

# Trends impacting 2015 and beyond

 By [David Smythe](#) 3 Apr 2015

FCB Cape Town's Strategic Planning Director, David Smythe, has identified 20 trends that will change how marketers think and act in 2015 and beyond. He summarises them below, specifically highlighting the impact for brands.

## 1. Connectivity opens up choices

Globalisation has resulted in previously heterogeneous groupings becoming less dissimilar through trade, immigration, and the exchange of information and ideas. It has created the ability to purchase life changing goods for consumers and provided the flexibility of having many consumption alternatives at reasonable prices.

Impact on brands: One result of the abundance of options available to consumers, thanks to globalisation, is that consumers appear to automatically conduct more research on products, generally looking for the best deal. Consistent with this notion is the result that when it comes to certain products, brand name is not always the primary determinant for consumer choice.

## 2. The rise of the African consumer

Africa's consumer-facing industries are expected to grow by more than \$400bn by 2020. That would account for more than half the total revenue increase that all businesses are expected to generate by the end of the present decade. The world has caught onto the potential of this burgeoning consumer market. Africans are more optimistic, connected, discerning and brand conscious.

Impact on brands: Quality and brand matter to the African consumer but they must be delivered at the right price point. Price and promotion sensitivity are high given lower income levels.

## 3. The continued rise of the East

Albeit at a slower pace, India and China will continue to grow in economic terms. A rural middle class has begun developing - fuelling consumer appetites on the fringes of an increasingly urbanised planet. Rural consumers' growing prosperity and optimism suggests opportunity for companies inclined to invest the time and money required to attract them.

Impact on brands: Brands should abstain from designing goods for the urban markets and simply pushing them in the rural areas. To effectively tap the rural market, a brand must associate it with the same things the rural folks do. This can be done by utilising local media to reach them in their own language and in larger numbers.

## 4. Technology continues to redefine convenience

Technology continues to simplify the way we live, work, transact and socialise. It is particularly at a transactional level that technology will continue to strip out complexity in our daily lives. Transactional costs fall in an 'everywhere-commerce' world and so do knowledge and information costs. It is the flattening costs of knowledge and information that will make the biggest difference to the shopper.

Impact on brands: Despite some emerging markets' relatively low internet penetration, online retail is set for steady growth in 2015 and beyond. Brands and brand owners need to ensure that their supply chains are geared towards accommodating ecommerce platforms. Within the next two - five years, this will be a prerequisite for transacting with consumers.

## 5. Guilt-free status/brand sacrifice

There is a growing awareness amongst consumers about their consumption patterns' impact on the planet, societies and

themselves. And there is a growing tension between consumers' love of shopping and their desire for responsible consumption.

Consumers are looking for brands to make sacrifices for them so that they don't have to.

Impact on brands: If a product or service is not recognised as being guilt-free, or visibly guilt-free, the brand owner will need to develop a story that it can tell. Additionally, brands need to look carefully at their full value chain. A move towards local sourcing of product components (as an example) reduces input costs (including transport) and the associated damage to environment.

## **6. Community is increasingly the new trusted source**

Consumers will increasingly look to communities for references and trends instead of brands or manufacturers. Consumers are migrating to peer-based communities and new sources of trusted, relevant and credible content and conversation.

Impact on brands: While some brands do a terrific job of truly educating their prospective consumers, others are guilty of producing self-serving, promotional content that leaves a bad taste in the mouths of the target audience.

## **7. The rising creative class**

The creative class is the key driving force for economic development. It's the class of workers who engage in problem finding and problem solving at various levels of our society. This creative class could be from any background - scientists, engineers, university professors, poets and architects. It includes people whose economic function is to create new ideas, new technology and creative content.

Impact on brands: The impact of this trend on brands is both direct and indirect. Brands with serious street cred can leverage the creative class to assist in problem solving and innovation. This grouping is also highly influential and can be approached by brands to perpetuate brand messaging. The caveat to this is that these are high-achieving individuals - a responsible, cohesive group interested in the common good. Brands that do not focus on the triple bottom line will fail to convince them.

## **8. E-mobility**

Admittedly, this is more of a long-term mega-trend but an important one, nonetheless. Over 40 million electric two-wheelers and four-wheelers will be sold annually around the globe in 2020. As societal demand for sustainable energy solutions gathers momentum, alternatives to existing modes of transport will gain in popularity. This will however need to be supported by a dramatic decrease in the cost of e-mobility.

Impact on brands: Brands and companies need to start investing for the future and begin generating alternative revenue streams. Traditional fuel retailers can begin augmenting existing infrastructure with charging stations. They could also begin stocking and selling batteries and providing services such as battery leasing models, refurbishing and recycling.

## **9. The pursuit of healthiness**

There is a growing trend towards self-responsibility for health and the self-care health market has become one of the fastest growing segments of the global economy. Firms that provide self-care goods and services are, on the whole, doing extremely well, while products that have fallen victim to the new health consciousness are being forced to adapt and evolve.

Impact on brands: Similar to trend 5, brands need to assist consumers in making the correct choices. Brands that market products perceived to be relatively unhealthy need to identify and implement reduced harm solutions. Additionally, brands that acknowledge that their products aren't always safe and then aid in balancing consumption with a healthy action or alternative, could fair better in the longer term.

## **10. Diminishing importance of brand origin**

For many brands, heritage is a sacred cow not to be messed with. National heritage has been a reliable export for many established brands. As national borders increasingly become simple lines on a map, consumers will increasingly lavish attention on brands that forego decades of brand history in favour of an infusion of new culture.

Impact on Brands: International brands need to experiment more by including local influences or preferences across the marketing mix. This could extend to incorporating a local flavour in beverages or food products or the selection of local celebrities as brand endorsers.

## **11. Radical openness**

Movements for freedom of information are exploding - affecting everything in society from how we do business to how we select brands. A good online reputation is your most valuable currency. Smart organisations and brands build bridges rather than walls by embracing values of openness and collaboration.

Impact on brands: Brand owners are entitled to their trade secrets and intellectual property. That said brands that are perceived to be cagey about the basics will diminish established or future trust relationships. How hard should it be for instance to divulge whether a product is gluten free or not, or whether it's suitable for vegans? Brands also need to be open about where product components originate from and what their manufacturing process entails.

## **12. Brands as engaging storytellers**

In the future, consumers will be heavily influenced by brands' whose ideas and messaging are told through stories.

Impact on brands: By evolving into concept curators and qualifiers, not only talking about the brand itself but also leveraging in consumers' trust - brands can create platforms that gather new ideas from various sources. Storytelling and corporate social responsibility will stop being labelled as buzzwords and will become business imperatives as consumers connect with the brands who do it well and who do it consistently.

## **13. Value and price justification**

Crudely put - this trend speaks to innovation and premiumisation - and it's nothing new. During tough economic times and difficult trading conditions, increasing perceived value is more important than ever. Although the economic outlook for most emerging economies remains positive, and increases in PDI can be expected, brands that offer compelling value will be best positioned.

Impact on brands: Passing off the cost of product improvement or premiumisation to consumers is no longer an option. Brands must gear themselves towards achieving greater brand affinity and higher volumes at the expense of profit taking. Innovation can no longer be an organisational buzz word and true innovation must hold real tangible value. Oh, and fire an employee still thinks that imitation is the sincerest form of flattery. Innovate - don't copy.

## **14. The aging consumer**

Brands tend to forget the economics of our times. Adult consumers 50+ benefitted from the boom years of the late 80's up until the GFC. On balance they have high spending power and unmet needs.

Paradoxically, Millennials have borne the brunt of the GFC and its prolonged hangover. More young adults are still living at home, struggle to find gainful employment and have less disposable income.

Impact on brands: Brands cautious of alienating a younger cohort need not develop products and services specifically for older adults. But where they can win is in integrating functionality into product design that seniors will easily identify as an unmet need and that a younger target market will view as new or interesting.

## **15. E-listening**

E-listening is often not understood and seldom practiced by brand owners. By getting to know what consumers are saying about the brand and about themselves online, brand owners will be able to diminish the need for time-consuming and expensive focus groups. In addition, e-listening can be done from anywhere in the world which is important for international brands.

Impact on brands: There are many tools available to e-listen (social mention is one such free tool). But there are many more and in fact much better paid tools available (Mention, Simply Measured, Radian 6, Sysomos etc. are some examples of paid tools).

## 16. Retail develops a sixth sense

Smart brands have a sixth sense for using consumer data. Smart technology means it's possible to gather and analyse information about consumers - their location, preferences, purchasing histories and much more - in real-time as never before. Consumers in physical spaces will increasingly expect the use of real-time data to shape and enhance the service they receive.

Impact on brands: Facial and body recognition technology can capture and record how consumers experience a product service. Sensors can capture a consumer's age, gender and product choice. Technology is making it easier to understand and predict consumer behaviour whilst engaging with brands in physical spaces. This can be used to influence future behaviour or immediate purchase decisions. The possibilities are - in fact - quite endless.



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## 17. Millennials push back

Millennials are increasingly becoming a difficult cohort to convince. Cynicism and scepticism of Millennials towards brand marketing efforts can be explained by the constant feeling of financial insecurity that has become their way of life over the past few years. However, the majority of Millennials believe that brands have the potential to be a force for good.

Impact on brands: Marketers should take account of three defining themes about Millennials:

- Adaptability: The ability to adapt to economic uncertainty is their life skill. So brands should show empathy for their circumstances.
- Creativity: They expect brands to be brave, succeed, don't settle and give back.
- Collaboration: They thrive on collaboration and brands are expected to give to them fully and authentically.

## 18. Purpose-driven brand building

A brand is no longer just a trademark to distinguish one manufacturer from another.

Brand purpose is a bigger reason for being. Brand purpose is what matters to consumers. It fuels a deeper connection between the consumer and the brand. This trend is closely linked to trends 5, 7, 9 and 17. Because of this, it is possibly the most important trend.

Impact on brands: Evidently, Brands that positively affect humanity (people and the environment) outperform the stock market by 120%. So whether it's CSR, sustainability, community giving, employee volunteering, cause marketing, or foundation alignment, the more good works your values support, the more favourable the brand.

## 19. Poly-cultural luxury

There will be an increase in designers from emerging markets in leading roles within established brands and the emergence of home-grown luxury brands within emerging markets. This will provide a new creative outlook on luxury design due to the cultural differences, and will also provide greater local identity to consumers within emerging markets. Closely linked to trend 10.

Impact on brands: A lack of local identity leaves many consumers feeling that they are buying into a culture that is not their own, creating a distance between them and the brand product. Many consumers prefer to have a cultural or social connection, especially if they are required to spend a large amount of money on it.

## 20. Neuromarketing comes of age

Neuromarketing techniques are based on scientific principles about how humans really think and decide, which involves brain processes that our conscious minds aren't aware of. When combined with sound experimental designs and procedures, these new techniques provide insights into consumer decisions and actions that are invisible to traditional market research methodologies.

Impact on brands: Brands are ideas in the mind that draw strength from the connections they make. Neuromarketing provides powerful techniques for measuring brand associations.

Much advertising impacts us through unconscious means, even though we don't think it does.

Neuromarketing explains how. Neuromarketing shows how store environments directly influence how shoppers decide and buy, and it's not a logical process

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