

KEY TRENDS AND URGENT QUESTIONS FOR BUSINESSES TOWARDS 2030

AN EXPLORATIVE FUTURE OUTLOOK FOR RETAILERS,
WHOLESALEERS & BRAND-OWNERS

FUTURE BRIEF



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READER'S GUIDE

You're about to embark on a journey created to spark your imagination and challenge your perception of the possible futures. As you read this Future Brief, keep in mind that it has a particular purpose: This isn't a typical strategy paper. You won't find a neatly wrapped package of solutions.

Instead, the purpose is to act as a catalyst, sparking dialogue and perspectives on the future as part of a longer journey towards the Vision2030 for retailers, wholesalers and brand-owners. Within this context, you will encounter a number of important questions to ask and uncertainties to be aware of.

This Future Brief is designed to introduce key trends to identify the biggest challenges and uncertainties that businesses and the consumer market could face towards 2030. It consists of trends describing developments that could impact relevant stakeholders going forward. Each trend includes a short description of the key trends, some of the underlying implications and lastly some questions to consider in order to prepare for the possible futures.

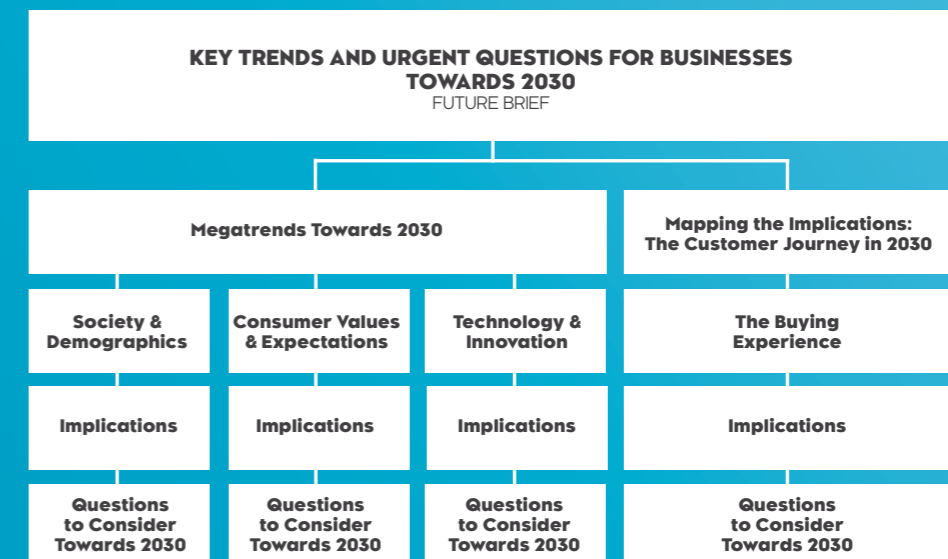
It is split in two parts. The first part focuses on observations of the surrounding environment built upon some of the megatrends we see within society, demographics, the consumer values and expectations, and technology. The second part focuses on business implications on the customer journey..

What to Expect (And Not to Expect)

- *This is a 'Teaser' Document.* Consider this Future Brief a teaser for the future. It offers glimpses, hints and subtle nudges that challenge your preconceptions and ignite your imagination. The Future Brief does not provide answers, but rather raises crucial questions to ask about the future.
- *Mind the Gaps.* Regulations on both international and national level are a key factor both today and in the future. However, it is beyond the purpose of this Future Brief to map out existing regulation and speculate in potential future regulation and policy implications.
- *Stay Open and Curious.* We ask you to approach the content with an open mind. Welcome uncertainty, and let it stimulate your appetite for deeper exploration rather than seeking only what you already know.
- *Invitation to Discuss and Debate.* The ultimate aim of this paper is to ignite conversations. Engage in discussions and share your insights in your own organisation.

And remember: This Future Brief is just the beginning of the journey. Feel free to explore and dive into whatever part that inspires you the most.

Enjoy the reading!



WELCOME

The future is not what it used to be!

“In times of change the learners will inherit the world, while the knowers will be beautifully equipped for a world that no longer exists.”

These were the words of American philosopher and author Eric Hoffer, who explored the psychology of mass movements and the motivations behind fanaticism and extremism in the middle of the 20th century. And although it seems a long time ago and perhaps written in a slightly different context, Hoffer’s words are still very valid when looking at the tremendous changes businesses and consumers are going through right now and will experience in the future.

The rapid and exponential development of technology and digitalisation is a crucial factor in a development, where the value chain is currently shifting and affecting all businesses. Most importantly, we see that classic Business-to-Business and Business-to-Consumer models merge and new ones such as Direct-to-Consumer arise when businesses combine elements from the classic models with new, digital technologies. Consequently, the changes in consumer behavior impacts all businesses and will do this even more in the future. Many manufacturers, brand owners, wholesalers and retailers are aware of these movements and are making adjustments to continue offering value to suppliers, customers, and not least consumers in the digital customer journey.

At the same time, technologies are changing consumer behavior and expectations, entailing a whole new customer buying journey that is transforming the customer experience. In the interaction between consumers and businesses, data is the new currency, where technology again plays a decisive role in gathering and processing the data, allowing businesses to provide consumers and customers a seamless and highly personalised customer journey. This raises a question without a clear answer: Is the consumer driving businesses or are businesses driving the consumer? One thing is certain: The interaction is constantly evolving.

Add a set of other megatrends, such as an increased focus on sustainability, new generation gaps and societal and demographic development across the globe, business leaders and other decision-makers are facing an enormous set of challenges. For business leaders, finding ways to ensure future growth and solutions to future challenges require strategies that place customer behavior at the core. This also entails a need to holistically deal with data processing, an adaptation to fast evolving technologies, and managing new generations of employees (to name just three areas that will require top management attention). Businesses that do not accommodate to these changes will risk being “*beautifully equipped for a world that no longer exists*”.

Creating a viable Vision2030 for Danish businesses

Helping Danish companies win is the mission of the Confederation of Danish Industry (DI). Consequently, the purpose of our efforts is to prepare Danish businesses for the future based on the changes occurring because of the dynamics between customer behavior, society, trends and businesses.

This future brief is part of an ambitious three-step approach that will enable us to accommodate the expected needs of Danish businesses in the best viable way, with a focus on brand-owners, wholesalers and retailers:

1. This future brief serves the purpose of *outlining how the most important megatrends will affect consumers and businesses in the future*. This allows us to formulate a list of key questions regarding the impact of the megatrends on consumer and customer behavior which business leaders must ask themselves to develop strategies enhancing future growth and competitiveness. Hence, *in this brief we raise the questions without providing the answers*.
2. Through two summits in November with a selected group of representatives of decision-makers from brand owners, wholesalers and retailers, we will deep dive into the questions regarding impact raised in this brief. With the assistance of international speakers, experts and relevant business cases, we will discuss the questions to find to answers and solutions.
3. As a last step, we will prepare a Vision2030 for Danish Businesses that sums up the findings of this read along with the feedback and tangible recommendations from the business summits. We believe that the Vision2030 will serve as a strategy roadmap and a foundation of inspiration to business leaders, but also to policymakers, authorities, and other stakeholders to ensure that Danish business have the best viable platform to outperform their global competitors.

With the Vision2030, we at DI will have a powerful tool of knowledge to adjust our member services, policy advocacy and other activities to support Danish businesses going forward. We look very much forward to continue our part in making Danish companies win in the future.



Jacob Kjeldsen
Director, DI

EXECUTIVE SUMMARY

This Future Brief is based on the assumption that the future can, to a certain extent, be explained by a range of relatively certain driving forces (megatrends) taking us from the past through the present and into the future. Other aspects of the future are out of our control, which means that the future can never be singular or predetermined and that a range of uncertainties give shape to different possible trajectories.

Technological changes are one of the most significant implications of the megatrends, and we are entering a period that, in the words of EU commissioner Margrethe Vestager, is “possibly more significant than the first industrial revolution” due to the development of artificial intelligence. The increasing urgency of addressing climate change is also creating a shift from sustainable to regenerative practices, supported by technological development. At the same time, businesses can anticipate challenges from a number of areas, including the regionalisation of global supply chains, an ageing population, intergenerational wealth shifts, and labour shortages.

We are undoubtedly moving towards a future with a more liquid landscape for retailers, wholesalers and brand-owners. A landscape that has already undergone remarkable transformations, surpassing the complexity, individualism, and commercialisation of just a decade ago. This evolution is projected to accelerate even further, driven by upcoming technologies that will change the expectations from consumers and, consequently, the customer journey for all customers.

There are more ways than ever to engage with consumers, but it has never been harder to get their attention or get a message across. In a world of fragmented consumer journeys, the battle for mindspace intensifies. Businesses increasingly need to emphasise personalisation, emotional resonance, seamlessness and co-creation in order to remain relevant and elevate their brand stories.

The range of sources that influence consumers is becoming increasingly complex, and the growing use of marketplaces is showing no signs of decline. Fast forward to the buying experience of 2030, and customers are likely to savour hyper-personalisation through AI-fueled recommendations and tailored promotions. With the help of technologies like augmented reality and virtual reality, our physical and digital worlds are likely to blend together in a way that will make shopping an immersive experience. AI-driven virtual shopping assistants providing real-time support across multiple platforms combined with swift delivery and fulfilment services which can ensure prompt order processing. The vast majority of customers believe that “an experience of a company” is as important as its products or services¹, and this is expected to have

a great influence on their choices. At the same time, consumers will make decisions based on sustainability and ethics, which could lead to new ways to pay for products that give buyers more options. In light of this, enterprises within commerce will need to exhibit adaptability in the face of this new technological paradigm.

The 21st-century business environment is characterised by the presence of rapid change and uncertainties, which have become a natural part of the commerce landscape. The acceleration that we are witnessing, along with the rise of digitalisation and geopolitical issues, among others, is transforming society. These changes highly impact the way in which we conduct business: From how brands and retailers position themselves as thought leaders in shaping solutions for the future of society to how they structure supply chains, organise omnichannel, attract talents, embrace AI and generally position themselves in the world.

Our fixed assumptions about the future of commerce determine our field of view and, therefore, our range of actions, so continuously challenging these assumptions is central to achieving a more unhindered approach to futures thinking. How we talk, write, and think about the future also actively shapes its outcome, further highlighting how we need more, not less, awareness of the future in today’s world.

We all contribute to making the future happen, and our actions today have consequences down the line. Therefore, this work is founded on the principle that the future can and must be influenced on an informed and transparent basis. Increased awareness of future uncertainties so that better decisions can be made in the present.

About Vision2030

DI initiated Vision2030 to ensure the competitiveness of Danish businesses towards 2030. The objective is to reduce uncertainty and support business leaders by providing actionable insights and recommendations to meet future challenges. Based on this Future Brief, an invited group of retailers, wholesalers, and brand-owners will gather at two physical Summits to discuss future developments and how to prepare for them. The Summits will pave the way for the launch of Vision2030, which is intended to serve as a roadmap for a variety of DI activities aimed at Danish businesses, and also involving relevant authorities, politicians, and various other stakeholders in the coming years.

FUTURES THINKING

Imagine you're in the year 2030 and are about to purchase a new chair for your living room. How will the customer journey unfold for you? Will your hyper-personalised synthetic digital assistant search the internet for the chairs you are most likely buy? Will it guide you through your decisions, helping you ask the right questions? Perhaps even negotiate prices on your behalf to land the best deal? Will you be able to experience the chair in 3D in your living room in new unimaginable ways and maybe even feel the different materials before deciding? How long will it take before the chair will arrive?

What competencies are needed in a company in 2030 in order to provide the services expected from the future consumer and other stakeholders? Will Danish companies be operating on a more global or more local market? Will employees be working partly in immersive virtual environments? Will digital assistants have taken over all support functions? What will physical stores and environments look like? How many, and what kind of, brick-and-mortar shops can we expect? Will all retail be omnichannel?

The world is changing faster than ever before - so how do you prepare your company to have a successful business in 2030?

About the Future Brief

Today's decisions are based on our assumptions of what the future will look like. By challenging these assumptions, the foundation of decision-making is strengthened as opportunities and uncertainties are exposed.

This Future Brief is designed to introduce a number of trends and uncertainties in order to provide insights about emerging trends and inspire new perspectives on the future of the consumer market towards 2030 from a Danish commerce perspective.

What we want you to consider while reading this Future Brief is: What is taking place and why is it happening? Could the world or a trend plausibly move in different directions? What does the different trajectories depend on? And finally, how can you prepare for these potential outcomes? There is not just one possible future but many plausible future scenarios, and the large number of uncertainties we are seeing at the moment with e.g. new technologies as ChatGPT, Generative AI, Immersive technologies and soon, Brain-Computer Interfaces (BCI) are constantly moving the barrier of what can be done.

How will consumers react to this? Will we allow more tech into our consumption patterns? Or will we see a techlash of a size we haven't seen before? Consumer sales need to prepare for multiple outcomes related to each trend to make more qualified decisions today.

**“The future is already here –
it's just not evenly distributed.”**

- William Gibson, Sci-Fi writer

The Future is Already Here

The World Economic Forum estimates that 75% of organisations are unprepared for the pace of change in and around their industry and recommends foresight as a crucial strategic capability².

40% of global CEOs asked by PwC's 2023 Annual Global CEO Survey believe their organisation will no longer be economically viable in ten years' time if it stays on its current course. The majority of those CEOs feel it's critically important for them to reinvent their businesses for the future. They also face significant near-term challenges, starting with the global economy, which nearly 75% believe will see declining growth over the next year³.

We live in a time when major transformative technologies, such as artificial intelligence (AI), 3D technologies, and immersive technologies, that are creating a lot of uncertainties regarding the potential futures. Many of the changes can already be seen, but often in a fragmented way and at different paces. There is a digital alternative to everything we do, both in terms of the way we work, shop and our values.

Timing is crucial for adapting to new trends. Sci-Fi author William Gibson once said: *"The future is already here – it's just not evenly distributed"*⁴. We can already see a lot of changes taking place, but often in a fragmented way and at a different pace.

Over- and underestimating the pace of technological development is a classic problem, and myths and entrenched assumptions quickly arise, blocking people from preparing for the possible futures. Alongside this, there is often a tendency to be biased depending on one's own optimism or pessimism regarding new technologies and trends. In general, we tend to overestimate the impact of a technology in the short term, but underestimate its long-term effects⁵.

In this Future Brief we encourage you to be explorative and think of the possible long-term implications for the future of your business by delving into some of the biggest uncertainties. Which global megatrends are reshaping the future of commerce? Where are consumers heading and what do businesses need to be aware of? How can we expect the buyer's journey to evolve towards 2030? It's not about predicting the future, but rather about identifying the opportunities that arise in the face of uncertainty: Embracing uncertainty as a feature, rather than a bug.

When we imagine or think about the future, we have a tendency to extrapolate current knowledge – it is much easier for us to understand, make sense of, and imagine. This is especially true when it comes to technology and technological advancement, leading to a dangerously narrow window of imagination where technology tends to be at the centre, rather than being a means for us to achieve our ambitions and desires.

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The future of tomorrow's commerce is often said to start "now," "yesterday," or "tomorrow," but we believe it exceeds linear thinking; that's why we've set our sights on 2030, a time near enough to imagine yet distant enough to think freely and allow ourselves more mental flexibility.

Asking the Right Questions

A huge part of understanding the possible futures of commerce is about the importance of asking the right questions. The further into the future we imagine, the less we know. And the more we need to lean into the questions, rather than believing we can predict the answers. The greater the degree of uncertainty surrounding a trend, the more different possible outcomes it might have. In the end of each trend, you will find a number of questions to ask in order to help navigating the trend.

It is essential to remember that every forward movement encounters resistance, and that every trend has its corresponding countertrend. There is a pull towards localised experiences and the reinvention of physical stores as digital experiences and e-commerce flourishes. Simultaneously, there is an increase in the number of regulations that businesses must comply with. Businesses have to acknowledge the drivers and blockers in order to be adaptable.

The Future Brief is based on interviews with leading Danish retailers, wholesalers & brand-owners, combined with futures-scanning, research and insights from the Copenhagen Institute for Futures Studies in collaboration with the Danish Commercial Industries Federation (Dansk Industri - DI).

About Copenhagen Institute for Futures Studies

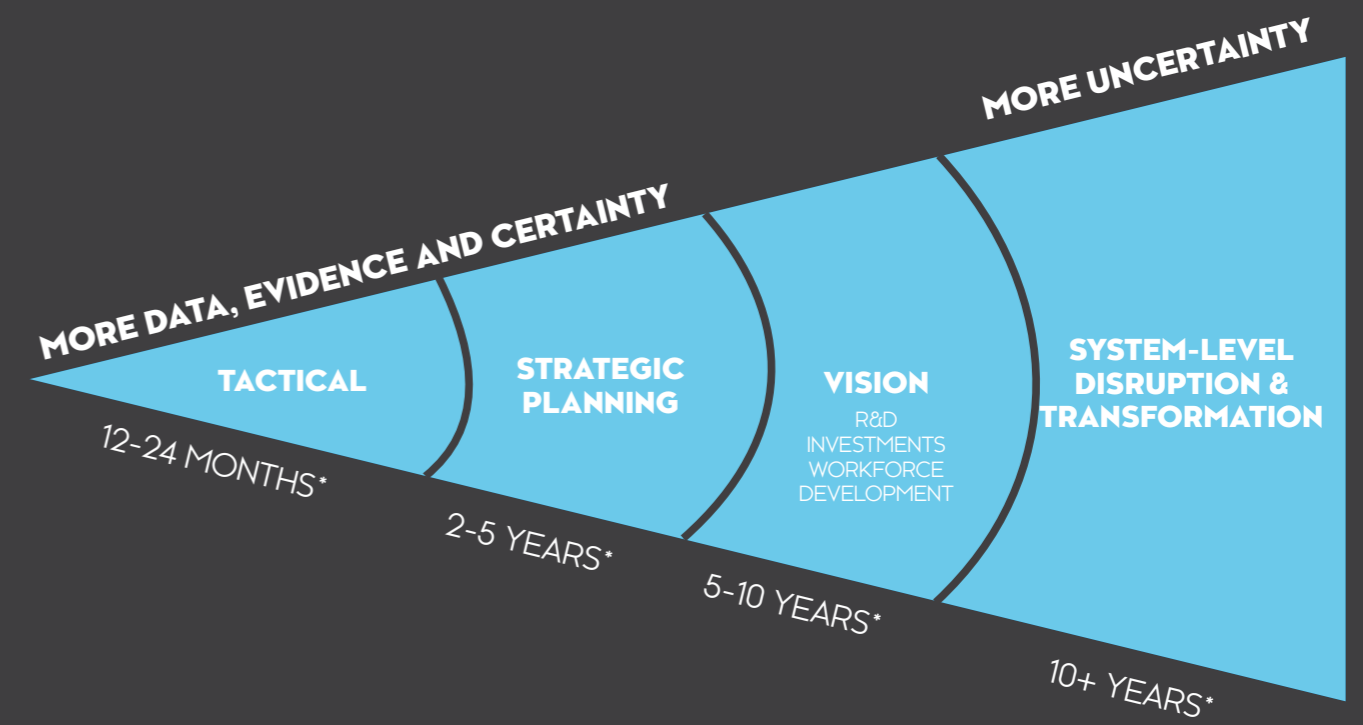
The Copenhagen Institute for Futures Studies (CIFS) is a non-profit, independent institute founded in 1969 by former OECD Secretary-General Thorkil Kristensen for the betterment of our society. It is a globally oriented institute that advises customers and partner organisations on a strategic level all over the world. Read more at cifs.dk

THE ART OF LONG-TERM THINKING

CREATING RESILIENT LONG-TERM STRATEGIES THROUGH FUTURE BACK THINKING

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CREATING RESILIENT LONG-TERM STRATEGIES THROUGH FUTURE BACK THINKING



*Indicative time horizon. Depends on the pace of change in the external environment

Figure 1: Future Today Institute (Tech Trends Report 2019), modified by Copenhagen Institute for Futures Studies.

PART I

MEGATRENDS TOWARDS 2030

You cannot hide from a megatrend! Megatrends are high-level drivers of change that will greatly impact societies in the decades to come. They are massive in scale and their effects are felt across the globe. In a principally unpredictable world, these trends stand out as the only relative certainty we have.

While megatrends are expected trajectories, do not expect the development to occur linearly.

The world is growing smaller – or so it seems. Trade, communication, and connectivity are increasing in volume and speed. Events in one corner of the world can influence the rest of the world within days, even hours. Cultural trends reach across the globe, and more people feel like citizens of the interconnected world rather than one nation or state. With globalisation comes both opportunities and threats, and regional and ideological issues or challenges quickly become global in scope.

While the past decades of globalisation have favored a belief in shared global cultures and value sets, leading to shared visions of growth on a global scale, we see that the growing tensions in the global order are accompanied by a new 'battle of narratives', increasingly turning into a 'battle of offers', shaping both global public opinion and government actions⁶. New narratives that can redefine commerce as we know it from the past. In the following section we dive into some of the megatrends and patterns of change towards 2030 within the areas of society, demographics, consumer expectations, technology, and innovation.

SOCIETY & DEMOGRAPHICS

As a society, Denmark is entering a period in history where priorities must be sharpened more than ever. Danes currently earn three times as much as they did in the 1960s and are set to become increasingly wealthy in the future. Nevertheless, our society will face tough prioritisations in the years ahead, according to Professor of Economics Torben M. Andersen⁷: *“There are no easy solutions that would provide more funds for public welfare. The demographic tailwind has turned into a demographic headwind. This will sharpen the need for prioritisations in the coming years. And consequently, less welfare in other areas as well.”* Add to this the expenses incurred due to increased military investment due to geopolitical tensions, as well as the escalating challenges of climate change.

In other words, Danish society is entering a period great uncertainties and changes. Leaving the future in Denmark with more uncertainties than seen in a long time.

IMPLICATIONS

1. A Holistic Circular & Regenerative Agenda

Sustainability and circularity initiatives have evolved from optional to imperative, especially as we enter what UN Secretary-General António Guterres terms the *“era of global boiling.”* This proclamation came after scientists confirmed that July was on track to becoming the hottest month globally on record⁸.

The world faces escalating climate crises, including extreme weather and jeopardized ecosystems. Responding to these challenges, there’s a move beyond mere sustainability towards “regenerative” practices, aiming not just to minimise environmental damage but to enhance ecosystems.

Many digital tools support this shift by aggregating data and ensuring traceability.

Prominent retailers like Selfridges are setting bold targets: by 2030, they aim for 45% of transactions to be from circular products, whether resale, rental, refill, repair, or recycled⁹. Such commitments will be crucial for all in commerce towards 2030.

2. Protecting National and Local Champions

Protectionist measures such as tariffs, quotas, subsidies, and regulations are already put in place to support local food producers, maintain food security, or preserve cultural traditions. However, they can also raise prices, reduce access to a variety of foods, and stall global competitiveness by making it difficult for foreign products to enter domestic markets. Especially trade tensions and changing consumer preferences – exemplified most recently by COVID-19 or the Russia-Ukraine War – further amplify concerns regarding supply chain stability resulting in calls for increased protectionism.

3. Decline in the Workforce

The labour force challenge in Denmark is now evident. The topic dominates the public discourse, and proposals for initiatives have been put forth by various stakeholders. However, how significant is this challenge as we look ahead to 2030? The shortage of workforce will create increasing competition for labour between the private and the public sector¹⁰. What implications does it hold for maintaining growth opportunities for Danish commerce over the next decade?

According to The National Association of Municipalities in Denmark (KL) it is projected that the Danish labour market will experience a shortage of approximately 90,000 employees by the year 2030¹¹.

There’s a move beyond mere sustainability towards “regenerative” practices, aiming not just to minimise environmental damage but to enhance ecosystems.

4. The Silver Boom

The world is ageing at an unprecedented rate with the elderly population (65+) set to double by 2050. 1 in 6 people will be over the age 65 by 2050, up from just 1 in 11 in 2019¹². Europe will witness a significant decline in its working population, with potential economic implications from a rising dependency ratio¹³.

In an ageing world, where more and more live healthy and active lives well into retirement, we will have to reconsider where we draw the lines between traditional phases of life, like youth, adulthood, and old age. Surveys show that a significant portion of seniors who exit the labour market early are affected by dissatisfaction and loneliness. However, a new and more flexible working life is something they would like to remain a part of, as indicated by a large-scale study¹⁴.

Despite challenges, the economic potential is immense: By 2030, the “silver economy” is expected to spend nearly US\$15 trillion, fueled by the combined affluence of seniors and older professionals¹⁵.

5. The Growing Wealth Gap

Although the overall global trend consists of decreasing economic inequality, the level of inequality in Denmark is reaching the highest level in 35 years¹⁶ when measured by income. And this is expected to hit the younger generations hardest. According to a survey, half of Gen Zs and millennials say they live pay-check to pay-check and they also worry that it will hamper their ability to ask for much needed pay increases, continue pushing for flexibility, or find new jobs. Gen Zs and millennials are responding to financial pressures by taking on side jobs, postponing big life decisions like buying a house or starting a family, and adopting behaviours that save money¹⁷. There are suggestions that inequality in other parts of the world have been increasing in the last couple of years, partly because of Covid-related effects; however, the data as of today is somewhat inconclusive¹⁸.

Summary - Society & Demographics

Against the backdrop of escalating climate crises, the shift towards sustainability and regenerative practices becomes imperative, supported by digital tools and visionary corporate initiatives. Denmark grapples with workforce shortages, projected at 90,000 by 2030. The world's ageing population suggests a vast “silver economy,” while Gen Z faces financial strains. Income inequality in Denmark reaches a peak, reflecting global economic gaps increased by events such as COVID-19.

Questions to Consider Towards 2030

- Will the focus on the climate result in more actual consequences for retailers, wholesalers & brand-owners?
- What are the economic consequences if national champions are supported?
- In what ways are retailers, wholesalers and brand-owners preparing to manage the possible future labour shortages towards 2030 in their hiring and staffing strategies?
- What possibilities does the Silver Boom bring for businesses?
- What implications will increased economic inequality in Denmark have for retailers, wholesalers & brand-owners?



CONSUMER VALUES AND EXPECTATIONS

What's happening on the consumer level has a huge impact on retailers, wholesalers and brand-owners.

In a 2023 survey done by Accenture, 95% of both B2C and B2B executives expressed that they believe their customers are changing faster than their businesses¹⁹. And they might not all be wrong in that assumption. There are several indications suggesting a merge of B2C and B2B models in the future. Consequently, consumers have begun to play a much more central role in the operations of all retail businesses.

We consume to express what we are and what we are not. Social fragmentation and the demographic development that we are witnessing, along with the rise of digitalisation and increased globalisation and mobility have rapidly transformed our society, our retail-spheres, consumer lifestyles and our self-identification. This development poses new ingredients to the contextual pillars of consumer behavior, altering the type of relationships we have, and reshaping the nature of brand connections and community.

We are experiencing enormous shifts in society, leaning in different directions, and leading towards increasingly polarised lifestyles – and consumer patterns. We are experiencing a period where different consumer segments are diverging in terms of values and norms.

As consumption is the primary means to show where we belong, the values and communities we identify with, understanding the future fragmented fast-changing consumer is becoming increasingly important for every company. So, what should you be aware of as a retailers, wholesalers & brand-owners when planning towards 2030 regarding future consumers?

IMPLICATIONS

1. Liquid Consumers

Liquid consumers²⁰, characterised by more fluid identities and consumption patterns, prioritise convenience, real-time personalisation, and seek to align purchases with personal values and societal impact. They desire experiences that foster both self-improvement (“*A better me*”) and societal contribution (“*A better world*”). With the decline of traditional social norms, consumers are empowered to define their identities, yet risk being overwhelmed by a myriad of choices. Their demand for seamless experiences is accelerated by technology. As AI matures, it anticipates needs and offers tailored experiences. A notable increase, from 60% in 2021 to 72% in 2022²¹, reveals consumers are more tech-comfortable and literate, intensifying the trend.

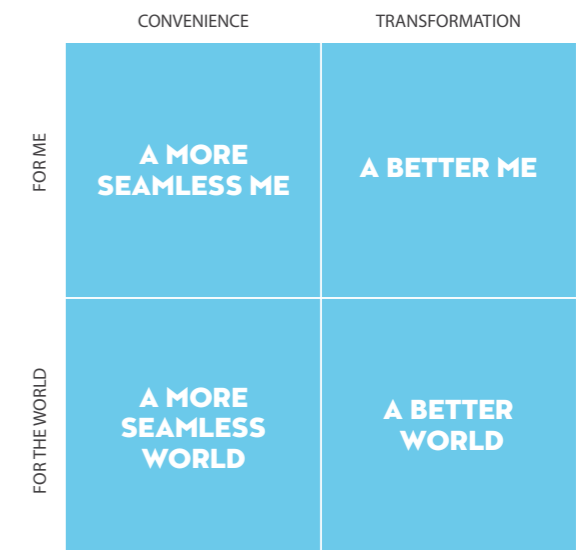


Figure 2: "The Liquid Consumer Matrix", Copenhagen Institute for Futures Studies

2. Fragmented Prosumers

In our fragmented world, it is difficult to find a shared understanding of our realities. We live in an increasingly 'post-truth' world in which institutions, brands, and consumers actively co-create narratives. Consumers increasingly seek knowledge and information in their online communities. At the same time they expect active involvement in brand processes, merging the roles of producers and consumers in a collaborative space. This trend spans from individualised services to co-creation, strengthening emotional connections and brand loyalty. The future envisions a symbiotic consumer-brand relationship, evident in music industry's collaborative fandoms, where platforms like TikTok amplify user engagement through challenges and AR filters. Empowered consumers, aided by algorithms, will soon co-create their perfect products, reshaping brand dynamics. In the future, empowered consumers will be able to co-create and tailor, both consciously and subconsciously (and by the help of AI), their ideal products.

3. The New Expectations of Generation Z & Generation Alpha

Generation Z (born 1997-2012), constituting 30% of the global population, is the first fully digitally-raised generation. With a significant online presence, they heavily rely on trusted online sources, with 46% using livestream commerce featuring influencers²². Platforms like YouTube, TikTok, and Instagram cater to their shopping habits. However, 42% of Gen Z's spending is still in physical stores²³, emphasising the need for retailers to offer seamless omnichannel experiences and employ next-gen technologies. Generation Z grew up with smartphones and abundant information access, but Generation Alpha (born 2012-2025) is being raised in a completely digital landscape, and is rapidly adapting to advanced

In an age of information abundance, any brand inconsistency is magnified. As consumers tailor their experiences in a fragmented market, loyalty to conventional brands diminishes, swayed by trends and influencers.

technologies like AI and AR²⁴ and will have even more sophisticated expectations to purchases and the relation to brands.

4. Pluralisation of Ways of Living, Working and Consuming

Major currents are moving away from traditional behavioural patterns and towards more individualisation and empowerment. In many parts of the world the social structures and identity markers that have traditionally shaped our lives are increasingly being replaced by new norms and behaviour of individuals who seek and form new communities in both physical and digital realms. There is a general push for more diversity that resonates with a deeper societal shift towards fairness and equity. Younger generations in particular, are championing these values, demanding that institutions – be they corporate, educational, or governmental – reflect the world’s diverse nature. At the same time, we are witnessing a countermovement towards traditional, more conservative beliefs and behavioural patterns, where the liberal currents of the past decades are flipped and almost moving in reverse, as we have seen in several states in the US in relation e.g. LGBT+ rights. Some sociologists even talk about a backlash in values and attitudes. Some key features of these new changes in society mean a pluralisation of ways of living, working, consuming, and spending habits.

5. The Future of Trust

Amid societal shifts, environmental issues, and digital evolution, the consumer-brand expectation gap widens. Brands, reflecting consumer values and identities, must maintain trust through transparency and consistent values. With growing skepticism towards governments, consumers seek brands echoing their principles. Although smaller brands may foster closer consumer ties, trust remains elusive. Quick brand-switching occurs if dissatisfaction arises. In an age of information abundance, any brand inconsistency is magnified. As consumers tailor their experiences in a fragmented market, loyalty to conventional brands diminishes, swayed by trends and influencers. Trust gains prominence in change, with 88% of customers echoing this sentiment²⁵.

6. The Ethical & Conscious Consumer

Future consumers are likely to prioritise a more holistic ethical commerce, with sustainable standards influencing purchases. The EY Future Consumer Index indicates 43% prefer organisations benefiting society, even at higher costs²⁶. Additionally, a Salesforce survey found that 66% ceased buying from misaligned brands, up from 62% in 2020²⁷. Environmental consciousness and local-global links rise, with mature economies like Denmark stressing conscious consumption, requiring transparent, sustainable processes.

Yet, a recent survey conducted by the Copenhagen Institute for Futures Studies and Epinion found that despite the fact that 62% of Danes are concerned about climate change, only 55% are willing to change their lifestyle. Even less (21%) currently have a lifestyle that can be described as sustainable²⁸.

For most Danes, sustainability today is associated with climate change and the environment, which is reflected in the choices made in everyday life. For young people in particular, sustainability can become a necessary condition that guides their consumer behaviour²⁹. However, sustainable choices must feel meaningful both at the society level and on a personal level. Sustainability is therefore rarely the primary driver for the choices made, whereas factors such as price often come

first.

7. Tech-Backlash: The battle between digital and analogue

The current societal shift towards digitalisation is being influenced by an increased awareness of the complex relationship between digital and analogue aspects of our lives, as well as more emphasis on our overall well-being, particularly our mental health. A counter-narrative is emerging on the digital transformation, suggesting a collective retreat from total technological immersion. There seems to be a yearning for a simpler, more genuine connection in the midst of overwhelming tech advances.

We are already seeing the first signs of the analog countermovement to the digital transformation with anti-screen, anti-algorithm and anti-tech movements both in politics and public opinion. Several contributing factors are pointing in that direction: A constant bombardment of digital stimuli has been associated with elevated anxiety, depression, and cognitive overload, and the more our lives become digitised, the more we yearn for genuine human connections and face-to-face interactions.

Every technological device poses a potential privacy and surveillance risk, and the production and disposal of electronic devices contribute to environmental degradation which is getting more attention by the consumers. Data centers accounting for 3% today of global electricity supply and consume more power per capita than the whole of the UK. Data centers also contribute 2% of global total greenhouse gas emissions³⁰.

Maybe instead of technology being ever-present, it may be limited to specific tasks at particular times of the day when it makes sense, with a more holistic balance between analogue and digital.

Summary - Consumer Values and Expectations

Liquid consumers seek convenience, personalisation, and align purchases with values, aided by AI’s predictive capabilities. Combining the roles of consumer and producer, prosumers increasingly seek active collaboration with brands. Generation Z and Alpha, digitally-native generations, redefine consumption patterns with technology integration. Society experiences a dichotomy of new norms and the revival of traditional beliefs. Trust in brands is paramount, requiring transparency amidst societal and environmental shifts. Ethical consumption emphasises sustainability and societal benefit, although it often battles cost considerations. Amidst digital dominance, there’s a pushback, seeking genuine human connections, given rising mental health issues and tech’s environmental footprint. Balancing digital-analogue becomes essential.

Questions to Consider Towards 2030

- As consumption patterns become more liquid it will be increasingly important to understand the key motivational drivers – when is convenience valued over purpose? And vice versa?
- How can retailers, wholesalers & brand-owners embrace a more symbiotic consumer-brand relationship with the consumers?
- Are future businesses ready for the new demands of Generation Z - and maybe more importantly, Generation Alpha?
- Are you ready to support the pluralisation of lifestyles and the demand for diversity and inclusion?
- Will the overall consumer trust in retailers, wholesalers and brand-owners increase or decrease?
- How will businesses adapt to the world of transparency and traceability?
- Will the consumers continue to embrace new technologies, or will there be a significant tech-backlash?

TECHNOLOGY & INNOVATION

The dynamic relationship between humans and technology is undergoing continuous transformation, reshaping identities, experiences, and interactions in the digital age. The ability to collect, analyse, and document data will no longer be a luxury but a necessity moving towards 2030.

As AI and other advancements redefine our interfaces, they also shape work and shopping behaviors. Technology is an innovation catalyst in commerce and a cornerstone of innovation towards 2030; the World Economic Forum suggests over 85% of businesses will embrace digital transformations. Notably, 86% plan to integrate digital platforms within five years, while 75% anticipate e-commerce adoption³¹.

It is expected that technology will play an increasingly critical role in driving progress towards a more sustainable, ethical, and customer-centric future. Transparency, traceability, and trust are a few of the crucial goals that technology can assist businesses in achieving. Additionally, there is a growing emphasis on the importance of cybersecurity.

Amidst the technological surge, the real challenge lies in predicting the long-term impact, both financially and socially, leaving businesses grappling with tech adoption decisions. To better navigate this landscape, we introduce the Map of Emerging Technologies³² (Figure 3), providing insight into technology maturation and adoption timing, crucial for business transformation.

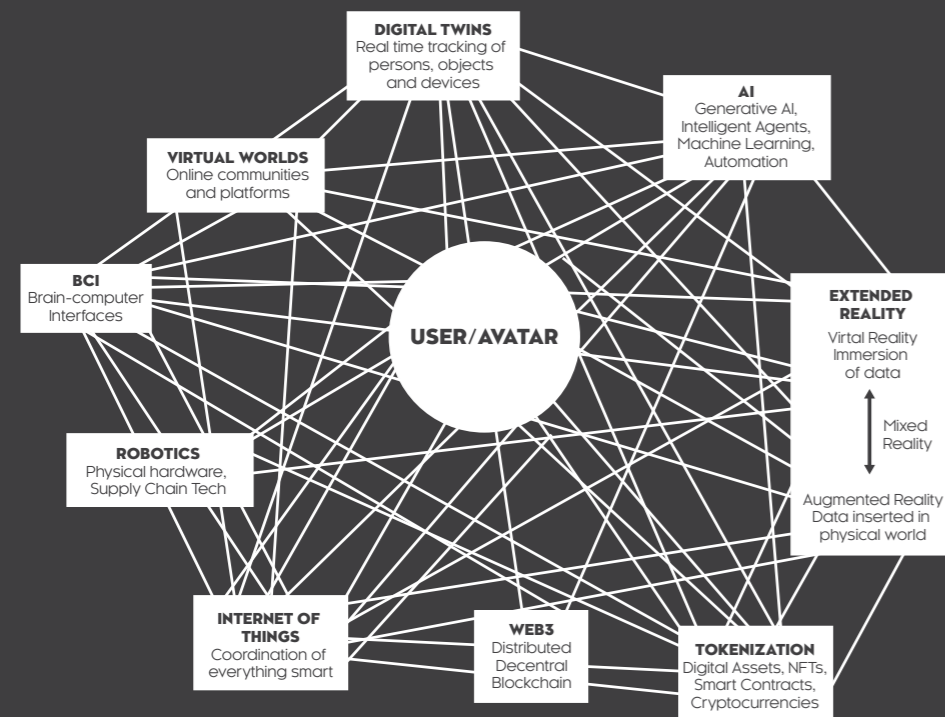


Figure 3: Map of Emerging Technologies, Copenhagen Institute for Futures Studies, 2023. Inspired by the Basic Metaverse Map (2023) by Mandag Morgen & Copenhagen Institute for Futures Studies created for the Nordic Metaverse Summit.

IMPLICATIONS

1. AI & the Rise of Generative AI

Generative AI has been the most challenging issue for most business in 2023 and we can expect that AI will be a huge part of the transformation of businesses towards 2030.

ChatGPT's rapid adoption, reaching 1 million users in just five days post-launch, underscores the accelerated acceptance of new platforms. The potential of Generative AI extends beyond a mere clever technique to enhance efficiency and optimise processes. The deeper promise of AI resides in the ability of businesses to reevaluate their operations and develop new innovative AI-first products and services. It is rapidly developing new strategic ways to create novel business opportunities, although it also implies a high level of risk and intensified competition.

According to recent research by McKinsey, the impact of Generative AI on productivity could add between US\$2.6 trillion and US\$4.4 trillion annually to 63 use cases they analysed³³. This would increase the overall effectiveness of artificial intelligence by 15% to 40%. This estimate would roughly double if we accounted for the impact of embedding Generative AI into software that is presently used for tasks other than those use cases.

Approximately 75% of the value that Generative AI use cases could deliver falls into four categories: Customer operations, marketing and sales, software development, and research and development. Among many other duties, generative AI can support customer interactions, generate creative content for marketing and sales, and draught computer code based on natural-language prompts.

Many experts advocate for local Large Language Models (LLMs) over global ones to preserve culture and uphold shared values, whether European, Scandinavian, or Danish. Sweden, Norway and Germany are already developing their own language models, funded locally. With the EU formulating AI regulations, a shift towards an internal market for Danish companies in the EU is likely by 2030. While current dominant LLMs include OpenAI's 'GPT', Google's 'PaLM', and Anthropic's 'Claude', the future might bring more hyperlocal LLM's for retailers, wholesalers and brand-owners.

2. IoT, Drones & Robots

The key factors driving growth in retail automation include business optimisation, reduced cost to commerce, and rising customer demands for tailored solutions, quality, and convenience. For instance, IoT enabled machine-to-machine (bot2bot) interaction impact the consumer experience and retail efficiency. Based on algorithmic consumer analytics, IoT enabled devices can make predictive shopping a regular occurrence. Consumers benefit from the integration of future buying patterns and last mile delivery. While retailers benefit from applying consumer data to optimise in-store operations and layout.

Robots are becoming increasingly common on manufacturing floors, and they are being designed to work more collaboratively with humans. The most recent robotic designs are equipped with AI and adaptability features, enabling them to perform a greater variety of tasks and operate more efficiently.

Major retail chains have already begun implementing in-store drone services, and due to its potential benefits, the technology has the potential for widespread adoption in the retail industry. Stock and inventory management, maintenance, and last-mile delivery are a few applications for robots and drones.

The global retail automation market is forecast to grow to US\$ 31.4 billion by 2030 by registering a compound annual growth rate (CAGR) of 9.4% during the study period from 2022 to 2030. Retail automation encompasses many elements, including staff management, store audits, inventory management³⁴ as well as cashier-less and hybrid checkout concepts, smart vending solutions, AI scales, and robot-powered store operations such as shelf management³⁵.

3. Web3 & Tokenization

2023 has been a particular challenging year for the blockchain and web3 industries. However, question is whether it will be revitalised towards 2030?

Web3 is primarily about who will own and control the internet of the future, enabled by e.g. blockchain technology, digital assets, tokens, non-fungible tokens (NFTs), personal avatars and, in general, a higher degree of decentralised ownership.

There are still many experts that view blockchain as a path to the future. Enabling new transparent and traceable methods of online verification, where it is increasingly difficult to distinguish between what is true and legitimate and what is false and counterfeit. Numerous businesses have already experimented with blockchain, although with varying degrees of success in the beginning of the 2020's. At the same time financial institutions such PayPal, Visa, Mastercard, and Stripe are exploring blockchain based functionalities and infrastructure including USDC stablecoins.

The current Web3 paradigm is only viewed as the very beginning of a long-term transition towards a new Web 4.0 paradigm, where physical and digital worlds will seamlessly blend enabling more intuitive and immersive experiences³⁶.

4. Digital Twins of Everything

A digital twin is a real-time virtual model of something in the real world - an environment, product, or system used for testing without impacting its real-world counterpart.

Through digital twins, retailers, wholesalers & brand-owners can experiment and interact virtually when it comes to store layouts, customer journey optimisations, and supply chain alterations that might be impractical or resource-intensive to execute physically. It can be used for monitoring facilities and supply chain doing remote inspections and optimize maintenance schedules. Most importantly for retailers, wholesalers & brand-owners will be A-B-Z testing of goods on virtual environments and synthetic customers. Where a simulation typically replicates a single scenario or process, a twin can also run multiple simulations simultaneously, studying various processes and outcomes at scale. The advantages reverberate: Rapid prototyping, risk-free experimentation, and the potential to uncover insights that could drive efficiency and innovation.

As the industry strides forward, the integration of digital twins stands poised to reshape operational paradigms. With their potential to unlock fresh insights, optimise processes, and swiftly respond to changes, digital twins herald a new era of efficiency, agility, and informed decision-making. This transformation aligns seamlessly with the industry's ongoing embrace of edge computing and the seamless flow of real-time data, solidifying digital twins as a linchpin of progress in this dynamic landscape.

The global digital twin industry was valued at US\$6.5 billion in 2021 and is projected to reach US\$125.7 billion by 2030, growing at a CAGR of 39.48% from 2022 to 2030³⁷.

In 2030 it might very well be the norm to have digital twins of practically everything in consumer sale.

**The potential of Generative
AI extends beyond a mere
clever technique to enhance
efficiency and optimise
processes.**

5. Extended Realities, Metaverse & Web4

The lines between physical and digital experiences blur, offering unique opportunities for retailers, wholesalers & brand-owners, and as a greater portion of our daily activities migrate online and technology is omnipresent in our lives, the emergence of an increasingly integrated approach to digital and physical is becoming evident. The convergence of the physical and virtual worlds will continue to deepen, and organisations will need to find ways to seamlessly interconnect digital and physical experiences. Ultimately, this development could challenge our understanding of who and what we are – as human beings and as consumers – and redefine our view on reality.

The overall development of the convergence of our physical and virtual lives is also known as the Metaverse. The term has lately been challenged, primarily due to the fact that people tend to only connect it to the vision of the CEO of Meta, Mark Zuckerberg called it *“the next chapter of the internet”* and the place we will communicate, socialise, do business, shop, and do just about everything else in the future.

The focus on Meta’s Quest headset and the vision for the Metaverse is closely connected to social networks and social activities, whereas the vision of Apple’s new Vision Pro headset is more focused on creative processes and work. Even though both companies might gain traction towards 2030, the most development seen at the moment is within healthcare, education, the creative and entertainment industry, and in the manufacturing industry, where especially the use of digital twins is becoming increasingly common.

Nobody can know for sure how the development will unfold and what implications it will bring – but companies can do their best to anticipate and prepare. Once the technologies and use cases supporting the seamless convergence of our physical and virtual lives have matured, it has the potential to revolutionise the way users interact and shop online.

In a global Delphi study done by Copenhagen Institute for Futures Studies in autumn 2022, one of the hypotheses explored was whether it will be as essential for commercial brands to have a presence in the metaverse in 2030 as it is to have a webpage today. 90% of the experts said it was either very likely (68%) or likely (22%)³⁸.

Recent alternatives to the term “Metaverse” include “spatial internet,” “immersive internet,” and, most recently, “web4” by the European Commission³⁹.

No matter what we call the continuing development of digitalisation, there is a need to understand the implications and huge uncertainties on how it might affect the industry.

6. Brain-Computer Interfaces

To what extent are we willing to allow technology to integrate with our physical bodies?

A brain–computer interface (BCI), sometimes called a brain–machine interface (BMI) or smart brain, is a direct communication pathway between the brain’s electrical activity and an external device⁴⁰. In recent years, there have been significant advancements observed in research outcomes, that might play an important role in our lives in 2030. UNESCO has recently called for a globally coordinated approach to regulation for neurotechnology in the consumer market and there is a good reason to pay attention to the possible implications on the use of this technology⁴¹.

An example of the development will allegedly be seen in upcoming AirPods that might soon read your brainwaves. Apple has taken a new patent that introduces ‘EEG-integrated’ AirPods. EEG stands for Electroencephalography, a non-invasive neuroimaging technique that measures electrical activity in the brain using electrodes. Soon you can control your AirPods to ‘talk’ to your Spotify, skip to the next song, and buy stuff in the Apple store just by thinking⁴².

The lines between physical and digital experiences blur, offering unique opportunities for retailers, wholesalers & brand-owners.

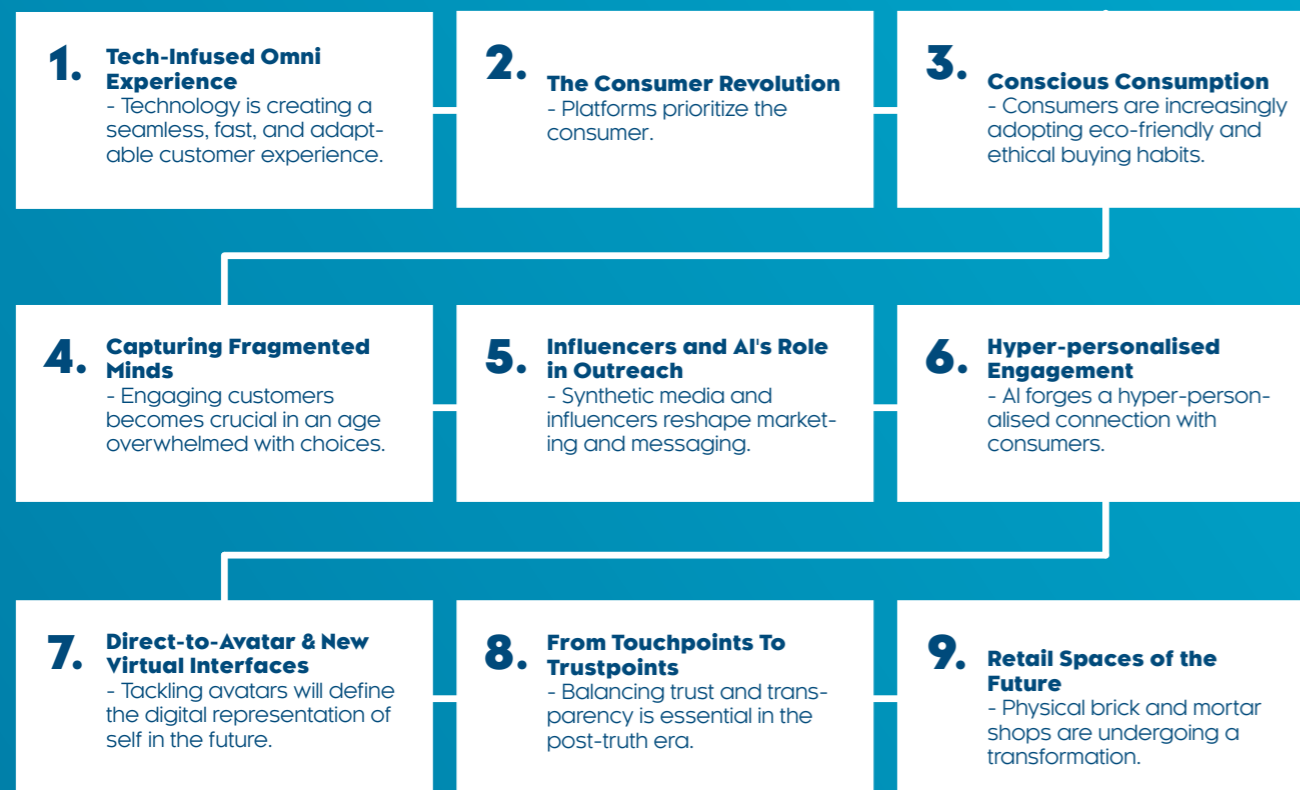
Summary - Technology & Innovation

Generative AI, like ChatGPT, offers significant business transformation, with a substantial productivity increase. Retailers are utilising IoT, drones, and robots for business optimization e.g. in the supply chain, with significant market growth expected by 2030. The concepts of Web3 and blockchain have been posited as potential solutions for achieving decentralised internet ownership, although their implementation has encountered challenges. Digital twins have emerged as a technology that facilitates real-time testing. The convergence of physical and digital realms, known as the move towards the metaverse - and recently termed “Web4” by the European Commission, emphasises immersive experiences. As brain-computer interface technology advances, we must consider the extent to which we’re comfortable allowing such technologies to merge with our physical lives.

Questions to Consider Towards 2030

- Will the technology continue to develop as fast as it is currently? Which tech will prevail, which will fail?
- Will AI become as powerful and all-encompassing as many experts predict?
- How can you embrace AI in a responsible and ethical way towards the customers?
- How much of the supply chain will be replaced by robots and drones in 2030?
- What is your business in the virtual world of digital twin?
- Will blockchain and decentralised solutions become more established towards 2030?
- How much will the convergence of our virtual and physical lives have affected retailers, wholesalers and brand-owners in 2030?

PART II



MAPPING THE IMPLICATIONS: THE CUSTOMER JOURNEY IN 2030

As we approach 2030, the distinctions between traditional BTB (Business-to-Business), B2C (Business-to-Consumer) and D2C (Direct-to-Consumer) business models are likely to blur. This change entails a comprehensive transformation of retailers, wholesalers and brand-owners that will transform relations between sellers and buyers, driven by a new acceptance of new technologies, data use, customer centricity, and supply chain optimisation. A strategic approach that makes commerce in line with consumer needs and desires, that makes use of digital tools to forge deep, personal ties with customers is essential for success in this transformation.

Some consumers who shopped online during the pandemic returned to brick-and-mortar stores, and the stores of the future will – as a result of the new expectations for seamlessness in the shipping experience – appear different than they do now and implement elements to cater for the new expectations. However, an emerging group of consumers are going “all-in” on digital towards 2030. They are expected to shift their digital experience of choice from ecommerce to more social commerce and virtual reality and Metaverse environments. After all, consumers’ lives are becoming more digital all the time. In a survey conducted by Accenture, more than half of respondents (55%) indicated that their lives and livelihoods are increasingly moving into digital spaces⁴³. The uprise of AI, virtual assistants and hyperpersonalised curation can also be expected to push digitalisation forward in an increasingly complex digital landscape, at the same time as the digital literacy about privacy, security and transparency keeps getting more attention from the consumers.

THE BUYING EXPERIENCE

In the buying experience of 2030, customers will enjoy hyper-personalisation with AI-driven recommendations and tailored promotions. Seamless integration of physical and digital spaces will provide immersive shopping through augmented reality and virtual reality. AI-powered virtual shopping assistants will offer real-time support across multiple platforms. Cashless and contactless payments will be the norm, while ultra-fast delivery and fulfillment services will ensure rapid order processing. Sustainability and ethical considerations will drive consumer choices, and innovative payment models may emerge to provide greater purchasing flexibility.

Consumer preferences and routines shift as new technologies emerge and makes life and spending habits more seamless, moving towards everything-as-a-service. In addition, as technology advances at a quicker rate and gets more complex, customers' behaviors will become more dynamic and smarter; therefore, organisations in this sector will need to be adaptable to the new technological reality.

88% of customers say the experience a company provides is as important as its product or services — up from 80% in 2020⁴⁴.

IMPLICATIONS

1. Tech-Infused Omni Experience

- Technology is creating a seamless, swift, and adaptable customer experience

By 2030, the merge of physical and digital spheres will redefine the shopping experience as customers will expect a seamless buying experience between brick-and-mortar establishments, websites, apps, social media platforms and virtual environments. What's most important is that they will anticipate seamless transitions. According to a survey from Salesforce, 78% of customers have used multiple channels to start and complete a transaction⁴⁵. Despite the appeal of online convenience, the tangible ambiance of traditional stores is still part of the customer journey. Here, technology acts as the bridge, enhancing in-store navigation, enabling swift contactless payments, and fostering personalised, sociable interactions.

The same rapidity is mirrored in delivery expectations. "*Within an hour or it's free*" might well be the mantra, as logistics undergo a metamorphosis, fueled by advanced supply chains, drones, and robots operating from micro warehouses within close distance to the end consumer. Customers could dictate exact delivery windows, making "on-demand" a tangible reality as well as demanding customized packaging of the goods to fit their specific needs. All this will be fused by AI.

Central to this evolution is the rise of online marketplaces, epitomised by giants like Amazon. Driven by their unwavering customer-centric ethos since 1999, these platforms have become meccas for exploration, interaction, and inspiration, deftly merging shopping with entertainment. With the infusion of artificial intelligence and machine learning, Amazon's staggering growth⁴⁶ encapsulates this paradigm shift. The lines blur as tech transforms every touchpoint, ensuring adaptability and pace, and knitting together a holistic, enthralling consumer journey⁴⁷.

2. The Consumer Revolution

- Platforms prioritise the consumer

Creating engaging experiences on direct-to-consumer (DTC) channels is becoming increasingly important for most trading companies in today's world of abundant consumer options, hence improving the DTC propositions and giving new reasons for consumers to shop direct will be essential for brands in 2030.

Although the concept of DTC isn't novel, the noteworthy change lies in the significant surge of consumers adopting this purchasing method, with the percentage jumping from 49% in 2019 to 64% in 2022⁴⁸. While consumers acknowledge the benefits of buying from retailers, they are looking to direct brand purchases to ensure product authenticity, uniqueness, and sustainability.

Simultaneously, a seismic shift is occurring in the form of the Consumer-Centric Platform Economy. Giants like Amazon and Google are blurring traditional industry boundaries with their expansive platform ecosystems that emphasise enhanced customer relationships, seamless user experiences, and deep data access. The aim? To remove user frictions and create reciprocal value. Notably, the power dynamics in this emerging platform world highlight the dominance of major players, who capitalise on the network effect, emphasising convenience, loyalty programs and competitive pricing. Brands like Nike bypass intermediary platforms, selling directly to their audience, while giants such as the Amazon and Alibaba adapt locally, albeit mostly due to supply chain challenges, communication purposes and political reasons. Amazon have been experimenting for many years with the different physical store concepts but haven't succeeded.

Digital one-stop-shopping and the ability for big platforms to form deep and meaningful ties and relations with consumers creates a market where the big players continue to dominate almost to the degree of monopolies. The concentration of market power seems to continue.

In this revolution, both DTC channels and platform economies underscore the importance of genuine consumer engagement and adaptability in an ever-evolving marketplace. The future beckons brands to evolve, compete, or collaborate in this dynamic arena.

3. Conscious Consumption

- Consumers are increasingly adopting eco-friendly and ethical buying habits

In the recent past, a transformative shift has occurred in consumer behavior that affects the buying experience. Sustainability and ethical considerations have moved from being mere buzzwords to paramount concerns. As the climate crisis intensifies and global awareness around socio-economic disparities heightens, an increasing number of consumers are placing the responsibility on retailers to uphold and champion eco-friendly and ethical standards.

By 2030, mere expression of support for environmentally-friendly initiatives will most likely no longer be adequate. Retailers will be expected to be transparent in every facet of their operations. From the sourcing of raw materials to the end product on the shelves, consumers will demand to know the ecological footprint and the ethical considerations taken. Simple measures like reduced packaging might no longer be seen as a bonus but as a basic expectation. Moreover, showcasing the entire lifecycle of a product, ensuring it is designed not just for immediate use but also for longevity or effective recycling, will become the norm.

In this age of conscious consumption, businesses that don't evolve to meet these demands risk obsolescence. Conversely, those that embrace and lead in this arena stand to foster deeper trust and loyalty among their customer base.

4. Capturing Fragmented Minds

- Engaging customers becomes crucial in an age overwhelmed with choices

In today's fast-paced digital landscape, consumers' attention is splintered across diverse platforms like TikTok, Twitch, Discord, and Reddit. As these platforms gain prominence, especially among younger audiences, mass outreach on a single platform becomes a challenge. The key is agility – harnessing AI to navigate the ever-changing media landscape, ensuring content resonates and remains worth the viewer's precious time. The modern consumer's dwindling attention span demands bite-sized, authentic, short-video content, with live streaming serving as a catalyst for deep engagement. Time is currency – wasting it is not an option.

Further amplifying this narrative is the rise of immersive experiences. The realms of augmented and virtual reality are blurring boundaries, converting passive content consumption into interactive experiences. Beyond the familiar visual and auditory realms, the future promises to seduce other senses like smell, taste, and touch. The shopping journey is undergoing a metamorphosis, becoming an ambient experience. This omnichannel behavior is becoming more fluid, with discovery happening while scrolling through social feeds, watching videos, and playing games. As commerce melds with content, augmented reality, virtual reality, and shoppable videos and virtual try-ons emerge as the vanguard of shopping experiences. The future shopper doesn't just buy; they engage, experience, and immerse⁴⁹.

**“Within an hour or it's free”
might well be the mantra,
as logistics undergo a
metamorphosis**

5. Influencers and AI's Role in Outreach

- Synthetic media and influencers are reshaping marketing and messaging

In an interconnected digital landscape with a myriad of choices, the quality of the product is becoming less and less impactful compared to the experience surrounding the product. This paradigm shift places a spotlight on the layers of brand value that transcend mere product functionality, such as exceptional customer service, resonating brand stories and the use of rewards for customers and influencers for their advocacy.

Simultaneously, AI is poised to revolutionise content generation. By 2026, a staggering 90% of online content might be AI-generated⁴⁹ and according to Gartner, 30% of outbound messages from large organisations will be synthetically generated by 2025 - up from 2% in 2022⁵⁰. Models like ChatGPT, BARD and Midjourney exemplify this evolution, with platforms like Quillbot and Peppertype offering professional-grade content creation. As AI capabilities expand, its potential to autonomously generate advertisement, text and visuals raises a provocative question: Could AI become an accepted, independent creative entity in the future?

Further blurring the lines between reality and digital realms are Virtual or CGI influencers. These AI-generated personalities, devoid of human imperfections and scandals, are rapidly gaining traction in promoting brands. With countries like China investing heavily in these virtual entities, the stage is set for an era where human influencers coexist, if not compete, with their AI counterparts in shaping consumer choices.

6. Hyper-personalised Engagement

- AI forges an ultra-personalised connection with consumers

The era of traditional demographic segmentation is being eclipsed by hyper-personalisation, where consumer engagement is tailored to real-time behaviors and specific decision contexts. By 2030, the buying experience will be powered by AI and advanced data analytics, giving profound insights into each customer's preferences, behaviors, and needs, reshaping the shopping landscape into a highly individualised experience with tailored product recommendations, pricing, and promotions.

This shift isn't merely about recognising consumers and curating their journeys. Algorithms not only tailor experiences but predict future needs, with AI-driven Personal Digital Assistants likely offering personalised advice across life's facets. AI-powered chatbots and virtual assistants will also be ubiquitous in the retail space, helping customers with inquiries, providing product information, and assisting with the buying process. These AI assistants are also becoming more sophisticated. 71% of customers also believe that AI will make customer experiences more empathetic, according to a survey from 2023 conducted by Zendesk research⁵¹. A healthcare study published in 2022 also indicates that AI assistant-generated responses to patients' questions are better than physicians' responses regarding quality and empathy⁵². The study explored the ability of an AI chatbot assistant (ChatGPT) to provide high-quality and empathetic responses to patients' healthcare messages. According to their reports, chatbot responses were rated significantly higher quality than physician responses, but maybe even more surprisingly the evaluators rated chatbot responses as significantly more empathetic than physician responses.

Predictive analytics will extend its domain from fine-tuning ads and web designs to optimising product packaging, offering pre-launch insights into campaign efficacy.

Emotion, the profound human aspect, isn't left untouched by AI's advancements. "Emotional AI" uses computer vision, NLP, and sensors to discern mood and emotional states. Devices like Playstation VR and Apple's Vision Pro, through eye- and iris tracking, can gauge emotions during immersive experiences. Although 61% of consumers, up from 52% in 2020, accept the transparent and beneficial use of their personal data⁵³, the potential of AI to decode and even manipulate human intentions, emotions, and decisions remains a powerful and challenging frontier, as highlighted by UNESCO's Gabriela Ramos in July 2023⁵⁴.



7. Direct-to-Avatar & New Virtual Interfaces

- Tackling avatars will define the digital representation of oneself in the future

Consumers are no longer confined to their physical identity. Advanced technologies are facilitating the rise of distinct digital selves, ushering in the "avatar economy". The direct-to-avatar (D2A) model sidesteps conventional logistics, enabling brands to target avatars directly, thereby revolutionising retail and customer loyalty. The Metaverse, amplified by the NFT surge, offers digital asset ownership with new intermediaries. Notably, D2A not only addresses sustainability issues plaguing industries like fashion with e.g. supply chain issues but also reimagines e-commerce, turning challenges into creative avenues.

In August 2023, Ralph Lauren's CEO, Patrice Louvet, conveyed his unwavering commitment to virtual realms despite the overshadowing AI buzz, stating to Bloomberg, "*The media headlines have moved on, but the consumer has not.*"⁵⁵ For instance, Ralph Lauren's expansion into Fortnite showcases the growing fusion of gaming and luxury brands. In August 2023, they opened their own island within the game, called "Race to Greatness by Polo Ralph Lauren". It will also sell a limited-edition physical version of a digital boot that originally debuted within Fortnite and references classic moments in the brand's archives⁵⁶. While sustainability remains paramount in all actions towards 2030 and there is a lot of discussion whether the digitalisation and the move towards the Metaverse is good or bad for the overall carbon footprint. Companies like Tommy Hilfiger have been actively investing in digital initiatives like 3D design and digital showrooms that can help reduce sample production.

8. From Touchpoints To Trustpoints

- Striking a balance between trust and transparency in the post-truth era

In today's digital landscape, businesses have unprecedented access to user data, providing the tools for hyperpersonalised experiences. But with rising concerns about screen time and data privacy, striking the right balance is crucial. While first-party data collection becomes the new norm, especially in a post 3rd-party cookie era⁵⁷, businesses must ensure data ethics and transparency.

The decline in consumer trust towards established brands and institutions calls for a revamped approach to data. The European Union, with its comprehensive frameworks like the Digital Markets Act and the Digital Services Act, is pushing for better data protection⁵⁸. This will have a huge impact on retailers, wholesalers and brand-owners – as did the GDPR that was introduced in 2018. However, global inconsistency in these regulations challenges businesses, especially when few nations outside the EU have robust data protection laws.

Moving forward, businesses must adhere to privacy regulations, prioritise consumer consent, and navigate evolving e-commerce compliance standards. Trust is evolving, transitioning from traditional models to 'trustpoints' – automated trust mechanisms within ecosystems, powered by breakthroughs like blockchain and global digital identities. Yet, threats to digital trust continue to rise, as seen with the surge of fake webshops, intensifying the need for transparency. Figures from the non-profit organisation 'E-märket', show that in 2016 approximately 1000 fake webshops were reported to the police. By 2021, this figure had risen to around 200,000 reported webshops⁵⁹. That number is only expected to rise dramatically towards 2030.

By 2030, businesses must champion these trust points, ensuring a future where data-driven personalisation and consumer trust coexist seamlessly. We expect data ethics and consumer protection to play a large role in 2030, but there are huge uncertainties attached to how it will develop.

9. Retail Spaces of the Future

- Physical brick and mortar shops are undergoing a transformation

One thing is certain – the retail spaces of the future is far from business-as-usual. But even though the technological advancements are huge it's unlikely that physical stores will disappear in the future. It's more likely to bring new supporting features and experiences. In a survey, 60% of consumers said they prefer to purchase with a retailer or brand that has both a physical and an online store, although this percentage is slightly lower than the 64% who said the same in 2021⁶⁰.

According to a McKinsey analysis⁶¹, the tech-enabled “store of the future” can double retailers’ EBIT margins and will be easier to operate. It will also provide a better customer experience and greater employee engagement. The necessary technology is already on the market, and according to McKinsey it will result in a positive return on investment.

Online retail and AI are transforming shopping, posing both threats and opportunities to brick-and-mortar stores and their values. While new digital offerings like AR and virtual assistants grow, consumers still value physical shopping experiences, although challenging the concept of what a physical store should look like. To stay relevant, physical retailers are integrating brand building and immersive tech like smart glasses and AR mirrors, hinting at a future merging of digital and physical retail spaces. Retailers might focus on creating interactive displays, in-store AR experiences, and in-store events that go beyond traditional shopping.

For the retail spaces of the future, the primary focus will move away from sales and towards being part of a branding narrative. Advanced visual AI will enable the customers to instantaneously identify the brand, price, and stock levels of any fashion, home decor items or food products spotted in stores or on the street. Consumers can make immediate purchases either using iris scan or in a combination with brain-computer interface (BCI), and the nearest warehouse will ship the order. Think-to-purchase may not exist in 2030, but it's probably just a matter of time⁶⁵. The primary focus moves away from sales to being part of the branding narrative. Where retail store becomes a media, rather than just a place to shop.

In short there will be a need to innovate in-store design, incorporate digital elements, and create memorable shopping environments that draw customers into physical locations.

At the same time, the number of dark stores is expected to rise to support the future supply demands. A dark store is a retail facility exclusively catering to online shopping⁶². Typically, a large warehouse or a basement in big cities, it serves for “click-and-collect” services or online order fulfillment. In the race for swift grocery delivery, many venture capital-backed companies are competing, even at initial losses. A report in 2021 revealed that 67% of European consumers used dark stores during the pandemic for click and collect or online delivery. Amid this trend, traditional stores were repurposed for fulfilling online orders. In 2022, Amsterdam halted new dark store openings due to noise and traffic concerns⁶³. Similarly, New York City enforced zoning laws on dark stores operating as warehouses in retail areas, emphasising in-store shopping or relocating to manufacturing zones⁶⁴.

The primary focus moves away from sales to being part of the branding narrative. Where retail store becomes a media, rather than just a place to shop.

Summary - The Buying Experience

The buying experience will undergo radical changes towards 2030, and there are many uncertainties to pay attention to. Direct-to-consumer channels are booming, with consumers increasingly prioritising direct brand purchases. Similarly, the Consumer-Centric Platform Economy, led by giants like Amazon, emphasises enhanced customer relationships and reciprocal value. Conscious consumption has made sustainability and ethical sourcing non-negotiables for brands. Technology promises an omni-experience, fusing physical and digital shopping realms while meeting instant gratification demands. The more fragmented consumer attention pushes more immersive, interactive content. AI's role in content generation and marketing is escalating, with virtual influencers emerging alongside human counterparts. AI also drives hyper-personalised consumer experiences, with emotional AI discerning mood and intent. The “avatar economy” emerges, with brands directly targeting digital avatars in realms like the Metaverse. Trust is paramount in the digital age, necessitating transparency and data ethics as businesses navigate a labyrinth of data protection regulations. By 2030, a blend of data-driven personalisation, sustainability, and trust will define successful consumer engagements.

The future of retail will be a blend of digital advancements and the tangible allure of physical stores, with technological innovations enhancing in-store experiences and branding narratives. Amidst the rise of online shopping and “dark stores” for swift deliveries, retailers are set to evolve their spaces, ensuring they remain significant touchpoints for consumers who seek a meld of online convenience and experiential shopping.

Questions to Consider Towards 2030

- How can the supply chain be future-proofed towards a more liquid and seamless buying experience in order to meet the consumers expectations?
- What strategies can encourage consumers to make direct purchases from retailers, wholesalers and brand-owners (DTC)?
- How do companies differentiate themselves and engage consumers when they are presented with so many choices?
- Will consumers trust Digital AI Chatbots more than humans in the future?
- Will retailers, wholesalers and brand-owners be able to reinforce trust levels or will declining trust levels set the trend?
- With the increasing focus on sustainability, how might retailers, wholesalers and brand-owners incorporate eco-friendly and ethical offerings?
- To what extent will assortment and price continue to be significant for consumer choices by the year 2030?
- What areas in the buying experience cannot be solved by technology?
- Will physical retail get a renaissance in 2030 due to the longing for more authentic, physical, human interaction that cultivates a sense of community and belonging?
- What technologies or partnerships are necessary to prepare for the possible futures?

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