

The Future of Retail

Chances are you know there is a sea change going on in the retail industry. But you may not realize how far and how fast the online tide is rising. Singularity University founder Peter Diamandis invites you to recall the powerful retail networks created by Sears, J.C. Penney and Macy's. Since 2006, the stock value of Sears has fallen from \$14.3 billion to \$300 million—a 98% drop.

Over the same time period, JCPenney's stock value fell from \$18.1 billion to \$1.2 billion (-94%) and Macy's, worth \$24.2 billion in 2006, is now worth \$9.3 billion (a 62% drop). Less dramatic but still significant price declines can be found at Kohl's (-54%), Nordstrom (-28%), Best Buy (-25%) and Target (-20%). Diamandis notes that in 2017, over 6,700 physical stores closed their doors.

Meanwhile, the premier online retailer, Amazon, has seen its total market share value rise from \$17.5 billion in 2006 to \$726.3 billion in 2018, a rise of more than 4,000 percent.

It's anybody's guess whether Amazon will continue drawing sales and market value from the bricks-and-mortar retailers, but Diamandis points out that this remarkable shift has been accomplished despite e-commerce only accounting for 10% of total retail sales in 2017.

It seems like a sure bet that this number will continue to grow, although the actual trajectory is uncertain. Diamandis does, however, see some hope for physical retailers on the horizon, as custom 3D printing will make it possible for people to walk into a store, log onto a terminal and custom-order clothing or other items that will then be physically created on-site. And he notes that the so-called “experience economy” will extend to retail purchases, as people don virtual reality glasses and create their own custom kitchen redesign or map out their upcoming vacation trip to Prague.

Source:

<http://www.diamandis.com/blog/future-of-retail>