



**NELSON**

**(RE)DUSTRIAL REVOLUTION:**

**HOW INDUSTRIAL  
PRACTICES ARE  
INFLUENCING  
RETAILERS**



# MEETING MODERN CONSUMER EXPECTATIONS

Consumer expectations are at an all-time high, with demands for faster delivery, curated experiences, and seamless integration between online and in-store shopping. To keep pace, retailers are revolutionizing their supply chains with industrial-inspired innovations like automation, micro-fulfillment centers, and real-time inventory tracking to deliver speed, efficiency, and unmatched convenience.

In parallel, physical retail spaces are evolving to accommodate hybrid shopping behaviors like buy online, pick up in-store (BOPIS), and same-day delivery. Back-of-house areas are expanding to manage higher inventory volumes and order fulfillment, while front-of-house spaces are becoming more dynamic, offering interactive and personalized experiences. By blending advanced technology with creative space planning, retailers are creating environments that cater to both digital and physical shoppers, ultimately driving loyalty and satisfaction.







ACE HARDWARE, WILMER, TX



BMW, GREER, SC



JFK TERMINAL LOGISTICS, QUEENS, NY



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## NOW

Retailers are transforming their operations to meet the growing demand for hybrid shopping, seamlessly blending e-commerce and in-store experiences. This shift is driving innovations in supply chains, real estate strategies, and stock management, with a focus on last-mile delivery and enhanced pickup solutions.

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## NEXT

Retailers are embracing digital technologies like RFID, NFC, and beacon tech to enhance personalization and streamline transactions. Store designs are becoming more flexible, with modular spaces and reimaged parking lots to accommodate drive-thru lanes, curbside pickup, and delivery access. As customer expectations shift, stores are integrating digital features and creating adaptable, welcoming environments to cater to evolving needs.

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## THE FUTURE

The hybrid shopping model will dominate, combining e-commerce with in-store experiences for both essential and high-consideration purchases. Real estate will evolve, expanding back-of-house areas for automation and last-mile delivery centers in urban and suburban locations. Retailers will also use fulfillment centers for both deliveries and returns, creating a seamless customer experience.



**70%** of consumers now prefer a hybrid shopping experience, blending online convenience with in-store interactions for a seamless journey.



## Now: ADAPATING TO THE HYBRID SHOPPING ERA

Hybrid shopping is now a routine for consumers, prompting retailers to adapt their supply chains and operations for both e-commerce and in-store experiences. The shift toward direct-to-consumer (DTC) models is driving changes in real estate and supply chain strategies, especially around last-mile delivery. Retailers are optimizing back-of-house (BOH) areas to support delivery and buy-online-pickup-in-store (BOPIS) models, while also adopting new strategies to highlight products beyond traditional store layouts.

### OPERATIONAL PRIORITIES

- Redesign warehouses and fulfillment centers to handle higher delivery volumes.
- Integrate digital touchpoints to enhance purchases online & in-store.
- Optimize pickup areas for seamless customer & staff experiences.
- Improve coordination with third-party delivery services.





**40%** of retail spaces will require new purposes within the next five years, with repurposing being a key solution.

## Next: EMBRACING DIGITAL INNOVATION AND FLEXIBILITY

Retailers are adopting digital technologies like RFID, NFC, and beacon technology to enhance shopping experiences and streamline transactions. Front-of-house spaces are blending showrooms with stockrooms, while parking lots are redesigned for drive-thru lanes, curbside pickup, and delivery vehicle access. Flexibility in store design, influenced by industrial practices, allows for quick adaptations to changing consumer needs and inventory demands. Meanwhile, industrial facilities must evolve to efficiently support these shifts in retail operations.

### OPERATIONAL PRIORITIES

- Leverage underutilized spaces for hybrid functions, such as flexible stock or pickup areas.
- Invest in infrastructure to support contactless and digital payment systems.
- Redesign store layouts to integrate digital features like smart shelving and app-guided navigation.
- Optimize industrial facilities for agility, enabling fast restocking and streamlined fulfillment processes.
- Reimagine parking lots and outdoor spaces to meet the growing demands of drive-thru and curbside services.





# The Future: EVOLVING FOR THE MODERN CONSUMER

In the coming years, retailers and industrial spaces will integrate even more advanced technologies like AI-driven inventory management and autonomous vehicles for both deliveries and in-store operations. This evolution will transform not only fulfillment centers but also physical store layouts, which will become more experiential. We'll see the rise of hyper-localized fulfillment hubs placed closer to urban areas to facilitate faster deliveries, and advancements in robotics will play a significant role in handling inventory and streamlining the supply chain.

## OPERATIONAL PRIORITIES

- Invest in automation and AI for inventory management and seamless in-store operations.
- Redesign retail spaces to create dynamic, experiential environments that blend e-commerce with in-store interactions.
- Strategically place hyper-localized fulfillment hubs to meet growing demand for rapid delivery.



# NELSON

We look forward to unlocking value  
through design for your organization!

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