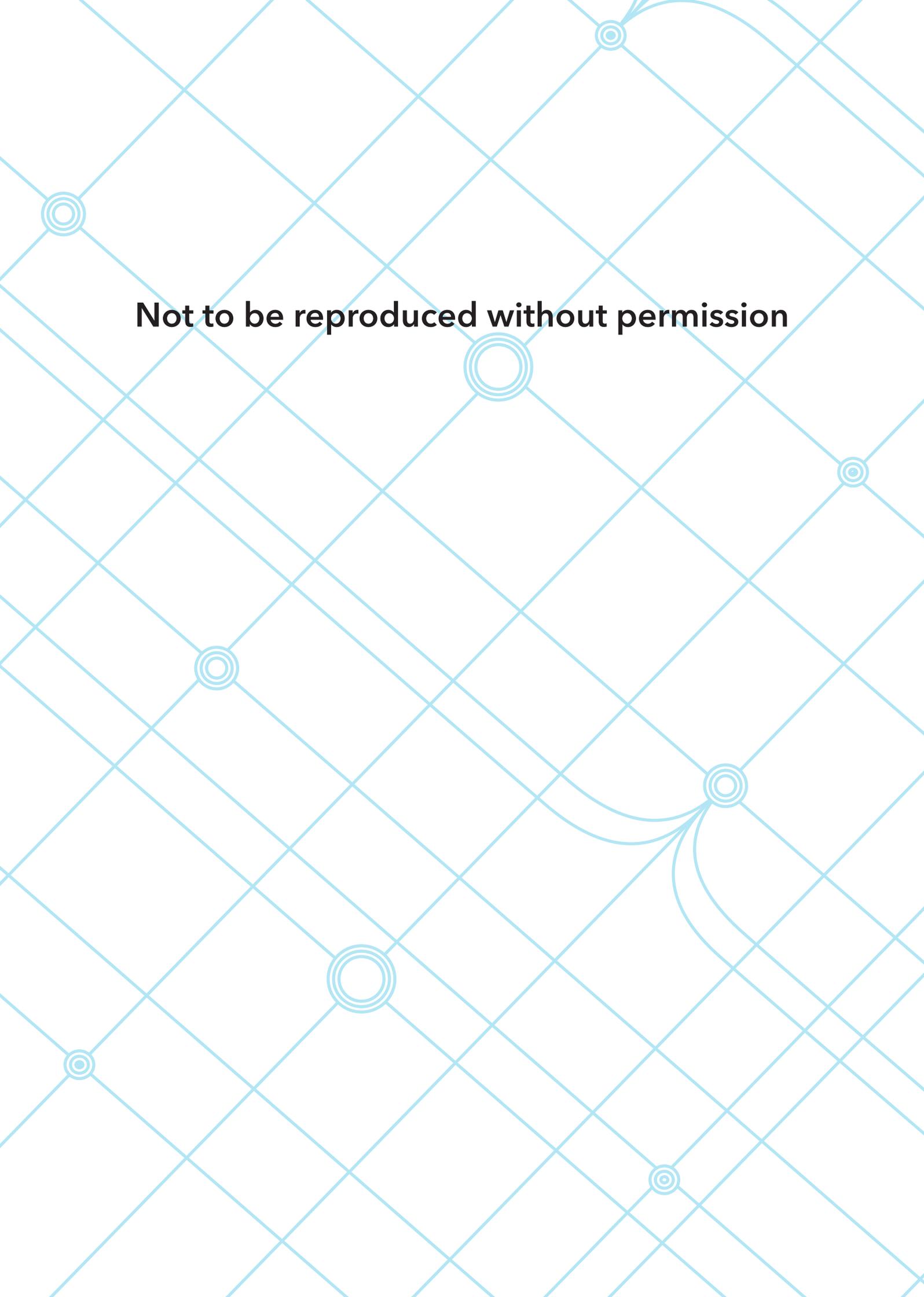




Top 10 Global Consumer Trends For 2014

Daphne Kasriel-Alexander



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TOP 10 GLOBAL CONSUMER TRENDS FOR 2014

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In 2014, consumers epitomise contradictions. They show a desire to indulge in luxury and instant gratification, expressed by the need for an even smarter smartphone, a passion for apps, a faster route to purchase and a craving for the visual. However, in parallel are struggles for better work/life balance, the concerns of eco-worriers, an appreciation of frugality and imperfection and a longing for the authenticity of home and community. Other dominant consumer trends include the importance of eating right, the “people’s choice” ruling the online world and a set of adaptive post-recession consumer coping strategies that have become the new normal for many.



INTEREST AND PURCHASE: A NARROWING GAP



In 2014, consumers are buying faster as the gap between first being interested in a product or service and actually buying it contracts. Brands, of course, are keen to encourage this quest for instant gratification, with a host of enticing Pinterest-style visuals and tools to make self-treating more tempting, and faster payment options to prevent caution getting in the way of impulse buying.

The fit between impulse shopping and being online

Brand initiatives aim to take consumer convenience and impulsiveness to new heights, allowing consumers to buy what they covet on the spot. In October 2013, MasterCard announced a partnership with publisher Condé Nast in an app called ShopThis, allowing digital consumers to instantly buy items they see in a magazine, ad, or soon, an item of clothing worn by an actor in a film.

Such developments seem a natural extension of a culture that has immediate access to information. “The whole world right now is about instant gratification,” says Matt McKenna, founder and president of Red Fish Media, a Miami-based digital and mobile marketing agency. This push for immediate retail gratification is occurring as delivery wars escalate among large e-commerce companies rushing to get orders to consumers faster.

In autumn 2013, Barclays Bank in the UK launched a mobile checkout “buy it” feature on its Pingit app letting customers scan items in a shop window and buy in one click. Barclays claims this service bridges the gap between advertising and sales. Augmented reality is another route to faster purchases. A new IKEA app lets shoppers try furniture for size in their own homes.

Turning followers into buyers

Brands are trying to connect with consumers on social networks, hoping to turn followers into buyers. Research shows that consumer engagement with brands via social networking positively impacts their attitudes and buying behaviour. Brands are eager to reach consumers in a space where friendship and commerce are easily combined.

US social media marketer Gary Vaynerchuk, who heads a US ad agency helping mainstream FMCG brands, articulates the impact of influencing social media on consumers. “A funny thing happens when you give value up front,” he says. “You guilt people into buying stuff,” he told the New York Times in autumn 2013. His new book is subtitled “How to Tell Your Story in a Noisy Social World.” It underlines how social media is interactive and immediate so brands need to look out for news or events they can leverage into a campaign. In 2012, his client Mondelez International spent 100% of its ad budget for Nilla wafers online. It ran with the ads most liked and shared on Facebook and sales of the product rose by 9%.

In tune with culture, generation and the right time to buy

Cereal giant Kellogg's is revamping its century-old brand to connect with today's tech savvy consumers. The revamp includes investment in social media campaigns, mobile apps with weight management tools and hook-ups with bloggers to share nutritional information. The approach is about emotional resonance.

In Africa, foreign brands are successfully repackaging themselves as local to appeal to consumers. MTN, a South African cellular services provider, is perceived to be a Nigerian product in Nigeria. Procter & Gamble often reshoots the same television advert using local actors and settings.

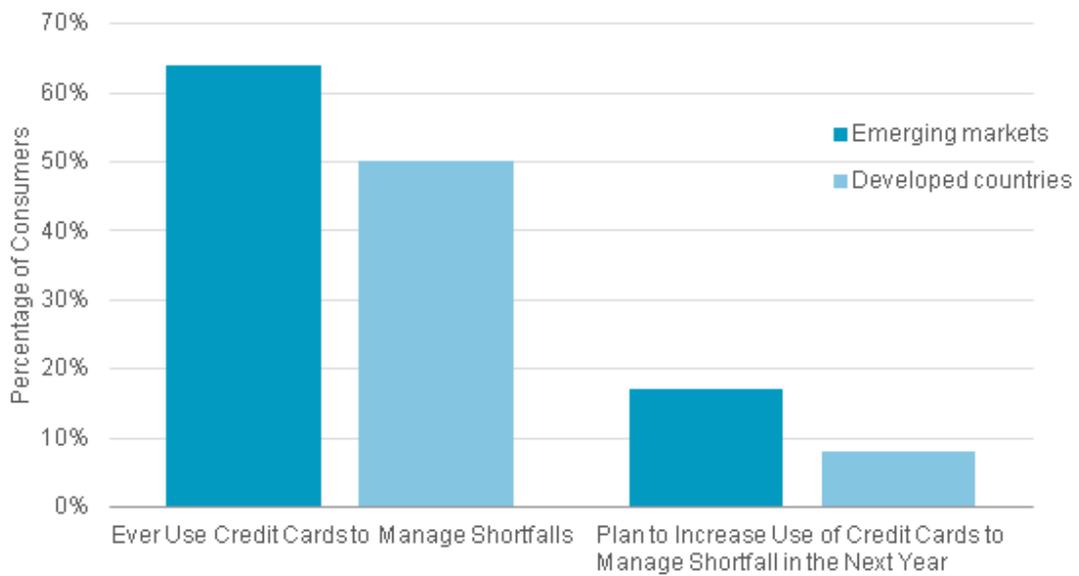
Even with an individual consumer, a response to price varies depending on time, place, activity, mood and product. The increasingly hectic nature of modern lifestyles demands convenience.

Reaching consumers via smartphones only intensifies timely buying opportunities, often when consumers are in shopping mode. In the USA, a new trend in property sales lets potential home buyers test a house before buying it. Ms. Neshier, the New York estate agent behind this selling strategy, said, “Especially if you have a unique product, you might get a better price or even a faster sale.”

Appealing to ideals

Appealing to ideals that consumers cherish help sell products faster. The idea of plying freedom through consumption, for instance, isn't new. The promotion of domestic white goods in the 1950s and more recent Nike ads have been high profile examples, but this notion is spreading to encourage emerging market consumers to buy more. In China, a growing number of brands are using this message. For example, local smartphone maker Oppo recently told consumers to "Enjoy freedom" by buying its new handset.

Credit Card Usage for Shortfalls by Country: 2013



Source: Euromonitor International Global Consumer Trends Survey, 2013

Note: Showing the percentage of consumers who gave each response for the given credit card usage habits

EATING RIGHT



More consumers today are aware of the importance of healthy eating. However, headline-grabbing obesity statistics and forecasts are not the only things influencing them. Awareness that good health extends life expectancy and can improve quality of life has entered the mainstream. Healthy eating is now hip almost everywhere, meeting consumer style and wellness concerns.

Interest in eating healthy becoming more mainstream

With obesity rates rising in many parts of the world and a growing number of consumers feeling pressured to strive for images of physical perfection presented by the media, the dieting industry is expanding in developed markets and emerging markets. A growing number of affluent consumers are spending significant amounts of money on regulating their food intake. Meal delivery services emphasising healthy eating and weight management are aimed at the affluent and time-poor such as The Pure Package, with one magazine claiming the product has “revolutionised dieting and healthy eating across London.” Consumer passion for healthy and authentic food has helped spawn the rise of a new kind of travel specialist that Jeff Gordinier called “food sherpas” in the New York Times. He believes that “food tours are flourishing because food consciousness is.”

What’s new is that healthy eating options are not just for the well-heeled. McDonald’s is aiming to tempt consumers to eat vegetables and skip the fries in a bid to compete with healthier competitors such as Chipotle. For the less affluent, better-for-you products, such as reduced-sugar beverages and reduced-fat and reduced-salt food are becoming increasingly popular. Euromonitor International forecasts show real value sales of these products in 2014 will grow by 7.1% in the Middle East and Africa, 6.9% in Latin America and 4.2% in the Asia Pacific region.

Launched in the USA in April 2013, Food Tripping is a mobile app from sustainability-focused media platform SHFT. The app, with a motto of “find great alternatives to fast food wherever you are,” utilises GPS to locate the closest healthy eating spots, including farmers markets, juice bars and organic restaurants. There is no shortage of dieting, fitness and health-monitoring apps. A new app in development, TakeControl, is designed to help users reduce binge-eating behaviour.

Anti-obesity drives getting creative

Reacting to obesity forecasts, brands and policymakers are getting more inventive in their bids to persuade consumers to adopt more healthy lifestyles and abandon poor nutritional choices. They are doing this via everything from free gold for weightwatchers in Dubai to a campaign to coax UK construction workers into eating healthily.

Getting kids to eat better

In October 2013, First Lady Michelle Obama was photographed at the White House with the cast of Sesame Street endorsing her healthy eating drive. In the UK, a 20% sugary drinks tax has been proposed by academic and health professionals concerned with obesity, diabetes, heart disease and tooth decay. The initiative is aimed at young adults consuming large quantities of sugary drinks.

Makers of popular products are altering recipes. Nestle just announced it is reformulating its Kit Kat chocolate bar as part of the UK Department of Health’s Responsibility Deal, a partnership with the food industry aimed at reducing the nation’s consumption of saturated fat.

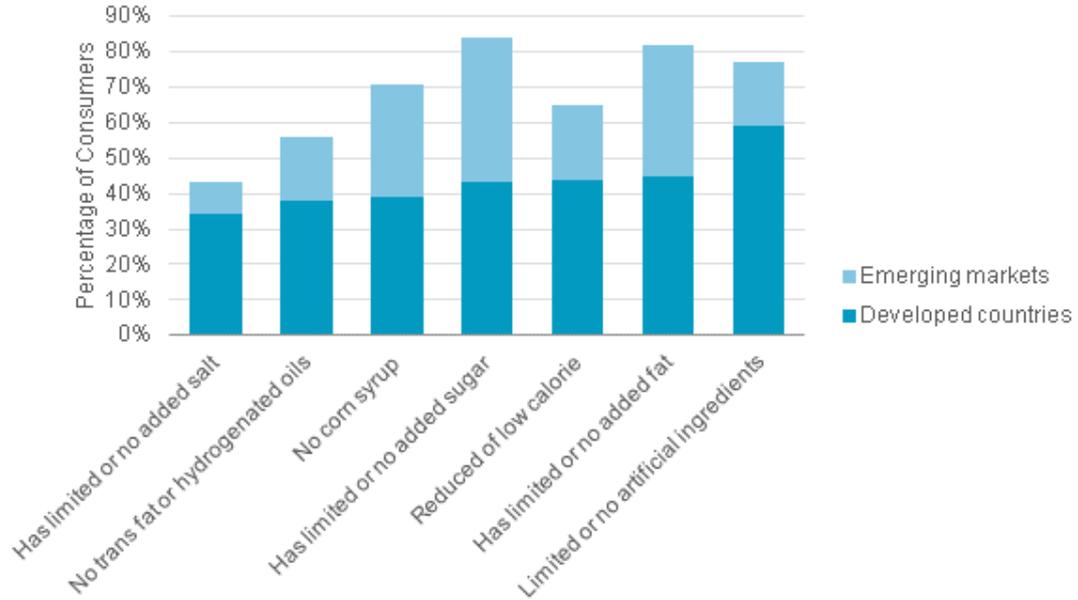
Campaigners in Latin America, where malnutrition and rising obesity sit side by side, are intensifying drives to encourage healthier diets among children in the face of pressure from marketing-buoyed food and drinks industries.

The consumer passion for “free-from” foods and optimal nutrition

Food sensitivities, both diagnosed and self-diagnosed, are rising, and a food segment called “free from” is growing. Consumers are indulging in DIY food treatments in the belief that such products promote better digestion and increased energy levels. For many of the trendy blogs, such as Seattle-based canellevanille.com or online magazine goop.com created by Gwyneth Paltrow, taking food allergies and sensitivities seriously is a given. Beloved pets are not exempt from this consumer passion, with many owners prepared to pay a premium for healthier “free from” pet food.

Euromonitor International’s 2013 Global Consumer Trends Survey found that more than half of global online consumers are willing to pay more for food items with specific benefits, such as lower fat or added nutrients, compared to the same product without such attributes. Consumers are most willing to spend more on products with health benefits. Three quarters would pay more and one third would pay a price 50% higher or more.

Selected Food Decision Factors: 2013



Source: Euromonitor International Global Consumer Trends Survey, 2013

Note: Showing the percentage who say they look for each type of factor on food packaging and labelling

ECO-WORRIERS AND SOCIAL CONSCIENCE



Consumers globally think about and discuss green issues daily. In research from the Global Language Monitor on the most common phrases used online in English-speaking countries in 2013, global warming/climate change ranked 3rd. Consumers increasingly crave brands, business models and products that do not have and are not associated with negative environmental and social impacts

Keeping green and ethical issues in mind

These green-aware consumers pay greater attention to less visible aspects of business processes and impacts, particularly in the wake of tragedies such as the collapse of the Bangladeshi garment factory supplying global high street clothing chains, and are vocal if they do not like what they discover. For such consumers, there is social value linked to consuming products and brands with ethical or sustainable business practices. New app Buycott outs the ethical credentials of brands behind products in a bid to empower users to make well-informed purchasing decisions. Developer Ivan Pardo says users can create their own “campaigns” in-app, with information on companies crowdsourced from fellow users.

Euromonitor International’s 2013 Global Consumer Trends Survey shows that online consumers care about the environment. Two-thirds try to have a positive impact on the environment through daily actions and nearly half are worried about climate change. Consumers in emerging markets are also becoming more concerned about being “green.”

Expressions of interest in a greener lifestyle are more sophisticated and mainstream. SHFT, for instance, is a lifestyle platform founded by actor-filmmaker Adrian Grenier and producer Peter Glatzer from the USA, aiming to convey a more sustainable approach to the way we live. Its founders, stressing consumers have the power to effect change, are keen to explore the idea that

“environmentalism” as a movement is outdated. “Sustainability should be folded into the fabric of our lives...it should be reflected in our culture, our art, our music and design, and nudge us further towards the sustainable direction in which we’re inevitably headed.”

A 2013 study from Poland’s Institute for Renewable Energy found that close to 250,000 Polish nationals had invested in micro-installations such as solar panels and biomass boilers to help meet their domestic energy needs with 45% of Poles interested in following suit. They may be glad to hear that the IKEA flat-packed solar panel, the first attempt by a large retail chain to transform consumer energy habits, is being launched in UK stores, with the brand adding its design flair to make the panels more attractive. Joanna Yarrow, Head of Sustainability at IKEA told the UK’s Daily Mail newspaper there is an awareness that “our customers want to live more sustainably...we’re dedicated to expanding our range of sustainable products that help customers save energy, water and sort waste fourfold by 2020.”

Green food and finance

Increasingly driven by food scandals, consumers are questioning the provenance of goods, with more turning to organic and ethical shopping. Many urbanites now grow food on windowsills, balconies and in community gardens – part of a thriving urban agriculture grow-your-own trend fuelled by environmentalism, thrift and food safety concerns as well as a community spirit. Now green ventures are getting into the crowdfunding act. One such project in Australia crowdfunds to bring clean energy to India’s urban poor. Opportunities have grown for consumers to invest in green enterprises and financial products - for instance supporting companies that make a positive change in environmental technology, with dividends in both cash and conscience.

Socially-aware learning

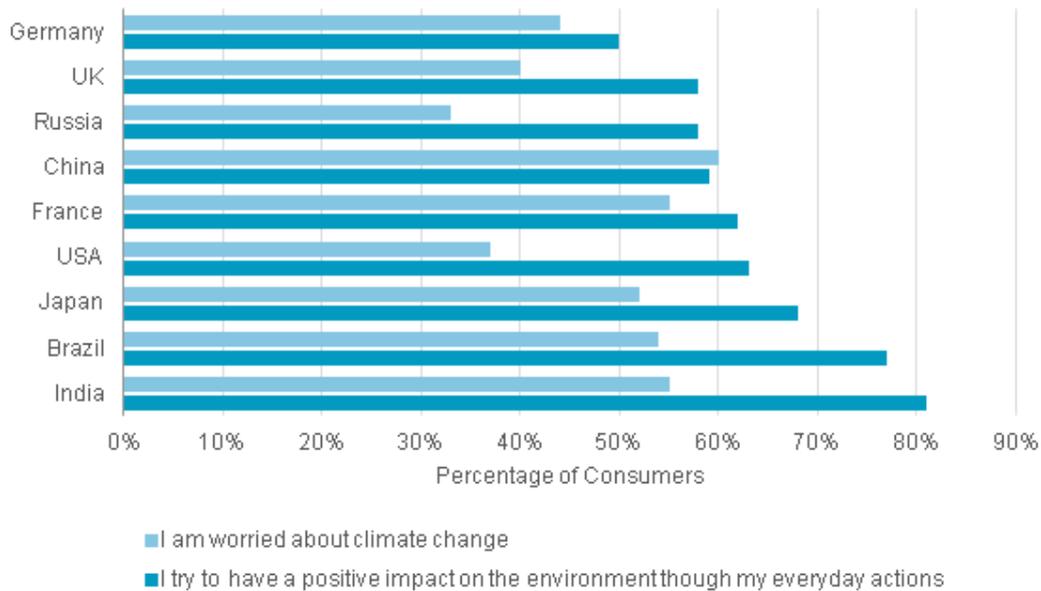
In late autumn 2013, the New York Times ran a piece with a contradictory-sounding title, “Social responsibility and MBAs.” The writer, Christopher F. Schuetze, sees this altered business emphasis as a response to the economic downturn and the backlash it generated. Students and employers are starting to demand business educators focus more on long-term social and ethical responsibility. Pamela Hartigan, professor at Oxford University’s Saïd Business School, estimates half of their MBA students are interested in social business.

In New York, socially aware learning of a different sort was provided courtesy of the “Pop-Up Repair Shop” reports onearth.com, which its founders say was part performance art, part sustainability initiative, part research project and part social activism to help consumers tired of buying things and then discarding them.

Ethical fashion and the green carpet

In the Global Language Monitor ranking of the most common phrases used online in English-speaking countries in 2013, ethical/sustainable fashion comes in 15th. This will surely please Livia Firth, originator of the headline-grabbing “Green Carpet Challenge” who has glamorised responsible and sustainable clothing by getting celebrities to wear it. High-end fashion site Net-a-Porter already has a Green Collection site.

Attitudes to the Environment by Country: 2013



Source: Euromonitor International Global Consumer Trends Survey, 2013
 Note: Showing the percentage of consumers who agree with each statement

THE IMPORTANCE OF HOME AND COMMUNITY



The Good Night Lamp, from a start-up launched on crowdfunding site Kickstarter in 2013, bills itself as “a family of connected lamps that lets you share your presence availability to your loved ones [anywhere] in an ambient way.” The first edition of these house-shaped lamps sold out signifying that in 2014 we are seeing a revived consumer focus on home life and the belief in the significance of community. This is in part a natural response to the ongoing economic pinch. In Greece, for instance, extended families pooling resources in the face of austerity measures is commonplace and part consumer bid to take time out from the stresses of urban life.

Longing for the warmth of home and local networks

Consumers seek greater connectedness in community-minded consumption and pursuits. Collaborative consumption, crowdsourcing, crowd funding platforms and online displays of craftwork all tap into this megatrend. Despite hours spent online, consumers crave an anchored, secure, tangible community. Locally produced goods offer consumers an antidote to the globalised marketplace, and invoke authenticity, community and belonging as well as appealing to green-aware consumers. Brands need to consider the connections their products and services encourage and how these products can support more time with loved ones and the local community.

Consumers are centering more entertainment in the home and life has retreated indoors. In Argentina, newspaper La Nación reports, “You can get a professional chef to cook for you, host a band for an exclusive show in your living room or attend a play in your garden.”

More services aim to mimic the warmth of home. Hidden in an old part of Moscow’s centre, Ziferblat (the Clock Face Café), charging by the hour, invites

patrons to lounge in comfortable armchairs, prepare and enjoy tea, play board games or go online and generally feel at home. Owner Ivan Mitin sees visitors as “micro-tenants” rather than customers. The cafe has spread to other Russian cities with a branch recently opened in London. More consumers continue to dote and spend heavily on pets too.

Smart home and the internet of things

Home automation has crept into our houses and apartments thanks to Wi-Fi networks and smartphones as part of a growing consumer need to feel in charge of their home cocoons and to help trim energy costs. With a smartphone or tablet, consumers have ready-made wireless control panels controlling security, lighting and heating or even garden irrigation schedules. Elements of home automation are increasingly apparent and we now see the advent of DIY-style superstores.

As the trend for family time going digital continues, research released at the end of June 2013 from social networking brand Iam150/revealed that seven in ten UK parents turn to social networks to communicate with their offspring. These developments offer a new take on internet parental controls. Hipom.com is a website, which commandeers the household router to manage all home access to the internet. One satisfied parent writes, “I use it to kick my daughter off Facebook after 8:30pm every night with a push of a button!” Today, a smart home is also a way of avoiding the nursing home, helping keep mature consumers and disabled people independent in their own homes for longer as baby boomers reach retirement.

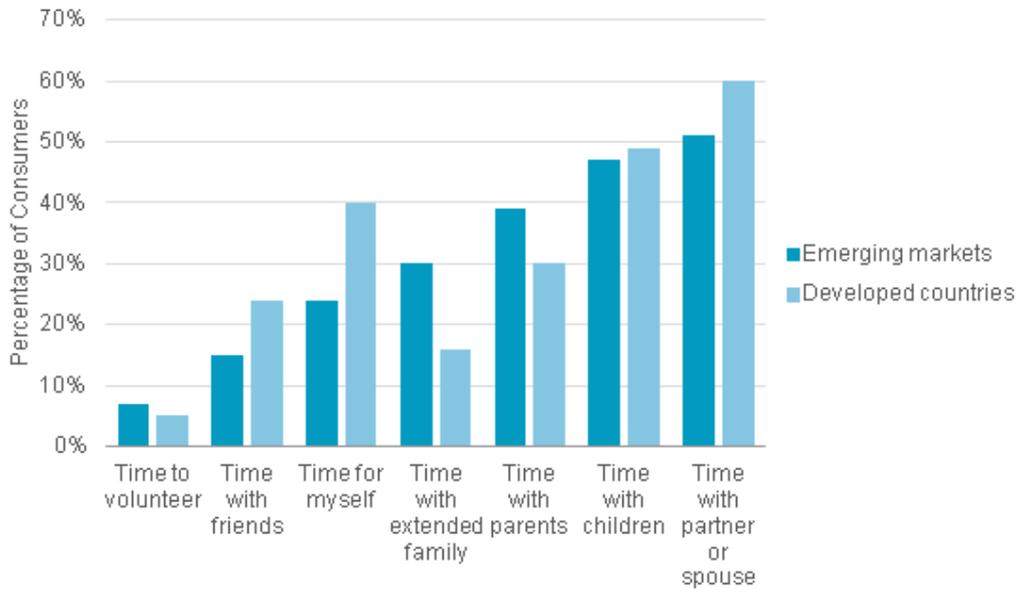
Multigenerational living and homeowners as hoteliers

“Super families” are an ongoing trend. A housing study from the University of New South Wales, Australia found multigenerational “intentional communities” of relatives sharing living space and resources were becoming more common, boosted by immigrants with multigenerational living “embedded in their culture,” and the rising costs of housing, childcare and eldercare.

Home-sharing holidaymakers are challenging the global hotel industry. In 2013, the Swiss city of Winterthur initiated a housing experiment for a representative cross-section of people of all ages to cohabitate in a custom-built housing project, the “Mehrgenerationenhaus,” the house for several generations. Multigenerational living can mean greater intergenerational interaction even if the family members do not live under one roof, for example, shared holidays that suit non-nuclear family groups such as single parent families.

Rootsy is just one of several social networks aiming to bring families together, showing that this theme is increasingly a part of social media culture. Multigenerational living is important in terms of purchasing because a more fluid mix of generations impacts directly on buying behaviour, leading to shifting consumption patterns. This trend can influence everything from home purchases to food shopping and holidays to technology choices.

Importance of Life Factors by Country: 2013



Source: Euromonitor International Global Consumer Trends Survey, 2013

Note: Showing the percentage of consumers who rated each item as one of the top three most important to them

FRUSTRATIONS WITH WORK/LIFE BALANCE



An unfulfilled work/life balance will be a widespread source of consumer stress in 2014. The jury is out on whether being “always on” due to mobile connectivity is collapsing the work/leisure divide or if technology is a godsend in relieving the pressure on working consumers. The ad for the Samsung Galaxy S4 promises to “Make your life richer, simpler and more fun.”

The perils of poor work/life balance

Euromonitor International’s 2013 Global Consumer Trends Survey found that half of consumers have placed strict boundaries between their work and personal lives to keep one from taking over the other. However, this protection is less common in China, the UK and the USA.

In response to news that sick children are sent to daycare, Brigitte Conradsen, a spokesperson for the Danish Union of Early Childhood and Youth Educators, identifies work pressure as the root cause. “Educators can get irritated when father or mother drops off a sick child for the third time in a short period, but it is a symptom of how tough the work-life balance can be,” she explains. Mounting work schedules are putting a strain on family life for many. One respondent to a survey conducted by online recruitment firm Jobstreet.com in September 2013 said, “Even if my company has work-life balance initiatives, such as a gym, a chill-out area and organised social activities, it’s just for show. We don’t have sufficient manpower to sustain our workload.” In a survey conducted by South Korean carmaker Hyundai during mid-2013, 37% said they were “just managing” to cope with work and family life. This appears to be a universal concern. Euromonitor International’s 2013 Global Consumer Trends Survey found that spending time with partners and children ranked highest in terms of importance to respondents.

Things are compounded for consumers by job security concerns and by the rise of home-office practices translating into longer working hours. Consumers are cramming several experiences into the same moment. For instance, watching TV with one eye on their smartphone to engage with supplementary material.

Convenience and simplified lifestyles to the rescue

An interesting blend of “solutions” initiated by consumers, organisations and brands are arising to help alleviate the stress caused by today’s blurred life/leisure balance.

Consumers struggling to balance work and their personal lives are likely to be more receptive to paying for convenience. Under a scheme to be piloted in nine areas of England, doctors’ surgeries will be available from 8am to 8pm all week. Health Secretary Jeremy Hunt said, “We live in a 24/7 society and we need general practitioners to find new ways of working so they can offer appointments at times that suit hard-working people.”

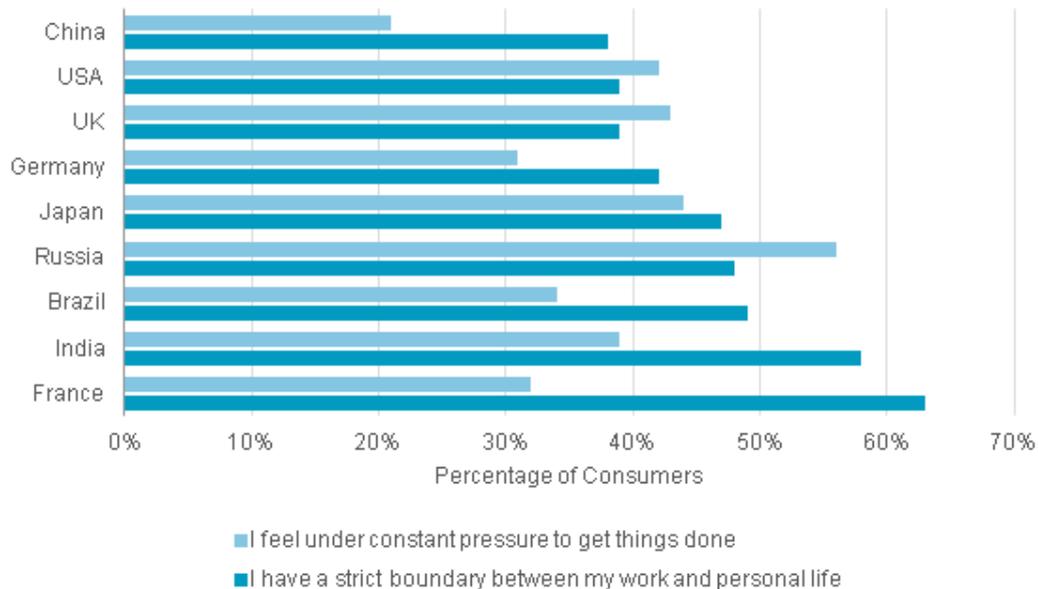
Euromonitor International’s 2013 Global Consumer Trends Survey finds that a majority of consumers are looking for a simpler life. Two-thirds say they are actively trying to simplify their current lives. While the majority of consumers prioritise financial security concerns, many working people are questioning personal/career satisfaction and goals and opting for simpler living. Older workers are benefitting from more flexible work lifestyles, many using digital communications to work away from the office and accommodate leisure into working lives.

The choruses of consumers advocating various degrees of retreat from digital engagement is getting louder as people report being happiest in the company of friends and family, and increasingly contrast it with a perceived “emptiness” of technology. Advocates of this countertrend talk of slowing down, distancing themselves from incessant mobile ring tones and social networking updates to focus on friends in the real world and the joys of browsing and buying in shops and markets. Tourism and entertainment brands profiting from this sentiment are multiplying. Espacio Siestario in Santiago, Chile offers “quiet rooms” with relaxing lounges for professionals no longer able to afford the luxury of a siesta in the urban jungle.

MOOCs and meaning

Consumers are seeking enrichment via learning and training. Millions have enrolled in massive open online courses (MOOCs), which are affordable self-paced courses aimed at open access via the internet with a stress on peer review and group collaboration. Despite setbacks, dozens of universities have affiliated with MOOCs and journalist Laura Pappano credits the online courses with injecting “technological polish and a hip ethos to Web courses.”

Attitudes to Work and Personal Life by Country: 2013



Source: Euromonitor International Global Consumer Trends Survey, 2013

Note: Showing the percentage of consumers who agree with each statement

LUXURY FOR MORE CONSUMERS



Luxury goods sales continue to grow. While high-net-worth consumers maintain their luxurious lifestyles, more consumers want some luxury in their lives, and of course, the ubiquitous luxury item could be the smartphone.

A bit of luxury for me please

More emerging consumers continue to aspire to luxury consumption. A survey conducted by Japanese advertising agency Hakuhodo during August 2013 found that over 50% of young 18-34-year-old female respondents in Ho Chi Minh City Vietnam expressed a preference for luxury brands. In summer 2013, “Tiny Times,” a hit film about the hedonism of China’s urban youth, resonated with the “me” generation aspiring to the lives of its female protagonists tottering around in expensive stilettos and buying each other designer gifts. While the film was criticised for its moral bankruptcy, microbloggers defended their dreams.

The pursuit of luxury can be a burden. According to a survey conducted in May 2013 by the Korean Chamber of Commerce among those aged over 20 years who had recently purchased luxury goods, almost 30% of respondents were experiencing difficulties paying off their credit card debt with around 25% having considered buying counterfeit goods or second-hand luxury goods to save money.

Beyond bling

In 2014, consumers still express their identity and personality through consumption and signal betterment through luxury purchases. However, in line with a trend for less conspicuous consumption, luxury consumption is becoming more nuanced. While the Chinese are known to have a strong appetite for luxury goods, some status-conscious consumers have begun to favour subtlety. A survey conducted by consultancy McKinsey during mid-2013 found that over half of luxury consumers agreed with the contention that “showing off luxury goods is in bad taste.” This more muted luxury consumption is apparent in many other countries. In late 2013, a university student told The Korea Times newspaper,

“Just a few years ago, wearing clothes with a big logo on them was considered fashionable, but that is now outdated.”

Shanghai, mainland China’s fashion capital, recently marked the opening of 10 Corso Como Shanghai, the third outpost of the celebrated concept store in Milan. The store is really an ode to curated consumption and features an art gallery.

Consumer interest in the local aspect of luxury will become more discernible in 2014. Blogger Odun Ogunbiyi told the AFP in August 2013 that luxury fashion from Nigerian designers is on a par with international collections. The Ritz Carlton hotels have, according to company president Herve Humler, been reflecting the customer interest in a more authentic, local experience. In doing so, the group is following a popular trend in high-end hotel design; rethinking its approach to ensure that interiors reflect hotel locations and local heritage. This caters to the consumer preference for “local luxe” rather than a bland homogenous luxury style.

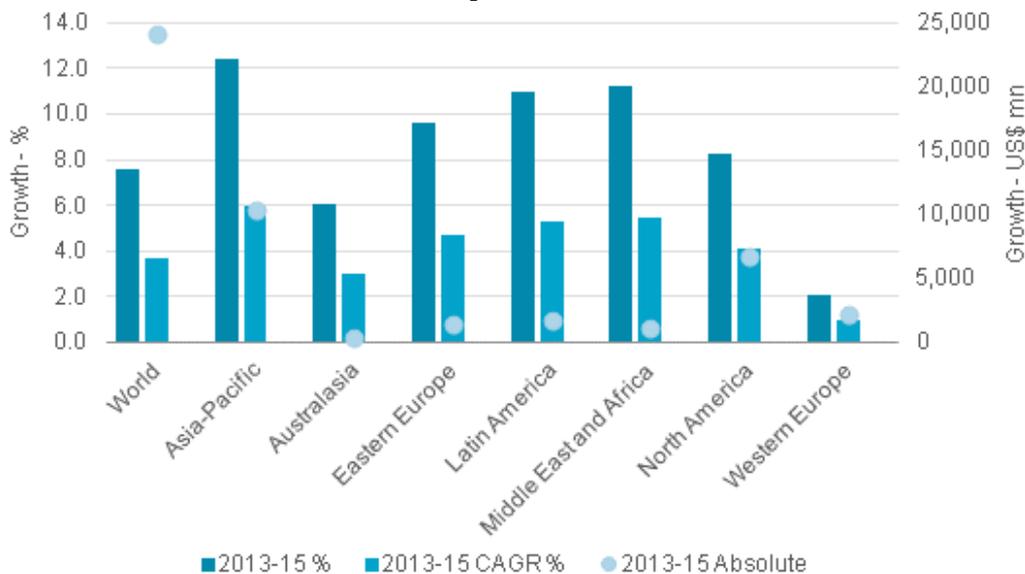
Luxury discounts

More consumers want to get their hands on luxury for less. Japanese consumers are opting for “affordable luxury” in greater numbers, with popular purchases including cashmere sweaters at fast-fashion retailer Uniqlo, and gourmet coffee and ice cream at 7-Eleven convenience stores. Jordanian designer Dania Dahleh explained, “Customers look for luxury and want to be seen as fashionable, but with lower price tags.” This attitude leaves consumers open to scams. Fake shopping vouchers, offering discounts of between 30% and 50% on luxury goods, are flooding online trading platforms in China.

Chinese consumers were the world’s biggest tourism spenders in 2012, according to the United Nations World Tourism Organisation, but they have also eagerly embraced the discount luxury trend. Value Retail, Europe’s most successful luxury fashion outlet operator, is opening Suzhou Village just outside Shanghai, offering off-season designer fashion at a discount. Value Retail’s chairman, Scott Malkin explains, “We will be providing an experience in shopping tourism while allowing our brand partners to sell their surplus stock in a way that defines their brand and reaches aspirational customers.” A reported four out of five Chinese visitors to Britain stop at Bicester Village, Value Retail’s outlet shopping mall near Oxford in the UK, about an hour by train from London. In September 2013, The New York Times reported on Chinese shopping tourist Mr. Huang and his manic shopping spree in the USA. “Mr. Huang never made it to the chic boutiques of Manhattan. Instead, he travelled an hour north to the Woodbury Common Premium Outlets after which his only complaint was that they had to race through the racks before the bus departed. ‘Time was so short, it felt like war,’ he said.”

In 2014, there is a thriving market in “pre-loved” luxury items. In Hong Kong, cash-strapped luxury fans can now pawn their designer handbags with Yes Lady Finance, with many items ending up at one of the company’s second-hand stores.

Growth of Real Market Sizes of Luxury Goods Worldwide: 2013-2015



Source: Euromonitor International from trade sources/national statistics
 Note: Data for 2013-2015 is forecast at constant prices and fixed 2013 exchange rates. CAGR denotes compound annual growth rate. Luxury Goods are the aggregation of Designer Apparel (Ready-to-Wear), Fine Wines/Champagne and Spirits, Luxury Accessories, Luxury Electronic Gadgets, Luxury Jewellery and Timepieces, Luxury Cigars, Luxury Travel Goods, Luxury Writing Instruments and Stationery and Super Premium Beauty and Personal Care.

PEOPLE'S CHOICE



In 2014, the online consumer's world feels democratic, a little like a people's court. Digital technology has given more people the power to create media and distribute it globally. They can react to what displeases them in minutes or become brand ambassadors spreading the word about good buys when satisfied. Amateur journalists, photographers and filmmakers can now aspire to a global audience. Just under 40% of the world will be online in 2014, according to Euromonitor International forecasts. Onliners express themselves freely on social networks, reviews and blogs, which have left brands unsure of how to reach out to existing and potential customers. More brands are turning to social media in place of events to launch products via "social unveiling," recognising the ability of social media to reach a wide audience quickly.

Huge consumer engagement with online reviews

Euromonitor International's 2013 Global Consumer Trends Survey shows that internet-connected consumer engagement with online reviews is huge:

- 23% of global respondents read reviews of products or services online at least weekly
- 12% of global respondents write a review for a product or service online at least weekly
- 13% of Brazilian respondents write an online review almost every day
- 29% of Chinese respondents write online reviews 1-2 times a week or more

Brands paying bloggers in cash or in kind to promote their wares or celebrities posting selfies wearing products can be a risk that may harm brand credibility.

Australian consumer group Choice launched a campaign to raise awareness about stealth advertising in celebrity Twitter feeds. The Daily Dot, an online newspaper pitching itself as the “hometown newspaper” of the internet, titled an article critical of blogger payola, “Top Amazon reviewers get thousands of dollars in free swag.” Testifying to the power of online reviews, Amazon spokesperson Julie Law was quoted as saying that even a product with negative reviews will sell better than a product with no reviews.

In a post-recessionary climate, where consumers influence others thanks to social networks, brands need to work harder to earn consumer loyalty. They need to listen to advice on blogs such as Very Best Service, which urges brands to pay attention to the “smoke signals sent by customers through all available channels including social media.” Transparency and sincere apologies earn consumer respect.

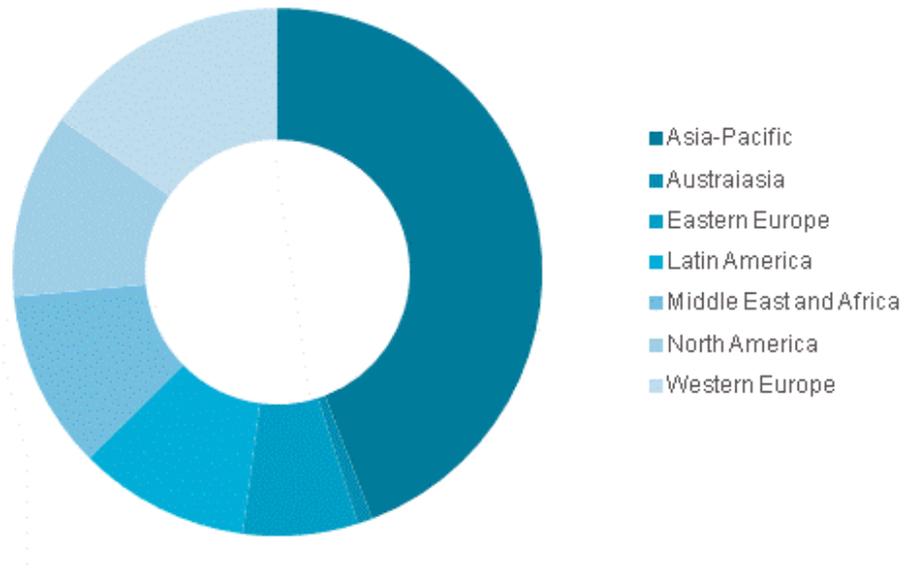
A social chorus

One particular niche, albeit a large one, is parents with blogs wielding growing influence. The estimated 3.9 million “mom bloggers” in the US in 2012, according to Mashable, are impacting social change through sites like Mom Bloggers for Social Good. Twitter users in Saudi Arabia flocked to a campaign bemoaning the high cost of living in their country, with 17 million tweets using the hashtag “The salary does not meet my needs” posted in August 2013.

Fashion and trends: the playthings of the blogosphere

International fashion editor of the International New York Times, Suzy Menkes, alluded to the sheen of popular appeal the blogosphere is placing over the fashion industry. “Where once the products were designed for an elite, ‘fashion’ is now out there for everyone, at every price.” She believes that “The constantly changing ‘leaders’ in the blogosphere set rules, with followers then absorbing, rejecting or reformulating their endorsements or harsh judgements.” With fashion shows live-streamed, viewers can talk about them via social media before any reviews by fashion critics or other institutional commentators have appeared. She even suggests that the next decade could see an internationally known designer crowdsourced over the internet.

Geoffroy de la Bourdonnaye, chief executive of Chloé, says that the idea of an outfit or a brand being “in” or “out” according to the whims of bloggers is hard to swallow for fashion companies. “You know instantly if something is a hit or a flop...the online response is very quick,” he explains. Brands crowdsourcing their designs are one approach to the power of the people’s vote. Front Row Society, a German-based accessories company, crowdsources all its designs in a system the company proudly calls “a true fashion democracy.”

Percentage of Internet Users by Region: 2014

Source: Euromonitor International from International Telecommunications Union/OECD/national statistics
Note: Data for 2014 is forecast

POST-RECESSION COPING: A NEW NORMAL



While many cash-stretched consumers are suffering from the extended effects of the downturn, post-recession coping strategies are about how people behave once they've processed the shock of living in recession. Consumers have modified buying behaviour and internalised various adaptive behaviours such as thrift shopping culture, a reliance on credit and openness to collaborative consumption. The motto of this year's congress of Germany's protestant church, "As much as you need," emphasises today's less consumerist point of view. Many formally free-spending emerging market consumers are also more price-sensitive.

The thrift lifestyle

It's cool to be frugal. Strategies like buying in bulk and pre-planning grocery shopping to save more are commonplace. Significantly, groupbuying is spreading to utilities, as Spanish consumers band together to get the lowest possible price from distributors to cut bills, website [Moneysaverspain.com](#) reports. News website [noticias24.com](#) reports that some low-income Venezuelan internet subscribers are "subletting" their Wi-Fi connections and cable subscriptions to their neighbours to cut costs. The opening of Tel Aviv budget café Cofix in October 2013, where everything on the menu costs the equivalent of a pound, is a magnet for frugalistas.

Whether they bill themselves as "design or boutique hostels" or "hostel and suites," new budget accommodation offerings are thriving and increasingly popular with older age groups too. In a July 2013 article, the UK's Daily Telegraph newspaper revealed that budget accommodation now accounts for more than a third of new hotels being built in Britain.

Sensible shopping lessons are now offered. Spring 2013 saw the first "Shopping Tutorial" in the grounds of Milan's Fossato Castello Sforzesco Castle organised by the Coldiretti agricultural organisation.

Euromonitor International's 2013 Global Consumer Trends Survey found a significant number of consumers are planning to decrease their spending over the next year, but they are not willing to sacrifice consumption. Instead, they are looking at other routes to reducing spending such as shopping at discount stores or continuing to buy private label brands. Two-thirds of respondents also agree that finding bargains while shopping is something they enjoy.

There's always credit

In the post-recessionary climate, the convergence of consumer trends and behaviour in developing and developed markets is apparent. The phenomenon of consumers spending via credit card and getting into debt to keep up with lifestyle "needs" is a rising trend in countries like the UAE, Thailand, Malaysia, South Africa and Brazil where this habit was less widespread until recently. Fernando Cruz, a sociologist and market researcher, claimed that buying on credit had become a "symbol of citizenship" in Chile, a way for consumers to express their personality and social standing.

Cash strapped Israeli consumers are using credit cards to purchase entertainment experiences. Behavioural economist Dan Ariely believes that while they feel this is not the time to buy permanent things, they are more comfortable splurging on leisure activities and holidays, which feel temporary. This is perhaps a partial explanation of why technology and travel remain key to millions of consumers – related to experience-style consumption that is very appealing and, surveys show, more satisfying.

Euromonitor International's 2013 Global Consumer Trends Survey shows that more than two-thirds of respondents have used credit cards for non-essential purchases. Euromonitor data showed that in Latin America, consumer credit for non-mortgage loans jumped by 61.3% between 2008 and 2013. Across the Asia Pacific region, growth was 52.8% over the same period.

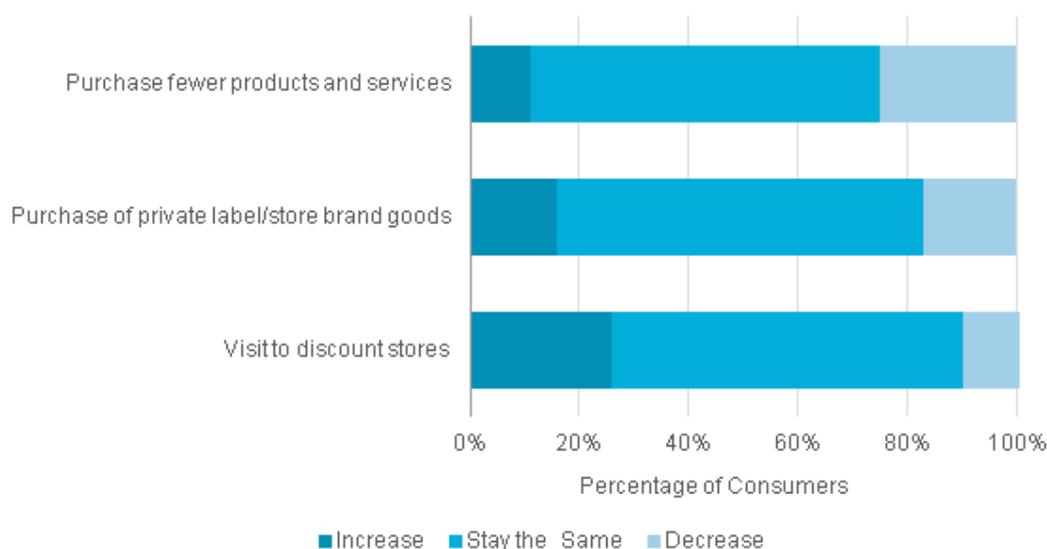
Consumers are becoming more concerned about their reliance on credit cards. "Enough with overspending – from this month onwards we're going to repay our debts," Kariani, a young woman from north eastern Brazil quoted her father on Facebook. Helio Mattar, CEO of the Akatu Institute in Brazil promoting consumption for a sustainable future, encourages the conscious use of credit to guide consumers to more grounded credit card use.

Wellbeing via shared ownership and beyond the new

The sharing economy, or selling on, buying second-hand and make-your-own has emerged as a different way of consuming, bringing with it an appreciation that wellness can be achieved in consumption without having to actually own new things or things at all. New sites are able to operate at scale and across geographic boundaries enabled by technology. This trend is revolutionising consumption despite some setbacks, and has been hailed as a consumer response to recession, the green zeitgeist and a longing for community. Collaborative consumption is even showcased in festivals such as Ouishare held in Paris in spring 2013. “For us [young adults], sharing is perfectly normal,” commented one Spanish participant, Antonin.

Opening one’s home to strangers via web-based services like Airbnb, carpooling and working in community gardens are all thriving examples of this adaptive consumer mindset, which finds appreciation in the rich interactive experiences such consumption brings. As jobs disappear, people have begun to carve out new meaningful, autonomous ways to gain access to income as well as goods and services. This is evident in the so called “makerspaces” for creative skills-sharing and interaction, “time banks” through which members trade services like carpentry or tutoring and sites such as TaskRabbit where consumers are selling their labour for cash.

Change in Spending Reduction Activities in the Next 12 Months: 2013-2014



Source: Euromonitor International Global Consumer Trends Survey, 2013

Note: Showing the percentage of consumers who gave each response regarding their intended shopping activities in the next 12 months (mid-2013 to mid-2014), among those who reported ever doing each activity in the past

THERE'S AN APP FOR THAT...



“Her,” a science fiction romance film released in early 2014 about a man falling in love with a computer-operated voice, is likely to define the deepening relationship between humans and machines. Today, apps are still in great demand. The ubiquity of apps is growing alongside the global consumer desire for smartphones, mobile connectivity and voice activation. It’s relevant to talk of an app culture now, as smartphones and tablets accompany consumers everywhere. Apple app downloads reached the 50 billion milestone in May 2013 - over 7 apps for every person on the planet!

Gaming is the most popular app category, with entertainment second, but there are apps to suit everyone. They include social networking and chat apps, apps for, and on behalf of, pets, health monitoring, green-conscious and thrifty consumers and stress reduction. In tourism, meanwhile, apps on everything from most comfortable flight seats to sightseeing are useful holiday props.

Apps are revealing indicators of consumer interests and behaviour and they hold promise of a fine-tuned audience and location-based marketing opportunity for brands. Brands are using ever more sophisticated, often intrusive methods to measure mobile consumer behaviour.

The app-based lifestyles of digital natives

Generation Z or digital natives, born since 1991, are seldom without their smartphones. Chat apps such as WhatsApp have almost replaced SMS messaging as a means of communication among teens.

As part of a series on the dilemmas of raising digital kids on tech site Mashable, Monica Vila May wrote recently about the accelerated trend for live digital streaming of daily lives. She explains how for a generation hooked on YouTube

and Snapchat, appealing new offerings like Instagram encourage the sharing of lives online via video. She cautions however, “As our kids star in their own reality shows, let’s make sure it’s a reality that we want the whole world to see.”

Brands are indicating that to ensure the “stickiness” of a customer it can help to win them over early on. In October 2013, according to Bloomberg News, McDonald’s franchisees started rolling out an eLoyalty programme aimed at teens and young adults – believing that tech savvy younger people are more inclined to use mobile payments when ordering.

Shopping to go

Clearly, the greater use of smartphones will only enhance the shift to more online shopping. Some apps feel like a shopaholic’s dream. Barclays Bank’s mobile checkout “buy it” feature on its just-launched Pingit payment app lets customers scan items in a shop window and buy them in one click. More consumers armed with their smartphones are taking comparison shopping into high street stores where they are “showrooming,” browsing in shops, using apps to check out competing shopping options and buying later online.

Are apps culture-specific?

Landing itself in an ongoing debate about the “exportability” of social networks and apps is Line, a Japanese messaging app that lets users exchange information, play games and send fun digital stickers, appealing to the love for all things cute: kawaii. The New York Times reported that it had 230 million registered users in June 2013 and had barely reached the USA. However in Spain, 40% of iPhone users have installed Line says mobile measurement firm Onovo. Jeanie Han, working for Line to oversee expansion in the Americas and Europe says, “Our success in Spain is a very good sign, telling us that what we do can transfer over to Western cultures.” Line is also popular in China, despite being censored there.

What next?

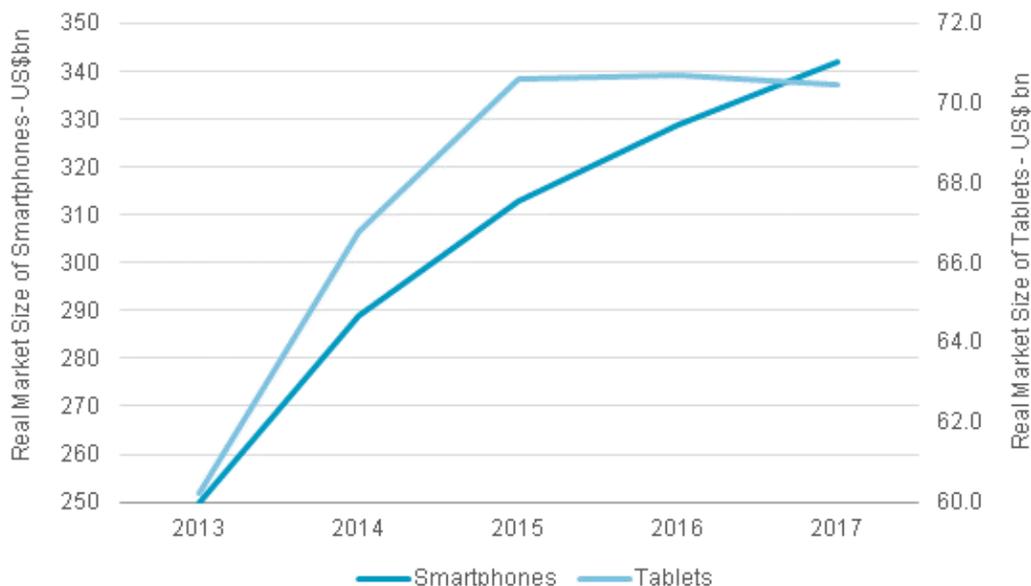
As smartphones are bought by more consumers globally, we can expect even more apps designed to cater to the tastes of emerging market consumers welcoming online access via basic smartphones.

Apps are becoming ever more niche. Newer dating apps like Weesh seek to meet the “date night” needs of established couples. In tune with a growing consumer interest in privacy and the search for more meaningful communications, a new app called Twine claims to be the modern alternative to a blind date. Twine matches people based on common interests rather than looks by initially blurring profile photos.

More second screen apps from TV companies are aimed at viewers watching TV with one eye on their smartphone. App, a new film from 2FILM in the Netherlands about a young psychology student with a mysterious app on her phone, is billed as “the world’s first second screen movie” that encourages viewers to interact with and enhance its plot via a mobile app.

Apps for “smart homes” that enable users to remotely control their home, such as the Hive Active Heating app from British Gas, are growing in popularity. UK budget hotel chain Premier Inn recently unveiled a new room concept allowing “digitally savvy” guests to control lighting and entertainment using a mobile phone app. Other new app directions include tracking, green concerns and predictive search tools anticipating consumer needs based on the digital breadcrumbs they leave.

Real Global Market Sizes of Smartphones and Tablets: 2013-2017



Source: Euromonitor International from national statistics/trade sources

Note: Data for 2013-2017 are forecast based on constant prices and fixed 2012 exchange rates

VISUAL CRAVING



As the Spring/Summer 2014 fashion shows grabbed headlines in major cities, one peripheral New York fashion show turned heads for other reasons. Models on this catwalk were showcasing their surgically refined faces. Talking about his “Faces of Beauty” presentation, plastic surgeon Dr. Kassir told NY Daily News that he’s just doing what fashion designers do - showing off the look he crafted. In 2014, this development will become less surprising, as digital enhancements become normalised.

The selfie and the insurgency of imperfection

Selfie, a word for self-portraits taken with smartphones and uploaded to a social media website, is now newly added to the Oxford English Dictionary and tweeted, liked or hated so much in 2013 that OED crowned it word of the year. Selfies are evidence of consumers’ entrenchment in visual mode. Some argue this trend means we now live in a culture of the ego. Digital natives can take their pick from a bevy of new software apps such as Vine and Instagram letting them share their lives digitally in all their visual splendour. Prada’s new accessories are emblazoned with huge heads. Celebrities, meanwhile, are being paid not only to tweet information about certain products but also to post selfies wearing or using them. Fast food is not exempt from visual craving. Coffee and even pizza, by Glasgow-based restaurateur Domenico Crolla, are decorated with faces.

But this interest in the visual goes beyond projecting and reconstructing our best selves to the world and filtering our photos with softer tones that point to nostalgia for a pre-digital age. Sometimes we don’t even need words. Inside their phones, consumers are curating visually defined stories on the way they’d like to live – a revealing pinboard of lifestyle and consumption aspirations. Even The Pope is on Instagram. “Instagram is a barometer of opinion. It’s a visual diary. It’s escapism,” agrees Francesca Burns, Vogue UK’s Fashion Editor.

Alongside the fascination with digitally altered visuals is a concurrent interest in the “natural” and authentic and an insurgency of imperfection in things visual. This is apparent in Miley Cyrus’s infamous “twerking,” Tina Fey’s unpretty characterisations or even celebrities braving daily routines in make-up-free mode. A blog, Filter Fakers, scours Instagram for any candidates for the #NoFilter front, outing them for the internet to mock. Blog Pinstrosity, meanwhile, asks users to submit examples of DIY, craft and cooking projects gone wrong.

Teenage dream

For teens, Instagram and other platforms encourage the sharing of lives online via video. “Kids and teenagers often self-reveal before they self-reflect,” said James Steyer, chief executive of Common Sense Media, a San Francisco-based advocacy group urging California to give minors the legal right to scrub away their online indiscretions. Parent blogger Monica Vila cautions, “surrounding immature and impressionable teens with 24/7 broadcast tools remains a worrying prospect.” At least the images or video clips on Snapchat, with a reported over 200 million images “snapped” daily in mid-2013, “self-destruct” within ten seconds of being viewed.

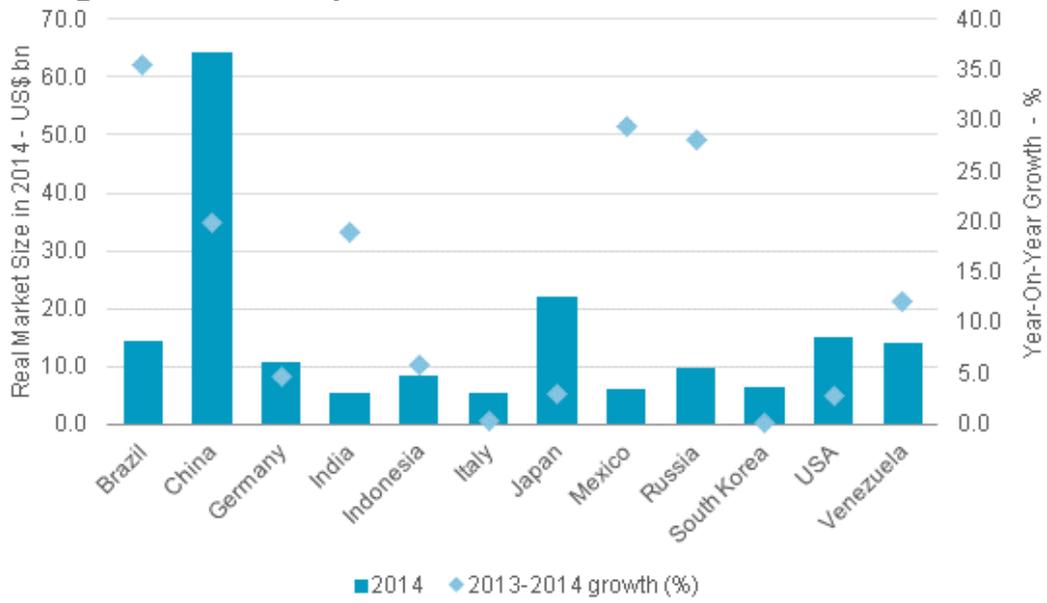
Brands riding the visual wave

Faced with headlines like “70% of Pinterest Users Are There For Shopping Inspiration,” brands are keen to ride the visual wave. More brands, for instance, are turning to social media in place of events to launch products, an approach that has been called “social unveiling.” Several fashion brands choose to launch their new looks online first during the recent fashion week season. Designer Rebecca Minkoff told tech website Mashable, “The consumer has a voice and say in [our] brand, they should get special perks even if they can’t attend the show.”

“CrowdSend” is a new social network that tries to identify objects on online images. Users are encouraged to tag photos with any information they have about the products depicted and gain rewards for correctly recognising items on the photos. “With more than 1,500 images hitting Facebook every second alone. The time for images is now,” explains its website. ShopThis is an instant purchase app linking magazine readers to fast buying and billing itself as “Image Retail.”

Meanwhile, pinboard web shops are making browsing new things more tempting. Amazon’s Collections feature, introduced in summer 2013, has been described as a Pinterest lookalike but one encouraging users to visually curate Amazon products alone.

Leading Markets for Smartphones: 2014, Year-on-Year Growth: 2013-2014



Source: Euromonitor International from trade sources/national statistics

Note: Data for 2013-2014 are forecast based on constant prices and fixed 2012 exchange rates

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