

DHL releases 'Global E-Tailing 2025' report - logistics vital for success

DHL has released its 'Global E-Tailing 2025' report, initiated by Deutsche Post DHL, with participation of the trend research institutions Z_punkt and See More as well as numerous international retail, logistics and academic experts. The report analyses the role that e-commerce will play in consumers' lives in the year 2025, and how it will influence consumerism, retailing and logistics.



One of the key findings is that over the next 10 years, online retail will continue to gain popularity in both developed and emerging markets and as a result, logistics companies are set to play a key role in providing vital supply chain management solutions that are able to evolve with consumers' changing shopping habits.

Four scenarios

The study explores future scenarios with alternative views of what e-commerce globally could look like for consumers and businesses in the near future, depending on various economic factors. The different future projections are based on a detailed analysis of the most influential factors affecting economies - from energy and raw material prices to technological, political and social factors, to retail and consumption patterns. The four possible scenarios are:

- **Hybrid consumer behavior in convergent worlds of retailing:** A strong global economy and stable middle class establishes a true model of "Everywhere Commerce" where smartphones and tablets remain consumers' constant companions. Interactive displays are ever-present in city streets, serving as interfaces to the virtual world, and the retail sector targets customers through a variety of channels, such as these interactive displays, as well as offers their goods online and in stationary stores, which results in consumers being able to access and purchase products at all times.

- **Artificial intelligence in the digital retailing sphere:** The global economy thrives, despite exhibiting significant volatility in preceding years. A highly developed digital culture evolves in this scenario, which sees all products being sold online, and consumers receiving support of virtual consultants, which will not only check the authenticity of a product and monitor purchase and delivery, but also place the actual order online.
- **Self-presentation in virtual communities:** The world economy experiences rapid growth and the increase in wealth creates an affluent consumption-oriented middle class, whose values have shifted away from work and more towards leisure. Niche retail websites, which offer selective and a dynamically-changing assortment for individual lifestyles, becomes the focal point of regional and global lifestyle communities primarily driving online retail.
- **Collaborative consumption in a regionalised retailing landscape:** A crisis scenario whereby consumer consumption patterns develop after the global economy suffers another financial crisis. Under these circumstances, a high degree of protectionism brings international retailing to a complete standstill. The powerful shift of the economy leads to a substantial change in consumer habits and results in consumers buying locally, as a rule.

E-tailing could rise to 30% of market

According to Sumesh Rahavendra, head of marketing for DHL Express Sub Saharan Africa, e-tailing has exploded globally, especially in emerging countries and, despite the various possible future scenarios, it is clear e-tailing will continue to boom.

"Currently, e-commerce already makes up 8% of the overall trading volume in Europe. Depending on the scenario, this share could rise up to 40% in developed countries and up to 30% in today's emerging markets," says Rahavendra.

"The factor that all scenarios have in common is that the competition in electronic retail, whether on global, national or regional level, will become more intense. We don't know for certain what the world will look like in 2025, but the study's various scenarios show how rapid the global retail sector, both online and offline, is changing and that logistics will be a focal point of these change processes.

"While e-tailing can facilitate the transaction of the changing consumer trends, the delivery of the product needs to be considered. Many retailers put significant focus to attract customers, but more effort needs to be paid to facilitating flawless delivery to customers. Even more so, when deliveries begin being measured in minutes, as opposed to hours and days. This will require logistics to adapt, as well as deliver competitive advantages, such as offering same day delivery and flexible returns.

"In the future, logistics will take over the role as an enabler for online retailers even more so than today. As a logistics company, we have a good overview on companies in various industries in almost all countries of the world. In Africa, we are continually noticing the rise of e-tailing on the continent and we are increasingly becoming an advisor to these businesses and partner for success, as opposed to a just a traditional service provider," concludes Rahavendra.

To view the full report, click [here](#).