

Technology lets consumers take the initiative

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The changes in spending patterns that have come about in the past twenty years confirm that digital information and communication technology has now become an integral part of consumer behaviour. Irrespective of age, income, sex or any other demographic or socioeconomic characteristic, today's consumers are highly connected. Three quarters of all adults in both the United States and Spain have Smartphones, and in 2017 65% of US consumers made at least one purchase using a mobile app.

The widespread use of innovative technology - the Internet of Things, self-driving cars, drones, robots, artificial intelligence, automated learning, augmented and virtual reality, digital traceability, 3D printing and blockchain - will continue to boost consumer power. This behaviour, together with demographic changes including population ageing and growing millennial and post-millennial culture produce two different patterns of consumption: the survival and the selection models.

The survival model forces consumers to look for new forms of austerity. They are prepared to spend less money on expensive brands and to replace ownership with renting. In the next ten years ownership will become less crucial and renting and using second hand assets will become more normal. "Access-based consumption" will flourish, facilitating the next generation of the shared economy.

The selection model is centred on "personal" consumer products, which are usually of higher quality and tailored to individual needs and thus tend to command higher prices. In the next ten years expectations regarding personal products will come about as a result of intense interaction, and will seek to ultra-personalise products and services, incorporating a high degree of consumer customisation. This approach will also apply to health and wellbeing products and services.

Consumers have a large volume of data available: as well as being able to view the usual product information, they can also obtain data on the social commitment, respect for the environment and causes supported by the manufacturers, service providers and distributors. These factors play an ever more important part in consumers' decisions as to whether or not to remain loyal to a particular brand.

Cocooning and sofa shopping are real trends. The demographic shift towards smaller homes and single-person households underpins the totally home-centred "cocooning" lifestyle. Therefore the number of orders for home-delivery products will continue to increase, extending the boundaries of the "do-it-for-me" economy. E-commerce is expected to grow exponentially. Moreover, thanks to artificial intelligence, consumers are moving away from PC-based purchases and buying from a wide variety of devices: smart TVs, mobile phones, tablets and voice-activated auxiliary devices. The trend towards sofa shopping will boost automated integrated product search and expand the multichannel purchasing experience.

In general terms, digital consumers have more control and it is expected that they will take part in the design and personalisation of products, marketing channels, delivery options and the experience in general. The various sectors are faced with the challenge of staying at the forefront of consumers' expectations and

offering products and experiences that are relevant and original while at the same time technology goes on producing innovations that continually alter their current situation.

The success of the various sectors could be determined by incentive-based relations with consumers. Under pressure to adopt sustainable "learn, adjust, repeat" strategies, the successful sectors will continue to learn about consumers' tangible and intangible wishes and the level of commitment and personalisation sought. They will also develop the necessary agility to mould consumer experiences successfully. "Repeating" involves both constant movement and continuity of process, which cuts the time lag between learning and adjustment.

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