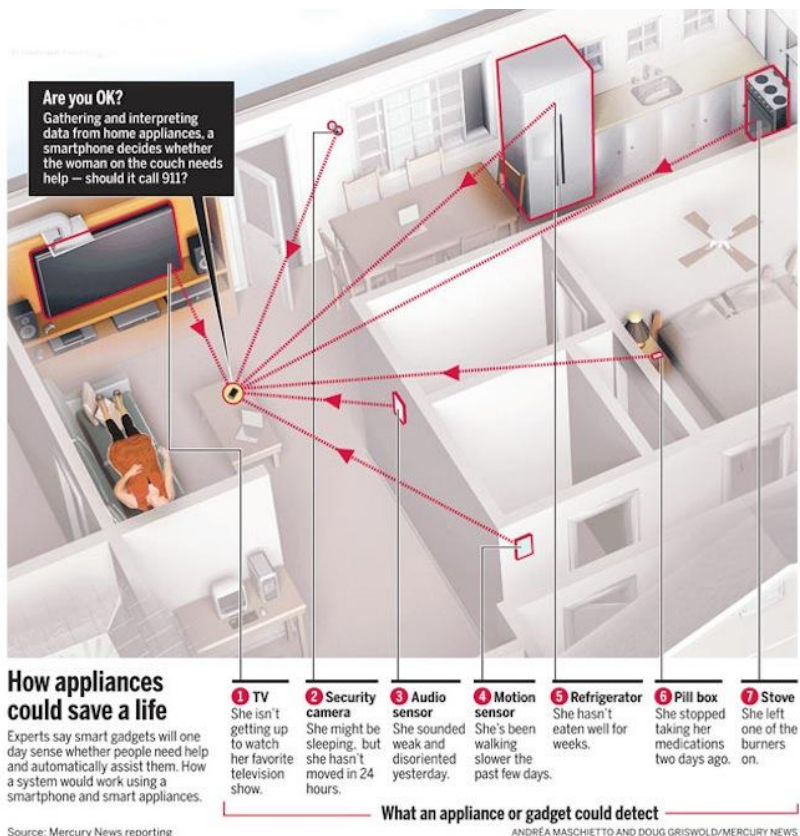
Smart also means remodels and enabling existing stores and distribution centers to fit to the new shopper requirements of 'frictionless' checkout, affordable order builds and options for building and delivering orders



# The smart home starts with 'point and command' but in the future will become proactive



Directly connecting the home and retail greatly expands transactional relationships and longer term loyalty drivers

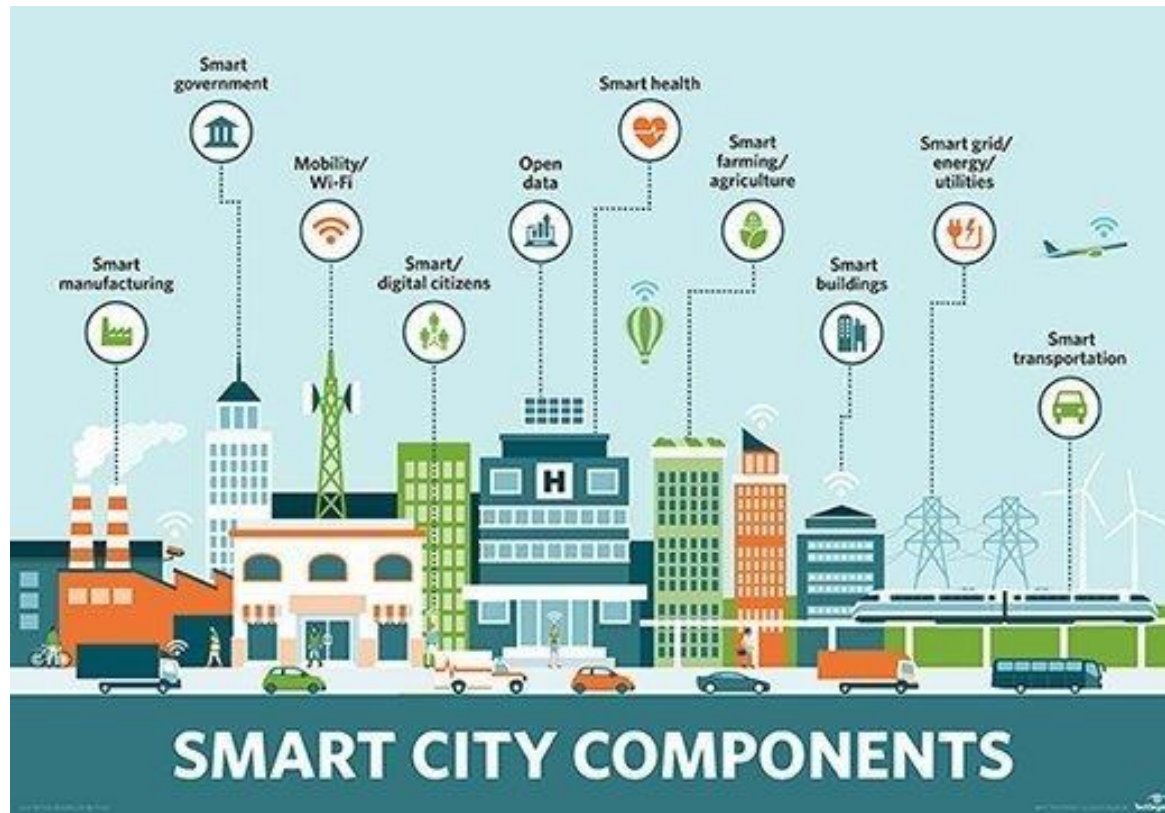




# Smart homes, smart retail integrate to smart cities for full effectiveness



Integration provides benefits to all, but especially to the retailer in an omnichannel environment



A simple view



The complex reality

# Smart employees and robots form the new team of productivity



Robots are AI in motion and critical partners going forward

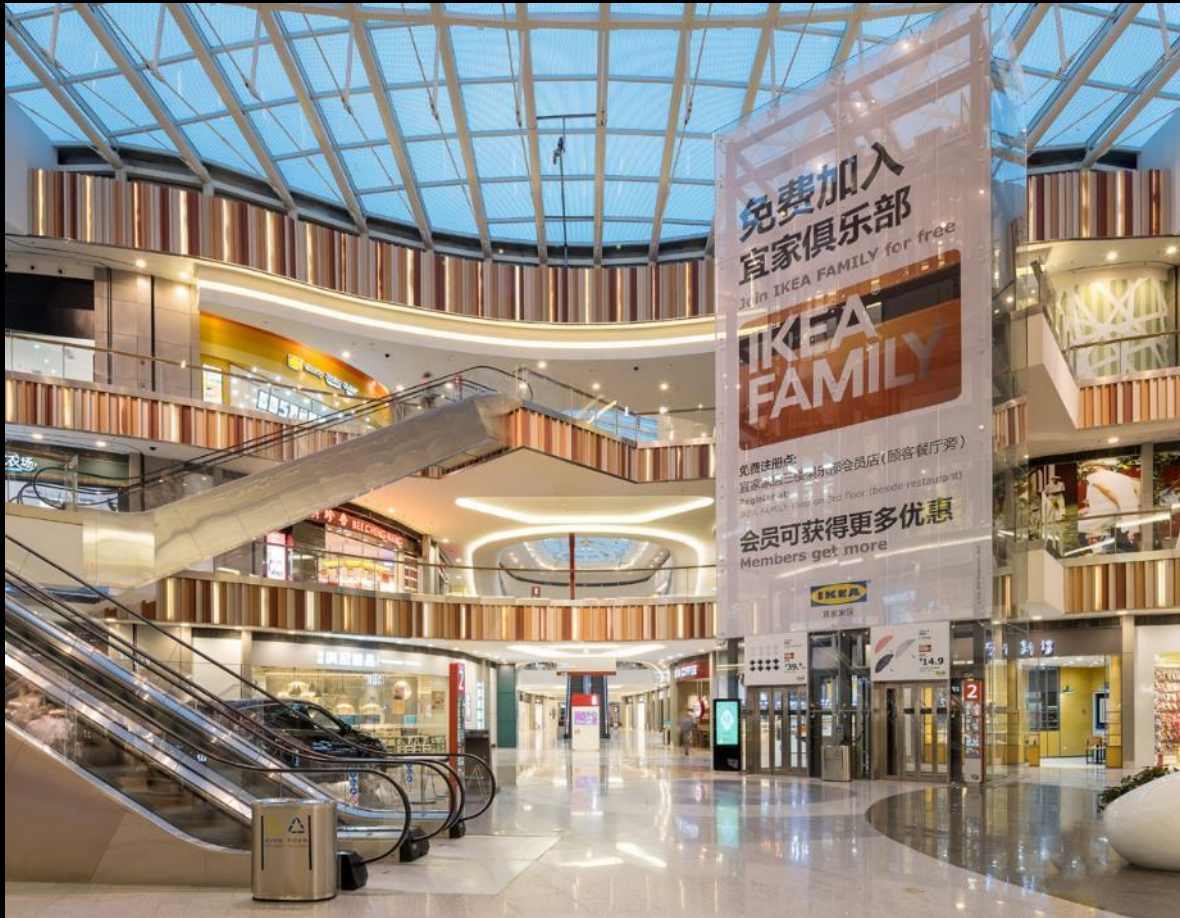




# Smart buildings expands beyond the store into the full experience



Online B2B expands to B2C engagement via eCommerce, digital signage, through malls and commercial tenants.

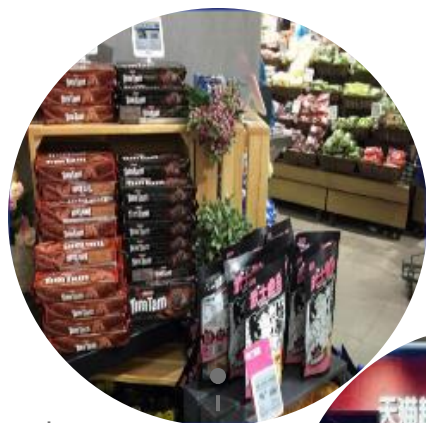




# HEMA for Alibaba have successfully integrated digitally to create a smart store



HEMA, the new retail format by Alibaba, integrates both offline store and digital advantage -- and has proven to be a successful business model



Internet Hero SKUs and Internet Brands' landing offline via Hema

Shopping zone for Online Hero SKUs



Tmall Super Shelf in Hema

Shopping App



5,000 SKUs

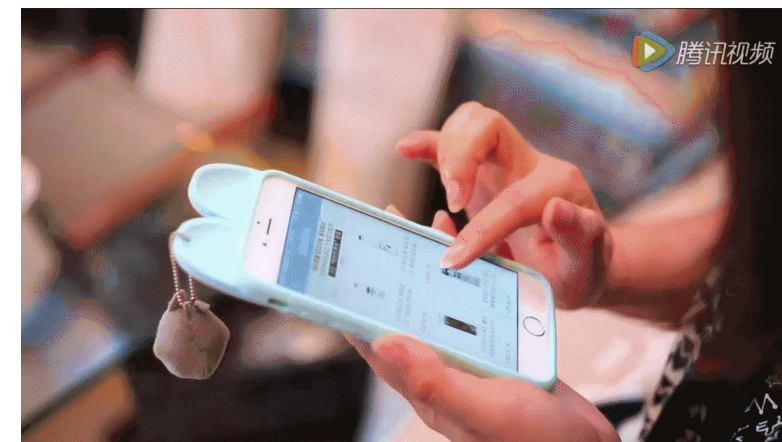
250 million GMV yearly per store

Embedded in Taobao



80% fresh foods

70% of orders from online



3~5 km around HEMA Store

30-minute ~ 1-hour delivery

Free delivery for all orders



# Smart fixtures and interactive surfaces and integrate AI are the next step



Every part of the store is digital and accessible to the cloud ecosystem of the shopper, the retailer, and potentially the vendor



AM  
SMART SHELF



**Metrics**  
ATTENTION: 0:20  
AGE: 40-50  
GENDER: Male  
ETHNICITY: Caucasian  
HAPPINESS: ■  
SURPRISE: |  
ANGER: |  
DISGUST: |  
FEAR: |  
SADNESS: |

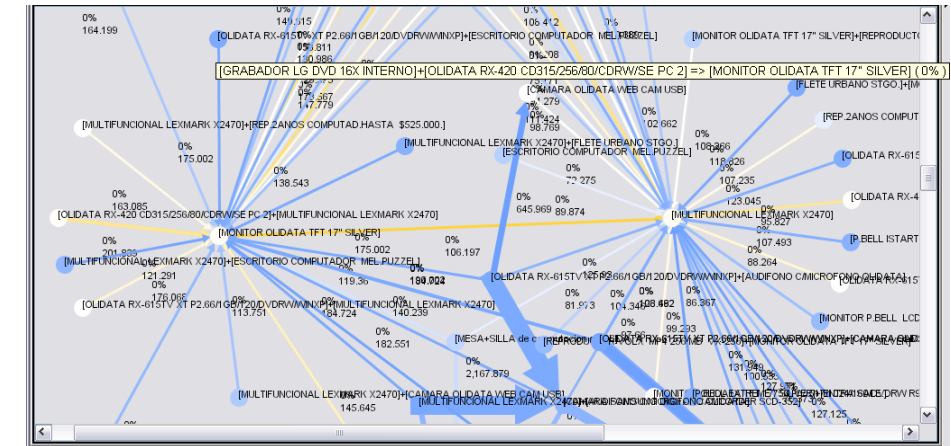
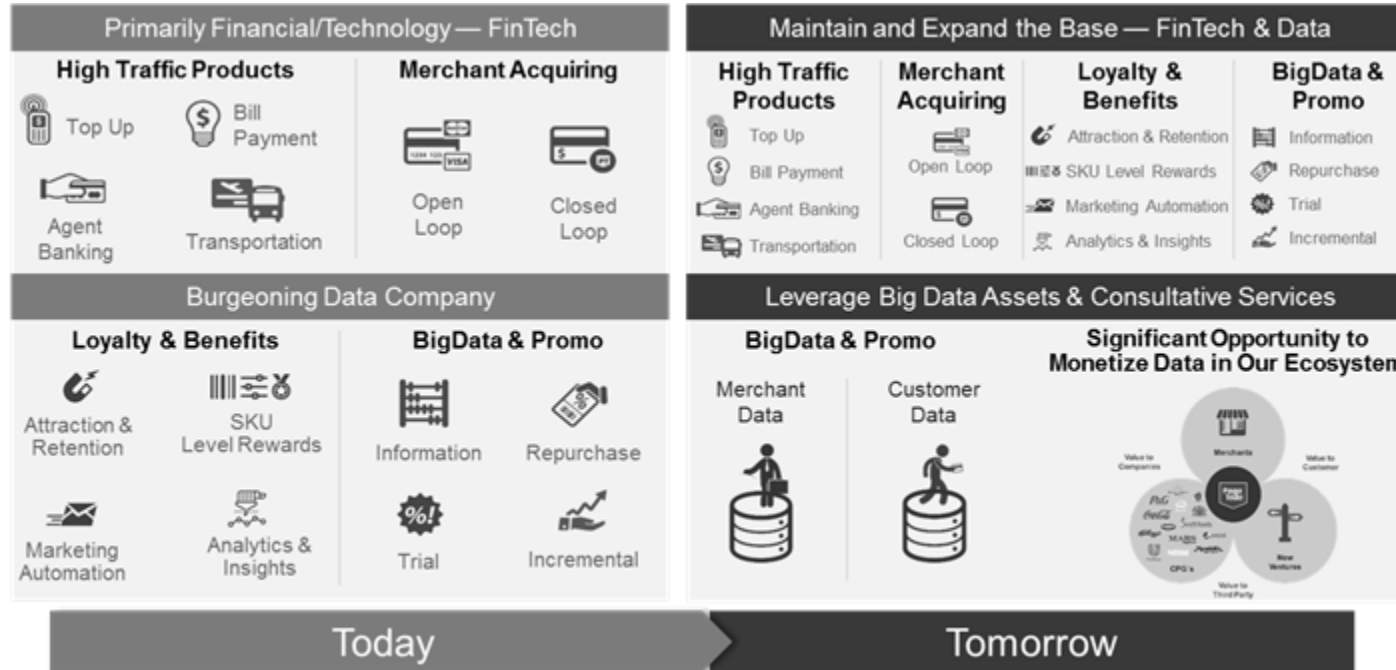


GLIMM  
SCREENS INTERNATIONAL

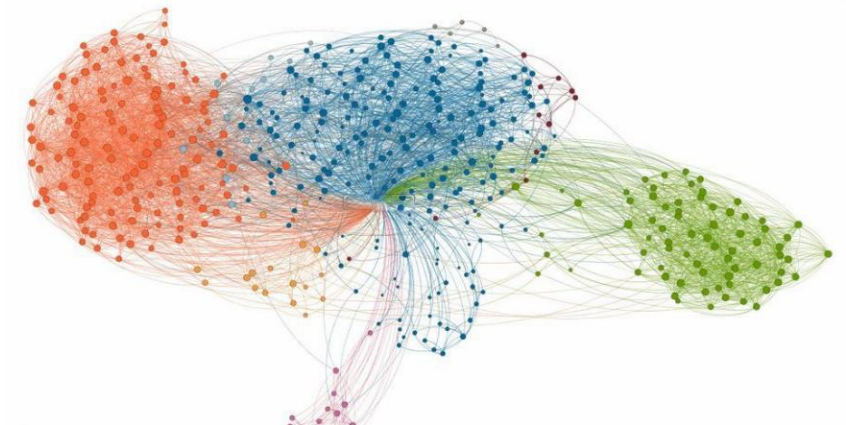
# How to cope and leverage the amounts of data rapidly created in this new environment?



Smart Data is more than collection; it is managed, stored, protect and placed in the best possible situations for profitable use



LinkedIn Maps Professional Network

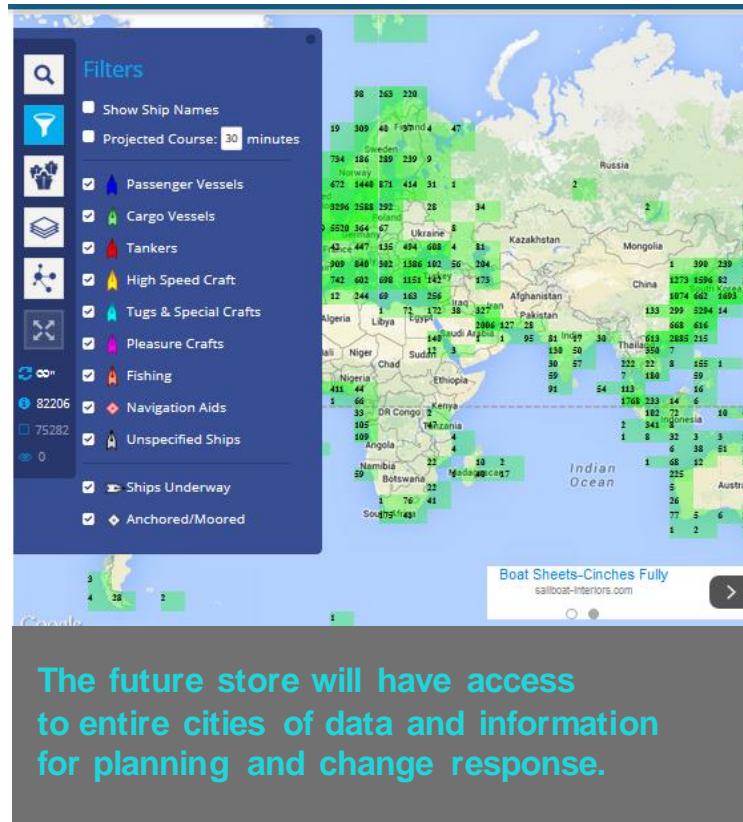




# How to cope and leverage the amounts of data rapidly created in this new environment?



Open source data and blockchain are expanding rapidly. So is security risks.



You became victim of the PETYM ransomware!

The harddisks of your computer have been encrypted with an military grade encryption algorithm. There is no way to restore your data without a special key. You can purchase this key on the darknet page shown in step 2.

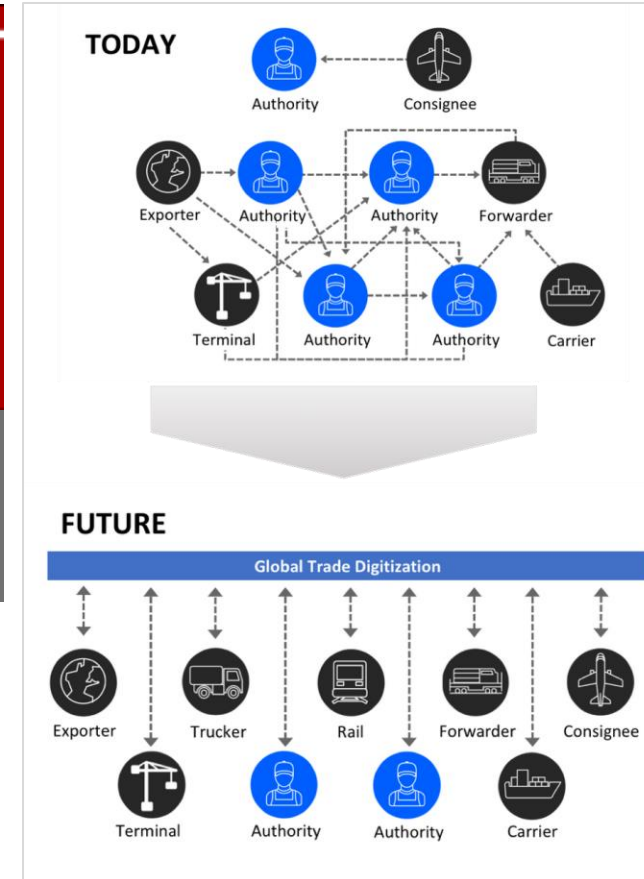
To purchase your key and restore your data, please follow these three easy steps:

1. Download the Tor Browser at "<https://www.torproject.org/>". If you need help, please google for "access onion page".
2. Visit one of the following pages with the Tor Browser:  
<http://petya.onion/g>  
<http://petya.onion/g>
3. Enter your personal decryption code there:

If you already purchased your key, please enter it below.

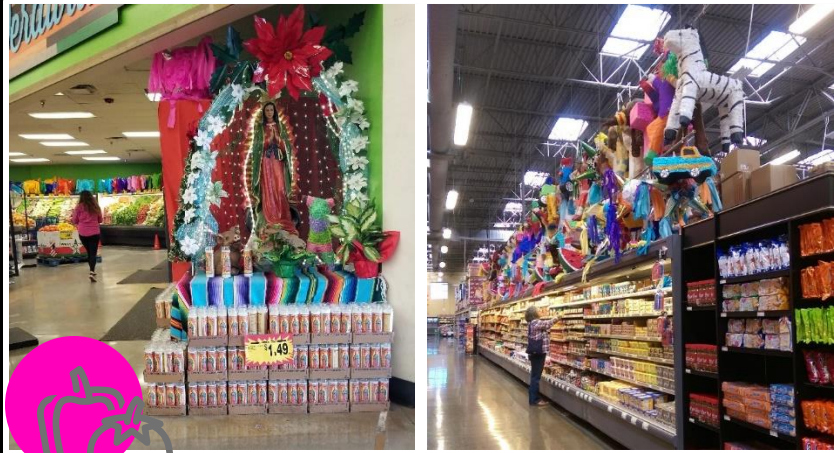
Key: \_\_\_\_\_

Security demands will increase as the value of data to the future retailers and shopper increases



Blockchain is rapidly moving into real usage in everyday logistics management and product tracking

# How can we manage the requirement of transparency and value from the shopper via product origins and tracking?



For ethnic shoppers fresh and authentic to their current life means links to their origins and culture. In the Hispanic



Urban Farming continues to shift to interior space



A living wall creates not only a 'texture' of fresh if can also be practical in making a cleaner quality of air.



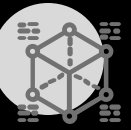
## Future format: The hybrid farm grocery destination store

Often this format evolves from a legacy farm (surrounded by suburban sprawl), transforming a farm stand into a formal, highly efficient local/fresh retail format

**ATKINS**  
Farms  
Your Local Market







# The integration of the Smart Store with the Smart Home, The Smart Shopper with the Smart Employee is where digital is going in the next decade





# Actionable Insights

1

Position the store to expand to new missions

and

Leverage and test the legacy store

2

Plan to review emerging “lifecycle” expectations regularly

and

Ensure flexibility and adaptability:

3

Factor-in service model requirements

and

Expect neighborhoods and catchment areas to change



**Final Note:** 5G and other communications are part of this unpredictable future.

*Planning should include an expectation of 1000x as much data being shared and acted upon than today.*

# THANK YOU

