

Shopping in cities in the future – consequences for retail

Michael Björn, Adjunct professor, Lund School of Economics and  
Management & Head of Ericsson ConsumerLab

&

Ulf Johansson, Professor, Lund School of Economics and  
Management and Director for *Centre for Retail Research at Lund  
University*

*Contact author: Ulf Johansson, [ulf.johansson@fek.lu.se](mailto:ulf.johansson@fek.lu.se)*

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### **Abstract**

Data from Ericsson ConsumerLab (Ericsson, 2013) indicate that cities, for living, for shopping etc, will continue to play a big role in people's life, in Sweden and in many other countries. One of the major positive things that consumers find in cities, according to the ConsumerLab study, is shopping and shopping possibilities. These rank high when it comes to satisfaction with living in a city. However, demands from consumers become higher and higher. Here consumer – 67% of them – want same-day delivery that works online and in stores. Some 50% of the consumers want a mobile goods navigation service that lets them know what items are in stock in their vicinity, allowing them to plan trips and minimize travel. 69% of respondents indicate that they would use the same day service for grocery shopping.

Following this study – and others – the need for new retail formats and services linked to these formats seem quite clear. While retailing in abundance is present in cities, the increasing digitalisation and the increasingly digitally active consumer puts pressure for realizing new business models in retail. Multichannel research (e.g., Berman & Thelen, 2004; Ganesh et al 2007; Jones & Runyan, 2013; Kollmann et al 2012; Kwon & Lennon, 2009); McGoldrick & Collins, 2007) has indicated the importance of multiple channels for consumers and the need for companies to coordinate efforts in communication, delivery etc visavi consumers. The new demands of consumers seems to be calling for new business models to be developed in retailing, business models working in collaboration with the physical store or working from a completely different logic.

But what business models are there except the physical store and the e-tailing concept? The business model literature is growing (Dunford et al 2010; Eriksson et al 2008; Giesen et al 2007; Casadesus-Masanell & Ricart, 2010; Johnson et al 2008; Osterwalder & Pigneur 2009) but not much has been made of business models in retailing (for an exception see Sorescu et al 2011).

The aim of this paper/presentation is to develop and discuss, using business model literature (and especially Osterwalder & Pigneur, 2009 and Soresco et al 2011), how different business models could look like and what the underlying logic of different business models would be.

The paper/presentation will build on some data from the Ericsson ConsumerLab studies of shopping in cities. The business model discussion will also build on data (secondary data).

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