



The world in  
**2025** | Global Trends



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# Global trends

These are the massive underlying forces that will evolve the worlds of consumers, retailers and manufacturers. We can't predict exactly how they might do that - but understanding them helps us make better strategic plans.



1 

**Retail & e-retail**

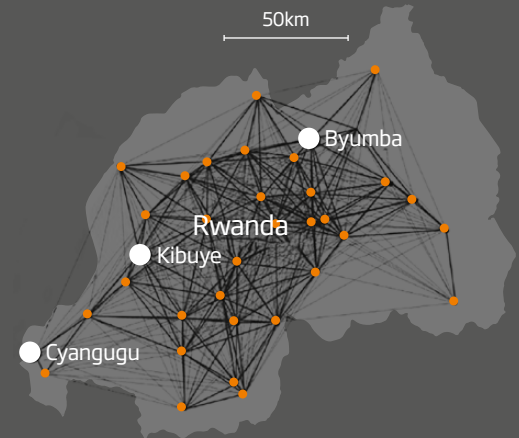
E-retail is reshaping the high street. It's also reshaping our home lives, traffic on our roads and the job market. Retailers in the US and Europe are developing strategies to compete effectively with Amazon. In the developing world, e-retail may leapfrog conventional stores altogether. There are precedents: most developing world internet users have never owned a desktop or laptop - they began with smartphones.

**Cargo droneports**

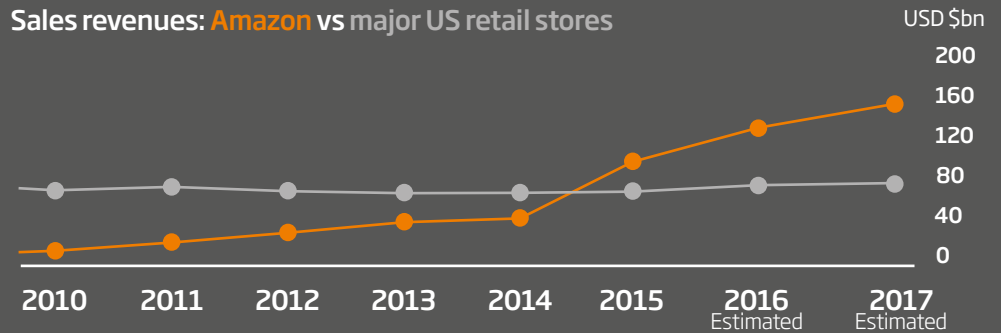
To overcome the restrictions of transport infrastructure, British architects are working on a large-scale project in Rwanda to build three droneports to deliver medical supplies and electrical parts. The map shows how many Rwandans the new droneports could reach.

Amazon is experimenting with drones as a delivery device. How long before we have a retailer dropping in through our roof?

- Droneports
- Hospitals



**Sales revenues: Amazon vs major US retail stores**

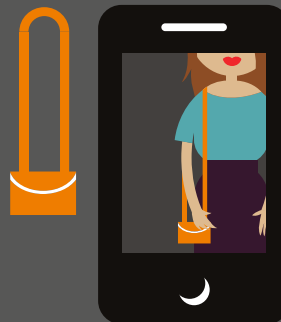


Source: Bloomberg Finance LP via Business Insider

2 

**Brands**

Brands were once a guarantee of quality in the era of mass production. Now we have instant access to consumer reviews, product quality is counting for more and advertising for less. Barriers to entry are falling in many categories, heralding a surge in 'Microbrands' from one-man distilleries to niche automotive players. As global manufacturers struggle to maintain their margins, supermarkets' own brands are also applying pressure.



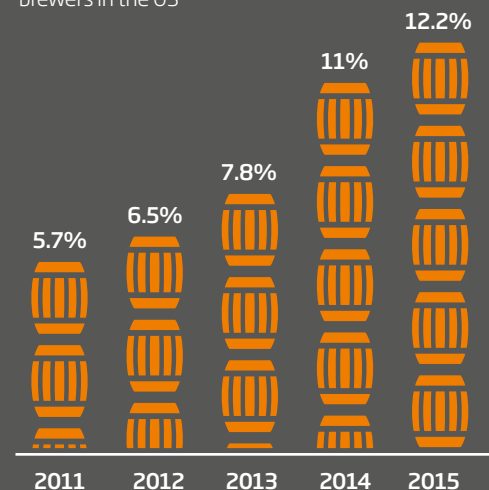
**64%**

of women who shop for apparel on their smartphone agree that **seeing images of products in context** positively influences their purchase decision.

Source: Google/Ipsos Connect

**The rise of craft brewing**

Volume share for craft brewers in the US

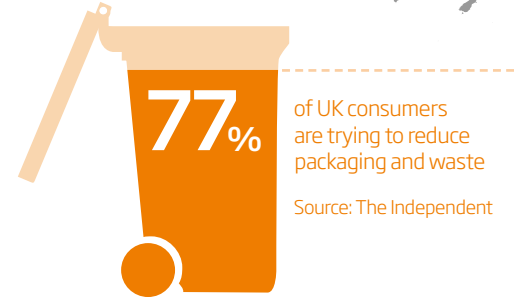
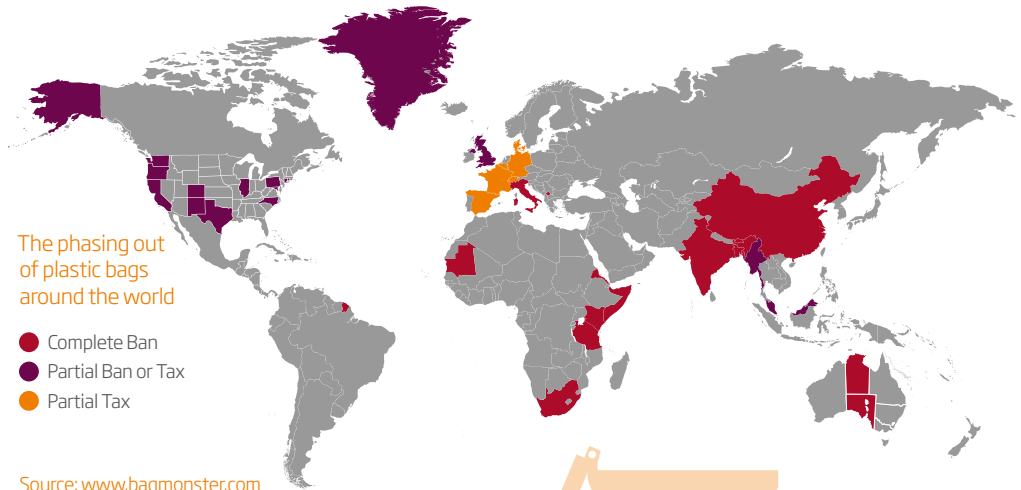


Source: Brewers Association (US)



### Social pressure for zero packaging

Across the world, plastic bags are being banned or being charged for. Consumer campaigns are pressuring retailers into reducing packaging. The developing world, with less efficient waste disposal infrastructure, may lead the way in this. Meanwhile e-commerce is making transit packaging more visible in people's homes and sensitising them to concepts such as voids in boxes.

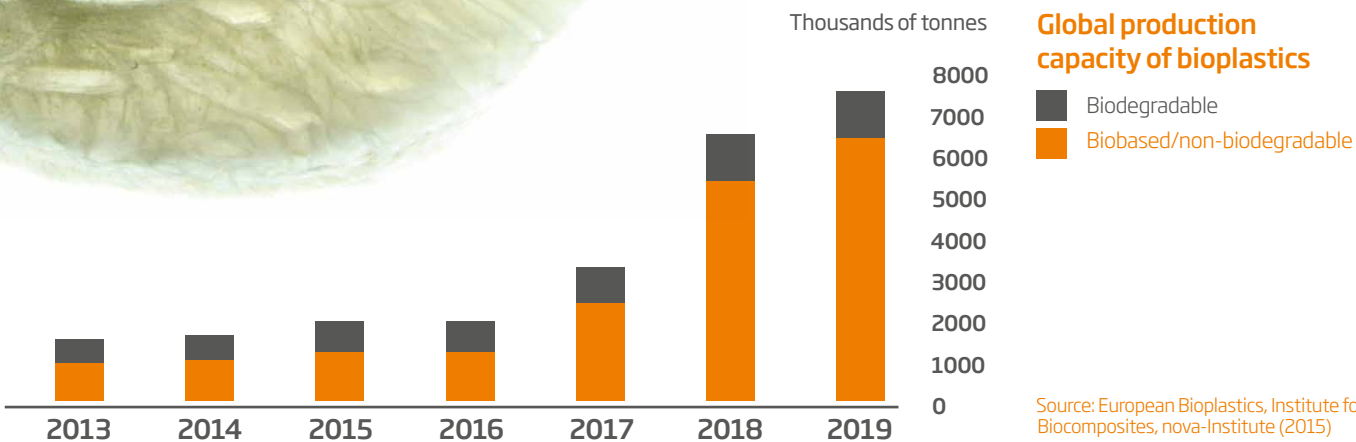


Packaging made from agar which is derived from seaweed.



### Alternative materials

What will tomorrow's packaging be made from? Starch-based thermoplastics made from vegetable waste? Paper fibres made from seaweed that grows up to twelve centimetres a day? Today, these are exotic materials. But so was carbon fibre once - and now large chunks of airliners are made from that. Conversely, we may face new competitors for forestry resources, as high-tech companies look to use more sustainable materials in their products.

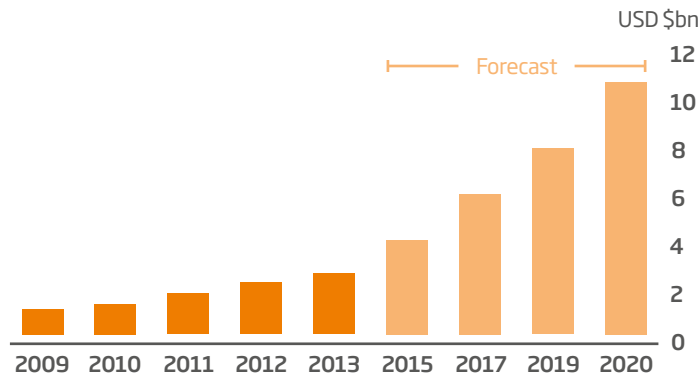


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**Evolution of customer base**

Manufacturing is changing. Dark factories, run by robots, are on the rise. High technology companies are looking at 'reshoring' - bringing production back from Asia, opening highly automated plants near their consumers. Additive manufacturing (3D printing) and mass customisation are already transforming the automotive and aerospace industries. Now FMCG companies are adopting them. Big brands are wondering if they need to make things any more, or whether they should become services. If Renault can outsource its car seats, why can't an FMCG do the same with detergent or chocolate?

**The global growth of additive manufacturing**



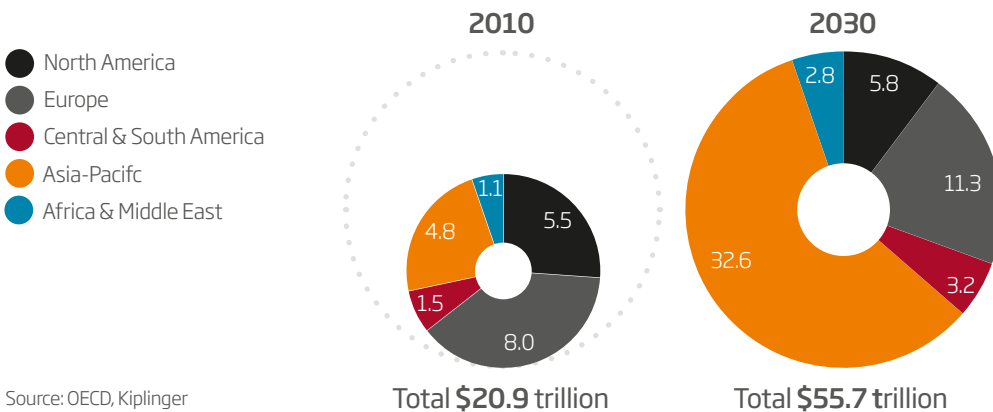
Source: Morgan Stanley Research via Forbes.com



Mass customisation is becoming more common as manufacturing methods evolve

**Global growth of the middle class**

Middle class spending Worldwide (trillions of USD \$)



Source: OECD, Kiplinger

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**Demographics**

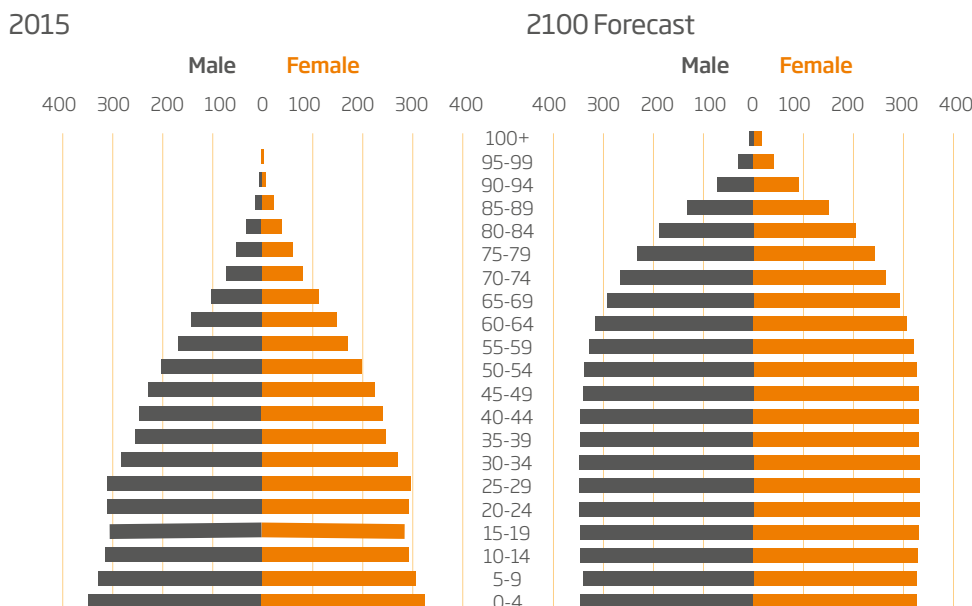
The middle class is growing quickly in the developing world, and is likely to grow even more quickly. Retailers and manufacturers are racing to create the products and services that these new consumers will demand.

In the developed world homes are getting more expensive, people are living longer and having fewer children, later in life. Multigenerational homes are becoming the norm in Europe and North America, thanks to couples looking after aging parents and adult children living at home as they cannot afford to move out. Care homes are also on the rise to help elderly people deal with the physical and mental challenges of old age.

Global megabrands are having to meet the needs of ageing consumers in some geographies, and newly prosperous young people in another. Will they manage both?

Source: The Economist

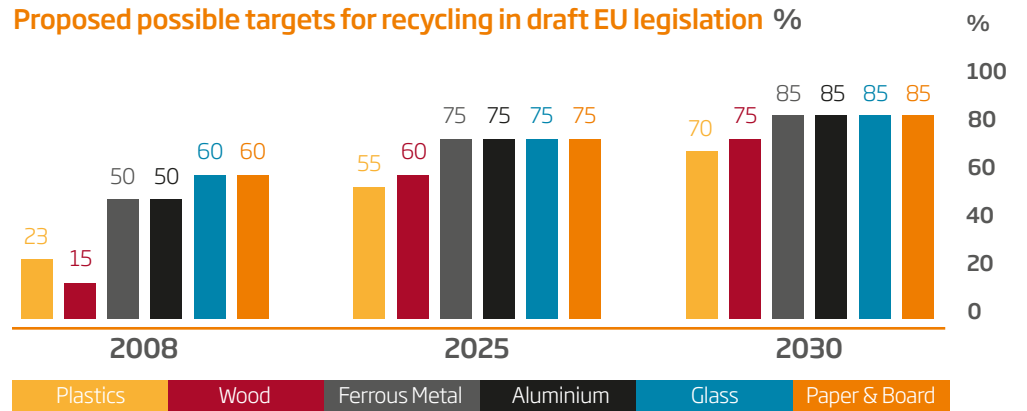
**Global population by age and sex**



### Legislation

Currently a debate is raging about the best ways to combine reduction, re-use, recycling and recovery of packaging. The European Commission is currently drafting a major piece of legislation to describe a potential "circular economy". Should waste be recycled, recovered or burned? Who should pay to make our economy circular? These will be hot political issues in years to come.

Proposed possible targets for recycling in draft EU legislation %



Source: DS Smith



"The share of municipal waste recycled or composted in the EU has steadily increased over the time period, from 17% in 1995 to 44% in 2014."

Source: EuroStat

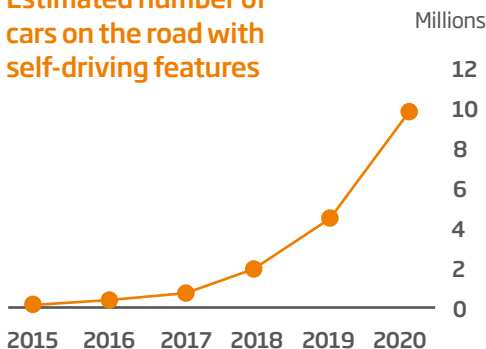


Google's Self-Driving car

### Technology

Drones. The Internet of Things. Smart products that become services, and services that allow us to share durable items. Artificial Intelligence that knows what we want before we know it ourselves. Tech giants like Google and Amazon pouring cash into smart homes and autonomous vehicles. One thing is for certain: technology is transforming our world, and some of the technologies that will do that during the next decade are still being invented.

Estimated number of cars on the road with self-driving features



Source: BI Intelligence

Pressing an Amazon Dash button allows you to order well known brands instantly







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