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5 Trends Will Converge To Change Retail Even Faster In 2021



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Retail

I write serious and sometimes comic musings on retail's evolution

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Guest Blog: Pensa at the Center of Retail's Biggest Trends

By David Ritter | 3 March, 2021

In late January, a major influencer and thought leader in the retail space, Chris Walton, published an article in Forbes titled “[5 TRENDS WILL CONVERGE TO CHANGE RETAIL EVEN FASTER IN 2021.](#)” Chris is the CEO of [Omni Talk & Third Haus](#) and former VP Store of the Future at Target who produces some of the best retail-related content out there. When Chris publishes something, I pay attention.

In the article, Chris outlines how changes and innovation in retail are accelerating and converging around five core trends – Social Commerce, Third-party Delivery Marketplaces, Hyper-local Micro-fulfillment, BOPIS with an Indeterminate “S,” and Computer Vision. In my opinion, Chris’ article was a great summation of the biggest trends in retail 2021.

As I often do when I read interesting perspectives in this ecosystem, I sent the article to Richard Schwartz, CEO of Pensa Systems, with a short note along the lines of “see #5, great take on the power and potential of computer vision.” However, as I reflected on my note to Richard, I realized that I was being way too literal in my thinking. As I stepped back, I came to the

conclusion that Pensa Systems actually had the ability to drive and support change across four of the five top trends.

Specifically, in order for trends #2-#5 to converge to deliver truly transformative change, several real and meaningful operational challenges need to be addressed:

2. *Third-party Delivery Marketplaces* – as Instacart and Doordash become even more powerful in the delivery ecosystem, the single biggest customer complaint is “substitutions.” Using near-real time shelf data can give the end-consumer an actual view of what is available and reduce this headache for everyone.

3. *Hyper-local Micro-fulfillment* – with the stratospheric predictions for growth of micro-fulfillment solutions such as Takeoff Technologies and Ocado, how will stores ensure accurate ordering across multiple inventory locations – micro-fulfillment center inventory, backroom inventory and the “black hole” of on-shelf inventory?

4. *BOPIS with an Indeterminate “S”* – whether the customer picks it up from a locker, service desk, or an adjacent building, the retail employee will be required to pick the item (most often from the shelf). An understanding of true on shelf availability will be critical for efficient execution.

5. *Computer Vision* – beyond the purely operational use-cases described above, Pensa Systems’ computer vision has the ability to truly transform retail CPG category management. Optimized plan-o-grams and assortments based on new data featuring actual in-stock and sell-through numbers should be a huge unlock in 2021.

Clearly, the trends paint an optimistic view for Pensa Systems to serve as a foundational piece of the future of retail.

David Ritter is a Managing Director at Alvarez & Marsal, Consumer and Retail Group. He was formerly Partner and Leader of the Retail-Store Operations Practice at McKinsey and Company.