

W1 | Top 10 Global Consumer Trends 2019

1. Age Agnostic

- old people want to feel, behave and be treated as younger
- as longevity rates soar, societies are ageing rapidly
- senior spending power offers huge growth potential as old people have the highest spending power among all age groups
- enjoyment of life and spiritual beliefs are prioritised for older generations
- example: e-bikes like 'Coboc' are helpful in encouraging the older generation to stay energetic without major strain on the body

2. Back to Basics for Status

- less is more
- consumers are rejecting mass-produced and generic products in favour of better quality basics with an implied level of status
- hyperlocal food, artisan beauty, craft spirits and beers → authentic, differentiated products and experiences
- DIY beauty products are becoming the norm
- example: Delhaize in Belgium has reduced the 'food miles' of its supermarkets' fruit and veg to zero by adding an urban farm with a very low environmental impact

3. Conscious Consumer

- being mindful in your buying
- looking for a solution to the negative impact that consumerism is having on the world
- being animal-friendly is a fast rising trend and having a plant-based diet and concern for animals is now part of the greater healthy and ethical living trend
- example: KFC has introduced a Veggie Burger successfully in Canada and NZ and is rolling out the product in South Africa (a very meat-invested country)

4. Digitally Together

- proximity is no longer a boundary
- new technologies are changing the way we interact in our professional and personal lives with more authentic life-like interactions occurring online
- faster internet is fulfilling the needs of global consumers
- social media will continue to dominate online activity
- online dating is more popular than ever, people are sharing photos more regularly and mobile monitoring/security systems are being mainstream
- example: Oksusu in South Korea allows users to take a VR tour in virtual spaces and engage with other people's avatars in different settings, creating an online community

5. Everyone's an Expert

- knowledge is power
- switch in power from retailer to consumer as consumers know turn to each other for advice on what to buy and where to get the best product for their money
- companies are forced to constantly innovate, drive prices down and streamline and aestheticise their offerings to entice shoppers
- influencers are used to advertise, review and model anything to digital consumers
- 'the customer is always right' has never been truer → strong product review culture has made consumers more savvy and stores more transparent
- consumers are as conscious of price as they are of their peers' recommendations
- example: Sephora's Beauty Insider Community is an online tool giving Sephora customers 5 responsive features to communicate directly with fellow shoppers and beauty experts

6. Finding My JOMO

- the joy of missing out
- consumers reducing their time online and cutting down on social engagements in favour of real-life experiences they don't feel compelled to share on social networks
- fears over online personal data management are on the rise globally
- consumer expenditure on recreational and cultural services is set to grow strongly
- movement away from phones and to real-life experiences

- some consumers are trying to use their phones less and moving away from multi-tasking to relax and enjoy real life outside of work
- example: Waterstones in the UK returned to profit in 2017 for the first time since 2009 as book sales rose 5% by focusing on browsing experiences and exchanging opinions with store personnel

7. I Can Look After Myself

- consumers cut out the middle person and turn to alternative self-care methods
- a reaction to the impulsive, rigid and highly restrictive mode of consumerism that fast fashion, instant beauty fixes and fad diets perpetuate
- consumers are making use of apps and personalisation services to create a product that is uniquely for them
- hype products have gone hyperactive, leaving consumers craving self-sufficient simplicity
- people are looking to simplify their lives, but shopping is increasingly moralised so consumers wanting to look after themselves are shopping more sustainably
 - ethical consumerism has become a form of self care
- example: Spoon Guru is an app that allows users to create a personalised profile in terms of dietary preferences for restaurant and recipe recommendations that match

8. I Want a Plastic Free World

- consumers are taking direct action to eliminate plastic waste
- single-use plastics are coming under increased scrutiny as the effects of pollution on the natural world are better understood
- ubiquitous plastic packaging, low recycling rates and a throw-away culture have compounded the issue
- but, consumers are willing to pay more for eco-friendly and recyclable products
- example: IKEA is phasing out oil-based plastics and committing to make all products from recycled materials by August 2020 as well as phasing out single-use plastics in stores and restaurants by 2020

9. I Want It Now

- efficiency-driven lifestyles and frictionless experiences
- consumers are busy and expect more from companies by wanting products and services delivered as quickly and simply as possible
- apps are helping consumers keep their lives organised and other innovations are helping them avoid queues, reduce waiting time and synchronise personal information and preferences
- the time premium is on the rise, driven by 30-44-year-olds who are most willing to spend money on products or services that save them time
- example: Amazon Go is an attempt to upgrade convenience stores by ditching the queues and allowing shoppers to walk out as items are charged to their virtual shopping cart

10. Loner Living

- single old people are typically wealthy and live alone
- high divorce rates have caused a trend of single-person households that is set to increase by 30% in 2018 as young people are also eschewing marriage to focus on their careers or indulging in personal development, education or travel
- these loner living consumers are sensible and proud and value convenience and affordability the most
- example: OpenTable in the US has an 'OpenSeat' feature that pairs solo diners or groups of diners when making reservations at restaurants

W2 | Chapter 1: Consumer Behaviour and Marketing Strategy

INTRODUCTION

- a **marketing strategy** is the combination of product, price, distribution and promotion most suited to a particular group of consumers
- **consumer behaviour** is a discipline dealing with how and why consumers purchase (or do not purchase) goods and services
 - relevant to commercial businesses, non-profit and government agencies
 - involves observable behaviours such as the amount purchased and when, by whom and with whom and how the purchase is consumed
 - involves unobservable variables such as values, needs, perceptions, information processing, evaluating alternatives and ownership of products

CONSUMER BEHAVIOUR AND MARKETING STRATEGY

- marketers want to find out what consumers think of a company's product, how they use them, what could be improved, their attitudes towards them, their 'roles' in family and society and their hopes and dreams
- **customer value** is the difference between all the benefits derived from the total product and all the costs of acquiring these benefits
 - providing superior customer value requires better products than competitors
- CB tends to be person-, product- and situation-specific
 - purchase and consumption behaviour may vary from one product to another
- three important aspects of our current knowledge of consumer behaviour
 - 1 — firms require extensive information on current CB
 - 2 — need for information about the specific types of consumers involved in the marketing decision at hand
 - 3 — CB is a complex, multidimensional process (e.g. online + bricks and mortar being used together to 'close the sale')

Aspects of Marketing Strategy

- Market Segmentation
 - developing specific marketing programs targeted at consumer groups with unique needs and/or purchasing processes
 - CB differs from one market segment to another
 - **benefit segmentation** focusses on the particular outcome consumers seek from using a product, and is often a potent foundation for positioning e.g. consumers have different outcomes they desire from a car so car models are positioned accordingly
- Positioning Strategy
 - a brand must know how it is perceived in the marketplace to develop an effective marketing strategy
 - **positioning** — the way a product or brand compares to its competitors, as perceived by consumers

New Market Applications

- many successful products can find continuing success when new markets for the product are discovered
- examining CB can yield insights that can produce new marketing opportunities when the right strategy is put in place
- example: Japanese firms redesigned and repositioned the refrigerator as a convenience item for the office, bedroom or desk rather than just a kitchen necessity

Global Marketing

- **global marketing** is a form of international marketing that aims to target particular consumer segments, regardless of where they are located in the world, using standardised marketing mixes
- standardised strategies can fail when a theme doesn't have universal appeal
- international marketing success depends on the marketer's understanding of the similarities and differences between domestic consumers and those of target countries