



The world in

2025

Scenario 2

Everything is an experience



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By 2025 the role of bricks and mortar retail changes out of all recognition. Brand-ed experiences take over our shopping areas and malls, becoming exciting and theatrical social events. Global brands face stiff competition from small startups that are more meaningful to consumers. Every brand has to do more than tell a story - it has to be able to prove that the stories it tells are true.

2016: How it begins

The barriers to entry in many FMCG categories are falling. OEM factories are increasingly able to produce small runs of products; consumers have a growing appetite for small brands with an interesting story or a charismatic founder. Distribution can be handled online; viral marketing doesn't need big media spend.

Microbrands are already threatening global players in certain aisles of the supermarket. Craft beer now accounts for 21% of the US retail market. The US artisan chocolate market is currently worth \$100m per annum, and is estimated to be growing at over 8% a year. Packaging is critical for these small brands. In many instances, it's the only publicity they get.

2018: Microbrands begin to overtake global brands' market share

In this scenario, by 2019 microbreweries are selling more beer than all the big players put together. Cheese and chocolate are set to follow, with local artisan brands becoming firm favourites. Consumers become more educated about provenance, and they want it to be as authentic for a bottle of shampoo as it is for a bottle of wine. This means that sources of ingredients have to be verifiable.

Brands that claim to be local have to prove it. Scandals emerge over chocolate manufacturers that claim to be 'bean to bar' but actually buy it pre-made from third parties.

Throughout the supply chain, packaging becomes smart and traceable; anybody who wishes to check where the beans in their bar came from can just scan the wrapper.

2019: The sharing economy transforms the consumer durables market

Consumers start buying fewer durable goods and renting more. Apps make it convenient to rent goods by the hour or day. A generation who've grown up with AirBnB and Zipcar take naturally to the idea that they can rent a tool, or can monetise something they own like a power hose or tent.

Big brands get in on the act, turning their products into services: in 2020, Bosch rents more power tools than it sells. If you need a hole in your wall, you can just order a drill. For a small price, it will come with a DIY expert. As products were loaned and re-loaned, the packaging becomes more important. It must ensure everything arrives and is returned in perfect condition, day after day.





2020: P&G CEO announces it is a lifestyle services company

Big manufacturers fight back against the small brands. They customise products on a colossal scale. Levi's stores stop selling clothing. Instead, they became places where customers are measured for clothing that will then be automatically tailored and delivered. Levi's aims to be custom-tailoring every pair of jeans sold in the US by 2025.

Many global brands aim to add services to their products. Reacting to the astonishing success of Unilever's Dollar Shave Club, P&G makes its razors available only by subscription. It also opens 300 grooming academies across the US to teach men how to look their best, and online concierge services spring up for every segment of the population.



2021: Instore spend tops adspend

This is the first year that Unilever spends more on marketing in stores than it does on television and online advertising put together. Supermarkets and shopping malls became theatres for brands. Global giants take on the small upstarts with everything they have.

Word of mouth becomes the critical way to sell; people trust recommendations from friends or even strangers far more than a TV commercial. As advertising stops working, ad agencies evolve. The smartest talent no longer creates 30 second TV spots. Now it's employed creating in-store theatre that gives consumers unique experiences.

Shopping gets more social. As shops become more entertaining, consumers flock there, not to buy, but to enjoy experiences together. Retailers have responded with crèches, games, live entertainment and cafes.

In the past, packaging told us about the features of a product and television made it glamorous. Now packaging has to do the whole job; it's part of the theatre, part of the storytelling of brands. The materials became part of that story: where they were sourced, how they could be recycled, reused or upcycled.







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

