TOP 10 CONSUMER TRENDS FOR 2012

Euromonitor International
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2012 consumers have had to learn to feel at ease with thrift as economic downturns just won't seem to go away. But they know they are not alone in carving out a more creative life on a budget. They can link to and learn from other consumers and brands via tech-enhanced communications, particularly their beloved smartphones, to mould their lifestyles. It's just as well that right now, consumer identity is expressed in more complex ways than through consumption alone. Today, identity also encompasses weight, online status, green thrift, and attitudes to reality culture – even in emerging markets, where the joys of spending are still being discovered.

1. City living reigns

2. Consumer vigilantes speak up!

3. DIY life

4. Emerging market shoppers

5. Green thrift

6. Reality culture and consumers

7. Smartphone universe

8. Tech lifestyles versus slow living and the best of both

9. Youth - future imperfect

10. Weight as a hot topic

11. CITY LIVING REIGNS

Swelling masses of urbanites with lifestyles to suit – style, tech and convenience-savvy – soak up new cultural influences that are blending with fresh brand experience-led approaches.

In 2012, Euromonitor International forecasts that there will be 3.7 billion urban residents worldwide. The number of urban dwellers globally will continue to increase, both in 'traditional' megacities such as New York but also in new hubs such as Chongqing and Guadalajara. Meanwhile, a whole mass of new arrivals to cities, often falling into the so-called 'bottom of the urban pyramid' category, may have less disposable income but aspire to a higher consumption that will extend to more space and health cover. 2012 megacities are hubs of new and established ethnic groups and culture, older people with trend-sensitive lifestyles, students, highly skilled and low income migrant workers, consumers on city breaks, LGBT (lesbian, gay, bisexual and transgender) consumers and cross-generational households.

12. CONSUMER VIGILANTES SPEAK UP!

On and offline protest is in the spotlight, pressurising brands towards greater accountability and genuine innovative responses to these engaged consumers.

As world events have shown in the last year, consumers are dissatisfied and ever more articulate – in protests that extend from neighbourhoods, cities and countries to the internet. This trend sees consumers who are now less loyal to brands getting together to make demands from companies and state institutions. They are often fuelled by widening income inequalities as well as price rises. There are global examples of national and regional consumer vigilante 'victories' fuelled by a new consumer confidence and the people power of social networking, viral videos and actual protest.

13. DIY LIFE

Consumers are revelling in their ability to track and control their health, identity, communication and buying habits.

Millions of consumers are enjoying the feeling of greater control both via access to more information about themselves as well as greater tech-facilitated control over their online persona. In 2012, status becomes more than what you consume. It is also about who you are and crucially about how your brand is linked to and ranked by others. The importance of the greater need for control over lifestyle and persona is brought into sharper relief by the financial uncertainty of recession. In this climate, non-monetary forms of status such as skills, eco-credentials, generosity and connectivity will become more of a priority.

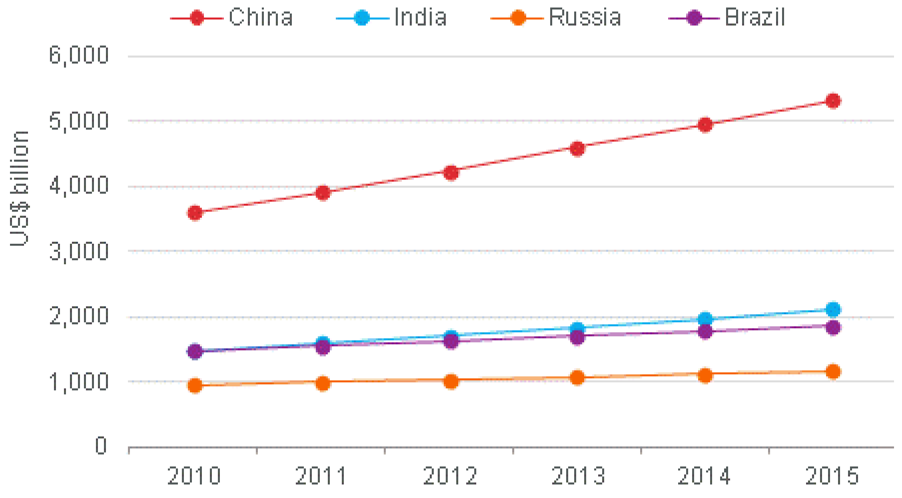
14. EMERGING MARKET SHOPPERS

Enjoying spending and coming to a place near you!

In 2012, throngs of emerging market shoppers around the world are aspiring to more consumption. They are now enjoying malls and chain stores with shopping centres now also attractive to the less well-off. In Soweto, South Africa's best-known township, at least six malls have opened since 2005. Emerging market consumers are learning to rely on credit, with store cards appealing to lower income consumers with low access to banking services. Counterfeit items continue to appeal to emerging market consumers as they bring trend-led consumption lifestyles and variety within reach. Convenience has become important for the growing number of time-stripped middle class consumers. Consumers with more wealth are blending shopping with tourism as they spread their consumption wings.

Chart 1 Real Annual Disposable Income in BRIC Countries: 2010-2015

US$ billion



Source: Euromonitor International from national statistics
Note: Annual disposable income expressed in Constant 2011 prices (Fixed 2011 Exchange Rate); Data for 2012-2015 are forecast.

15. GREEN THRIFT

While frugality is celebrating all the tech-led innovations at its disposal, its marriage with sustainability is thriving.

Thrift is daily life for millions of consumers, even in developed markets, where it is commonplace for people to boast of how little something cost them. For many, thrift is not just a way of life; bargain hunting is the new shopping therapy for many who channel the thrill they used to get from shopping into a quest for bargains. 2012 will push consumers into a deal ecosystem in which the chase, the control, the perceived savvy, and novel tech-led thrift-alerts (such as apps that send coupons to mobiles) make up a good deal in what has been termed 'smart shopping'.

16. REALITY CULTURE AND CONSUMERS

Scripted reality or celebrities living the dream - consumers are gripped, sharing views and being moved to change their purchasing behaviour.

'Reality culture' has changed the paradigm of who we see as an opinion leader. Around the world - 'ordinary' people appearing in reality programming are claiming the spotlight of the 'talented' famous and consumer attention as well as lifestyle aspirations. Euromonitor International's Annual Study 2011 found that respondents rank celebrities slightly more highly than political or community leaders in terms of whom they most look up to.

17. SMARTPHONE UNIVERSE

Displacing computers worldwide, and in 2012, smartphones are reaching out to the lower end of the mass market so expect apps to reflect this.

Worldwide, smartphones are the communications accessory of choice, including in emerging markets where consumers are taking up new, more basic models as this prop moves from being a luxury item to a necessary lifestyle aid. According to Euromonitor International data, annual smartphone sales surged from US$8.4 billion to US$83.1 billion between 2005 and 2010, with China surpassing the USA as the largest national market during 2009. Real global smartphone sales are forecast to reach US$137.4 billion in 2012. For many developed market consumers, PCs and laptops are beginning to take a backseat as most smartphone owners use these convenient devices to surf the internet and watch TV anywhere from parliaments to buses.

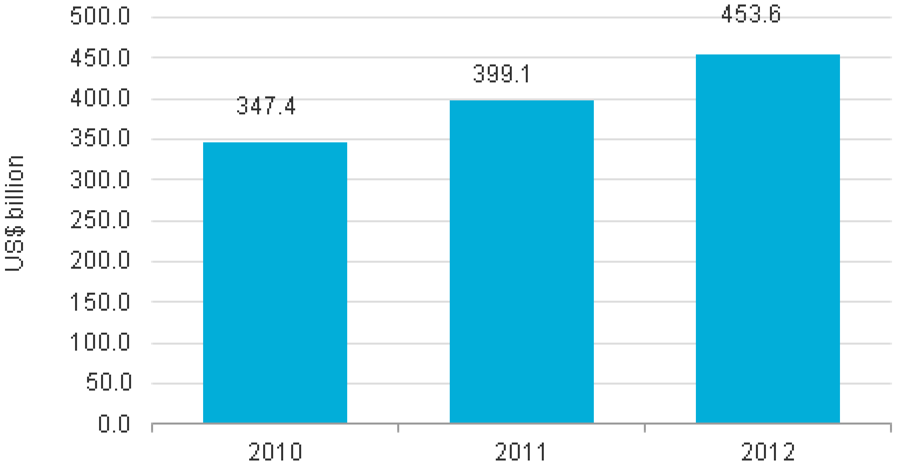
18. TECH LIFESTYLES VERSUS SLOW LIVING AND THE BEST OF BOTH

Some consumers are embracing an 'always-on' lifestyle while others are trying to disengage.

For the 2012 consumer – from toddlers upwards, technology is part of life with a lot of simultaneous tech consumption. Access to the internet has extended to accompany people as they go about their daily lives, at work and on holiday. We're moving into a technology space where mobility is becoming less about devices, and more about the mist of data that we each generate with every interaction on the internet. Of course, there's a backlash: a vocal population of consumers who critique today's over-reliance on technology, virtual lives and fixation on various screens. There are also some interesting fusions of tech-led and 'slow' lifestyles that are impacting on buying behaviour. For instance, Chinese e-commerce giant Taobao's launch of a 'try-out' home furnishings store in Beijing to overcome the local need to examine major purchases in person.

Chart 2 Global Online Retailing in real terms: 2010/2011/2012

US$ billion



Source: Euromonitor International from World Association of Newspapers
Note: Online Retailing expressed in Constant 2011 prices (Fixed 2011 Exchange Rate); Data for 2012 are forecast.

19. YOUTH - FUTURE IMPERFECT

Young consumers are facing up to a different, less predictable reality in terms of purchasing aspirations, work, living set-ups and role models.

Millions of young people around the world in 2012 are concerned about clipped futures and interrupted dreams. Now there's less talk of adults who are only as old as they feel, and more media and public comment on a perceived risk aversion among many people in their teens, twenties and thirties – particularly digital natives. How young people are coping with an imperfect future is of great interest to brands. Many marketers are focusing on the youth relationship to and expression through tech-led communications in their wish to decipher this transient audience segment.

20. WEIGHT AS A HOT TOPIC

Are we what we eat? More consumers, health experts and government bodies seem to think so although many heavier consumers are in denial. What are consumers doing to stay healthy?

In 2012, the spotlight on weight is just part of a renewed public awareness of what we eat, body image, exercise and general health. Indeed, Euromonitor International's Annual Study 2011 finds that respondents globally rank good health as the most important determinant of happiness (even if awareness that health is important doesn't always lead to healthy living). Young respondents to Euromonitor International's Global Youth Survey claim to skip meals two or more days a week – particularly breakfast. In the 15 leading youth markets, one-third of 16-24 year olds claim to be trying to lose weight.

Euromonitor International will be publishing a series of weekly comments exploring these themes in detail in forthcoming weeks. Look out for the first in the series: TOP 10 CONSUMER TRENDS FOR 2012: City Living Reigns

For an animated video summarising 5 of the top 10 consumer trends of this year, please visit: http://blog.euromonitor.com/2012/03/5-consumer-trends-for-2012.html

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About Euromonitor International's Annual Study, Global Youth Survey and Quick Pulse Surveys

Euromonitor International's Annual Study surveyed 16,000 consumers of all ages (15-65+) in eight mature and developing markets in July and August 2011, questioning respondents on the following themes: health and wellness, food and drink, technology, shopping and leisure, personal traits and values.

Euromonitor International's Global Youth Survey reached out to young consumers living in 15 countries with the largest and fastest-growing youth populations. Fielded August-September 2011, the survey questioned 16-24 year olds on the following themes: financial expenditure, food and drink, technology, leisure activities, personal traits and values.

In Quick Pulse surveys, Passport Survey reaches out to Euromonitor's network of in-country analysts and in-house researchers around the world in order to find out more about current consumer attitudes and habits on a wide variety of topics, from economic outlook to daily activities.

Note: Euromonitor surveys are online surveys; all respondents are drawn from the online population in any given country, not its population as a whole. This means that in emerging markets, respondents tend to be more educated, affluent and urban.