

10 consumer trends for 2012

Once connected, the internet is one of the last things that consumers would be willing to give up if they had to reduce their expenses. Women are driving mass-market adoption of smartphones and by 2016, users living on less than 1% of the Earth's total land area are set to generate around 60% of mobile traffic.

1. Connectivity is king

Connectivity has become as essential as the air we breathe, and as essential as roads and electricity. Once they have been connected, the internet is one of the last things that consumers would be willing to give up if they had to reduce their expenses. Not only is being connected crucial when keeping up with friends activities, but increasingly connectivity also means access to income.

In 2010, Ericsson and Arthur D. Little concluded that for every 10 percentage point increase in broadband penetration, GDP increases by 1%. This study also revealed that around 80 new jobs are created for every 1 000 new broadband connections provided. A new study, conducted jointly by Ericsson, Arthur D. Little and the Chalmers University of Technology and presented in Q3 2011, explores the socioeconomic impacts of faster broadband speeds and puts a tangible value on the resulting benefits. The research concludes that doubling a country's broadband speed increases its GDP by 0.3%.

2. Everyone can be a service provider

The biggest shift may actually be happening outside what we normally think of as ICT. By going out on the streets every day and relentlessly accessing the internet, always and everywhere, consumers are creating a huge demand for new services. Not only are we creating a society where all consumer goods and consumer service companies face the challenge of becoming mobile service providers if they want to stay in touch with their customers, but since many of these services are very specific, they are often not so complex to develop.

This opens up the opportunity for networks of very small companies to be commercially viable, as well as for consumers themselves to actually develop services and apps.

3. Social media redefine news reporting

Social networks have become true media hubs that drive consumption of pictures, video clips and music based on the flow of conversations and posts.

And now serious news reporting is being redefined. We have heard of the importance of Twitter in social media, and in a

recent project we conducted that focused on the aftermath of the Japan 3/11 earthquake disaster, we were astounded at the sharp rise of social media as the uniquely widely available and trusted source of information. Social media are spreading virally and have managed to not only reach victims in disaster areas, but also provide them with relevant and crucial information in cases where TV was too "shallow" and phones didn't get through. Social media also provided necessary commentary when it was difficult to trust or interpret the validity of other news sources.

During a recent field study in New York, we had the same experience - there was an earthquake and people found out about it via Facebook, not CNN.

4. Mobile phones play a significant role in everyday local mobility

Well-known American thinker Denis Waitley once said, "First we make our habits, and then our habits make us" - and our research confirms that habits related to commuting, shopping and household chores make up a large part of our lives. This may be the reason why consumers show greater interest in mobile services that are directly related to nearby places and things. In a recent study, 58 % of smartphone users said they want to use their mobile phones as commuting passes, 70% wanted to have their loyalty cards stored on their phones and 76% wanted to use their phones as bar-code scanners for price comparisons.

When asked what they carry with them when leaving home, 90% of all smartphone owners said they always take their phones and their keys - but only 80% mentioned money.

5. Transparency privacy

People will share personal information on the internet as long as concrete benefits outweigh abstract drawbacks. People will only change this behaviour if those around them get hurt. Even though the PlayStation Network hack attack was huge, it wasn't big enough to feel really personal (the shift is that there is no shift).

People are getting used to living a more or less transparent life. More than 250 million Facebook users are mobile - and being twice as active, they account for up to half of overall Facebook activity.

They certainly also expect companies and other organisations to act as transparently. This means that there is a considerable opportunity for companies that provide clear benefits and do not misuse the trust that consumers invest in them.

6. The cloud makes things easy to use

Cloud-based offerings from telecom operators and ICT providers will continue to grow. However, consumers talk about "online services" or something similar and not that much about "the cloud". They see the cloud as a place for sharing all kinds of information and media. As it turns out, consumers own multiple devices that either use or produce media - and in this world of sharing, having those devices easily connect to the internet is becoming the new baseline for ease of use. For this reason, we saw that 49% of US digital camera owners wanted to directly connect their cameras in order to directly upload photos. That is just so much easier than fiddling with memory cards and adapters. As improved broadband speeds overcome network bottlenecks, the cloud will improve ease of use simply by answering the consumer question: "How do I get the photo onto Flickr without hassle?"

For similar reasons, 36% wanted to connect their iPods or MP3 players to directly download music, and 30% wanted to connect their portable game devices to access an online game store.

7. Women drive adoption of smartphones

We all know that there is explosive growth in smartphones, but it may be comforting to know that this does not mean we are all turning into geeks - just the men are. In our 2011 survey of smartphone users in the US and the UK, more men than

women use lower-penetration services such as VOIP and video telephony, and they are also more likely to download new apps.

On the other hand, significantly more women use higher-penetration services such as calling, SMS and Facebook. 71% of female smartphone users check social networks on their phones, compared to only 64% of men - and 59% of women update their statuses, compared to only 51% of men. At least as many women as men also use MMS, e-mail and browse the internet on their smartphones.

By actively integrating the use of all communications channels into one device, women are driving mass-market adoption of smartphones.

8. Making shopping easier

When we recently asked smartphone users in Berlin, New York, Paris and Shanghai, 67% said they wanted to be able to make small payments using their phones. 66% were interested in mobile banking.

But payments should not be seen in isolation. When meeting with smartphone users and talking to them about their shopping behaviour, they quite clearly told us that going directly for their wallets is not the best approach. Mobile payments must be put in the context of everyday shopping habits that include everything from getting relevant product information (about allergies, origins and so on - not just prices) to connecting that to everything from food recipes to advice on nourishment for flowers.

As an example of how integrated services should be, 69% wanted indoor navigation as it is too easy to get lost in big shopping malls.

9. Everything connects

Not only is urbanisation continuing on a global scale, consumers are also turning into urban nomads: many activities that were previously only done at home are now done on the streets - at least those requiring an internet connection.

Fuelled by mobile broadband - where subscriptions have grown by 60% year-on-year - the data consumed by smartphone users is surging. Mobile data surpassed voice in Q4 2009 and doubled voice in Q1 2011.

Total smartphone traffic will triple in 2011. By 2016, users living on less than 1% of the Earth's total land area are set to generate around 60% of mobile traffic. ConsumerLab has for many years seen an interest among consumers in directly interacting with places and things in their urban surroundings. This is now happening as homes, cars, ticket gates, vending machines, cash registers and facilities are increasingly getting connected to the internet.

10. Uncertain times - consumers strive for control

In times of economic instability and with the impact of the nature itself consumers strive for control. When disasters like after the devastating Japanese earthquake on March 11th, we have seen a renewed interest among consumers in services related to utilities such as water and electricity. In Tokyo, monitors in subway stations started showing electricity rather than weather forecasts.

As a direct effect, other countries - such as Germany, are also facing new challenges in electricity supply challenges in electricity supply - and in countries such as India, many consumers already see electricity shortages as the norm.

Likewise a change in disposable income drives the demand of putting the consumer in control of services consumed. A better overview and control increasingly benefit everyday life.

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