

# 'Retail as a Service' Platforms Will Help Brands and Retailers Scale

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**eMarketer Editors**

While our 2019 prediction of digital's influence on the reinvention of brick-and-mortar has materialized, it may have also undersold Amazon's omnipresence in the space. The 800-pound gorilla of retail will continue to cast a wide shadow.

As discussed in our recent report, "[Ten Key Digital Trends for 2020: What Marketers Need to Know in the Year Ahead](#)," brands now find it increasingly difficult to avoid Amazon as both a competitor and a selling partner. With retail growth expected to soften in 2020 amid recessionary headwinds, online sellers will feel Amazon's squeeze, and brick-and-mortars will sweat the company's physical encroachment as never before.

"So many emerging brands lack the resources to make the investments they need to scale, and the last thing that many of them want to do is rely on Amazon as their quickest path to scale," eMarketer principal analyst Andrew Lipsman said. "Fortunately, there are a number of RaaS [Retail as a Service] providers in the market helping them grow their operations while maintaining more control of their own destinies."

Some of these providers include:

**Shopify:** Already the one-stop shop of choice for small- and medium-sized ecommerce merchants with its storefront, checkout and payment features, the fast-growing Canadian ecommerce platform's recent rollout of fulfillment services will put it on a more direct collision course with Amazon in 2020.

**Microsoft:** A fierce competitor to Amazon on the cloud side of the business, Microsoft will raise its profile in 2020 as a clear alternative for white-label "store of the future" technology, such as cashierless checkout and dynamic pricing displays.

**Neighborhood Goods:** This "department store of the future" concept allows emerging brands—primarily direct-to-consumers (D2Cs)—to get into physical retail through flexible pop-up storefronts. It will become the entry point into brick-and-mortar for the latest wave of D2Cs. As many reach the natural limits of early growth in digital and look for ways to scale, easy access to physical retail will help them resist selling on Amazon—at least for the time being.

In 2020, these Amazon alternatives together will democratize retail by letting more players get into the game while helping others navigate their digital transformations. As RaaS providers step in to fill the innovation gap with back-end technology and infrastructure, retailers will be able to focus on their differentiators: brand and customer experience. Although more headlines of the retail apocalypse are sure to ensue, ironically, 2020 will be the year that many retailers set strong foundations for growth and future success.

"There will be signs of disaster dotting the retail landscape next year, and they'll look even worse against the backdrop of a recession," Lipsman said. "But let's not lose sight of the revitalization of retail that's already well underway and allowing a thousand new flowers to bloom."

eMarketer PRO subscribers can learn more about the top digital trends that marketers need to track in 2020 by reading our report:

**Report** by Jillian Ryan Dec 09, 2019

## Ten Key Digital Trends for 2020

### TEN KEY DIGITAL TRENDS FOR 2020

What Marketers Need to Know in the Year Ahead

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