

**THE END OF  
ONLINE  
SHOPPING**

**THE FUTURE OF  
RETAIL IN AN  
ALWAYS CONNECTED WORLD**

**WIJNAND JONGEN**

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NEW BUSINESS PUBLISHING

# Praise

“Wijnand Jongen shares a provocative perspective on how retailers must continue to adapt their thinking beyond online and offline sales channels to a customer-centric view that embraces the role of technology, its impact on consumer behaviors, and the need for new disruptive business models. His book is an important read for all who play in the influential and ever-evolving global retail industry.”

**Matthew Shay, President and CEO of the National Retail Federation (US)**

“Wijnand Jongen is one of the most authoritative leaders in e-commerce today. A must-read!”

**Brian McBride, CEO of Asos.com (UK)**

“Wijnand Jongen’s book presents a unique and fascinating overview of what the future will bring to the exciting world of retailing. Highly recommended!”

**Xavier Court, Associate Co-founder of Vente-Privee Group (FR)**

“Wijnand Jongen has been around the shifts in e-commerce for a long time. His book is in fact a very positive and frank assessment of the exciting opportunities for cross border trade in the evolving consumer direct world. It is my pleasure to endorse this book as an essential read by participants in our dynamic ecosystem.”

**Paul Greenberg, Founder of NORA.org.au (AU)**

“A great book for those who want an insight into the change that is happening in the e-commerce industry and the future ahead.”

**Yasui Yoshiki, Founder and CEO of Origami.com (JP)**

“Wijand Jongen has distilled all the core topics of retail, from mobile shopping to artificial intelligence to the sharing economy to Amazon and Alibaba, into one readable and engaging book that is a must-read for anyone in the world who is in the retail industry.”

**Sucharita Mulpuru, World-renowned retail industry analyst (US)**

“This is an engaging and generously researched must-read for senior retailers who are looking to understand and anticipate the pressures and trends that are changing our industry – and take action to thrive in the new state of retail.”

**Ian Jindal, Co-founder and Editor in Chief of InternetRetailing (UK)**

“Wijnand Jongen’s book is of great help to establish a shared internet future in the context of the One Belt One Road Initiative, and a great reference for Chinese enterprises who want to strengthen cooperation and improve international trade and cross-border e-commerce.”

**Prof. Binyong Tang, Donghua University, Shanghai  
Chairman of China Cross-Border Ecommerce Application Alliance  
Member of the One Road One Belt Expert Advisory Group (CN)**

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# Introduction

A new economic paradigm is beginning to dawn: *onlife retail*, where online and offline become one. Onlife retail is based on four new and mutually reinforcing developments, each with its own dynamic: the smart economy, the sharing economy, the circular economy and the glocal economy. It is the synergy of these different “movements”, that will cause huge social and economic changes.

In the past decades, we have welcomed the World Wide Web, email, social media and big data into our lives, to name but a few. We have embraced mobile Internet, smartphones, the cloud *and* online shopping, the latter of which has become an everyday pastime for millions of people around the world. The impact of technology on retail is unprecedented, the selling of consumer goods and services has forever changed.<sup>1</sup>

Virtually every single business realm in the Western world is beginning to transform from an old economic order into a new reality. The digitization of society and the economy has, of course, an impact on everything and everyone.

Since the mid-1990s I have watched online shopping as it unfolded, initially from an entrepreneur’s perspective and later in my capacity as an ecommerce representative in the Netherlands and Europe.

I witnessed the skepticism of traditional entrepreneurs and the hesitance of governments and other stakeholders. At the same time, there were many – often young – entrepreneurs who simply exuded euphoria, bursting to share their ideas for new ventures and business models.

Policy makers and (political) decision makers have since been roused to the transformational process and impact on the retail business. All over the world, governments are bravely attempting

to get a hold on the upheaval through all kinds of initiatives. After all, governments, retailers, travel organizations, banks and insurance companies ought to be able to adapt to consumer needs as they rapidly change: not next year or next week, but preferably today, this minute even.

In this book, I will describe how retail is being turned upside down, as part of society and the economy. Chapter 1 is the foundation for this description, where I outline the *onlification* of society. In Chapters 2 through 5, I will shed some light on the four new economies, discussing the various opportunities and threats as they occur. Next, we turn our attention to the new *customer journey* and its many characteristics, which are often beyond our imagination. It's up to retailers and service providers to reinvent themselves, using new business models and organizational structures. In the final chapter, I will sketch an outline of the network society where retailers can find endless opportunities in the new world of onlife retail.

Let's get to work!

*“Pure e-commerce  
will be reduced to a  
traditional business  
and replaced by the  
concept of New Retail  
– the integration  
of online, offline,  
logistics and data  
across a single value  
chain.”*

**JACK MA,  
FOUNDER AND CHAIRMAN OF ALIBABA<sup>1</sup>**

# 1

## The onlification of society

I clearly remember the first email I ever sent and the sense of pride I felt every single time I bought the latest model Nokia. When Apple launched the first iPhone and iPad, I was at the front of the line to get one. Now, all you need to do is swipe open a newspaper to realize how many more profound changes are in store for us.

On the pages of this book, I will describe the changes that are coming to the retail sector – incidentally, these are part of a wider pattern of transformation, affecting all of society. The overwhelming adoption and use of the Internet has resulted in people’s lives unfolding online more than ever.<sup>2</sup> Throughout this book, I will use the term “onlife” to refer to this phenomenon.

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### WHAT IS ONLIFE?

The term “onlife” was coined by the Italian philosopher Luciano Floridi. In 2012, the European Commission made him the chairman of a European think tank intended to delve into the effects of the digital revolution on our way of thinking.<sup>3</sup> In *The Onlife Manifesto*, Floridi and his team found that the distinction between online and life is becoming ever more blurred to the point where it will disappear altogether.<sup>4</sup> The *here* (analogue, offline) and *there* (digital, online) will merge to produce a single *onlife experience*.<sup>5</sup>

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### Offline and online become one

In recent years, virtually everyone has exchanged their landlines and cell phones for a smartphone; we’ve adopted GPS navigation



systems in our cars to find our way, and Wikipedia has smoothly taken the place of encyclopedias, just as Google Earth has made atlases obsolete. We use apps to do our banking and turn to Google Translate instead of a dictionary to translate massive swathes of text. E-readers and tablets have found a comfortable home in our laps, and we simply stream our music, films and TV shows *on demand* whenever we feel like it.

Really, this is just the beginning. Within the past decade, we have completely redefined our social lives, not to mention how we learn, solve problems, help each other or make decisions.<sup>6</sup> The simple fact that so many brands have been adopted as verbs is an indication of how much has changed.<sup>7</sup> There we go, Facebooking, Tweeting, Skyping, Snapchating, WhatsApping, Instagramming and FaceTiming all over the place. Even my 90-year-old mother-in-law knows how to Google and use her tablet to communicate with her (grand)children and conduct online banking. Recent US research has found that people who are active online live longer.<sup>8</sup> Not only does an active social life correlate with better general health, but it turns out that people who send more friendship requests even live longer.<sup>9</sup>

Social networks apparently offer a way of communicating that satisfies that very human urge to present yourself and leave a mark.<sup>10</sup> Sociologist Barry Wellman refers to this as *networked individualism*: “Even though we are more independent than ever, more inclined to individualism, we still want to be part of a community.<sup>11</sup> People are not hooked on the Internet or gadgets; they are hooked on each other and their social needs being met, right here and right now.”<sup>12</sup>

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## ONLINE GENERATIONS

To *millennials* – otherwise known as Gen-Y, referring to people born between 1980 and 1995 – the online experience is relatively commonplace. Having grown up with computers, cell phones, iPods and video games, they were the first to make online shopping a habit.

Generation Z – born after 1995, sometimes called iGeneration – takes this to the next level. As “tomorrow’s consumers,” they cannot even imagine a world without Internet. Social networks are what they grew up with, as were the games that they played from childhood, in which

they connected with others all over the world. Millennials and Gen-Zers are the early adopters of new technologies and possibilities. They hardly use words like “online” or “Internet”. To them, being connected 24/7 is a given.

Generation X (the 35 to 50 age bracket) and Baby Boomers (45- to 65-year-olds) are both spending more time online than ever, with even the Silent Generation (over 65) joining in. Despite growing up with typewriters, desktop computers, achingly slow dialup Internet and analogue cell phones, many of these people have adapted – and mind you, are adapting faster than ever – to the altered circumstances and options.

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## Onlification

Technology waits for no man. Without a second thought, people start using new machines in their everyday lives. Outdated thermostats are replaced by “smart” ones that allow you to adjust your energy consumption remotely. Old-school washing machines make room for new ones that instinctively know when is the best – most economical – time to do a load. Move over, old-fashioned TV, here comes the interactive smart TV, offering online films and music, access to social networks and the ability to communicate with each other.

## Internet of Things

All this technology is connected online, over the Internet, with people – with us, that is – but also with each other, with *other* technology, other machines. The common denominator is that they help simplify people’s lives, making life more comfortable and more budget-friendly. These are the first applications of the Internet of Things (IoT). Gartner, the US research firm, has stated that by 2020 there will be somewhere between 500 and 700 million *smart connected homes*.<sup>13</sup>

## Virtual and augmented reality

*Virtual reality (VR)* will become more important in years to come. The next generation of VR glasses will allow us to step into a 360-degree virtual world, indistinguishable from the real world. The dis-