THE : FUTURE : LABORATORY

Retail Futures 2021

Introduction

2020 prompted retail Darwinism at its most impactful, yet brands have evolved at speed, adjusting to changing expectations of access and more conscious mindsets.

The retail sector is demonstrating its ability to transform under pressure, becoming not only smarter but stronger as a result of pandemic-induced restrictions. According to IBM, the crisis has accelerated the shift away from physical stores to digital shopping by five years.

Critically, the global pause of 2020 has enabled companies to reset and restructure. 'In short, the pandemic is cleaning out the old stock and forcing everyone else to transform… the upshot will be a healthier retail market in the long term with better options for all,' says Tom Buiocchi, CEO of ServiceChannel.

Indeed, with 8,953 US store closures in 2020, according to Coresight Research, and the loss of UK companies such as **Arcadia Group** and **Debenhams**, retailers are seeking ways to reinforce their operations. Digital acceleration (88%) and supply chain resilience (78%) will be investment priorities in 2021 (source: Deloitte).

This will imbue retailers with flexible and agile systems that enable them to seamlessly and effectively respond to changing market and consumer needs. It will also leave brands better prepared for future black swan events, market fluctuations or sociopolitical and environmental upheaval. 'In 2021 and beyond, companies must ensure they have the foresight and capabilities to adapt their systems, processes and products,' says Kathryn Bishop, foresight editor at The Future Laboratory. 'End-to-end, the retail experience must be relevant, sustainable, cost-effective and beneficial not only for the consumer but for the retailer, too.'

Tuning in to the tenets of Elastic Brands, future retailers will be more malleable and intuitive than ever. They will adapt to shoppers' changing personal priorities and values, and the places where shoppers spend their time – be it their local community hub or the metaverse.

Indeed, with the UK's total online retailing value up 46.1% in 2020 compared with 2019 – the highest annual growth since 2008 – the boom in e-commerce will force retailers to take greater care and ownership of their supply chains, from where products are made to how they're delivered and their long-term impact (source: Office for National Statistics). This will create a retail sector that is eco-aware, interactive, efficient and community-orientated.

In this report, we reveal the nascent trends, brands and services that are elevating these pillars, from the smart repurposing of retail space to the emergence of collaborative Studio Stores. We'll also examine the momentum of Moral Commerce, and how Symbiotic Logistics are mitigating Covid-19's effect on store footfall and access.

You'll also discover our new industry macrotrend, Eco-venience Retail. As retailers assess the long-term implications for global supply chains, fragmented store networks and a more conscious consumer, we look at how brands can combine convenience and sustainability through new services and customer experiences.

To help your business harness these shifts and embed Eco-venience practices into your daily work, the report ends with a series of thought-provoking and practical strategic implications.

If you would like to know what else is next for customer experience, technology and sustainability, make sure you explore our trends intelligence platform, lsnglobal.com. We have membership packages for every type of business. Find out more by dropping us a message at: hello@thefuturelaboratory.com



Cover: Circulose by Jesper Lindborg for Re:newcell

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A series of practical strategies to help your brand re-imagine what retail could look like in the 2020s



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Explore how the acceleration of e-commerce is forcing a fresh framework of eco-conscious practices



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The six key trends emerging in 2021, from moral commerce to malleable, multimedia store experiences



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Take a deeper look at The Future Laboratory's proprietary methodology which allows us to track, monitor and determine the key drivers of change affecting future consumers, culture and business

Trends Rising

From the rise of second-hand retail strategies to multimedia stores that cater for content-creators, these six trends are pushing retail in new directions.

Moral Commerce

The link between sociopolitical beliefs and brand loyalty has long existed. Yet the catalysing effects of Black Lives Matter (BLM) and the climate emergency are spurring shoppers on to make more conscious decisions about the brands they buy from.

'Consumers are demanding more structural transparency by asking: who's the CEO? Who is on the board of directors or at C-suite level?' says Rani Patel Williams, business partner at **Livity** and co-founder of **#BrandShareTheMic**, an initiative encouraging brands to showcase young black talent on social media.

As a result, initiatives such as **@pullupforchange** are gaining traction. It calls on brands to be open about the number of Black and people of colour they employ, while encouraging consumers to refrain from shopping with them until such numbers are disclosed.

Looking to the future, **OneOpp** is helping retail brands to integrate social justice into their company operations and actions. Born from Los Angeles-based **Cashmere Agency**, OneOpp helps companies to become allies of Black communities by committing financial and media resources to change systemic and inherently racist policies.

Elsewhere, mission-orientated brand **Allbirds** has created a globally diverse Ambassador Collective to promote the power of collective action as a force for good, while also offering customers the opportunity to donate funds to local environmental justice organisations.



Project Earth by Selfridges celebrates sustainable retail using environmental awareness messaging instead of products

What are rising trends?

In this section you will discover the nascent trends forecast to grow in influence across the retail sector in the next one to three years. These trends are global in their reach, and can focus on consumer experiences or business operations.

39% of US consumers actively research companies' values and practices to ensure they align with their own

Source: Shopkick



Resale platform TheRealReal is working with luxury labels to upcycle damaged stock into new garments

Second-hand Brands

Changing consumer buying habits and a collective drive towards sustainability are pushing established retail brands to invest in dedicated pre-owned product platforms or buy-back programmes.

In October 2020, Levi's launched its first buy-back initiative, **Levi's** SecondHand, allowing customers to purchase pre-owned jeans and jackets online, or exchange such items in physical stores for a gift card or credit towards a future purchase.

Elsewhere, **Ikea** is dipping its toes into the second-hand market. Kickstarting this new business channel, the Swedish retailer launched a scheme on Black Friday 2020 to buy back people's unwanted Ikea homewares – in particular, best-sellers like its Billy bookcase – offering them vouchers worth up to 50% of the original products' price to be spent on new Ikea goods.

'Make no mistake, it's a whole change in operations,' says Rachel Kibbe, CEO of Circular Services Group, a circularity consultancy for the retail sector.

Fashion brands are pushing things further through peer-to-peer pre-owned platforms. **H&M Group** brand **Cos** is one example. Its nascent Resell site enables shoppers to buy and sell pre-owned garments to one another, putting the power into consumers' hands, allowing them to set the price, provide accurate product information and manage postage. To cover operational costs, Cos takes 10% commission from each sale.

‘I would challenge retailers to think about how they could work towards **50%** resale’

Rachel Kibbe, CEO, Circular Services Group



Auctioning Off A Dead Mall photographed by Jesse Rieser for The New York Times shows how remnants such as sign displays are cleared out from the closed Metrocenter in Phoenix and sold

Repurposed Retail

The impact of Covid-19 is pushing physical retailers to explore ways to repurpose their square footage in order to offer alternative store experiences or community-focused formats that are better suited to the changeable current climate.

Shopping centres in particular are being forced to adapt. In Australia, mall owners including Vicinity and Scentre are responding by converting once-bustling shopping destinations into offices, hotels, apartments, childcare facilities and transport hubs.

Indeed, this community-led mindset is prompting some retailers to trial hyper-local, temporary stores. Philadelphia-based department store **Boyds** branched out into the suburbs with an upscale pop-up shop after conducting a brand survey that revealed consumers wanted to shop more locally. As a result, Boyds took over a sprawling former **Urban Outfitters** outlet at **Ardmore**, an outdoor mall, to attract new customers unable or unwilling to venture into downtown Philadelphia.

In a similar vein, UK department store group **John Lewis** has been granted permission to convert 45% of its Oxford Street flagship store into office space, with about 20 of its regional John Lewis and **Waitrose** branches earmarked to become rental residential properties, furnished with items from John Lewis, and with residents given the option of food delivery from Waitrose. John Lewis expects 40% of its profits to come from non-retail activities such as housing over the next decade.



Conscious Collaboration

Allbirds and Chinatown Market have collaborated to sell six hand-crafted works of art from second-hand shoe scraps, with all proceeds going to charities supporting Black trans rights and climate activism, showing the value of the second-hand market

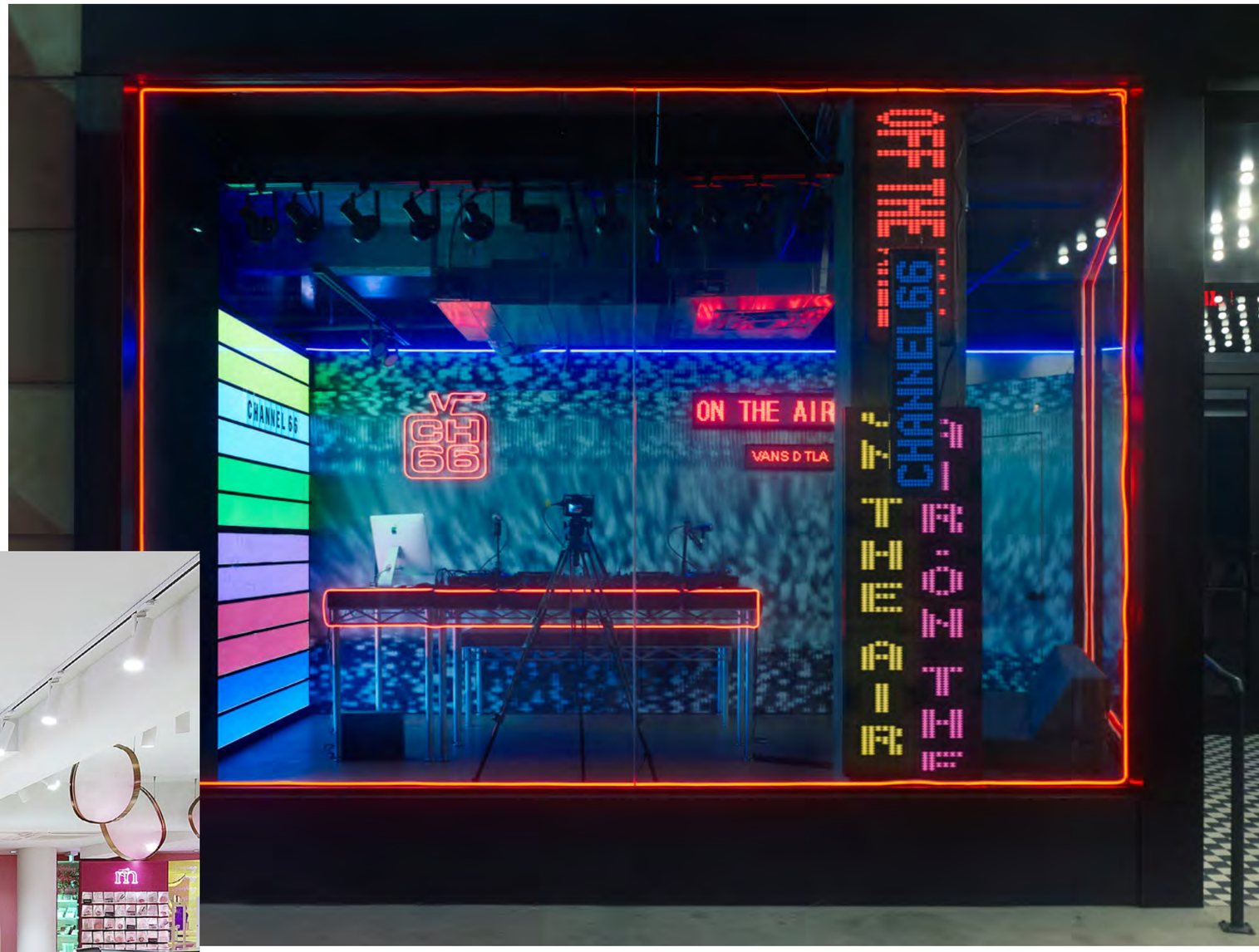
Studio Stores

For some brands, Covid-19 has redefined the role of the store as a more malleable multimedia asset that signals a new purpose for bricks-and-mortar retail.

'Once we get beyond the medical worry of Covid-19, physical stores will once again become vital, but less for the distribution of products and more as a media channel for the retailer or brand,' says retail futurist Doug Stephens.

Recognising this interactive potential for stores, men's grooming brand **Old Spice** recently opened its first physical barbershop that doubles as a space for customers to create digital content. Through this in-store studio and test lab for new products, the brand will welcome weekly celebrity barbers to create content and provide hair tutorials. Elsewhere, cosmetics brand **Morphe** has launched several in-store studios with professional lighting to encourage content creation. While these spaces can be used for brand-led make-up masterclasses, they can also be booked by customers to film tutorial videos.

As part of a new remote clientele strategy, luxury brand **Gucci** last year transformed its Florence-based client service hub into a faux storefront that doubled as a content creation space, complete with cameras and tv-style lighting. From here it hosts Gucci Live, the brand's new video service, connecting retail staff with shoppers via mobile or laptop live-streams.





Above: Channel 66 by Vans is a digital live-stream designed to engage its consumers through community-first broadcasting
Left: Villa de Mûrir by Collective B includes a production studio for YouTube beauty content creators

Some **70%** of European consumers are interested in shoppertainment

Source: Forrester and AliExpress



Situational Stores
Off-White's flagship store in Miami designed by Virgil Abloh and AMO Design doubles as a fulfilment centre and a multi-purpose events space

‘Being in Miami Design District led to the idea of creating a space that is adjustable and transformable over time’

Samir Bantal, director, AMO

Symbiotic Logistics

In a bid to mitigate some of Covid-19's impact, retail brands, logistics firms and e-commerce platforms have joined forces to expedite acquisition for shoppers.

Showing how cross-brand collaboration can replace competition, America's **FastAF** platform has opened up same-day delivery to brands that haven't yet been able to offer the service. Mimicking the one-hour and same-day delivery services offered by grocery platforms like **Swiggy** and **Sainsbury's** ChopChop, Fast AF works with the store networks of brands such as **Glossier** and **Sonos** to collect and deliver items to customers across New York and Los Angelesin an average of 27 minutes.

Similarly, **ShopIN.NYC** allows customers to buy from local, independent stores via a single online platform, with their goods delivered in one box, on the same day.

For customers shopping from multiple sites, **Route** combats the question of 'where's my stuff?' in the dead time between order and delivery. This package tracking app lets shoppers view and trace multiple orders in one place and in real time, with the ability to add insurance to each order, backed by insurer Lloyd's of London, for just 1% of an item's cost. 'Route really started evolving from a kind of post-purchase experience into a fully fledged customer experience platform,' explains its CEO, Evan Walker.



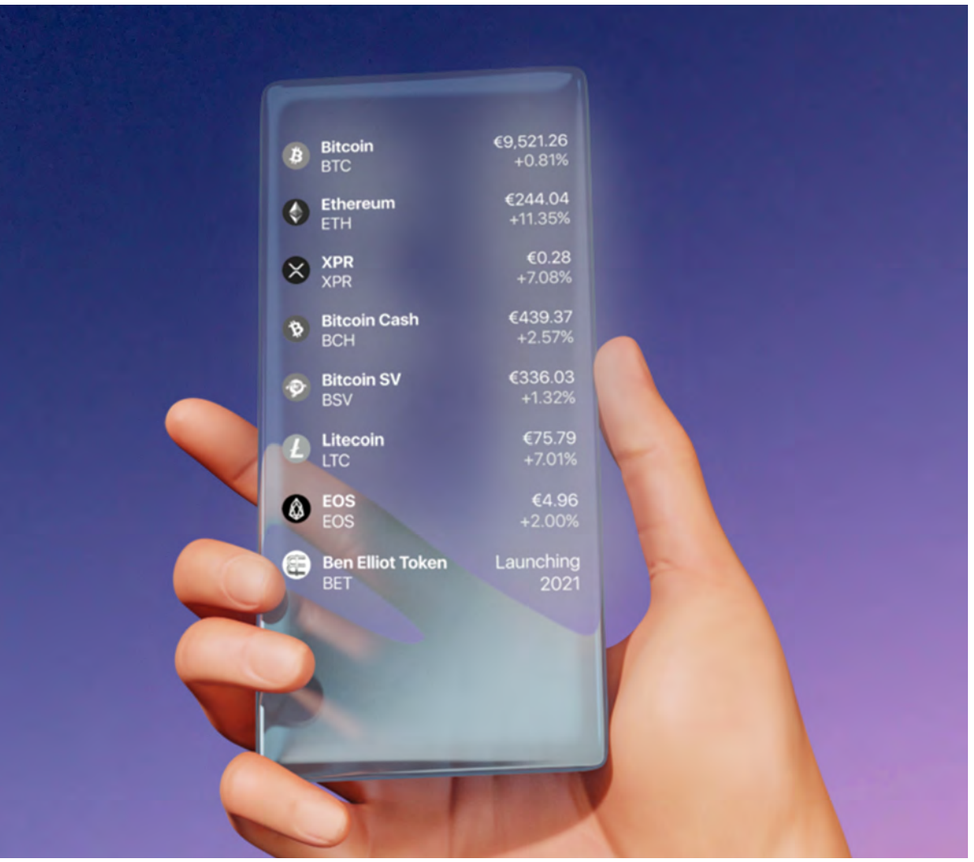
AutoStore is a robotic technology company that develops reactive solutions to fulfilment spaces



DHL is catering for shoppers' needs through a partnership with artificial intelligence messaging platform HelloDone

'When we were launching, we wanted to have a very attractive selection for our customers in a few categories'

Lee Hnetinka, co-founder and CEO, Darkstore





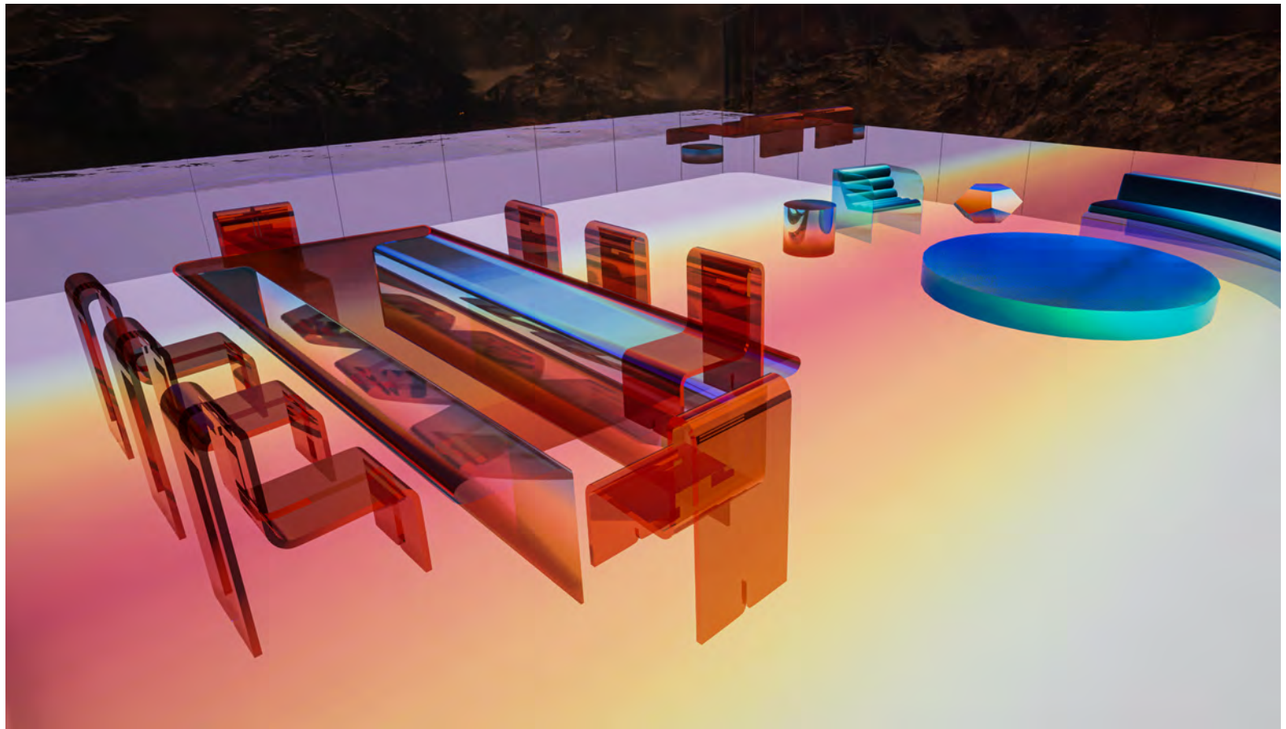
Deep Ownership

Platforms are emerging in which users are not only part of their growth and development but have an active role – and control – as partial owners.

This comes as individuals increasingly expect a say in the development of the systems, retailers or brands they use – leading to the emergence of organisations that are not only built, operated and funded by their users, but owned by them too. One example is **Twetch**, a social media platform similar to **Twitter** where users own their data and content, and receive payments back as they garner likes and followers.

‘We’ve built Foundation to redefine our collective experience of ownership and connection – and how we make money as artists’

Kayvon Tehranian, CEO, Foundation



Above and top right: Ben Elliot Token (BET) is a personal cryptocurrency that will appreciate in value in synch with Ben Elliot’s artworks; Right: The Mars House by Krista Kim is a virtual home offering a sense of calm and escapism in the metaverse, launched as a non-fungible token

For goods and products, Deep Ownership is fostering new approaches to acquisition and pricing, with marketplaces allowing creatives to price their work based on market demand. Here, quick-to-buy fans not only help to boost their profile but also the value of their work.

Focusing on streetwear, artworks and collectibles, **Zora** lets creators launch items as tokens that are dynamically priced according to supply and demand. The more people that commit to buy something, the higher its price, with those buying early also able to sell an item at a profit before they even receive it.

Describing itself as ‘culture’s stock exchange’ is **Foundation**, which turns goods and artworks into cryptocurrencies. As the value of an item rises, buyers can cash in by selling their token, with the artist earning a cut each time.

MACROTREND

Eco-venience Retail

Accelerating e-commerce and demands for expedited delivery are forcing a new retail framework that puts eco-conscious practices at the centre of brands' operations.



FLWRDWN by Pangaia, US

Pillars of Eco-venience Retail

Decentralised
Existing beyond retail centres and the limits of bricks-and-mortar

Responsive
Agilely adapting to fluctuating demand or gaps in service

Low-impact
Tackling environmental footprints across supply chains

Hyper-transparent
Using data to better inform and educate shoppers

As a result of Covid-19, Moniker's e-commerce site has mimicked the look and feel of its physical store

Convenience retail and sustainable practices have long been considered mutually exclusive. With the retail industry in a constant state of disruption, brands and manufacturers are realising that the multiple challenges facing the sector can no longer be considered in isolation. Instead, they must be tackled and framed as a collective opportunity.

This comes amid accelerated e-commerce growth over the past 12 months. While shoppers sheltered at home and shifted their spending online, brands moved to new models of digital selling, delivery and at-home experiences. 'Consumers went online in unprecedented numbers this past year [and] have stayed for the convenience,' explains Nikki Baird, vice-president of retail innovation at **Aptos**.

As a result, global e-commerce and other non-store retail is expected to expand at a CAGR of 13%, to £3.11 trillion ($4.33 trillion, €3.63 trillion) by 2025, up from £1.89 trillion ($2.64 trillion, €2.21 trillion) in 2021 (source: Research & Markets). Shoppers are also increasingly expecting brands and retailers to exist and operate closer to them – as shown by fluctuating footfall in our cities and the rise of neighbourhood spending. A **Mastercard** report from October 2020 reveals that 74% of European shoppers are now more likely to shop in their local communities than they were a year ago, with convenience (50%) the primary reason, alongside busy queues at larger supermarkets (40%) and pandemic-related travel restrictions (31%).

But these developments are coming at a cost: rising expectations of product availability and strain on supply chains, expedited shipping and returns, and a boom in delivery vehicles on our streets are exacerbating retail's environmental impact. According to the World Economic Forum, demand for last-mile delivery is soaring at such a rate that it's expected to grow by 78% globally by 2030.

The imperative is now to establish systems and processes that are more responsive, streamlined and in tune with shoppers' ever-more eco-conscious mindsets. 'We're going to see a lot of innovation come out of the need to retain convenience without the negative environmental impact that we've had,' says Tyler Chaffo, manager of global sustainability, intelligent labels at **Avery Dennison**. 'And if you can move that closer to the end-user, my guess is that this impact will go down.'

In 2021 retail brands will start to establish supply chains and manufacturing at a neighbourhood level, making last-mile logistics circular. Shoppers' spending impact will become more transparent than ever, while opportunities to elevate carbon-negative customer experiences will multiply. Eco-venience Retail will offer a fresh framework for supply chains, logistics and consumer reach in the years ahead, as convenience and care for the planet and environment become ever-more intertwined.

Drivers

Retailers are assessing the long-term implications for global supply chains, fragmented store networks and an ever-more conscious customer.

Supply Chain Strain

A heady combination of the Covid-19 pandemic, Brexit, and tumultuous trade negotiations between nations such as the US, China and India have seriously affected global supply chains.

Delays have been notable in the arrival of goods by land and air, production has been hindered in some regions, and stock levels have had an impact on everything from FMCGs to homewares and pharmaceuticals.

Some 79% of global supply chains faced a reduction in operations during the pandemic, while 6% shut down altogether, according to IT consultancy Infosys. Sourcing and procurement (65%), warehousing and distribution (48%) and supplier networks (43%) were hit the hardest.

Brexit, meanwhile, is forcing a focus on local production. Retail analysts IDG report that eight in 10 local shoppers feel Britain should be more self-sufficient in food, while seven in 10 believe it is more important to buy British at the moment.

Global Drivers:

Dislocated World

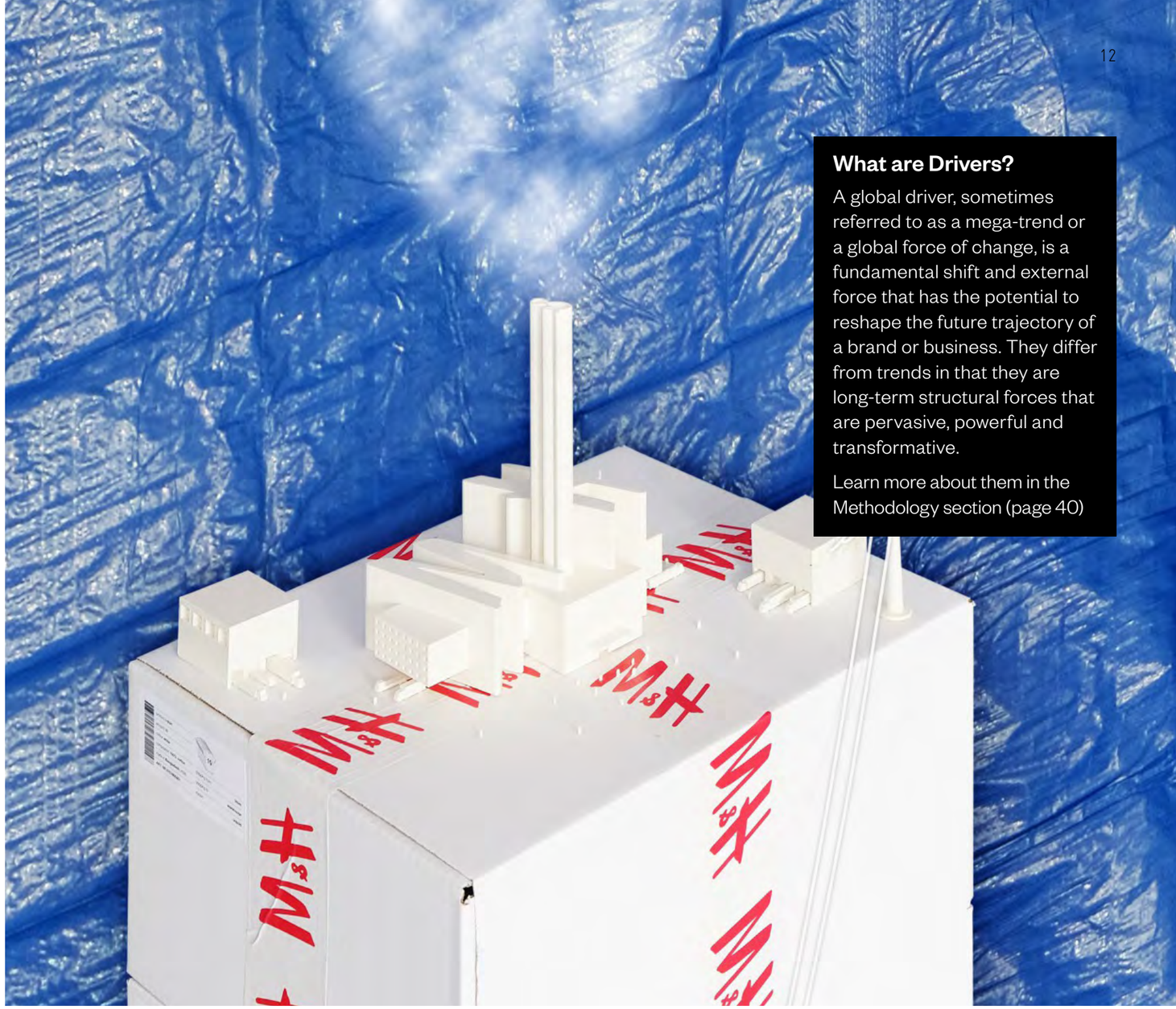
We're living at a heightened time of partisanship around the world

Global vs Local

States are looking inwards and prioritise self-reliance

Human Needs:

Attainment, Security



What are Drivers?

A global driver, sometimes referred to as a mega-trend or a global force of change, is a fundamental shift and external force that has the potential to reshape the future trajectory of a brand or business. They differ from trends in that they are long-term structural forces that are pervasive, powerful and transformative.

Learn more about them in the Methodology section (page 40)

A Waste of Energy? by Fred Erik

‘The pandemic revealed that too many global supply chains have grown too long and too fragile, incapable of resilience and flexibility’

John Mitchell, president and CEO of electronics trade association IPC

As a result of Covid-19, almost **two thirds** (62%) of UK consumers expect more convenience from brands

Source: Wunderman Thompson Technology



Shaping by Eyla Llarena Aliaño proposes a different lifestyle where environmental care in consumption is a priority

Accelerating Convenience

With supply chains hit, consumers are seeking more efficient modes of convenience retail. Underpinned by technology and a desire to shop safely, neighbourhood delivery services have gained ground, while bricks-and-mortar businesses are experimenting with live-streamed e-commerce to reach audiences.

In China, the number of bricks-and-mortar merchants using live-stream platform **Taobao Live** for the first time increased by 719% in February 2020 compared to the previous month, as regional retailers experimented with the technology to retain local sales. In the UK, 57% of convenience stores began a delivery service for the first time during lockdown, according to the Association of Convenience Stores.

'The pandemic massively changed how people were shopping,' says Fraser McKevitt, head of retail and consumer insight at Kantar. 'A lot of people turned to their local convenience stores where there weren't queues, and often the stocking was better with fuller shelves.'

Global Drivers:

Accelerating Tech

People are spending more time socialising and shopping in digital platforms

Urban Mindset

Convenience has emerged as a powerful force in wider society

Human Needs:

Attainment, Curiosity, Purpose

‘Companies are looking to add local collection points to capitalise on an increased preference for local shopping’

Derek O’Carroll, CEO, Brightpearl





Above: Nike Unite marks the brand’s shift towards neighbourhood store networks, with shops designed to reflect the local community while helping them to better connect through sports
Left: Taking cues from international grocery stores, Wine and Eggs is a neighbourhood shop in Los Angeles designed to entice locals back into stores through playful colours and fresh produce

Neighbourhood Networks

Retailers are reconsidering where their store networks are situated in response to shoppers shifting their spend to local areas.

A 67% drop in UK city centre retail footfall is expected in 2021, as 63% of UK consumers say they will shop more locally over the next year, according to retail software firm **Brightpearl**.

‘Customers have relocated online, of course – but they’ve also relocated to the suburbs and the rural towns, and that’s reflected in our emerging shopping habits,’ says Derek O’Carroll, CEO of Brightpearl. ‘Retailers need to respond to these changes and our data suggests many are already making plans to move stores to high street locations with increasingly strong foot traffic.’

Elsewhere, neighbourhood retail is gaining ground. In China, Kantar Worldpanel reports that FMCG sales at smaller and mini-supermarkets grew by 10.7% in the 12 weeks to 12 June 2020, due to consumers favouring local shops stocked with essentials and fresh foods.

Global Driver:
Global vs Local
The pandemic has reiterated the benefits of collective solutions to global problems

Human Needs:
Security, Belonging, Fulfilment



Top and bottom left: Street Food Box is a re-usable packaging innovation in response to the need for more sustainable on-the-go food containers; Bottom right: Human Mart by Cocogun and The Glue Society is a faux pop-up shop that raises awareness of modern slavery





Awakening Ethics

People are demonstrating a greater awareness of the ethical impacts of their spending, and how it ties in with their personal values.

In a 2020 Getty study, 48% of respondents said that convenience takes priority even with the knowledge that they should care more about the environment through their purchasing habits. Nevertheless, 51% of urban Chinese consumers say they will now rent or buy second-hand products to help safeguard the environment, according to Mintel. '[In China], the link between this global pandemic and an increased desire for anything considered sustainable is evident,' says Lee Folland, research director at Gusto Intelligence.

The treatment of employees is also garnering attention, in particular for convenience-driven retailers. 'Concerns about [**Amazon's**] treatment of workers, how little tax it pays and its impact on smaller retailers are not new, but this crisis has shone the spotlight on them again,' writes Hilary Osborne in The Guardian.

Global Drivers:

Climate Change and Resource Scarcity

New policies are emerging to downscale production and consumption

Human Needs:

Purpose, Identity

Amid the pandemic, **one in three** (30%) shoppers say they are returning fewer items than they used to over environmental concerns

Source: PFS and LiveArea



Moral Materials

Circulose by Re:newcell is a branded dissolving pulp product made from 100% textile waste

Related Macrotrends

2013

The Dawn of the Mega-systems

In 2013, we charted the rise of the mega-systems heralded by Apple, Amazon, Alibaba, Google, Facebook and Weibo – platforms in which most of us have come to shop, socialise and live our lives, tethered to the wider world.



Google data centre interior, U.S

2015

Whole-system Thinking

Through the lens of growing consumption and human impact on the environment, in 2015 we suggested it was time to move towards a world in which human innovation and nature are integrated and hybridised.



The Smog Free Project by Studio Roosegaarde

2018

Storefront Salvation

Our 2018 macrotrend examined how retailers could reconsider the purpose of bricks-and-mortar shops, fuelled by an understanding that saving the store relies on a combination of physical touchpoints and digital technology.

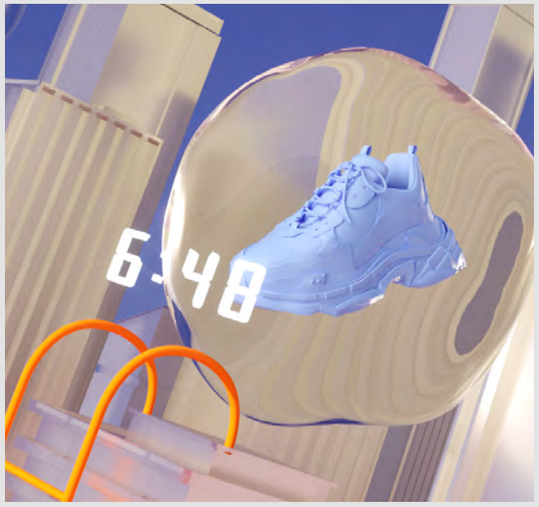


Storefront Salvation visuals by Max Guther for The Future Laboratory

2019

Community Commerce

E-commerce has been defined by the promise of convenience. Amid this quest for efficiency, we examined the growth of alternative ways to access and exchange products and services in the digital realm.



Community Commerce visuals by Pitch Studios for The Future Laboratory

Insight

Retailers are exploring how to combine convenience and sustainability through services and customer experiences that are hyper-local, efficient and eco-conscious.

Dark Stores Rising

Brands are creating hyper-local distribution points for customers through strategically placed micro-warehousing and repurposed stores.

Building on the spread of ghost kitchens, dark stores demonstrate retail brands' growing awareness of their customers' needs at a neighbourhood level.

In Brooklyn, New York, **Whole Foods Market**'s store is closed to the public in order to expedite deliveries to nearby residents. In India, **Flipkart** is setting up micro-warehouses of 3,000–4,000 square feet in cities such as Delhi, Chennai and Kolkata, while also working with family-run Kirana stores to build networks of smaller, local storage facilities.

Elsewhere, existing store networks are being reformatted as fulfilment centres – sometimes as a permanent strategy. In the US and Canada, **Bed Bath & Beyond** has responded to the rise in pandemic homeware sales by converting a quarter of its locations into dark stores.

Similarly, fashion jeweller **Kendra Scott** turned 108 stores into mini-fulfilment centres in just nine days, working with supply chain solutions company **Manhattan Associates**. Normally, such a process would typically take three to six months. 'The landscape has changed for retail for ever, and the companies that will be successful are the ones that put customers' needs first,' Tom Nolan, president of Kendra Scott, tells Glossy.



AutoStore is a robotic technology company that develops reactive solutions to fulfilment and warehouse spaces

What is Insight?

Insights explore the nascent consumer behaviours, attitudes and trend responses emerging today that will evolve or gain traction in the near future through to 2025. Insights help brands and businesses to understand and identify the opportunities presented by this trend.

'Every chain in the world will have [dark stores] in the future… Every metro area will have some'

Ken Morris, managing partner, Cambridge Retail Advisors



Jentle Home pop-up shop for Gentle Monster by Louies Estocado explores how a retailer known for large experiential spaces can scale down its presence to connect with local communities

Small-box Stores

Retailers are swapping flagship and big-box, out-of-town formats for shops that are convenient and responsive to the characteristics of local communities.

With almost one in five UK retailers (18%) planning to move stores out of major city centres and into local high streets within the next 12 months, this points to a more dispersed, localised future for retail networks (source: Brightpearl).

In Edinburgh, the **Little Dobbies** micro-garden centre for city residents removes the need to venture to Dobbies' out-of-town depots, while providing convenient and accessible products that suit urban living. In Queens, New York, **Ikea's** first small store in the US is merchandised with room sets that reflect the size limitations of locals' apartments and homes, alongside a product range comprising space-saving furniture that can be adapted to locals' lifestyles.

Small-box stores also have an opportunity to play a Civic Brand role in communities. In China's lower-tier cities, **Alibaba's** Freshippo Mini stores are about one-tenth of the size of its regular store formats and are designed to be set up quickly to address gaps in fresh produce availability. 'Retail can take any form once you think creatively,' says Sucharita Kodali, vice-president and principal analyst at Forrester Research. 'The way that I envisage these small stores is like an exhibit at a trade show.'

'If your store fixtures can be ported easily and quickly then you're no longer beholden to the mall – you can be anywhere'

Sucharita Kodali, vice-president and principal analyst, Forrester Research



Box by Posti designed by Fyra, Helsinki. Photography by Riikka Kantinkoski

Decentralised Fulfilment

To provide greater convenience while shortening supply chains, fulfilment is going hyper-local. Through new neighbourhood facilities, retailers will streamline delivery and returns, while creating new physical touchpoints and experiences for customers.

With Shopify reporting that from May to August 2020 online shoppers spent 23% more when choosing local pick-up or delivery, and had a 25% larger basket size, retailers bringing fulfilment even closer to shoppers could reap rewards.

Opening in urban districts, **Box by Posti** from the Finnish postal service positions logistics as a consumer-facing service, allowing customers to collect items, try them on, recycle their packaging or manage returns from one space – with a dedicated area for brands to host seasonal pop-up shops and campaigns. Offering more than 13,500 brands, Russian retailer **Wildberries** has added fitting rooms to its own-brand pick-up points, allowing customers to instantly try on and return items if needed.

Demonstrating how retailers can work together for Decentralised Fulfilment, logistics firm **Optoro** is working with retailer **Staples** to turn more than 1,000 of its US stores into multi-brand return points for shoppers, helping to consolidate drivers' trips as well as reducing CO2 emissions.

Innovators such as **Klarna** are cutting carbon footprints as well as waiting times. Its conceptual Modular Mailbox can make shoppers' returns instantly available for others, allowing neighbours to act on micro-local shopping opportunities.

Between May and August 2020, online shoppers spent **23%** more when choosing local pick-up or delivery

Source: Shopify



Local Allure

The Klarna Future Shopping Lab explores how to improve the e-commerce experience with the conceptual Modular Mailbox. This community-facing locker enables people to collect online orders, rent items or even 3D-print products, all in their neighbourhood

Pro-planet Packaging

Rising e-commerce orders will force innovation in packaging to reduce retailers' carbon footprints, promote circularity and boost customer loyalty.

According to Global Web Index, 37% of female and 32% of male eco-conscious shoppers want eco-friendly or carbon-neutral shipping from brands. Nascent platform **Olive** answers this by consolidating each shopper's purchases from brands like **Everlane**, **Saks Fifth Avenue** and **Anthropologie** into a single weekly delivery. Items arrive in a re-usable, cardboard-free tote, and any returns can be arranged paper-free in-app, with doorstep collection using the same bag.

In China, eMarketer forecasts that e-commerce sales could outstrip bricks-and-mortar retail to account for 52.1% of overall sales in 2021.

In response, firms such as **Cainiao** – **Alibaba's** logistics unit – are using algorithms to select appropriately sized delivery boxes to minimise waste, while granting shoppers redeemable digital rewards in exchange for recycling.

PriestmanGoode's Zero concept seeks to address the environmental impacts of takeaway packaging. Its bento-style containers are made from biodegradable or re-usable materials, including Piñatex and bioplastic made from cacao by-products. For retailers, the packaging is designed to encourage positive behavioural change among customers by not only promoting re-use but also being regarded as a desirable object, rather than something disposable.





Left: Zero takeaway packaging by PriestmanGoode; Above: Sway for the Beyond Bag Challenge created a compostable replacement for single-use plastics often used in the retail sector

Key Sectors:
Packaging

This trend points to the need for smarter, more durable and educational packaging that will inspire eco-conscious practices among consumers. Consider also the positive role that labelling and barcodes can have.

Adopting a circular economy could increase disposable income for EU households by **£2,578** ($3,578, €3,000) per annum by 2030

Source: Ellen MacArthur Foundation





Transparent Footprints

Retailers will make the environmental and social impact of products even more tangible for shoppers to understand – inspiring them to adjust their buying behaviour.

Fashion label **Asket's** Impact receipt shows shoppers the environmental cost of their purchases by highlighting the amount of water and energy required to create each garment, as well as the CO2 emitted. Elsewhere, the **Aerial** app scans consumers' inboxes for receipts relating to travel. Using basic graphs, Aerial depicts the carbon footprint of their journeys, which they can conveniently offset using the app. Through such data, both companies seek to promote more eco-conscious purchasing.

The global market for carbon emissions offsets could increase to **£144bn** ($200bn, €168bn) by **2050**

Source: Berenberg

Key Sectors:
E-commerce

A future of Eco-venience Retail must also extend to the digital realm, driving greater demand for digi-tal designers to produce lightweight platforms that are engaging, efficient and reduce carbon footprints.



Above: Impact Receipt by Asket, Sweden; Top right: Allbirds' carbon labelling on its products; Right: Furniture company Vestre has announced it will list the carbon emissions of each product alongside its price in an attempt to foster greater brand transparency and accountability

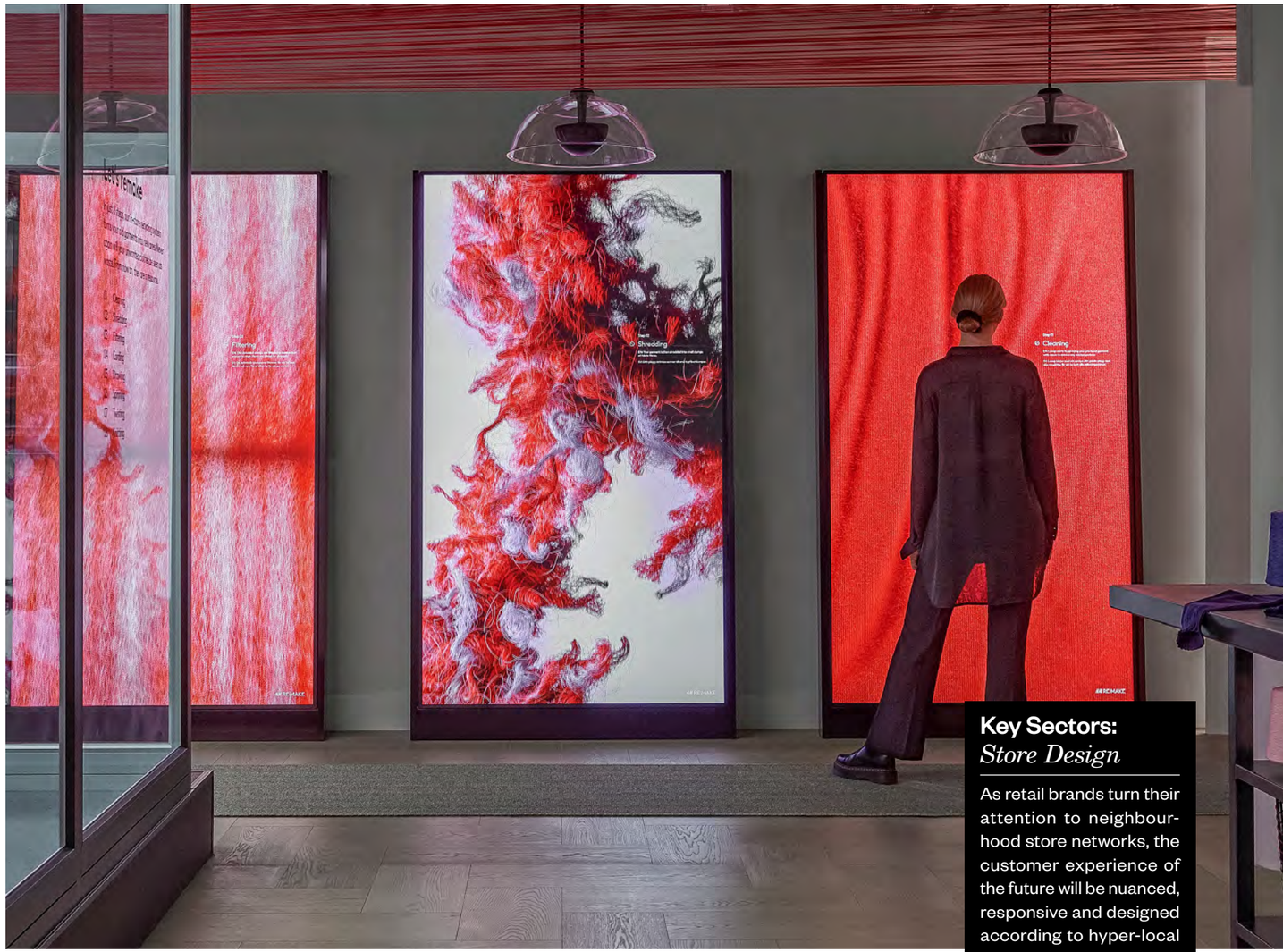
Retailers will also use technology to certify and substantiate sustainability or efficacy claims. E-commerce platform **Cult Beauty** is exploring this in partnership with **Provenance**, using blockchain to verify more than 1,500 proof points for 60 beauty brands, such as the use of recycled packaging or coral-safe formulations.

Carbon labelling could also become more prominent to bolster transparency and make a statement about the cost of convenience and perennial availability of goods. Swedish grocer **Felix** demonstrates how supermarkets might do this with its conceptual Climate Store that prices items based on their carbon footprint. In turn, shoppers can only buy goods using a carbon equivalent (CO_2e) currency and are restricted to a weekly budget of 18.9kg CO_2e.

Nearly a third of supply chain professionals report they are shifting from a global to a more regionalised supply chain model

Source: Gartner





Above and left: Looop by H&M, Sweden

Key Sectors:
Store Design

As retail brands turn their attention to neighbourhood store networks, the customer experience of the future will be nuanced, responsive and designed according to hyper-local needs, with a layer of tech for personalisation.

Last-mile Manufacturers

Global FMCG companies and fashion retailers will take production hyper-local in the 2020s, with small-scale factories that allow them to meet local market needs and fluctuating demand.

With 52% of supply chain professionals saying national interest and pressure for domestic operations will have a greater influence on future supply chain decisions, retailers will rely on micro-facilities that reduce production miles and help to foster more eco-friendly manufacturing practices (source: Gartner).

Showing how retailers can turn last-mile manufacturing into a store experience, accessories brand **Freitag's** new Kyoto store features a workshop inspired by its Zurich logistics warehouse, where customers can experiment with making their own small accessories using tarpaulin offcuts. Taking this further, **H&M's Looop** brings production theatre to stores with a machine that transforms customers' old clothing into new garments before their eyes – engaging them with upcycling while enticing people back to stores.

Unilever is exploring how FMCG production could become automated and hyper-local through a small-scale manufacturing model that operates from a 40-feet shipping container. These flexible nano-factories are being piloted in The Netherlands to respond quickly to regional market changes or to create goods for local product trials. The ease with which the containers can be moved or reformatted means that, in future, Unilever could tailor production to specific consumer needs or locations.

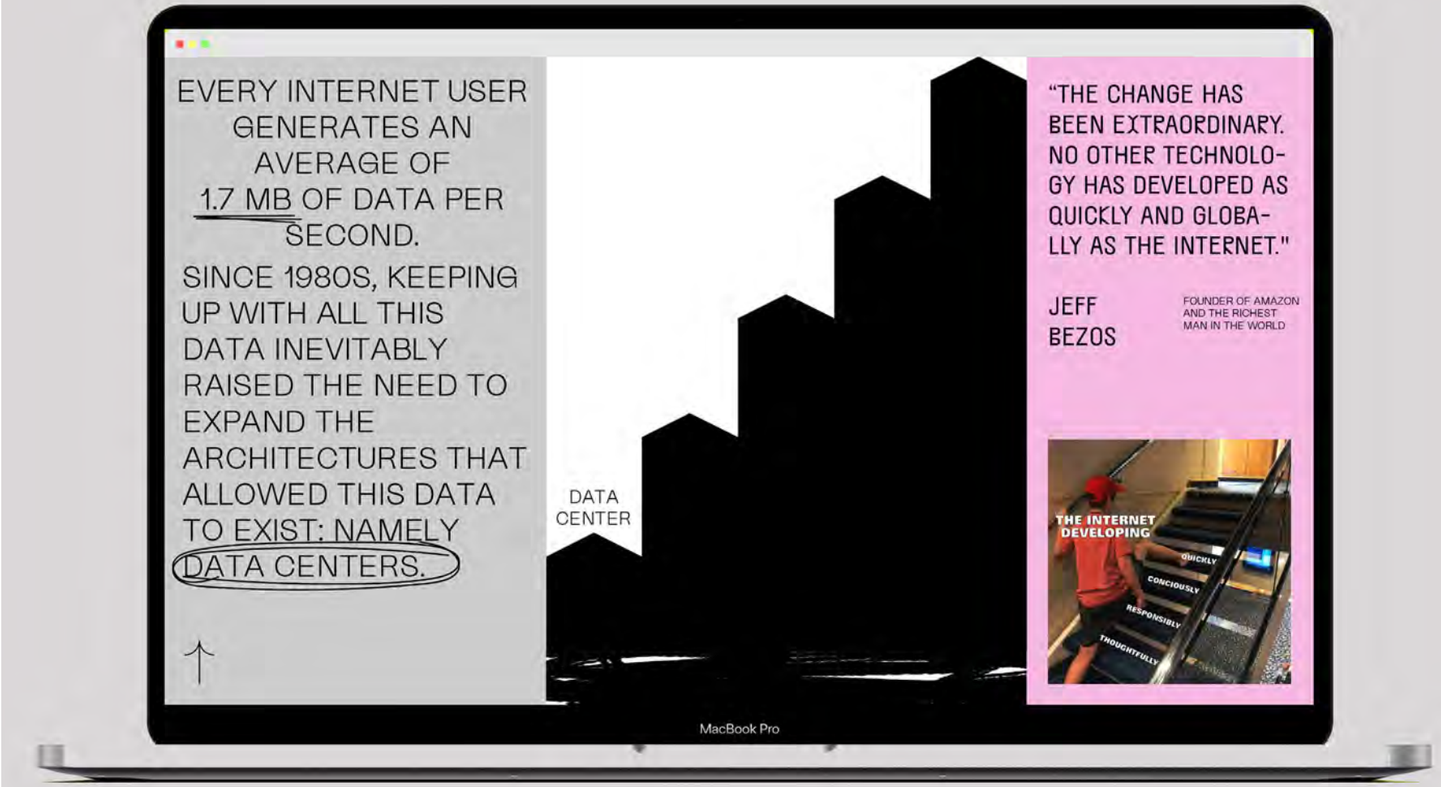


Customised Consumption

Sweat-Yourself-Shop by Freitag offers its micro-factory concept online, inviting shoppers to make customised bags out of recycled tarpaulins virtually

Foresight

By the 2030s, Eco-venience Retail will have augmented brands' online presence, elevated the store experience and turned retail supply chains into product storytellers.



Almost Full climate data initiative by Maria Jover examines the environmental impacts of the internet by visualising how damaging data can be

What is Foresight?

Foresights examine speculative future scenarios 5–10 years in the future. Building on the Insight section, they show new directions, divergence and developments.

Low-impact E-commerce

In the 2030s, retailers will use design to turn the starting point for most customers on their acquisition journey – their digital platforms – into spaces that provide carbon-conscious convenience.

To do this, they will strip back their virtual presence to simpler formats that drastically reduce their digital carbon footprint and pass this onto shoppers. Pointing to this future are brands such as **Organic Basics**, whose low-energy website reduces the amount of data transfer by up to 70%. It runs on green energy from wind turbines and has limited numbers of product images and no videos. Design will be a central feature of Low-impact E-commerce.

'Retailers are thinking about how they can communicate their sustainable credentials in the virtual or digital environment,' explains Tyler Chaffo of Avery Dennison.

Creative use of fonts or monochrome graphics will result in sites that are faster to load as well as lighter in their data use. Car-maker **Volkswagen's** educational carbon-efficient site manipulates American Standard Code for Information Interchange (ASCII) text into the shape of its new SUVs, instead of adding real photos of the vehicles. Elsewhere, Russian agency **RedME** has built a site with a design based on the UN's Sustainable Development Goals.

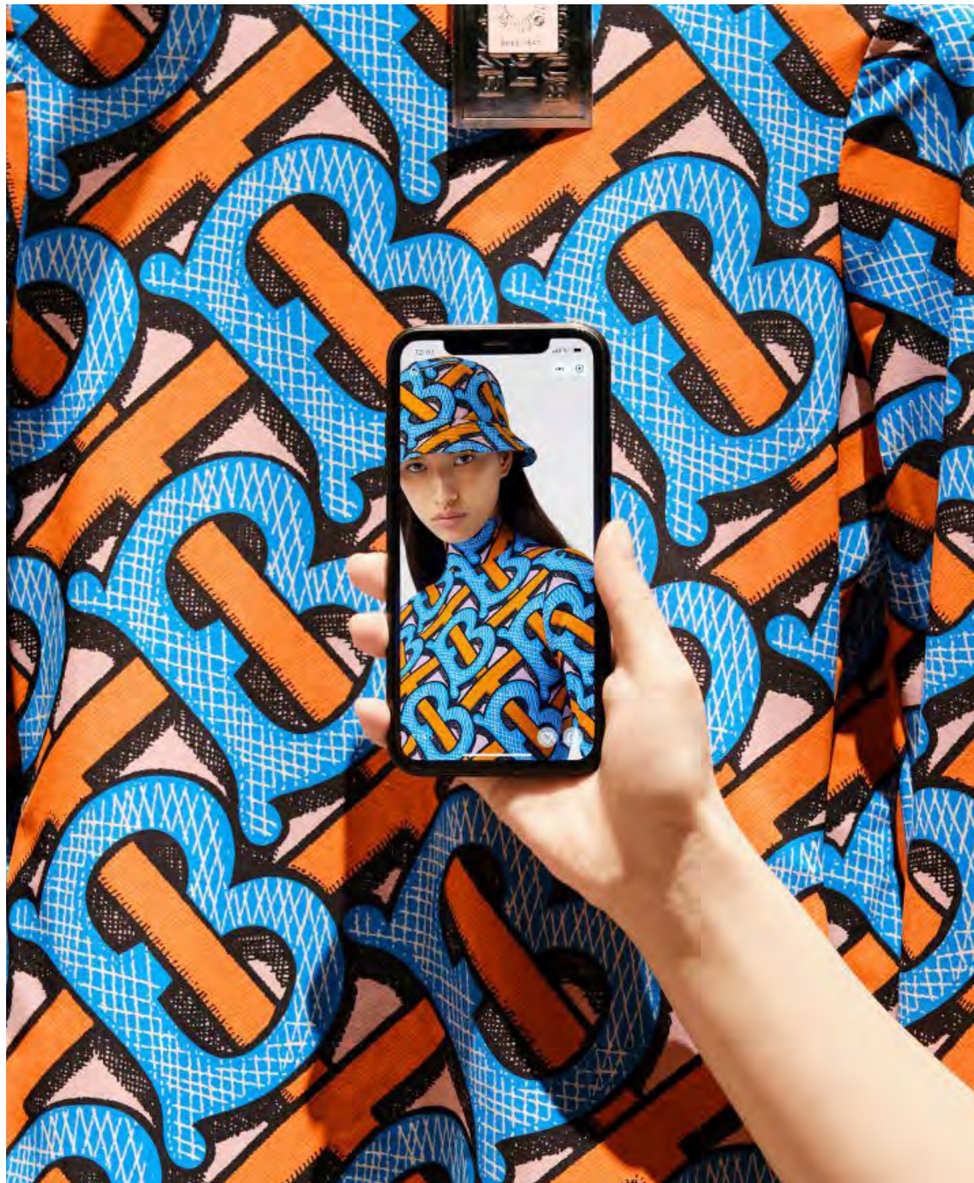
52% of British consumers acknowledge technology will be crucial for enabling sustainable living

Source: 3 Sided Cube



‘There is the potential to make [fulfilment] robots part of the theatre of the shopping experience’

Ken Morris, managing partner, Cambridge Retail Advisors



Above: Social Vend transformed Haeckels’ Margate store into a fully automated retail experience. This smart vending machine enabled people to buy products safely during the pandemic; Right: Burberry and WeChat’s collaborative phygital experiment integrates gaming, social media and e-commerce into a bricks-and-mortar retail environment

Automated Retailtainment

As we look to the future of Eco-venience Retail, micro-fulfilment formats could soon double as a form of in-store novelty for shoppers, even becoming a convenient and personal community asset.

In the US, **Albertsons Companies’** automated kiosks indicate a future in which micro-fulfilment will become consumer-facing. Dubbed ‘ATMs for groceries’, each kiosk can hold up to 120 crates and can be located close to homes or workspaces, allowing shoppers to place orders for collection within a two-hour window. When customers arrive at the machine, they scan a code to receive their items, with the process taking an average of 50 seconds. Elsewhere, start-up **Fabric** proposes a future in which grocery retailers will swap dark stores for integrated automatic product picking in an existing retail space. This will give shoppers the choice of placing an order in person or ordering ahead for a faster, convenient collection.By the 2030s, the integration of artificial intelligence (AI) could allow brands to hyper-personalise such automated retail experiences, whether by creating bespoke products on demand or by using facial recognition to instantly pick and present a customer’s favourite items. For some retailers and their customers, these systems could even become a means of new product discovery.

Totality Traceability

By the 2030s, retailers will be on a path to make every manufactured product traceable.

QR and barcodes will transform into information-rich touchpoints for retailers and customers alike, with unique digital product IDs given to everything from sneakers and luxury shirts to perishable goods. Spearheading such a future is **Evrythng**, a company that is using such product IDs to amplify trust and chains of custody for retailers, and to create long-term benefits for shoppers too.

Already, the company is working with **Ralph Lauren** and **Puma** to add unique digital IDs to products. ‘Once an item is digitised and is carrying a visible identity, that means that multiple parties can authenticate it at any point in the lifecycle,’ explains Niall Murphy, CEO and co-founder of Evrythng.

Totality Traceability will also mean each product has a tangible story, which is crucial for a future of more sustainable retail practices. A digital product ID scan will reveal the materials, sourcing and manufacturing dates of an item; it could unlock styling advice or even the product’s resale value for customers.





Left: Denim Reimagined by The R Collective and Levi’s in collaboration with Avery Dennison and Evrythng; Above: PANGAIA’s transparent collection and packaging

‘We’re helping retailers know everything about their product, from when it was manufactured and sourced to the time of resale’

Niall Murphy, CEO and co-founder, Evrythng





Tactile Traceability

PANGAIA is made up of scientists, technologists, artists and designers who are working together to create sustainable clothing made from renewable resources and lab-grown materials.

Committed to a zero-waste circular system, PANGAIA considers its environmental impact in all elements of the customer experience – products are sent in bio-based packaging and can be repaired or upcycled through a partnership with The Renewal Workshop.

In its Selfridges pop-up shop in London, shown here, consumers learn about the technology, materials and the brand's circularity model



Nomadic Brands

In a future when retail will break free of flagship stores and impersonal home deliveries, brands will hit the road to get even closer to shoppers – going directly to them in the places, spaces and regions they frequent.

'It builds on the idea of pop-ups – once a retailer untethers from the mall, they can literally be anywhere – where people are, outside your office, at the school gates,' says Forrester's Sucharita Kodali. Already, **Louis Vuitton** is exploring this with LV by Appointment, a free nomadic retail service in which a mobile luxury boutique visits shoppers' homes. Personalisation is also achievable; a quick call ahead will ensure the vehicle arrives brimming with a selection of goods tailored to a customer's preferences. Experimental clothing brand **Vollebak** is taking this further. It recently announced its first stockist as the Tjukayirla Roadhouse in Australia's Great Victoria Desert – some 264km from its closest neighbours. Looking ahead to the 2030s, when brands' supply chains and shoppers' footprints will be seamlessly offset, if not carbon-neutral, such far-flung retail could become a marketing tool, with some products only available in some of the world's most remote stores.





Left: Vollebak Planet Earth Shirt; Above: In Hong Kong, luxury brand Salvatore Ferragamo partnered with local artists to create a pop-up retail truck, taking its ready-to-wear collections on tour throughout the city

'Our gear is made for anywhere on the planet… so it seems right that the last outposts in the wilderness carry our kit'

Steve Tidball, co-founder, Vollebak

Imagination Travel

Louis Vuitton men's autumn/ winter 2021 show presented by Virgil Abloh shows a multi-disciplinary performance involving scenes from Paris landmarks

Strategic Implications

The pandemic-powered retail apocalypse has transformed and refocused people's priorities when consuming products and navigating physical retail.



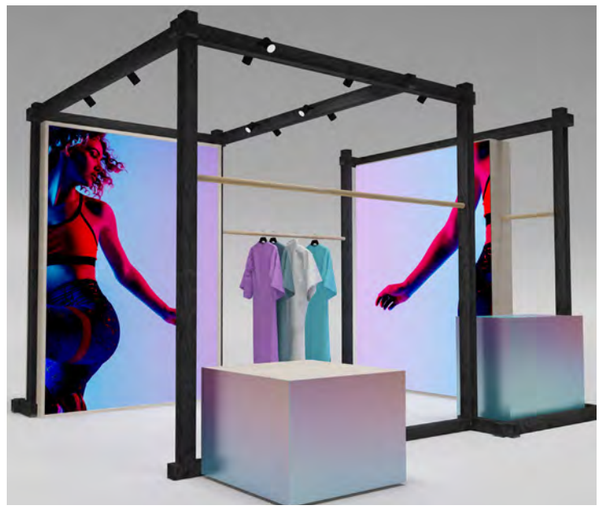
Nike, US

Strategic Actions

Retailers will need to invest in digital acceleration and supply chain resilience to mitigate risk and better serve both the community and the planet.

Promote community convenience

People are spending more time and money in their local neighbourhoods. Re-assess how and where your brand shows up – including reformatting and repurposing stores to provide micro, local shops that can respond to communities' lifestyles.



Pop-up store by Marta Pietrucha, Poland

Embed decentralised strategies

Integrate shorter, domestic supply chains across operations, from manufacturing to fulfilment and logistics, to bolster a new agile retail experience. Engage and entertain shoppers while laying the foundations for greener practices.



Vibram Component by Vibram, Italy

Serve a conscious mindset

As consumers continue to demonstrate greater ethical and environmental awareness, retailers will need to make eco-credentials and the social impact of products more measurable, transparent and engaging to reinforce positive behavioural change.



Sway for the Beyond the Bag Challenge

Thought-starters

As global supply chains grow too long and too fragile, retailers will need to evolve for consumers who want brands to exist and operate more cleanly and closer to them.

Drive eco-venient operations

From consolidating multi-brand orders into weekly deliveries to low-energy websites, brands are already re-inventing their operations. As consumer interest rises, how else can brands make e-commerce kinder to the environment?



Mejo by Studio Creta

Incentivise the right behaviour

Whether using blockchain to verify proof points of provenance or dynamic pricing systems to reflect carbon footprints, tech upskilling is key. Can you rethink your digital strategies to showcase your eco-credentials and incentivise change?



AutoStore, Norway

Be agile and adaptable

Flexible, nomadic brands will offer curated collections and experiences wherever consumers are. Being present in remote locations or part of creating a new destination, how can store designs be more seamless and effective in response to future demands?



Pharrell Williams Collection, Adidas

Strategic Worksheet

Accelerating e-commerce and demands for expedited delivery are forcing a new retail framework that puts eco-conscious practices at the centre of brands' operations.

This comes amid accelerated e-commerce growth over the past 12 months. Yet, as shoppers shifted their spending online, strain on supply chains and the effect of expedited shipping and returns are exacerbating retail's environmental impact.

In 2021, retailers must respond with Eco-venience Retail, a fresh framework for supply chains, logistics and consumer reach, as convenience and care for the environment become ever-more intertwined.

This strategic worksheet is to help you apply this macrotrend to your business:



Carolina Carballo for The Future Laboratory

Prioritisation

Identify the following:

Which human need is most relevant to your brand/business?

Attainment | Belonging | Curiosity | Identity | Purpose | Security | Fulfilment

Which driver will have the most impact on your brand/business?

Urban Mindset | Dislocated World | Accelerating Technologies | Evolving Demographics | Climate Change & Resource Scarcity | Global vs Local

Influence

Consider the following:

How will this trend affect how you fulfil that need?

What impact could these drivers have on the business?

Select two insights that feel most relevant to your brand/business:

How do these insights align with your brands trajectory?

How could you apply these insights to your business?

Which foresight scenario is your company least prepared for?

What is most surprising about this foresight scenario?

Implications

Consider how this macrotrend could impact the following pillars of your brand:



Masquespacio, Milan


Nike, US

01 Culture

What cultural conversations are emerging and who are the tastemakers?

How do we add-value to culture?

What will our consumers pay more for in the future?

02 Consumer

Who do we want to attract in the future?

What are our current barriers to reach them?

What new customer expectations are emerging?

Implications

Consider how this macrotrend could impact the following pillars of your brand:



Shaping by Eyla Llarena Aliaño


Sweat-Yourself-Shop by Freitag, Zurich

03 Category

What's our greatest opportunity?

How is the competition evolving?

How can we differentiate?

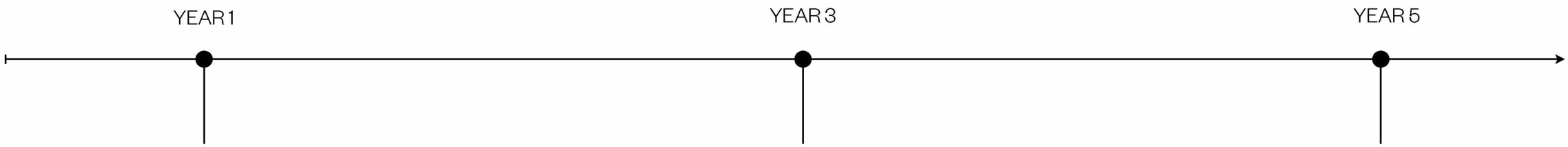
04 Business

What are our biggest challenges?

What part of the value chain will add the most and least value?

What are the strengths of the brand in this future?

Planning



Over the next 12 months, how will this macrotrend affect your team?

In 3 years, how will this macrotrend change the brand?

In 5 years, how will this macrotrend change the business?

Thought Starters

Consider the following:

Drive eco-venient operations

From consolidating multi-brand orders into weekly deliveries to low-energy websites, brands are already re-inventing their operations. As consumer interest rises, how else can brands make e-commerce kinder to the environment?

Incentivise the right behaviour

Whether using blockchain to verify proof points of provenance or dynamic pricing systems to reflect carbon footprints, tech upskilling is key. Can you rethink your digital strategies to showcase your eco-credentials and incentivise change?

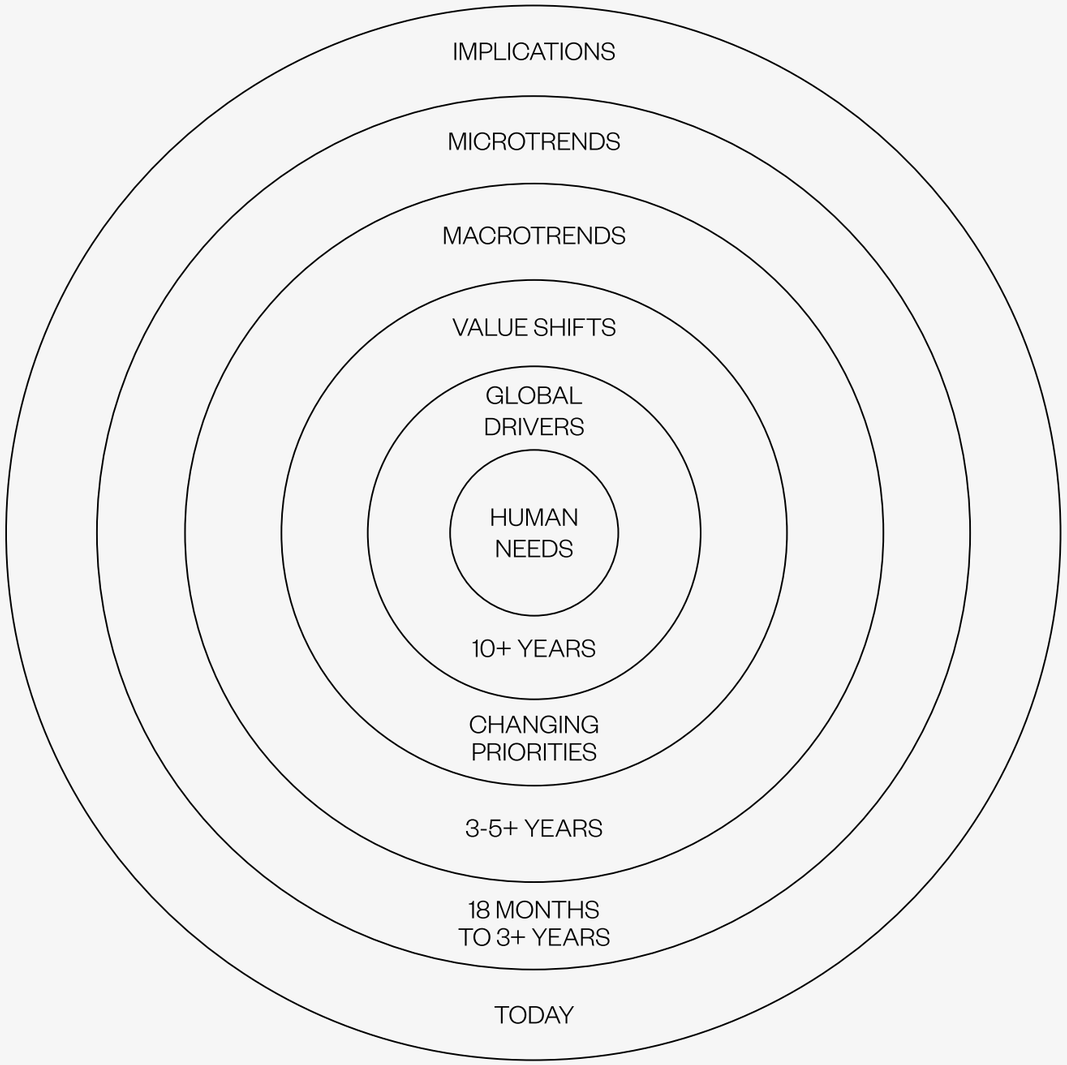
Be agile and adaptable

Flexible, nomadic brands will offer curated collections and experiences wherever consumers are. Being present in remote locations or part of creating a new destination, how can store designs be more seamless and effective in response to future demands?

Methodology

The Future Laboratory's unique proprietary methodology allows us to track, monitor and determine the key drivers of change affecting future consumers, culture and business. Here is how we identify our trends.





The Future Laboratory's proprietary foresight methodology

Introduction

Strategic foresight is the most valuable tool you can adopt to identify future prosperity. Despite our reputation for getting it right, we can't predict the future. There is no crystal ball.

However, our methodology enables clients to interpret and frame all their decisions about future risk within a brand, consumer or organisational context that is provable, practical and minimises uncertainty.

We do this by understanding the influence of six global drivers causing profound, consistent – and therefore relatively predictable – change.

Their impact is assessed against seven core human needs and the ensuing value shifts that change consumers' attitudes and behaviours.

This leads us to identify emerging macrotrends and microtrends, and ascertain what their implications are for the future landscape.

Futures Taxonomy

At the heart of The Future Laboratory is a taxonomy that our teams have used since the millennium to shape the strategic thinking and foresight capabilities of FTSE 100, Fortune 500 businesses, and progressive brands and disruptors.

We use this methodology to map, monitor and interrogate the future. It serves as the foundation for everything we do as a business, and is based on six layers of hindsight, insight and foresight:

1 Human Needs

Static and universal needs, based on a value system that supports human nature's physical and emotional programming

2 Global Drivers

The shifting social, technological, economic, environmental and political landscape reshaping the world we live in, affecting everyone and everything

3 Value Shifts

Consumers' changing attitudes and behaviour – a reaction to their contemporary context

4 Macrotrends

The cultural manifestations of new and emerging attitudes worldwide

5 Microtrends

Influential short-term signals indicated by innovation

6 Implications

Future implications for brand and business growth



The Seven Human Needs

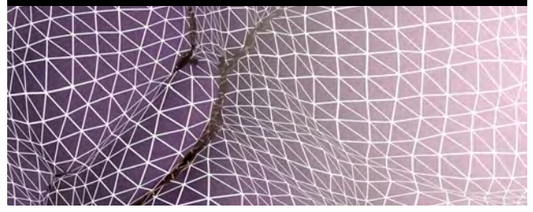
The seven human needs are timeless and universal. Based on a value system that supports human nature's physical and emotional programming, each human need is of importance to us as individuals and together they form the foundation of society as well as that of our methodology:

Why they matter:

Every day consumers make decisions based on what they feel and believe is most important. By aligning our research with these static needs, businesses gain a deeper understanding of how the needs of early adopter consumers will translate into product and service needs as their values shift with the global drivers.

The Seven Human Needs

Security

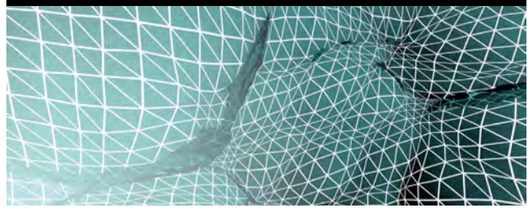


At the core of humanity is a fundamental need for structure, control, certainty and stability. It is a basic human survival instinct to protect ourselves and our loved ones from perceived physical, emotional and economic threats

KEY ELEMENTS

Finance, Health, Food, Shelter, Employment, Safety, Environment, Wifi

Fulfilment

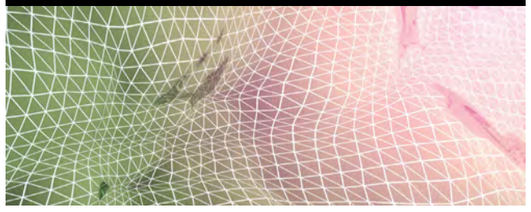


There is a human desire to direct our own lives, to create forms of freedom and to find deeper meaning and balance in life. It is the psychological need to fully realise our personal potential with the resulting feeling of satisfaction

KEY ELEMENTS

Wellness, Spirituality, Love, Emotions, Self-esteem, Beauty

Belonging

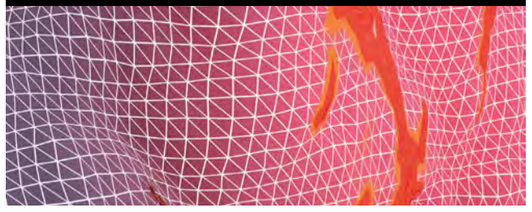


It is a social need to be physically connected to a group of like-minded people. We have an emotional urge, on an individual level, to create support systems and relationships that provide us with acceptance and approval

KEY ELEMENTS

Nationalism, Tribalism, Roots, Conviviality, History, Culture

Curiosity

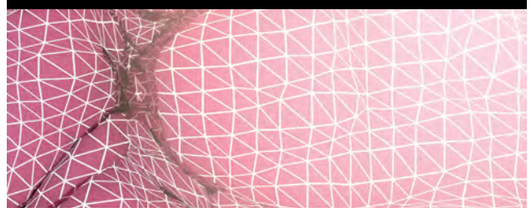


To both create and co-create makes us push the boundaries of what is ultimately humanly possible. Our in-built intuition makes us inquisitive beings with a shared inclination to discover or challenge the norm

KEY ELEMENTS

Exploration, Education, Connoisseurship, Discernment

Identity



We have a need to distinguish our character or personality from others and to feel unique and respected for who we are. We build our sense of who we are through a personal exploration of gender, sexual orientation, ethnicity and age

KEY ELEMENTS

Gender, Age, Ethnicity, Religion, Nationality, Self-image, Language, Collectivism, Morals

Attainment

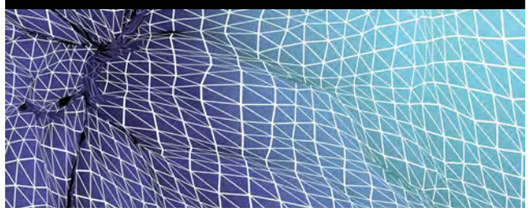


All human beings need to feel respected and recognised among their peers, which drives the desire to constantly express our significance and success, our knowledge and tastes, with our achievements often reinforced through the acquisition of symbolic goods

KEY ELEMENTS

Knowledge, Taste, Work, Respect, Prestige, Connoisseurship, Ownership

Purpose



It is in the interests of the human species for all of us to contribute, participate and add collective value to progress. Each day we plan for a better tomorrow, aligning our passions with our purpose to grow and achieve collective betterment

KEY ELEMENTS

Meaning, Ethics, Mastery, Learning, Collectivity, Sustainability, History, Culture

The Six Global Drivers

Global drivers represent the cultural, social, economic, political, technological and environmental eventualities reshaping the world we live in. They are factual, objective and long-term structural forces that are pervasive, powerful and transformative.

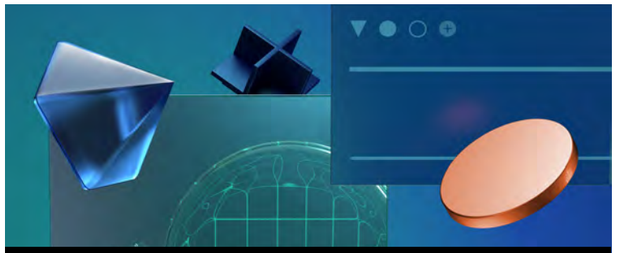
Why they matter: What's next

These are the fundamental shifts or external forces that have the potential to reshape the future trajectory of a brand or business. They help to contextualise decision-making by considering why and how the world is being reshaped. They enable clients to rethink what kind of world consumers will live in and therefore what will drive the businesses of tomorrow.



Mutant Matter by Dutch Invertual

The Six Global Drivers



Accelerating Technologies

The digital and offline worlds are converging. For millions of people around the world, living a day without technology is almost unthinkable. On the cusp of a Fourth Industrial Revolution, new technologies are fusing the physical, digital and biological worlds, creating new data streams and altering the way society operates.



Climate Change and Resource Scarcity

Climate change is the biggest global risk, according to the World Economic Forum. The stresses and conflicts created by this force have far-reaching impacts for our planet, resulting in eco-system degradation, more frequent and harsher weather patterns, competition for resources and new migratory flows.



Dislocated World

The Covid-19 pandemic unearthed pervasive inequalities and divisions on a global scale. People are experiencing unprecedented turbulence as political instability and extremism, polarisation between rich and poor, new health epidemics, global trade wars and rapid technological advances contribute to economic and social upheaval.



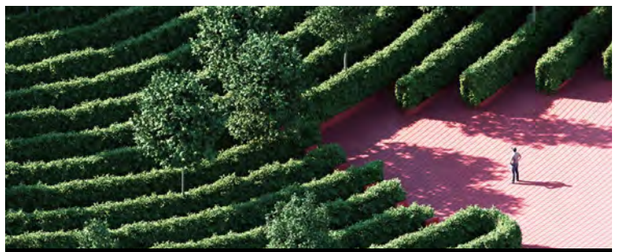
Global Versus Local

Today's interconnected world, in which goods, services, information and culture are rapidly spread, instantly creates an impact in one global region that has a knock-on effect on others. Simultaneously, supply chain shocks, sustainability concerns and economic protectionism are leading to localism being prioritised across many regions.



Evolving Demographics

In the next decade, a number of forces will begin to change the global population, contributing to major social and cultural shifts that will affect how we measure and use traditional demographics – including ethnicity, gender, sexuality and age. From new household models to more fluid forms of identity, these shifts will transform our cultural values and day-to-day lives.



Urban Mindset

In the past four decades, the number of people living in cities has more than doubled to over 4bn today, more than half the world's population (source: Wharton School, University of Pennsylvania). The Covid-19 pandemic revived anti-urban sentiments, but the broader global trend of rapid urbanisation continues.

Carolina Carballo for The Future Laboratory; EBIOS by Interstellar Lab, US; Mutant Matter by Dutch Invertuals; Self-sufficient City by Guallart Architects, China; Protect Your Spirit by NorBlack NorWhite and Fila India. Photography by Prarthna Singh; Parc de la Distance by Studio Precht, Austria



Victoria Ling for The Future Laboratory

The Value Shifts

We know that our needs are prioritised, expressed and pursued differently as time, culture and social requirements change.

The evolving forces sitting above these needs are changing our value expectations, transforming our aspirations and priorities, and beginning to reveal the role, the purpose and the direction that brands and businesses can take as they move towards 2030.

Identifying how societies and culture are changing provides the sociocultural context for our macrotrends.

Why they matter: What to plan for

As consumer values shift from year to year, we track their evolution through the lens of our global drivers and human needs to help businesses stay ahead of the cultural curve and understand the trajectory of the trends they have invested in or should be investing in.

Macrotrends

We can identify future macrotrends by studying the behaviours of innovators and early adopters who signal the cultural manifestations of new and emerging attitudes globally.

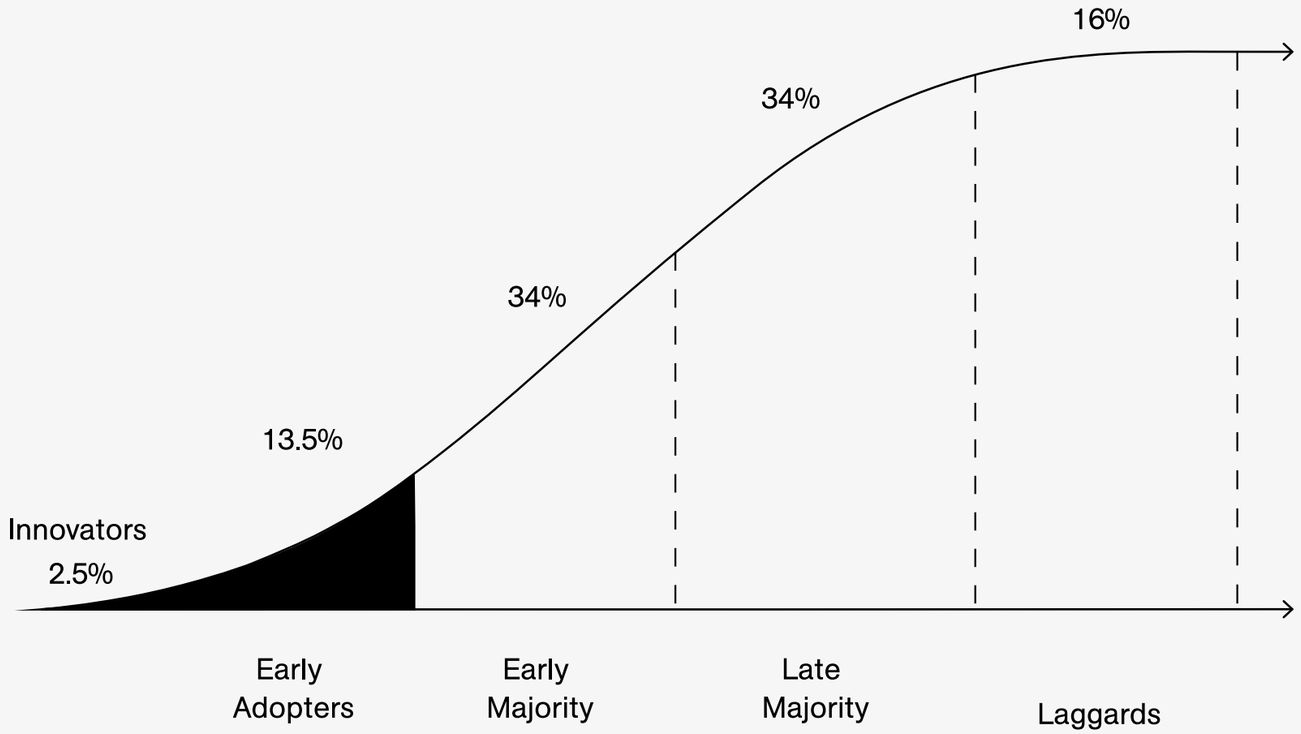
Why they matter: Where to play

To understand revenue-driving early and late majority consumers, we focus on innovators and early adopters who determine today what the rest of us will be doing tomorrow

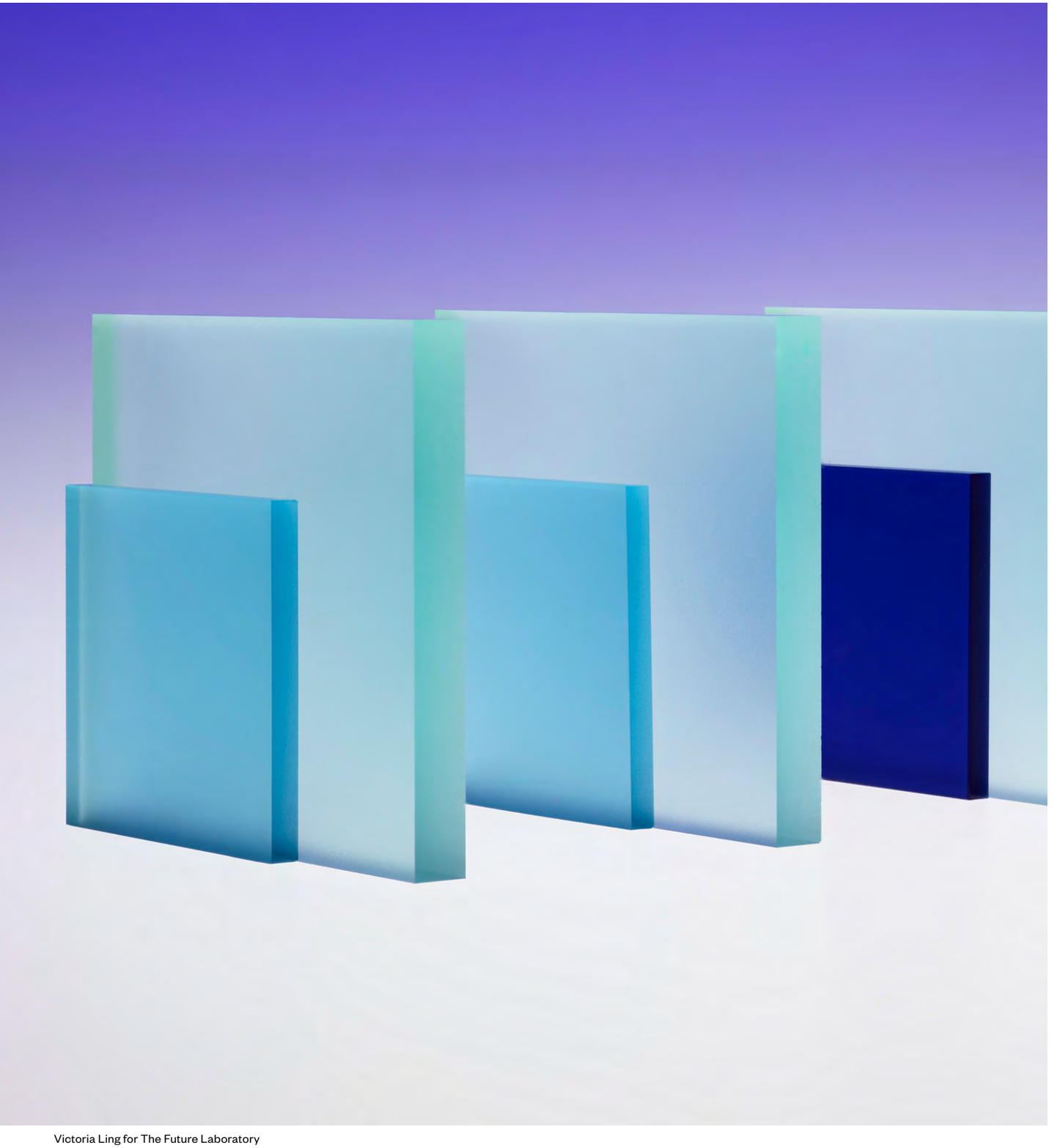
By understanding these consumers, we can help our clients deliver a business strategy that appeals to early adopters and the late majority – ultimately future-proofing your business

The Diffusion of Innovation curve

Seen here is a simplified version of the mapping process used by Bryce Ryan and Neal Gross to describe how an idea, innovation or product development passes from the fringes of our culture into the late majority mainstream



DISCOVER MACROTRENDS



Victoria Ling for The Future Laboratory

Microtrends

Where macrotrends chart the next 3–5 years, microtrends are tangible examples that are emerging now.

Supported by new consumer-facing innovations, microtrends are evident in new start-ups, products, services and experiences. Manifesting in the short term, microtrends emerge in local and regional variations.

Why they matter: How to win

Microtrends highlight specific shifts in consumer behaviour that change the business environment in the short term.

They enable businesses to see what's happening now across industries, regions and markets, allowing them to re-align new workstreams and help articulate a proposition from local insights.

Strategic Implications

As you can see, we don't predict the future. But through Strategic Foresight we can track global shifts to understand the key drivers of change and mine the evidence of today's world to preview what the future could look like.

Our Strategic Implications enable clients to contextualise, navigate and find opportunities by highlighting how a macrotrend might affect them and refocus their outlook.

They act as recommendations to help clients discover future growth and set a series of positive actions about what they can do today to apply the trends.

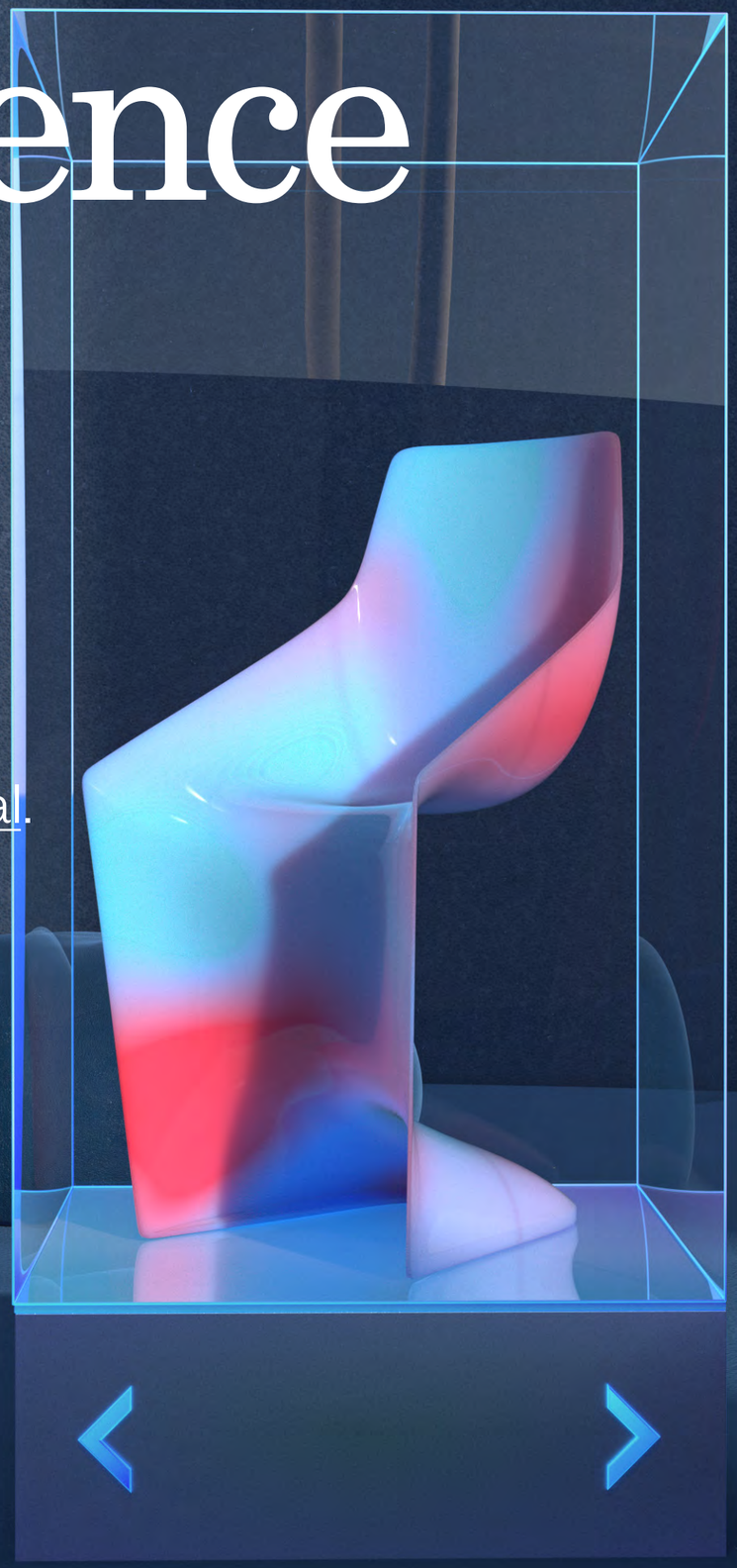
Our team of strategists are always on hand to dig deeper and build a personalised Foresight Framework for you. Get in touch to understand how our human needs, global drivers and macrotrends will affect your organisation.

BOOK A STRATEGIC CONSULTATION



Carolina Carballo for The Future Laboratory

Eco-venience Retail



This report is based on macrotrend research from The Future Laboratory's trends intelligence platform, LS:N Global.

Did you know that members get free access to all of our trend reports?

We can also deliver our macrotrends to your business in a number of ways, from virtual presentations to strategic workshops and bespoke reports.

If you want to find out more, say hello@thefuturelaboratory.com

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The Future Laboratory is one of the world's foremost strategic foresight consultancies. Members of our trends intelligence service LS:N Global get exclusive access to the mindsets defining tomorrow and the early adopters driving global change across eight industry sectors.

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