These 5 Trends Defined Retail in 2019

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Key Insights:

The way we shop changed radically in 2019. It was the year two-day shipping became slow, BOPIS somehow seemed less ridiculous—perhaps because we've heard it so much by now—and Prime Day expanded into a two-day affair.

We've already reflected on Amazon's enduring impact on shopping, so here's a look at the trends that defined the wider retail industry in 2019:

Faster fulfillment—everywhere

In 2019, we saw Amazon lead the charge to make one-day shipping the new standard, with other retailers expected to follow suit if they want to remain relevant.

Amazon invested $800 million in first- and last-mile fulfillment channels this year alone, which Oweise Khazi, director of Amazon intelligence at Gartner for Marketers, said will allow the ecommerce platform to vertically integrate its supply chain.

"This will grant Amazon the control and flexibility it thrives on, coupled with a reduced dependency on third-party delivery partners, which will curb the substantial fulfillment costs the company has historically spent—close to $45 billion in 2019 as per estimates," he added.

Additionally, Amazon partnered with brick-and-mortar retailers

like Rite Aid and is expanding its physical footprint to allow consumers to receive and return products across channels, he noted. And, through its Multi-Channel Fulfillment initiative, Amazon is starting to offer this capability to other retailers.

Meanwhile, Walmart is keeping pace with shrinking delivery windows, and its 5,400 U.S. stores where curbside pickup is available gives the country's largest retailer a huge advantage.

"These offerings will once again redefine consumer expectations and the industry must hustle to keep pace," Khazi said. "We may even see North America's forgotten malls resurface as an engine to service ecommerce, as the gap between physical and digital shrinks.

"The fulfillment arms race kicked off in 2019, however, the end goal is not to get product from Point A to Point B the fastest. The winner will be defined by the multitude of channels they can move products in from Point A to Point B—and back."

Michael Brown, partner in the consumer and retail practice of strategy and management consulting firm A.T. Kearney, agreed that one of the biggest 2019 retail trends was retailers reclaiming ground from their online competitors. At least, to a certain extent.

"Walmart and Target proved they can compete and win against Amazon when they do it on their terms, not Amazon's," he added.

Click and collect

Buy online pick up in store (BOPIS) surfaced as a retail trend in 2018, and it truly went mainstream in 2019, with BOPIS orders growing by 39% this year, according to Adobe Analytics.

Grace Smith, director of digital media investment at media and marketing services company Mindshare, pointed to retailers like Walmart and Target, as well as big grocery chains, that invested in click-and-collect in 2019 and saw an uptick in consumer adoption as a result.

“It’s part of these stores rolling out a more multifaceted ecommerce offering that isn’t just limited to fast and free-[or] low-cost shipping,” she said. “Retailers are winning as a result—click-and-collect is becoming a major fulfillment model for perishable goods, and they are also seeing other categories grow via this model as consumers build their baskets online.”

Media networks

This was also the year that retailers followed Amazon’s lead by investing in their own media networks. The (familiar) list includes Walmart and Target, which Todd Bowman, senior director of Amazon and product marketplaces at performance marketing agency Merkle, said sought to expand their capabilities and onboard more brands.

“A lot of retailers and platforms are trying to create offerings that go beyond the biggest brands, and spenders to be more approachable and utilize their first-party data to inform and optimize their offerings to expand revenue generation inputs,” added Elizabeth Marsten, senior director of strategic marketplace services at digital marketing agency Tinuiti. “The sponsored product ad unit is becoming an expectation.”

Employee activism

As we look back, 2019 may also be defined by the flurry of employee protests at retailers like Amazon, Walmart, Wayfair and Whole Foods, which saw staff take stances on a wide range of issues, from government contracts and carbon footprints to gun sales and a living wage.

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