2030:
Convenience, Experience and Relationships

All Luxury retailers are on notice; the world is changing, and fast.

Jon Reily

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Change is the law of life
And those who look only to the past or
present are certain to miss the future

John F Kennedy

Life in 2030,
a primer

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World Population

8.5

billion

Consuming:

50%

more food

Consuming:

45%

more energy

Consuming:

30%

more water

Population growth & climate change
have forced a rethink in dietary habits

Veganism
will be prevalent

Artificial 'meat'
will be widely available

Population of China will be
1.4 billion

Biggest population

1.5 billion

will be in India

70%

of people will live in cities

The average age in the developed world will be

44

32

in the developing world

Climate change targets will have been
missed every year since

2017

And by

2030

Many parts of the world will be largely
uninhabitable due to climate and pollution

The big five technology companies
will be increasingly important to the economy

and will be powerful as many governments across the world

Artificial intelligence

Will automate much of the

healthcare diagnostics

Robots will offer

companionship
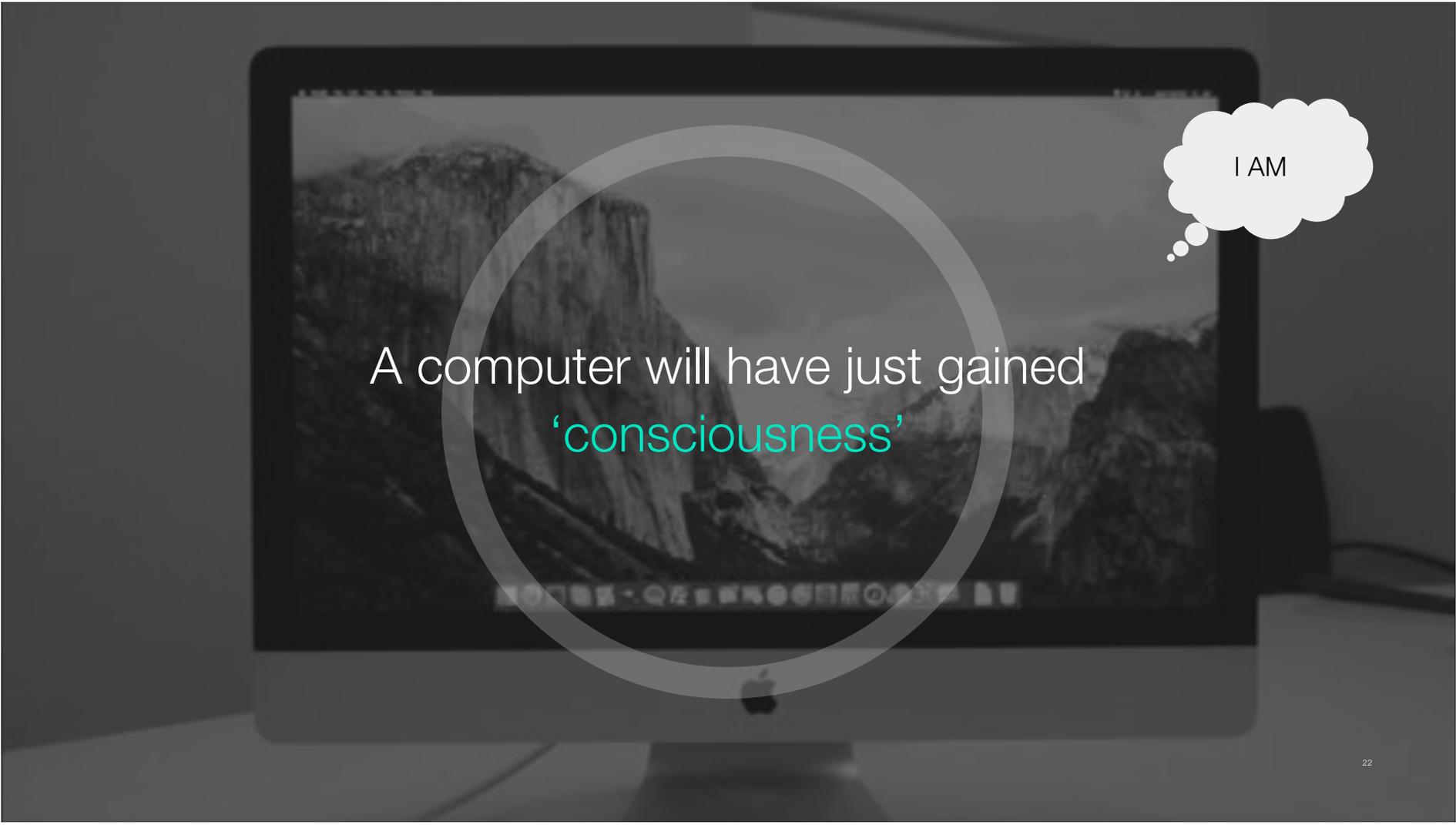
Smartphones will no longer be the standard way to connect and get online.

We will see universal basic income in major economies

Biometrics and encrypted security
will protect against the rise of major
hacking incidents

Crypto currency will be seen as a standard payment method

Blockchain will be in common use and revolutionize the time it takes to carry out any form of legal progress

There will be 5 trillion

sensors

in use by 2030

Everything we buy and everything we use will connect to the internet of things and provide trillions, upon trillions of data points

Crime will have reduced
due to the power of
prediction

Entertainment will be personalised

And the first person will
have landed on Mars

The pace of innovation & customer expectation for innovation has never been higher in the history of mankind. And we're just getting started.
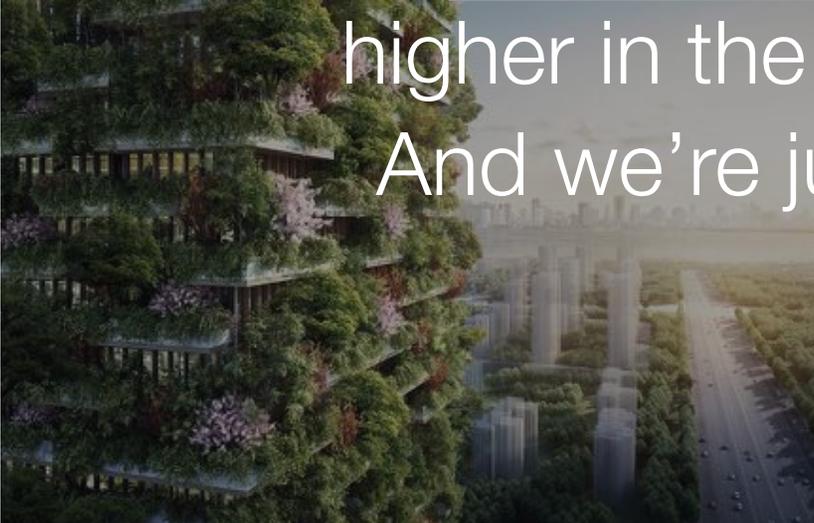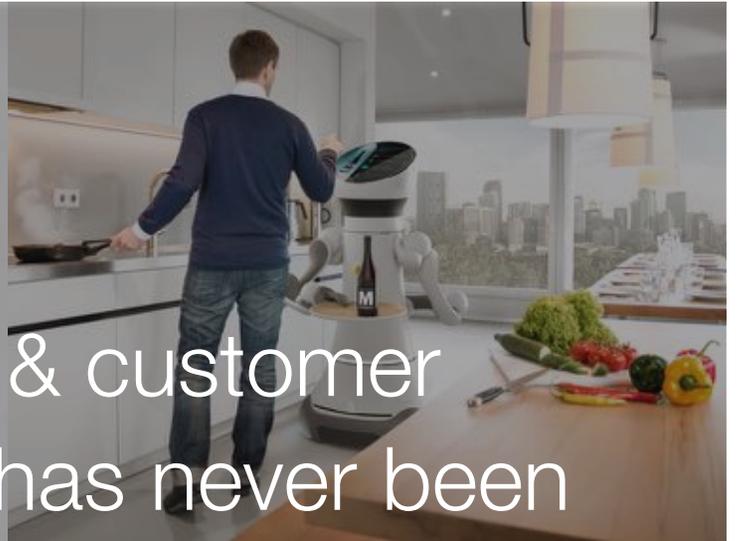
We are at the beginning of the most transformative revolution ever

Revolution 1.0
Steam

Revolution 2.0
Electricity

Revolution 3.0
Information Age

Revolution 4.0
Connected Intelligence

Retail

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Retail will be leisure

- The lines between retail and leisure will become increasingly blurred, with retail brands addressing the need for experience in their stores, they will become entertainment.

- Stores will become as much showrooms as places to make a purchase, and in-store leisure elements will dramatically increase.

- People will go to retail environment to spend leisure time (as supposed to "go shopping"). How they spend that time will depend on the space——and the financial spend will be across all services, experiences and products available.
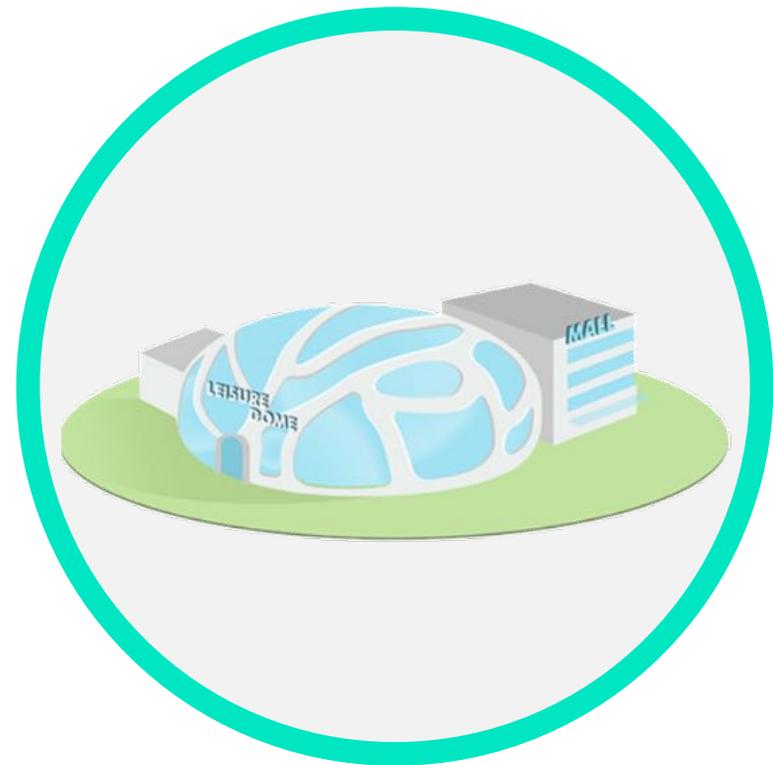
Competition for people's disposable income has increased

- As competition for spending increases, the middle market between value and luxury will be squeezed. People will be looking for solutions that are either long-term or short-term as most medium-term needs will be solved.

- More physical space will be dedicated to rentable and hire items as opposed to for-sale items (sharing economy).

- To survive, retailers will need to think creatively and to incorporate experiences that make consumers want to come back again and again.

Robotics and Automation will replace many jobs in the retail sector

- The forecasts vary on how each industry will be affected. Tasks most likely to be automated are mundane, repetitive tasks with little flexibility in execution.

- Automation promises a more seamless store experience, allowing customers to enter stores, purchase goods and exit without having to pause at a counter to pay.

- Thanks to developments in personalization and human interaction, AI is more efficient than ever in customer service Friendly robots that mimic human speech patterns can provide quick and easy service at less cost .

- Development in robotics will enhance manufacturing, allowing assembly of increasingly complicated items. Although many AI-driven production line will need human support and supervision in the manufacturing industry is inevitable.

Stores have become showrooms and experiential brand centers

- More stores will open as showrooms and will remove the need to have stockrooms and non-selling space. If they choose, retailers can stock one of every size of an item of clothing, for example. Customers are guaranteed to be able to try a product on and to see all of a particular style's colors, for example, before buying.

- Customers will test/try/play in-store, and purchased item(s) will be delivered to the store the same day, or to their homes the following day.

- A store's staff will be brand ambassadors and product experts without also having to be stock-keepers and merchandizers.

Buying what you want, where and how you want is the norm

- Technological advantages will allow any product to be purchased simply by capturing an image using a myriad of smart devices.

- Individuals pictures online and o social media, and television media will be shoppable.

- Product placement will be ubiquitous across all forms of media. Television programs, cinemas, newspapers and magazines will all directly link the consumer to an item.

Customer experiences are specific not generic

- Location and understanding consumers in their catchment area will become far more important that it is today.
- There will be more focus on niche centers capturing a large portion of spending from a smaller targeted group.
- Successful brands will predict and react to consumers who walk through their doors because they already know so much about them, even if they have never been there before.

Technology

The power of prediction and enabled decision making to be outsourced to machines

- A large proportion of basic goods will be ordered and delivered without the need for "shopping" in the conventional sense. It will appear like magic.

- The most successful retailers will be those that best analyze consumer data and then use it to solve problems before they occur.

- Consumers will increasingly see retail as a social and leisure experience, as more "mundane" purchases are automated.

- The logistics industry will use the predicted behavior of its customers to refine the operating process.

Enhanced interaction will drive engagement through virtual and augmented reality, holograms and haptic

- Advanced display technologies, thanks to 5G, will be a critical part of the sales process, both in-store and online.

- Customers will be able to "try on" and test products virtually, minimizing processes like returns (which are extremely costly, to retailers).

- Virtual and digital engagement plus automation will minimize labor costs for retailer, by allowing store associates and others to focus on value-add activities like upselling and providing expertise on products/services.

3-D printing will serve as invisible inventory

- Industrial-scale 3-D printer outlets will be seen in many shopping centers and cities. These will offer the ability to print a broad range of items.
- The opportunity to personalize an item will become commonplace and expected, with technology enabling individuals to create own version of the item they are buying.
- Stores will need to hold less inventory and will serve more as showrooms. The ability to deliver an item in a very short timeframe will be enabled by 3-D printing.

A dynamic shift will occur in how goods are produced

- There will be a return of on-shoring for a number of manufacturing processes.

- The transportation requirements will adjust to take into account the shorter delivery lead time and the potentially shorter journey requited.

- 3-D and 4-D manufacturing points will be in observations in shopping malls and in town centers.

- There will be almost complete flexibility in terms of volume, with the fewer requirements for minimum order qualities.

- Improved recycling technologies will enable materials from disposed items to be reused in multiple ways.

Smartphones will no longer exist, but mobile commerce will increase

- The technology of augmented and virtual reality is maturing and will decrease overall dependencies on smartphones (and other real screens) rather quickly.
- Smaller and wearable gadgets will connect people to the internet of things, providing access to most of information and services
- Retailers will have access to more robust data on customers and omnichannel shopping habits, addressing a clear challenge to today's operators.
- Retailers and landlords will need to provide digitally enabled environments that leverage customers' connectivity. These environments will need to complement, not compete with, customers, digital access.
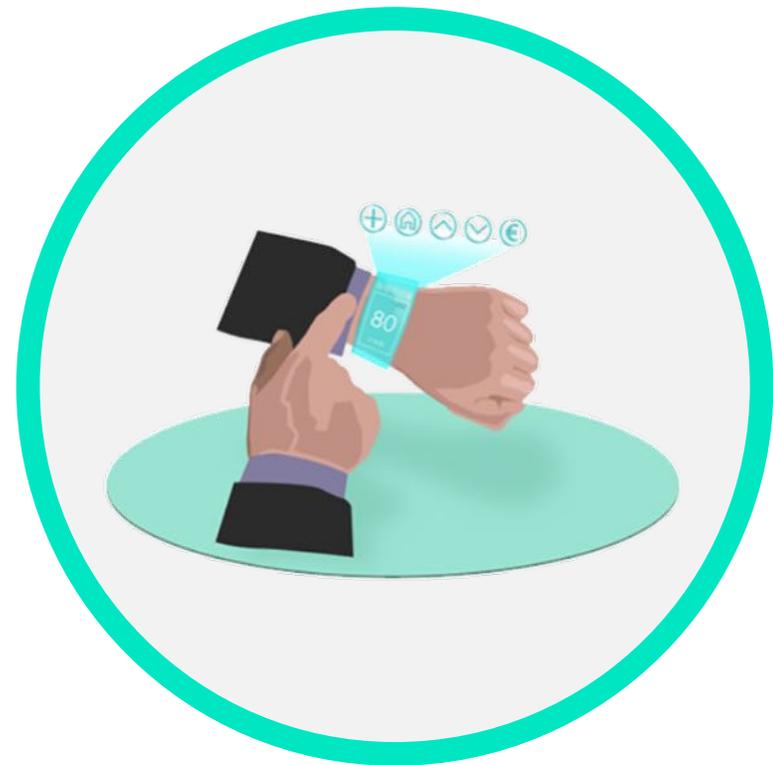
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Delivery

Delivery will be when and where you want it – without you even realizing it

- The data available across household appliances will be able to predict with a high degree of accuracy the usage patterns of households.

- The core item that a household uses each week or month will be reordered automatically and dispatched on an aggregated basis each week.

- There will be no need to place an order or even approve an order if a person doesn't choose to. Consumers will simply goo about their lives knowing that their basic purchases are being fulfilled automatically.

- Logistics companies will be able to use the data to plan more accurately. Having an advance knowledge of that items will be delivered on a weekly basis could potentially mean that warehousing and logistics facilities could further expand upon where they are currently situated

Customization will become the new loyalty

- Customization in the production process will allow consumers greater freedom and choice-helping drive brand loyalty
- Advances in technology and increasingly flexible work systems will create an easier way for companies to customize goods and services in high volumes without significant cost increase.

The sharing economy will be commonplace

- The sharing economy will extend beyond accommodation, transport and workspace.
- Being able to access as opposed to own will be key. The automobile ownership model of the 20th century will seem as antiquated as owning horses.
- Many the world's most valuable brands will have their roots in the sharing economy.

Delivery tracking information will be precise

- The predictive power of data will be used much more efficiently to detail exactly where an item is and provide an accurate estimated delivery time.

- Consumers will be able to place orders with a high degree of certainty around delivery time, with accurate estimates given at time of purchase, thanks to AI's ability to track real-world events, down to the minute.

- Logistics firms will use data to plot ever more efficient delivery routes.
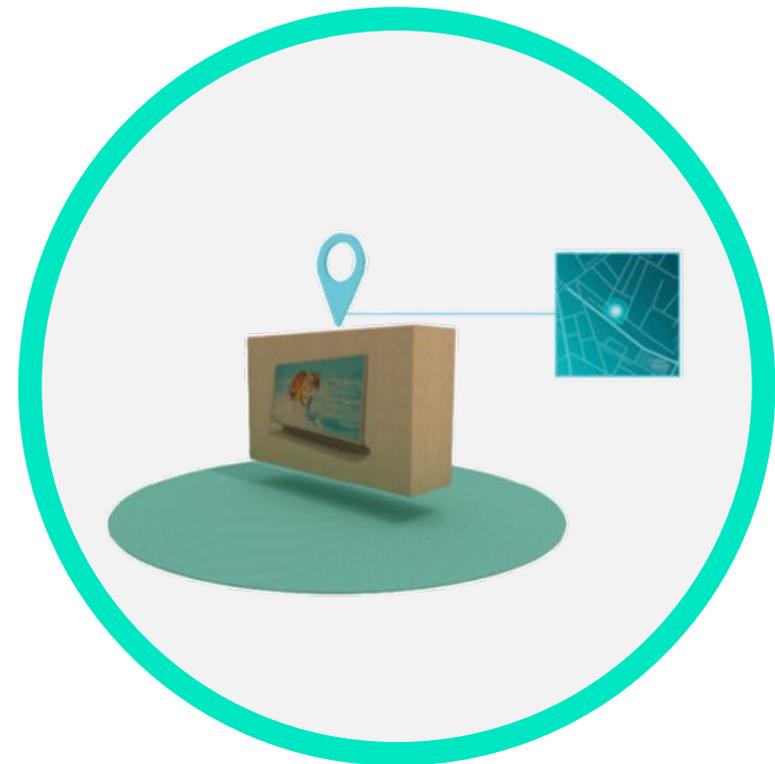
Returns will be made simple

- Retailers will create predefined return solutions in a more progressive manner, using predetermined dates and locations.

- Autonomous vehicles will collect returns from consumers' homes and drop-off points.

- Customers will be refunded the price of their item at the time of return as opposed to waiting for the refund.

- Shoppers may be more inclined to shop with brands that offer more convenient, progressive return procedures.

Transportation
and Living

Personal ownership of cars has dramatically reduced

- Car fleets will operate and own most driverless vehicles.

- Driverless vehicles will be available at any time in major cities. The trend will take longer to influence smaller town and developing markets.

- Governments will legislate to create "autonomous vehicle only" routes.

- Car companies will collaborate with technology companies, and major tech companies will license their developments.

Shopping centers will become simply "centers"

- Shopping centers will become mixed-use destinations, with developers an landlords increasingly focused on delivering what people want, where they want it.

- As the population ages, there will be a greater requirement for healthcare facilities. Shopping centers will be well positioned both geographically and in terms of layout and access for the uses.

- Centers will increasingly offer educational facilities, leisure activities, co-working office space, and space for the distribution and collection of products.

- Open-air and event space will be common in the most centers.

Open-air retail centers will grow in popularity

- Open-air centers will become more popular, even in cold-weather climates, as customers seek compelling environments and landlords pursue placemaking strategies to activate retail spaces and create destinations.

- Technology will create solutions to cope with inclement weather, such as lightweight, cost-effective and easily implemented rain coverings.

There will be a resurgence of local markets and experiences

- As people gravitate more towards city centers, they will look to create through experiences.

- Local businessmen will grow, helping local communities to thrive.

- As more intelligence and data is available on people, the retail offerings and experiences will be granted towards
local catchments-meaning no two communities will offer the same exact products or services.

Independent stores and food and beverage operators will be more prevalent

- Retail destinations will features unique offerings curated towards the local catchment.
- Local communities will thrive as city centers are dominated by chains-giving more opportunities to local businesses.
- Chains will recognize the opportunities that exist and further develop "local" concepts and brand names, giving the appearance of independence.

Shopping
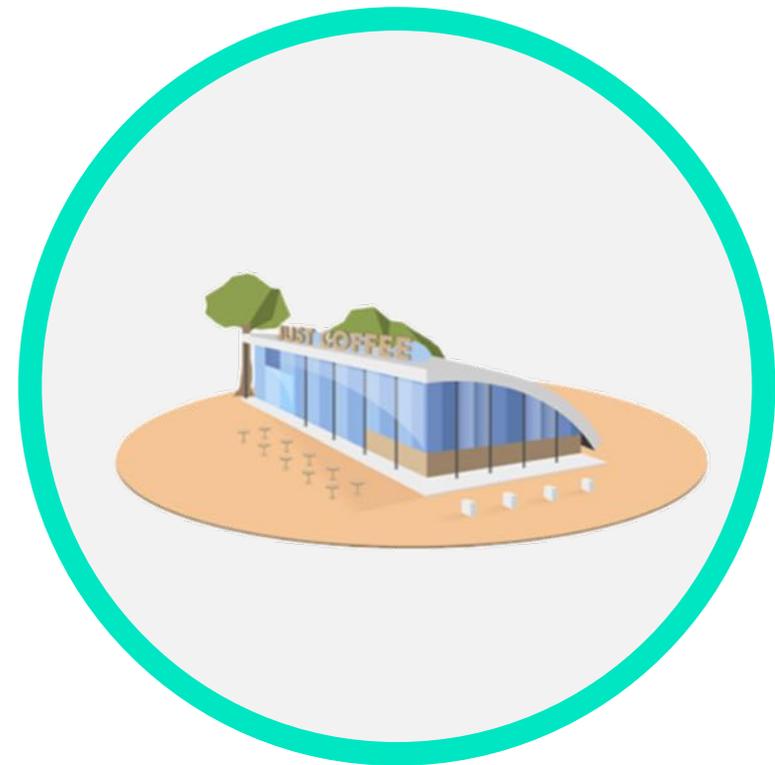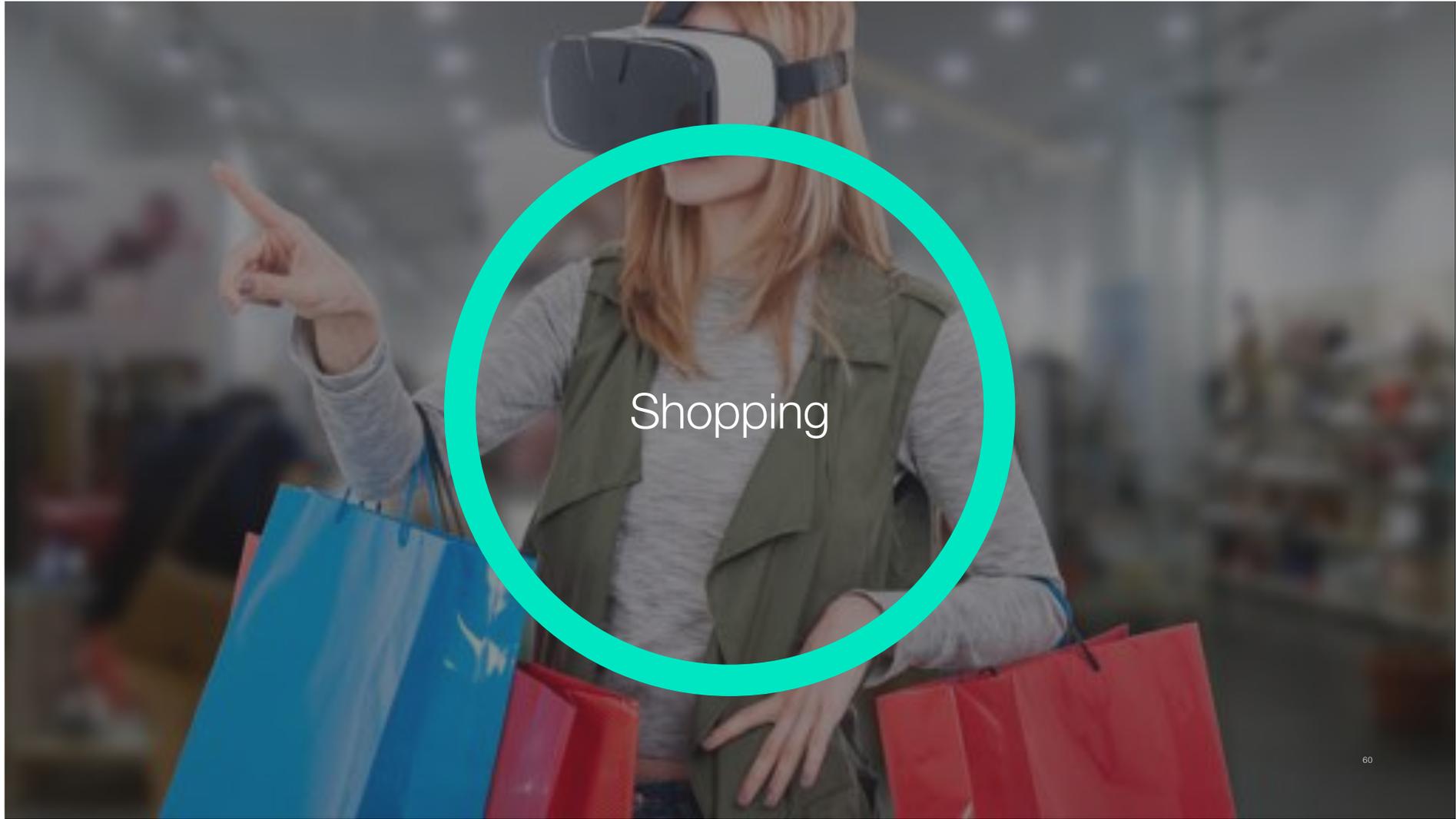
Physical stores will be reimagined via digital technology

- The purpose of the store will shift from transactional towards service and experience—as showrooms, marketing platforms, loyalty-building environments and brands experience.

- Store performance measurement will change dramatically; it's currently measured in sales per square foot and/or conversion rates, but this will change to metrics like foot traffic, "touch points" or dwell time (amount of time spent in-store)

- Blockchain verification will result in counterfeit or otherwise "fake" goods being all but impossible to pass off as the "real thing".

Curating the offer will be a basic expectation

- Consumers often feel overwhelmed by the amount of choices they face and thus are increasingly expecting a company to tailor products and services to their needs to save them time and energy. Retailers that don't/can't offer this will fail.

- Technology will support the curated experience in the form of an automated personalized shopper——preprogramed to create the perfectly curated offer.

- Retailers will use the data created by the consumer's interaction with the curated offer to prompt additional purchases, either at the time of the initial shopping trip or at an appropriate later date.

Consumers will expect their loyalty to be rewarded

- Retailers will roll out more customers loyalty programs, including special "members club" for VIP-type customers who spend a certain amount per year. These may include exclusive access to discounts, new products, etc.

- More partnerships between retails and other non-retail companies will be incorporated into rewards programs; for example, customers may get discounts or credits towards Uber rides in exchange for spending at a particular retailer

Retailers will focus on understating customer emotions

- Emotionally connected buyers will become even more valuable than highly satisfied ones, and companies that can mater emotional connections in a digital era will rise above the rest.
- Retailers will need to invest in technology that allows them to build an emotional connection with consumers.

Consumers will be able to experience a purchase before making payment

- Thanks to the sharing economy, temporary access to products will become more commonplace.

- Technological developments will allow product access to be "locked" after a period of time.

- Virtual reality and haptic technology will allow people to experience items without buying items. This experience will feel so realistic that it will allow a "fact"-based decision to be made.
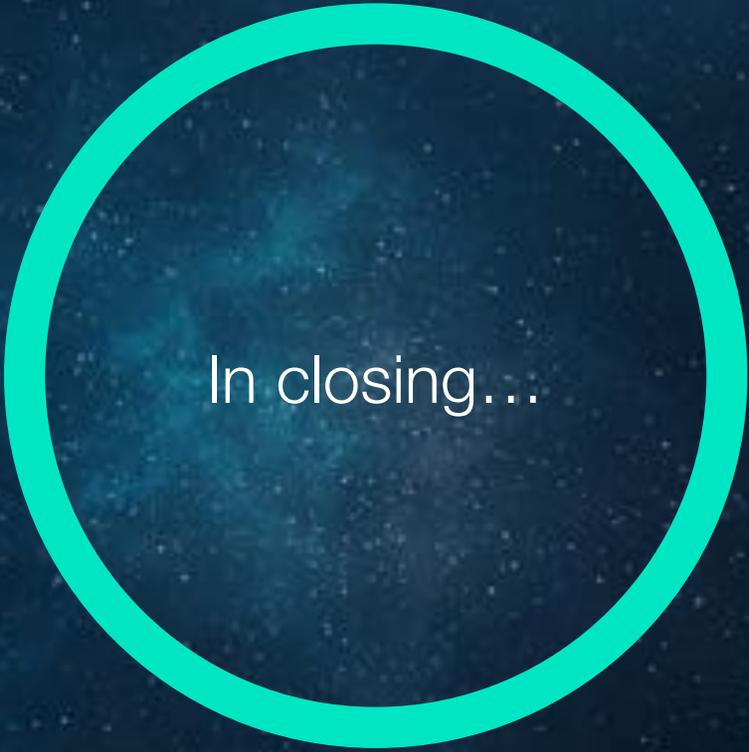
In closing…
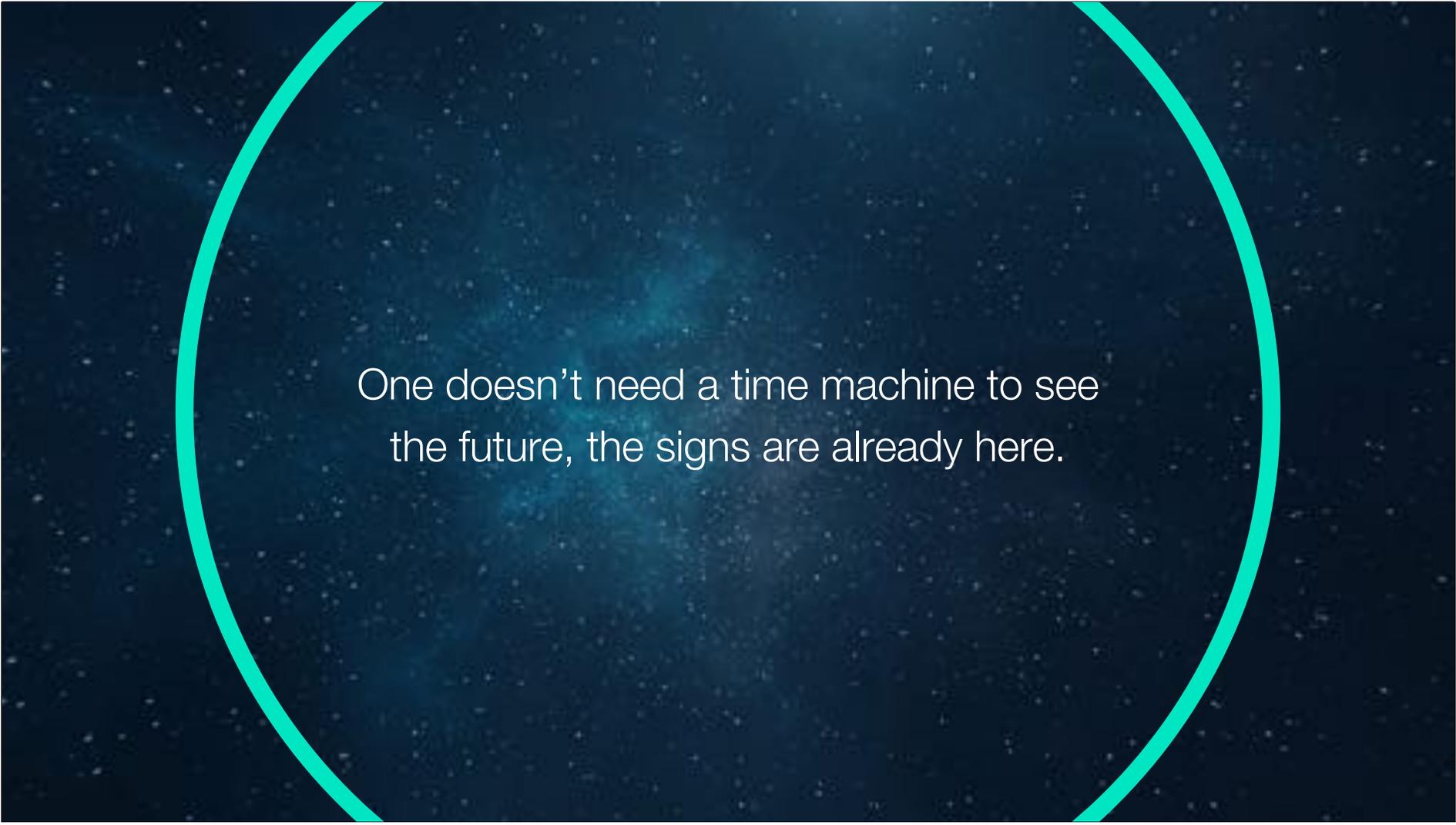
One doesn't need a time machine to see
the future, the signs are already here.

Brands will have to evolve and change the fundamental way they see consumers and interact with them via every moment in their lives.
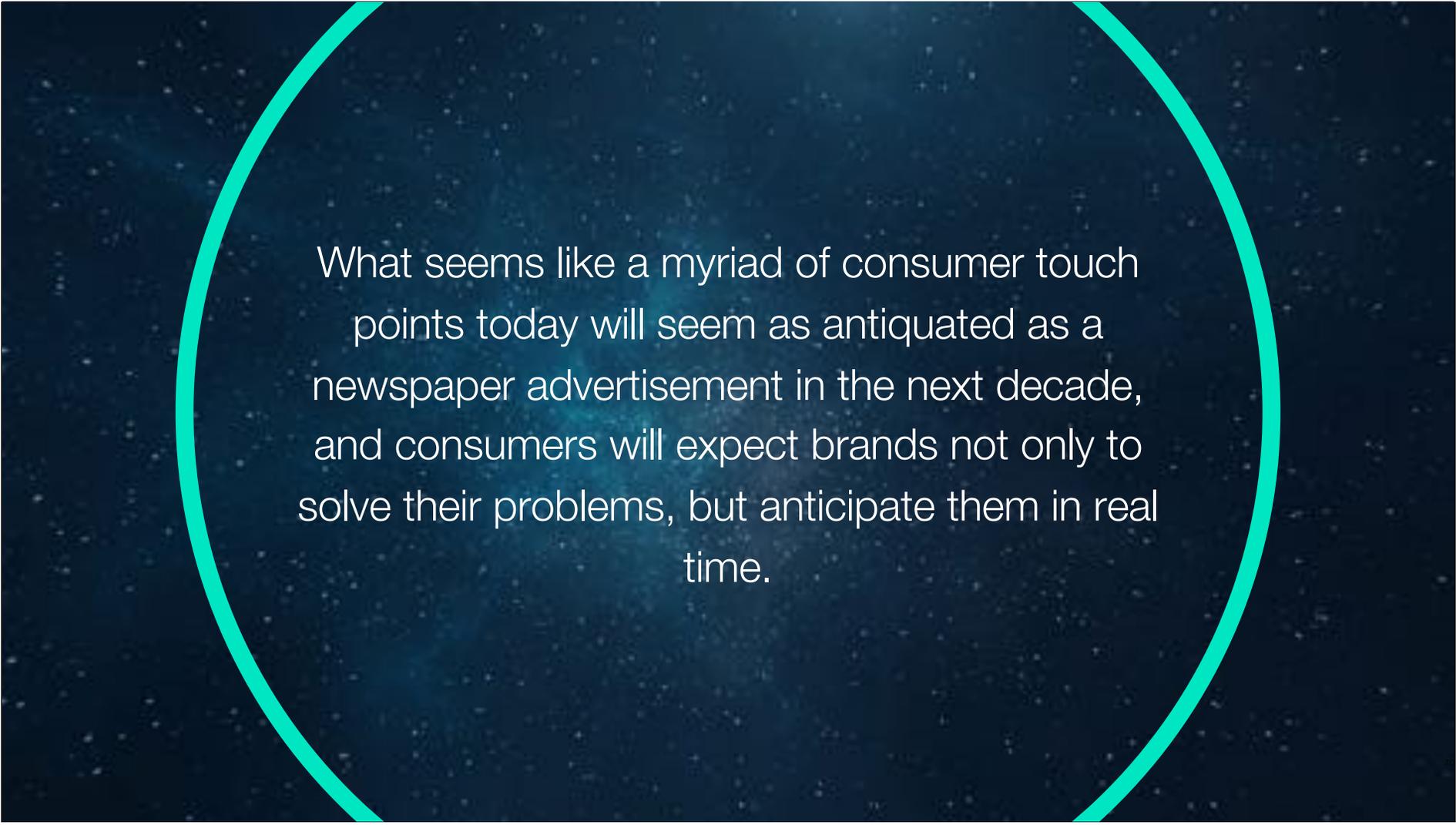
What seems like a myriad of consumer touch points today will seem as antiquated as a newspaper advertisement in the next decade, and consumers will expect brands not only to solve their problems, but anticipate them in real time.

THE COLD HARD TRUTH

All brands are on notice; build relationships with your customers and bring new Generation Z and Generation Alpha consumers into your world or another brand will. The 2020s will be littered with the remains of brands which did not adapt to the new world, and dominated by the ones that do.
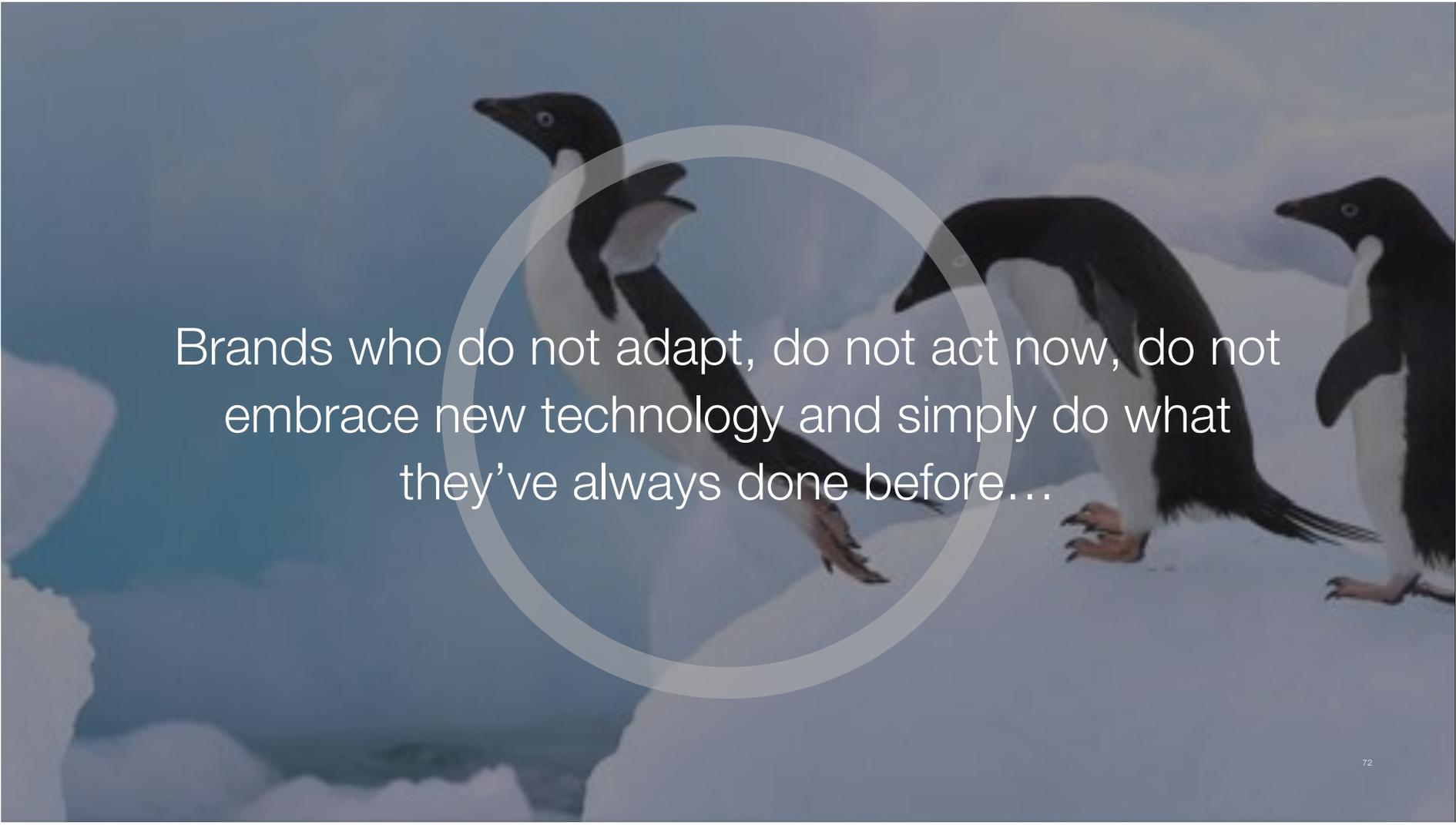
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Brands who do not adapt, do not act now, do not embrace new technology and simply do what they've always done before…

will die.

Thank you.