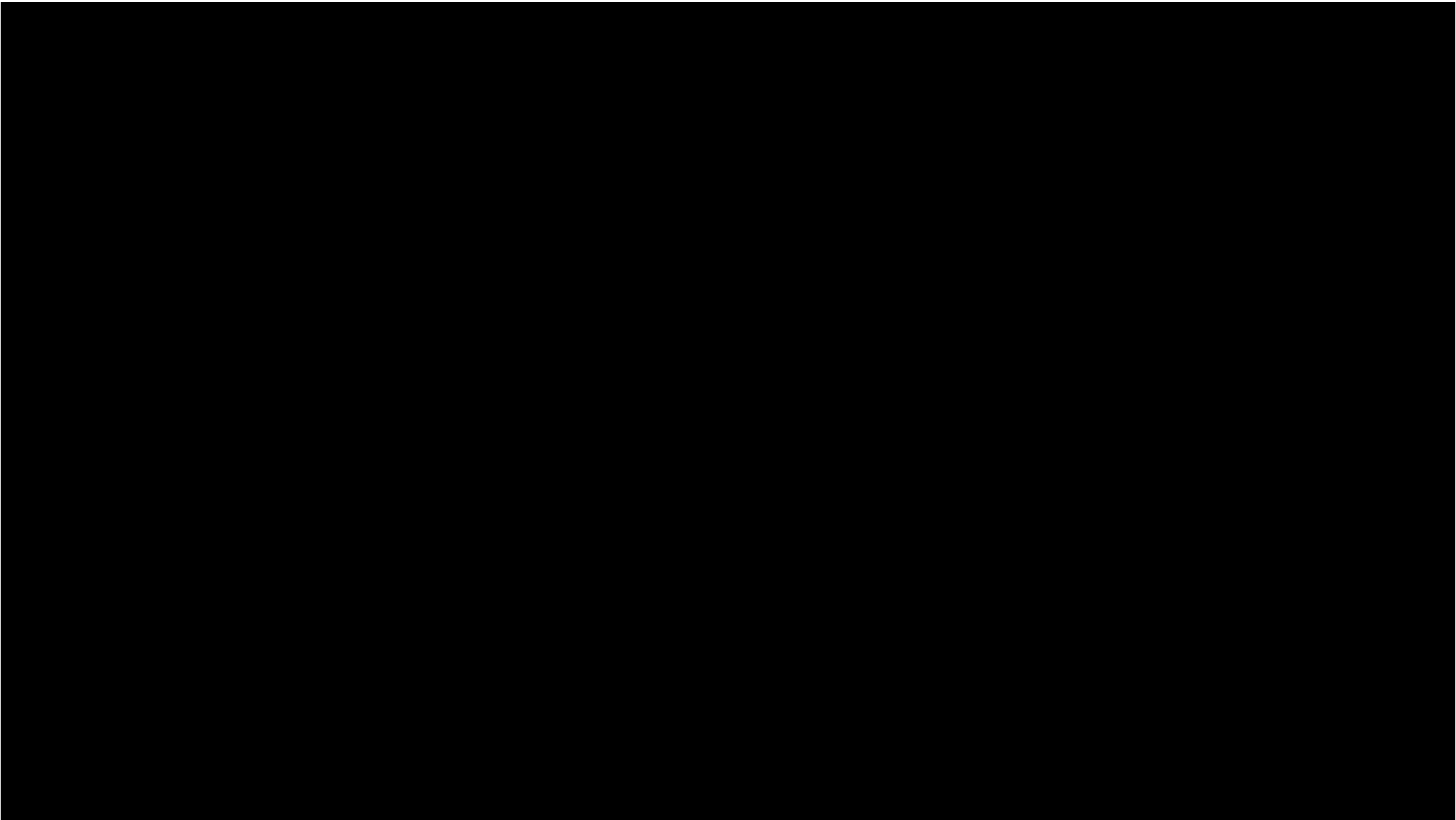


**BUSINESS
FINLAND**

Global Consumer Trends – tunnista muuttujat ja reagoi oikein

Soile Ollila / Global Insights





Link to the video: <https://vimeo.com/327461863/0459d46a47>

Global consumer trends

Muuttuva asiakaskokemus



Muuttuvat arvot



Asiakas maailmalla



TECHNOLOGIES

Anytime,
Anywhere

Personalisation

Empowerment

CHANGING CONSUMER VALUES

Experience
More

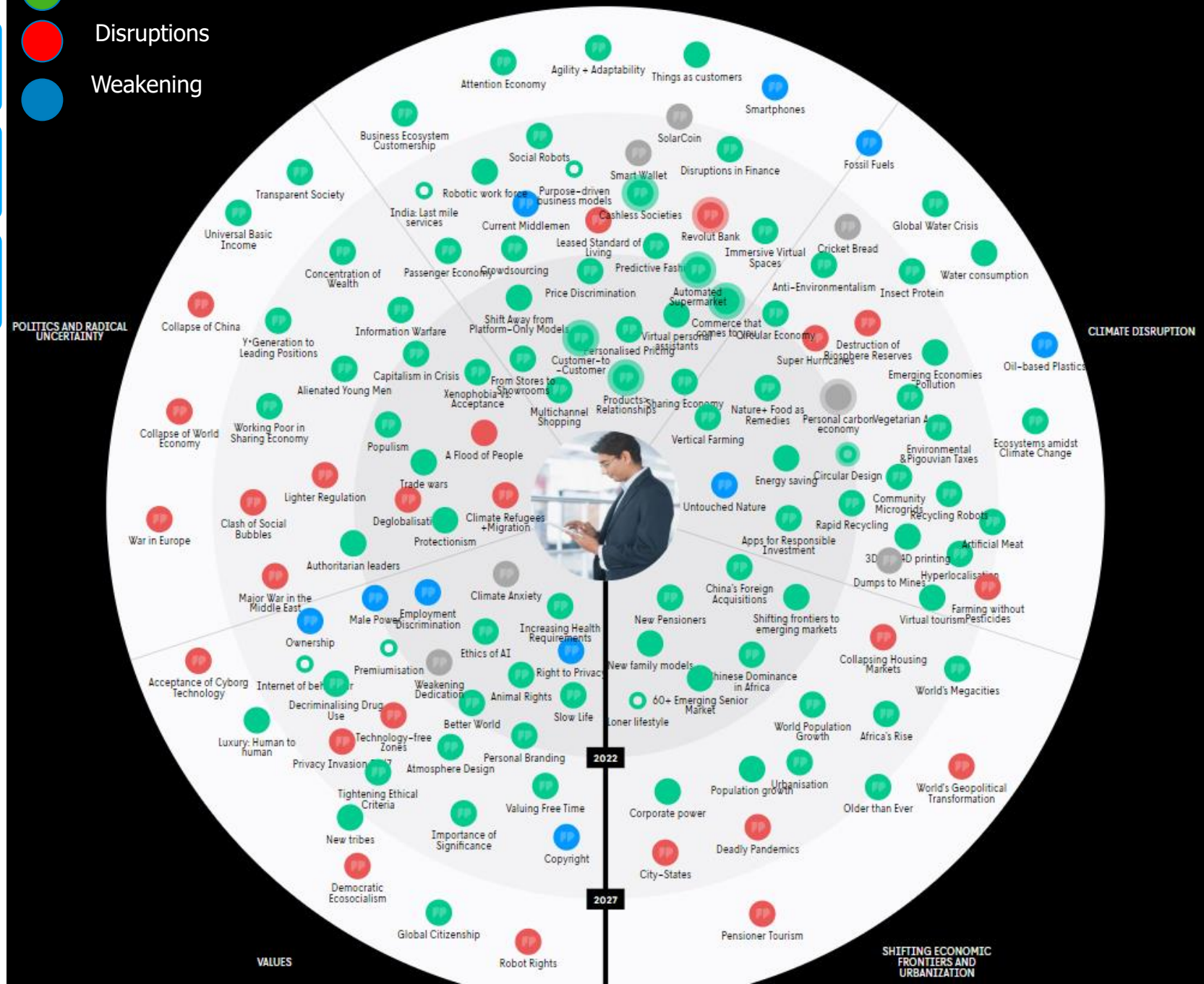
Instant
Gratification

Buying time

Ethical living

Privacy
concerns

- Strengthening
- Disruptions
- Weakening



ENVIRONMENTAL SHIFTS

Circular
Economy

Access
Economy

Values-Based
Buying

SHIFTING ECONOMIC POWER

Gig Economy

Emerging
markets

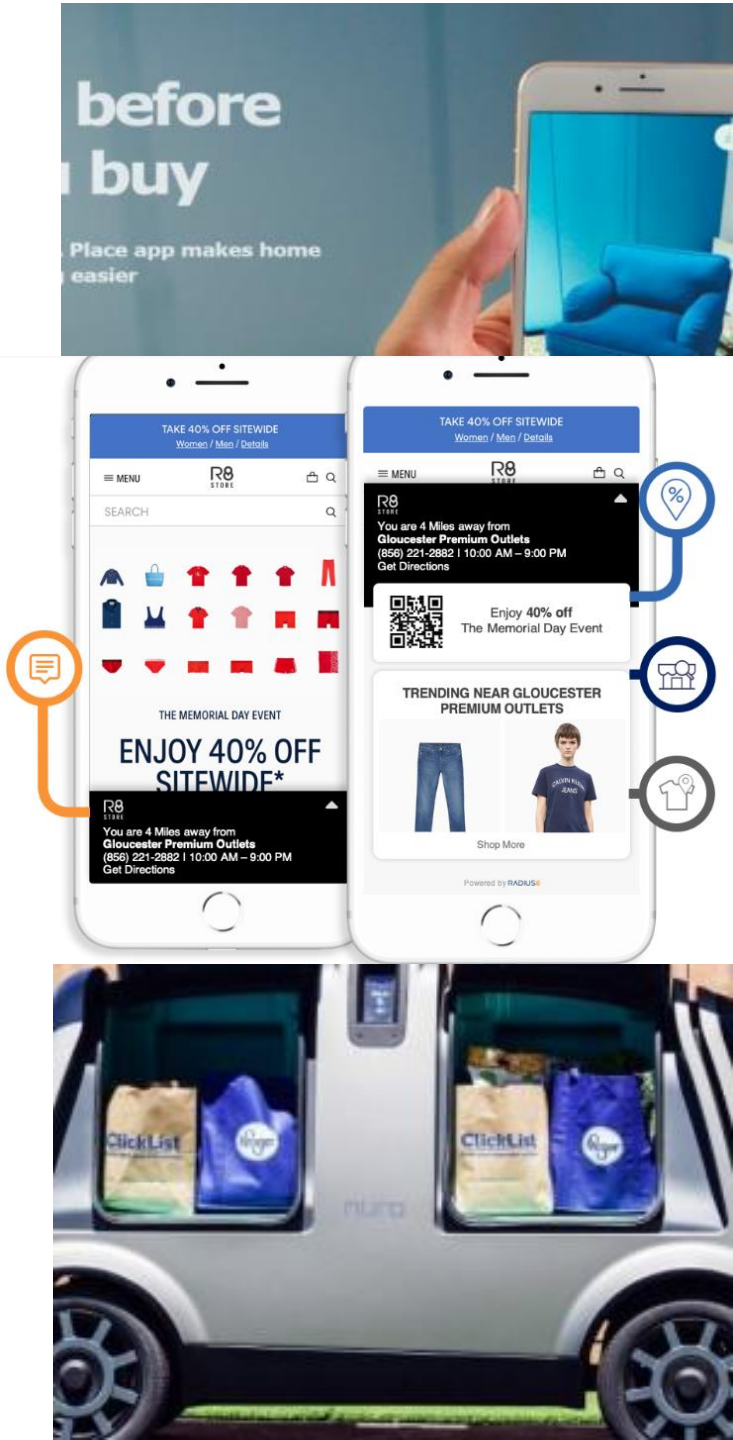
Income
Inequality

Urbanization
and megacities

Digital Native
majority

Living longer

- ✓ Location awareness
- ✓ Mobile-local retailing (Brick and mortar & online)
- ✓ Try virtually before you buy
- ✓ Voice everywhere
- ✓ Me-tail and hyper personalization
- ✓ Real time proactive intelligence
- ✓ Subscription business models, machine-aided commerce
- ✓ Reusing & recycling
- ✓ Flexible ordering and pick-ups, automated delivery drivers
- ✓ Seamless payments and transactions



Case study: Darkstore uses idle space for last mile operations



As of September 2019, Darkstore had more than 600 fulfilment centres in the US.

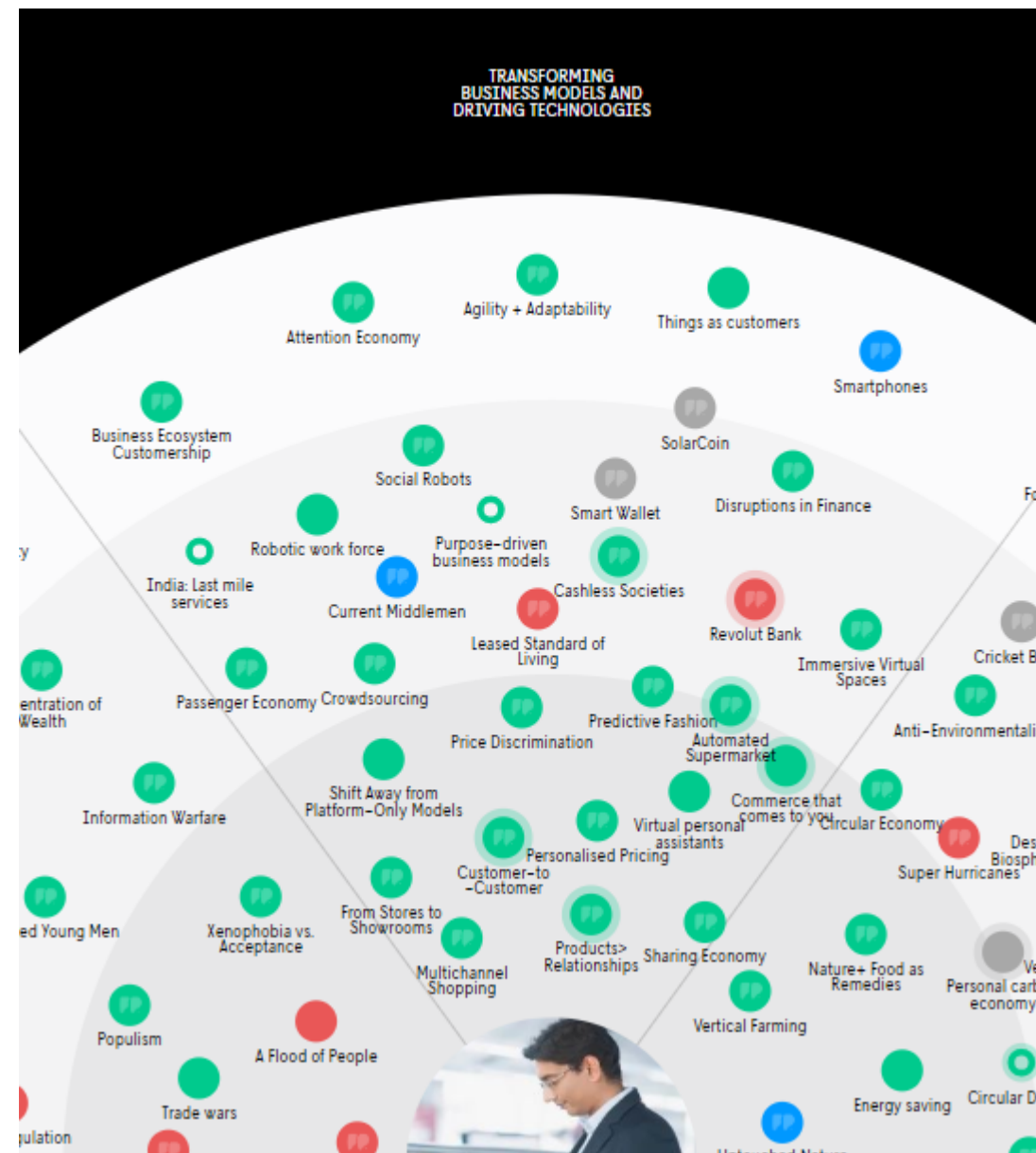
- Darkstore is a US-based start-up focused on fulfilment and distribution. Darkstore partners with companies that own **extra space, such as warehouses, shopping centres and retailers, and uses that space to handle fulfilment for other brands.** This approach allows brands to have more local inventory to facilitate same-day and one-hour delivery at a comparatively affordable cost.
- In addition to rapid delivery, due to localised fulfilment centres, Darkstore's intelligent routing services help minimise costs. According to Darkstore, a brand that uses Darkstore will spend as little as 3% of their revenue on fulfilment, compared to an average of 25% with conventional fulfilment.

Our Take

- The type of hyperlocal warehousing Darkstore is building is likely to become a popular strategy, as retailers and brands seek to compete on rapid delivery. This is a good solution for companies which lack the resources to build their own network of hyperlocal warehouses.

Saumaton maksaminen

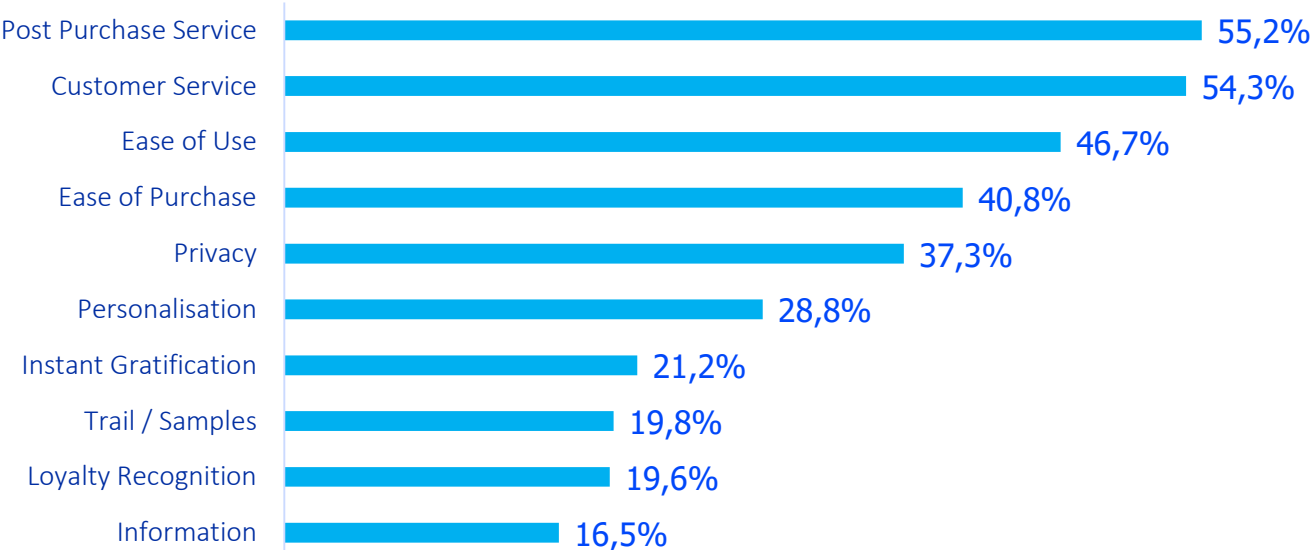
- Finanssitalouden digitalisoituminen
- Maa ilma ilman käteistä
- Mobiilimaksaminen
- Taistelu digitaalisista valuutoista
- Kryptovaluutat



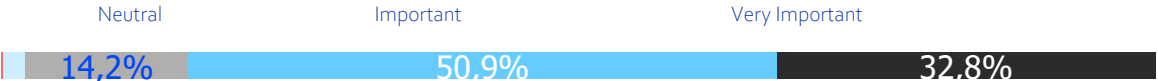
SEAMLESS SHOPPING EXPERIENCE

China’s ever-more discerning consumers’ expectations for a seamless shopping experience will become less forgiving, with little tolerance for inconsistent services across online and offline. Consumers will expect the experience to be tailored to their individual needs, preferences and history and fun! Brands will need to view customer journeys over the lifetime of the relationship with consumers, rather than one-off purchases. Enabling this will be working closely with B2B partners such as retailers, distributors and online platforms to ensure the B2C experience is seamless.

Current factors which are the most important to your consumer experience?



How important is it that you have a complete customer experience, as opposed to simply purchasing a product?



MOST RELEVANT CONSUMER ROLES

PERSONALIZATION
NEEDER

ASTUTE PREMIUMISER

TRANSPARENCY
NEEDER

VIRTUAL ESCAPIST

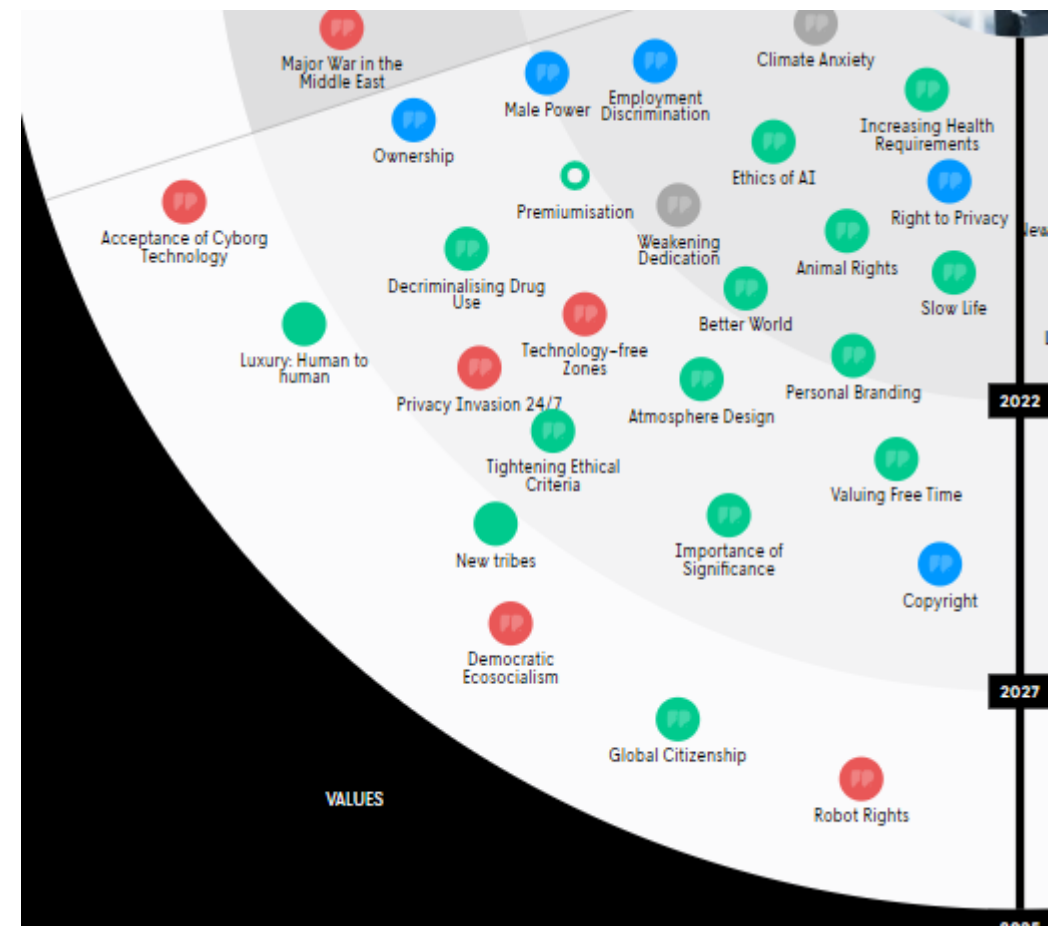
SETTING CHANGER

ETHICAL
ADVOCATE

EXPERIENCE
SEEKER

CONNECTED
CAPITALIST

Muuttuvat arvot



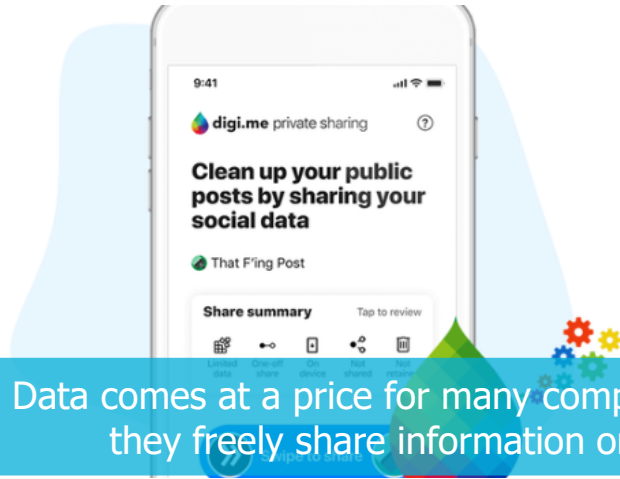
- Leasing-elämä
- Huoli yksityisyydestä
- Eettinen elämäntyyli
- Hiilineutraali elämä



38%
of connected consumers globally say they
share their data in order to receive targeted
offers

58%
of connected consumers globally say
they actively manage privacy settings

Case study: Partnership enables users to monetise their own data



Digi.me provides checks and balances so you are always in control!

- The Private Sharing consent screen clearly explains what data will be used, for what purpose, and whether a copy will be stored
- You can review your private shares inside digi.me - and revoke access with the click of a button!

Data comes at a price for many companies. Only 23% of global connected consumers report that they freely share information on the internet, according to the 2019 Lifestyles Survey.

- While the idea of enabling users to monetise their data exists, the concept has yet to take off. UK-based Digi.me, a data sharing platform, and the Universal Basic Data Income (UBDI) community are hoping to take advantage of converging drivers, including tools that make it easier for people to aggregate data, the rise in privacy first regulation and a boost in the value of said data.
- Digi.me, which allows individuals to securely import and store encrypted data from different sources, announced a partnership with UBDI in 2019.
- UBDI is a community that enables users to get paid for sharing anonymous, aggregated insights with market researchers. Users can share trend data on their purchases, financial transactions, entertainment preferences, social media and medical history.

Our Take

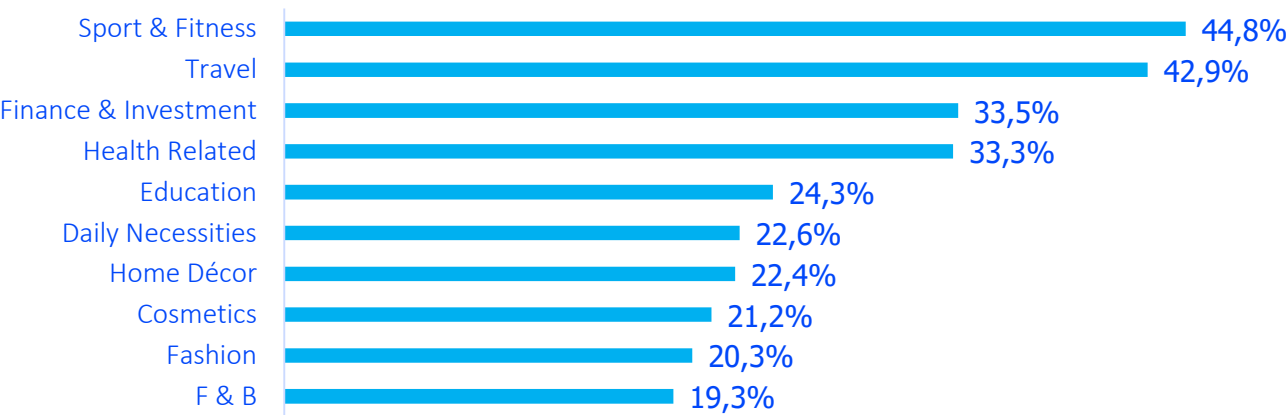
- The partnership will challenge the way today's data brokers make money, as it enables individuals to generate income from their data, too. This will provide consumers with a sense of control regarding the value exchange of their different data sets.

PERSONALIZE IT!

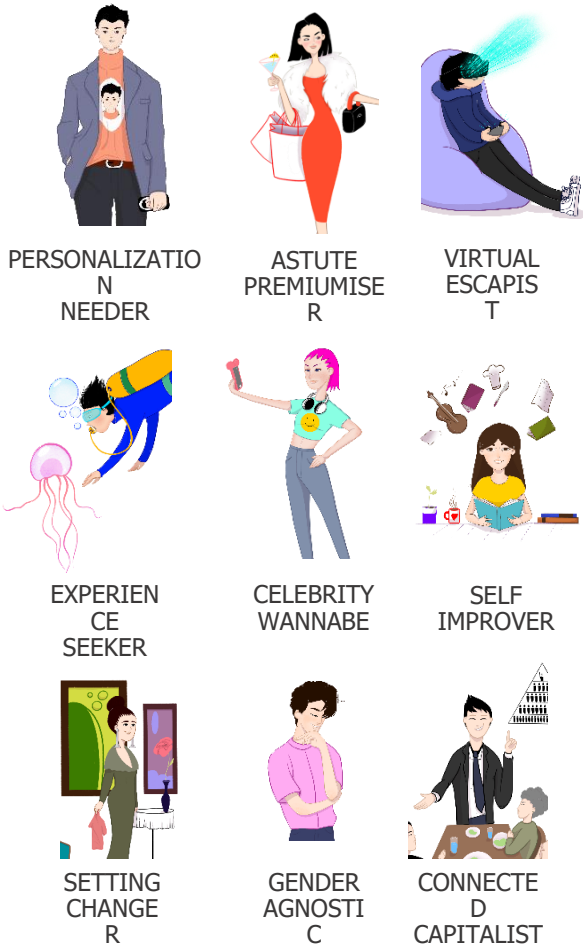
China is well placed to apply personalization en scale. It has the key ingredients to support the Artificial Intelligence required to support mass personalization including the deepest and broadest user data on consumers consolidated across a small number of well-resourced companies. Positive consumer attitudes towards personalization and use of personal data, and supportive government programs through regulation and investment, will also drive this personalization.

China presents more applications for personalization than any other market due to high digital usage, high penetration of smart devices from appliances to cars and enthusiastic embracement of digitally assisted sport, health and entertainment. Liberal regulations around genetic sciences presents opportunities as far reaching as individual genome customization and pin-pointed health treatments

Top-10 current sectors consumers are most likely to seek personalized products or services



MOST RELEVANT CONSUMER ROLES



ETHICAL LIVING

Ethical Products

JAPAN

MINDFUL CONSUMPTION

Less Focus on
Material Wealth

As consumers today are increasingly choosing sustainable products and services, they have a growing power to influence both other consumers and manufacturers due to the rise of social media and the ease of getting information and sharing opinions.

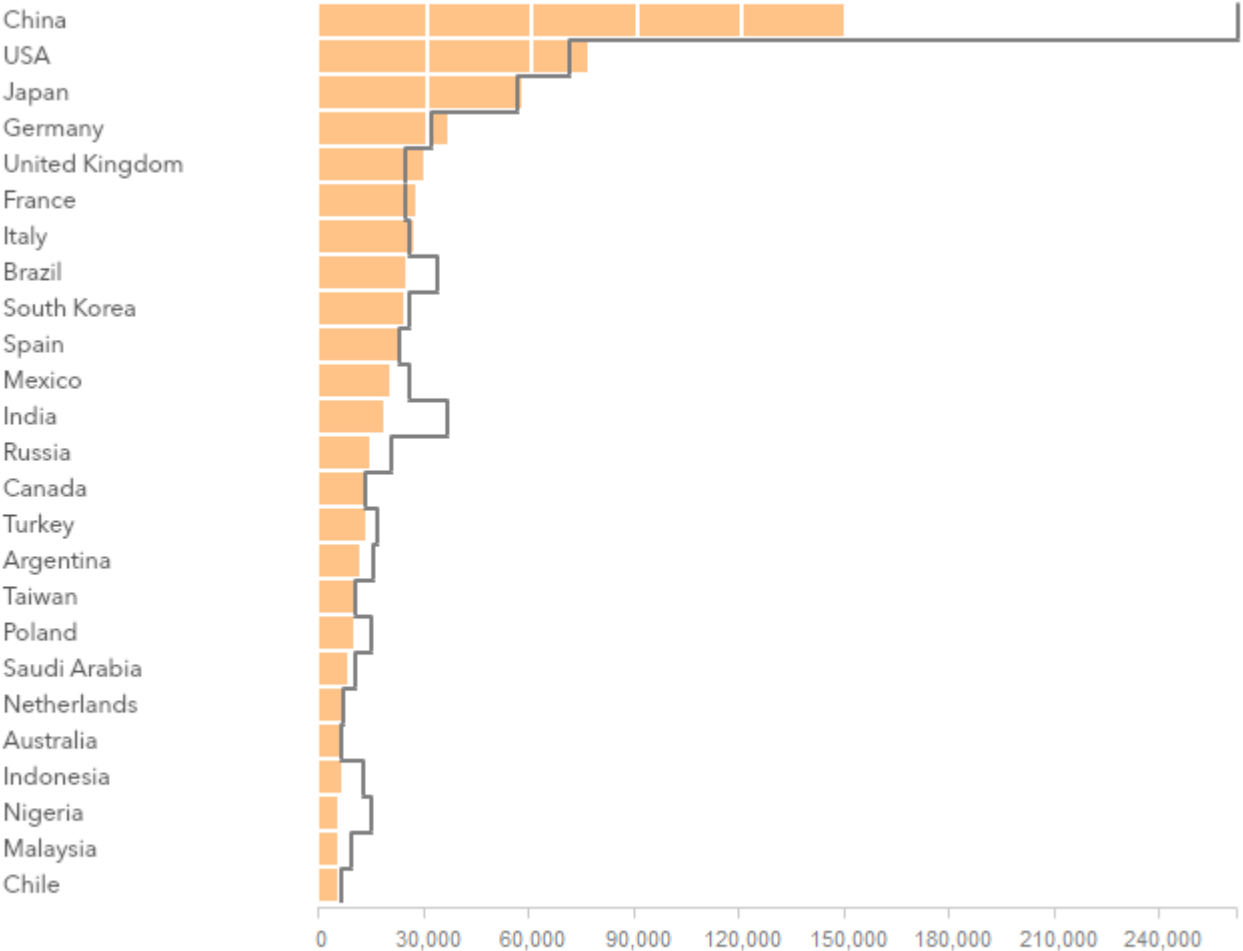
While ethical values are expressed in consumer attitudes towards shopping, those considerations differ by age group and gender. In Japan, this only applies to a small percentage of the population so far, but active advertising campaigns about the upcoming 2020 Tokyo Olympic Games are likely to make ethical living a more prominent concern among Japanese consumers.

Ethical Gift is an online retailer focusing on ethical gifts. As consumers want to show themselves to be ethical people, they can choose ethical gifting as well to express themselves this way to others. Ethical Gift: <https://ethical-gift.jp/>



Middle Segment 2018

Disposable Income Distribution, Current Prices, Number of Adults, '000s



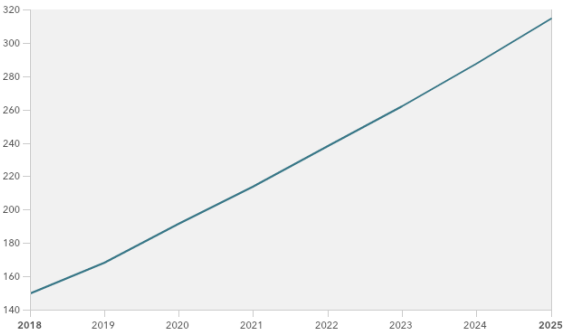
Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

Baseline 2023

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Middle Segment Dynamics

China, Disposable Income Distribution, Current Prices, Number of Adults, mn

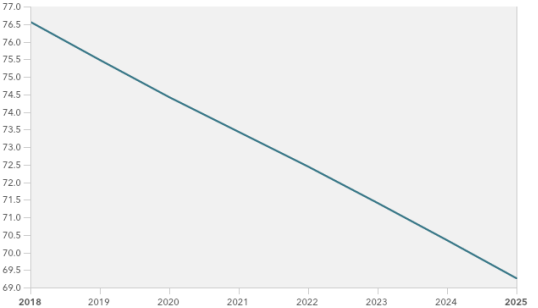


Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

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Middle Segment Dynamics

USA, Disposable Income Distribution, Current Prices, Number of Adults, mn

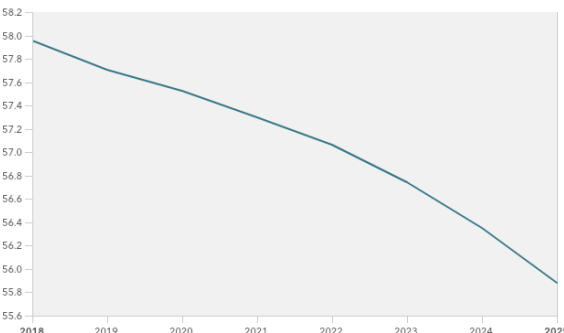


Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

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Middle Segment Dynamics

Japan, Disposable Income Distribution, Current Prices, Number of Adults, mn

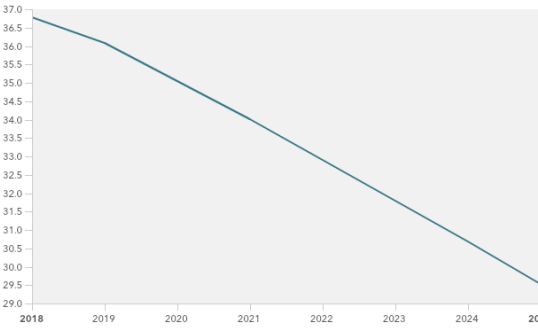


Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

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Middle Segment Dynamics

Germany, Disposable Income Distribution, Current Prices, Number of Adults, mn

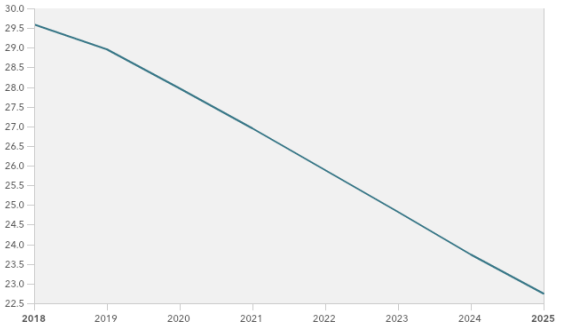


Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

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Middle Segment Dynamics

United Kingdom, Disposable Income Distribution, Current Prices, Number of Adults, mn

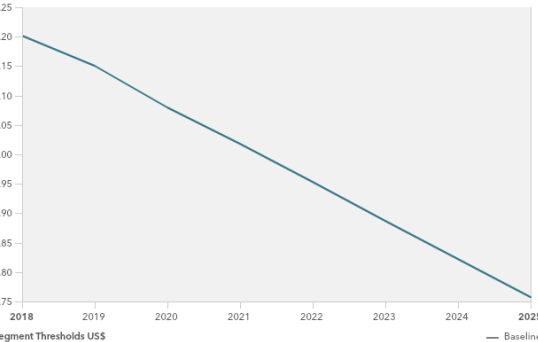


Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

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Middle Segment Dynamics

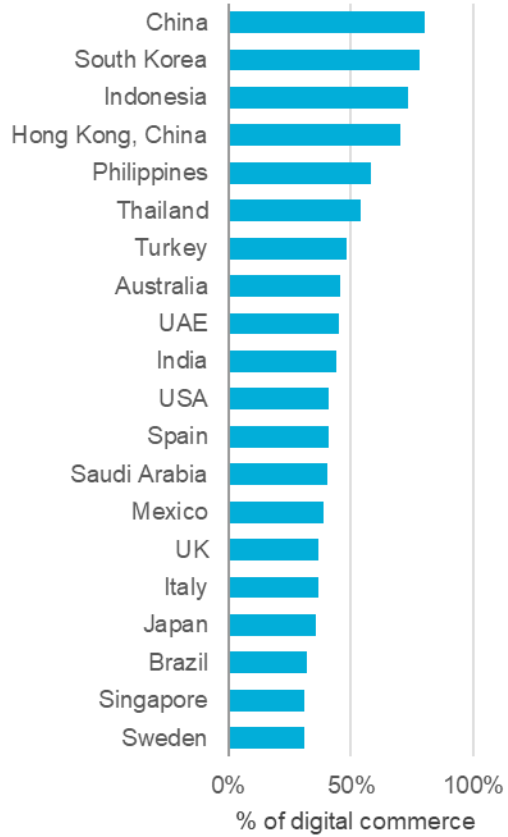
Finland, Disposable Income Distribution, Current Prices, Number of Adults, mn



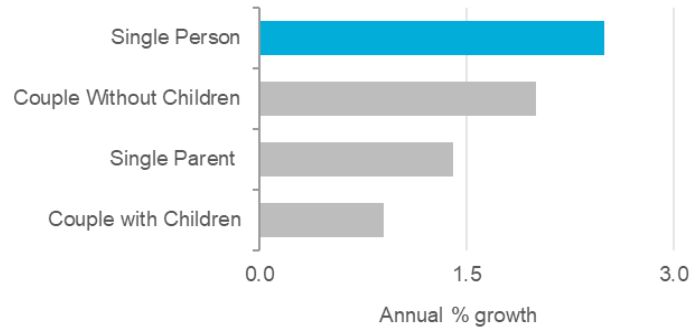
Segment Thresholds US\$
0 ≤ Bottom < 10,000 ≤ Middle < 30,000 ≤ Top

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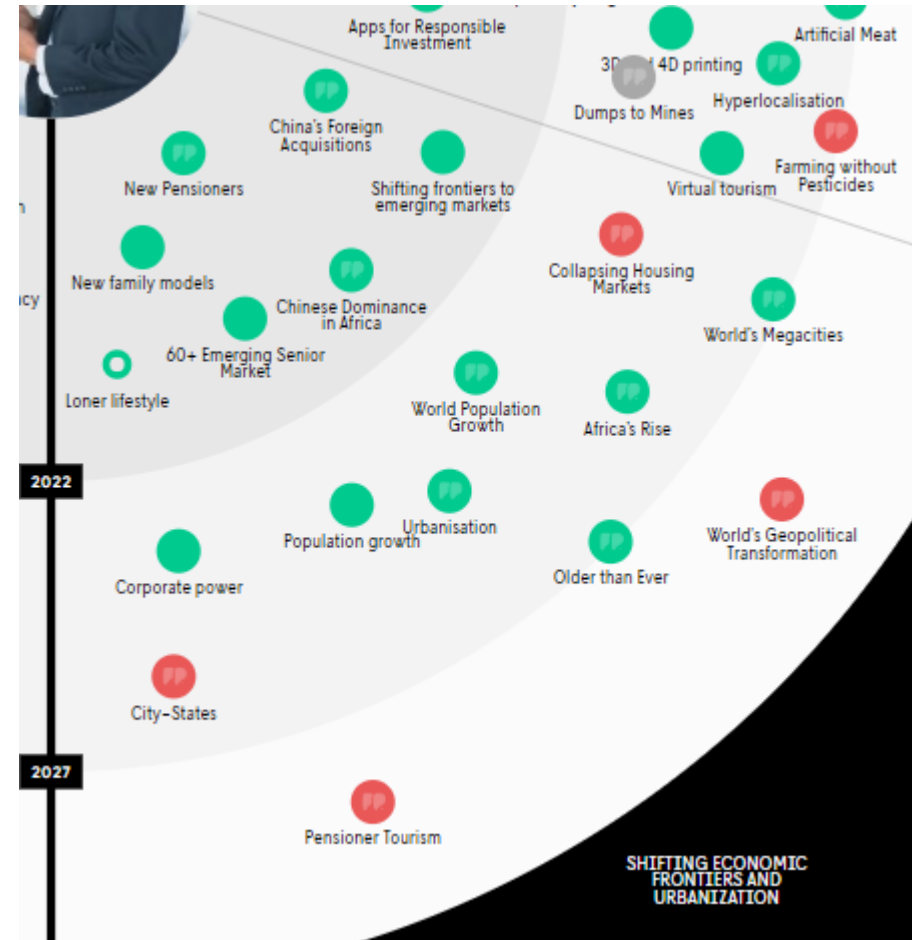
Percentage Of Digital Commerce Made Via Mobile: 2020



Growth by Household Type Globally: 2020



Household heads aged 60+ will reach a milestone number of 600 million in 2020 worldwide, the largest in the world and the highest total in recorded history



LONER LIFESTYLE

Services for single consumers are on the rise

JAPAN

As referred to in Japanese, *dokushin-kizoku* (well-off singles) or single consumers are seen rather positively in Japan. Consumers who are happily single tend to value their freedom and spend their time and money on hobbies and pleasant activities that enhance their full enjoyment of life.

They enjoy spending time at home during the weekend for just relaxing, cleaning, cooking, sleeping, watching TV, etc. Since many Japanese consumers feel highly stressed at work, they strive to create a relaxed environment at home, incorporating styles they like.

All Money for Myself

Desire to Relax

CREATING OWN CASTLE

Future Watch – Consumer business



USA
Seamless Shopping
Experience Research Project
Soren Kaplan



SOUTH KOREA
Future Consumer in
South Korea

- Shopping Reinvented
- Loner Lifestyle
- Connected Consumers
- Healthy Living
- Ethical Living

JAPAN
Consumer trends
Euromonitor research



Lifestyle,
Ethical living / Sustainability
More time in home
Connectivity
Symbolic consumption
Healthy living
Expressing themselves

SIGNALS FROM INDIA



Signals from India: Last Mile Services



Signals from India: Urban Wellness



Signals from India: Rise of E-repair

Country / Region: India
Market area: Asia and Oceania
Industry: Cross-industry

Country / Region: India
Market area: Asia and Oceania
Industry: Cross-industry, Health and wellbeing

A Report on Future Consumer: Insight into China and Hong Kong

12 CONSUMER RULES FOR THE FUTURE: MAJOR FINDINGS



Future Watch: Links to Business Finland foresight material 2019

- https://www.marketopportunities.fi/49c60e/contentassets/e589f20c008f4d46ba548366f2a1f7fd/future-watch-studies_the-future-of-seamless-shopping.pdf
- <https://www.marketopportunities.fi/home/2019/future-consumer-in-south-korea/>
- <https://www.slideshare.net/futurewatch/future-watch-consumer-trends-in-china-and-hong-kong/3>
- <https://www.marketopportunities.fi/home/2019/consumer-trends-and-lifestyles-in-japan/>
- <https://www.marketopportunities.fi/home/2019/signals-from-indialast-mile-services/>
- <https://www.marketopportunities.fi/home/2019/signals-from-india-consumption-measument/>
- <https://www.marketopportunities.fi/home/2019/signals-from-india-rise-of-e-repair/>
- <https://www.marketopportunities.fi/home/2019/signals-from-india-urban-wellness/>

[illegible]

- Tekoäly
- Kiinalaisesta kuluttajasta, tuotteen rekisteröinti, erityisesti luontaistuotteet
- Global shipping / warehouse (delivery times)
- Kyberturvallisuus
- Kestävä kehitys Intiassa
- Digital and global b2b services
- Kulutuksen muuttuminen tuotteista palveluihin, mitä tarkoittaa?
- Mikä on Suomen matkailun digitalisaation hitauden syy?
- KV-maksutavat
- Mitä vastuullisuus tarkoittaa kuluttajille käytännössä ja miten se vaikuttaa ostopäätöksiin käytännössä vai vaikuttaako ja missä laajuudessa?
- Foodservice / HoReCa
- Organic
- Self improvement

Markkinat:

Aasia

- Kiina
- Etelä-Korea
- Japani (2)

Venäjä (3)

USA (3)

Keski-Eurooppa (3)

Mikä ilmiö vaikuttaa eniten tulevaisuuden liiketoimintaympäristöösi?

Mistä haluaisit saada lisää tietoa tai näkemystä?

Go to www.menti.com and use the code 57 74 67

Mikä trendi tai ilmiö tulee vaikuttamaan eniten liiketoimintaympäristöösi seuraavan viiden vuoden aikana?



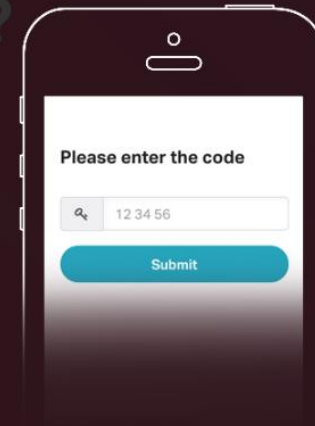
1

Grab your phone

www.menti.com

2

Go to www.menti.com



3

Enter the code 57 74 67 and vote!

Yhteystiedot



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Soile.ollila@businessfinland.fi



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