The world in

2025 | Scenario 1 Caring Convenience

Scenario 1
Caring convenience

In 2020, e-retail finally overtakes bricks and mortar as the way the world prefers to shop. Our shopping streets and malls become pickup points for our orders rather than destinations for browsing. Consumers' unease about excess packaging starts a backlash against e-retailers, forcing them to transform their supply chains radically.

2016: How it begins

In 2016, e-retail makes up only about 10% of purchases in Europe and America. On the one hand, Amazon seems to be the undisputed heavyweight champion. On the other hand, it only took one dollar in every hundred that Americans spent shopping in 2015.

The old-style supermarkets and department stores are fighting back hard, especially in the US. Shops are becoming delivery hubs, allowing same-day orders to be fulfilled, and returns to be managed easily. Click and collect is also growing. E-retailers may have the edge on price, but they can't compete with this level of convenience.

2017: Uber becomes a delivery service

In this scenario, Uber kick-starts a major change. It begins accepting deliveries as well as passengers, and the price of last-mile fulfilment drops as radically as taxi fares have. Instead of sharing rides with strangers, we become familiar with sharing rides with groceries, Lego sets and clothing. We even get money off our taxi fare if we'll take packages to neighbours' front doors.

With the processing power of Google behind it, Uber optimises over half a billion deliveries in its first year, a figure set to increase exponentially. This allows smaller players to compete with Amazon on price and beat them on delivery.

2018: Now anybody can be an e-retail powerhouse

The US retail giant Macy's leads the way. It transforms its stores into delivery hubs that are far more local than the giant out-of-town warehouses built to fulfil online orders. That frees up floor space for lifestyle and fashion experiences which consumers love: Macy's Chicago flagship becomes the Number One Tripadvisor experience in the downtown area. By January 2019, Macy's online clothing business is twice the size of Amazon's.

Where Macy's leads, others follow. Marks and Spencer's smallest stores become pickup points and changing rooms where consumers collect their orders, try them on and return any that don't fit. You can order three outfits in the morning, choose one at lunchtime, have it altered in the afternoon and wear it the same evening.

2018: Reviews become bigger than brands

By 2018, it's possible for consumers to read reviews of everything they buy. They no longer need to put blind faith in brands; it turns out we all trust complete strangers more than we do large corporations. The most important symbol on any product is no longer the logo, but the number of stars on the retailer's page. So brands start working to earn those stars.

Spend on advertising and promotions plummets as manufacturers invest in making things people actually want rather than making people want things.

2019: Packaging: it's all about the inside, not the outside

By 2019, half our shopping is delivered to the doorstep. This behaviour begins to transform retail spaces, and the packaging of the goods. Once, marketers obsessed about the 'First moment of truth,' when a consumer saw a package on a shelf. Now the first moment of truth happens online, the second moment is when the goods arrive in a consumer's home. So the focus is all on the transit packaging that ensures that everything from Carrefour and Zara arrives pristine and beautiful.

The leading brands invest heavily in this area, creating masterpieces of engineering. They're delightful to open, mass-customised and the goods are packed to minimise space and prevent damage. However, not everybody is delighted.

2020: The cardboard backlash

In 2020, the average household receives more packaging every two weeks than a single dustbin can hold. Discarded corrugated cardboard starts to overflow into the suburban streets of Europe, Asia and the Americas.

Local authorities do their best, but can’t cope with the surge in materials for recycling. Scandals begin to surface: some councils are dumping recyclable materials into landfill and falsifying the records to conform to regulations. Local governments start fining companies for overpackaging, triggering lawsuits.

Logistics and waste management costs start to rise. The e-retailers, working on razor-thin margins, have to pass those costs on to consumers. Suddenly e-commerce doesn’t seem like the miraculous bargain it once was.

Environmental groups start to protest. Consumer groups join them. Enough, they chant, is enough. The Zero Packaging movement takes to the streets.

The EU takes action. They set limits for the maximum weight of packaging. Materials have deposits put on them. In late 2020 India bans single portion packs and much of the rest of the developing world follows suit.

Success story: Businesses discover the power of less

With so much concern from consumers, packaging companies realise that it’s time for radical solutions, not small improvements.

By 2020, consumers demand two very different things from two very different kinds of packaging. The first is the one that arrives at our houses. It’s plain and durable, guaranteeing that our purchases arrive in perfect shape, and can be returned if the size or colour is wrong. It also prevents waste as we use products. Today, liquids like detergents are made in hyperconcentrated forms, making every drop precious. So packaging has to dispense them extremely accurately.

The second kind of packaging lives in shops, where theatre and storytelling has become central to everything, and where the pack is there simply to encourage consumers to fall in love with the product. A whole new age of creativity begins as brands and their packaging designers aim to seduce consumers.

Ten years ago, we thought that e-commerce would destroy the centres of our towns. Who could have predicted that it would give them a new lease of life?

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For more information and to see the accompanying film visit:
www.dssmith.com/ecommerce-scenario