

SPECIAL REPORT

THE TOP FIVE CONSUMER TRENDS OF

20
23 (AND BEYOND)

Prepare for the Future

Trends reflect changes in the needs, attitudes, and expectations of consumers - factors that influence purchasing behavior. Driving every trend are significant technological, social, and economic changes.

What you don't know about the future can hurt your business. In fact, it can destroy your business.

Remember Kodak? Once upon a time, Kodak represented the future, but the future was taken from it by technological change. The world is littered with the remains of businesses that failed to adapt to the future.

Both Polaroid and the music industry failed to appreciate the profound impact that digitization would have on the lifestyle of consumers.

Blockbuster, Blackberry, Yahoo, Borders, and Radio Shack all failed to understand and adapt to major technological, social, and economic change.

Xerox invented the personal computer, ethernet connections, and the graphical user interface (GUI), but failed to see the potential of these inventions to change the world.

While some companies like Xerox let the future slip from their grasp, others see it coming. They understand that time is of the essence and that the longer they take to adapt, the harder it becomes for them to respond to evolving trends.

Trend Forecasts

Each year, popular media outlets proclaim their top “predictions” for the year ahead. Unfortunately, these predictions are often nothing more than educated guesses or a collection of anecdotes with a track record of accuracy not much better than chance.

Through the study of trends and the technological, social, and economic changes that drive them, companies can prepare for the future. No company need be caught by surprise.

Unfortunately, trend forecasts and recommendations vary widely among the dozens of firms that specialize in trend research. What is identified as a trend by one trend research firm may not be mentioned at all by another firm.

How can we know which of the many forecasts to trust? Fortunately, it's possible to identify some common trends among forecasts.

The Trends

It turns out that when you compare and synthesize findings from the dozens of trend forecasts available each year, almost all of them have some trends in common.

Some of these trends may be relatively new and just now starting to impact consumer behavior. Other, more significant, trends reflect longer-term, persistent change. However, all of the trends identified represent a significant change in the needs, wants, and behavior of consumers.

Now, let's get to what you have been waiting for – the list of The Top Five Consumer Trends of 2023 (and Beyond) in reverse order.

The Top Five Consumer Trends of 2023 (and Beyond)



SIMPLICITY

Simplicity is now the baseline for the modern consumer experience. Consumers are looking for simplicity in decision-making, information gathering, product choice, and purchasing.



SUSTAINABILITY

The demand for sustainable products, including those that are local, organic, simple, and recyclable continues to grow. Consumers expect brands to step up and meet the demand.



LOCALISM

Despite our increasingly digitized and connected world, consumers still crave authenticity, convenience, and a feeling of belonging - revealing that a sense of place still matters.



PERSONALIZATION

Consumers don't just want personalization, they demand it. They expect companies to understand their individual needs and expectations and get frustrated when this does not happen.



EXPERIENCES

Consumers across the board are demonstrating that they prefer experiences and the opportunity to create memories over acquiring possessions.

The Top Five Consumer Trends of 2023 (and Beyond)



SIMPLICITY

By nature, we humans prefer simplicity in our environment. This has never been truer than in the fast-paced, cluttered world of commerce today. Consumers are looking for simplicity in decision-making, information gathering, product choice, and purchasing.

Simplicity is rapidly becoming the baseline for the modern consumer experience. In fact, evidence supports that simplicity may be the number one driver of brand loyalty and the likelihood to buy. (1)

Here's how the desire for simplicity was described by one trend forecaster. (2)

- People have placed their trust in brands, particularly brands that are easy to understand; transparent and honest; caring for and meeting their needs; innovative and fresh; and useful. In short, brands that are simple.
- Simplicity is a defining characteristic of brands that lead the market. Brands that consumers feel most favorably toward help them eliminate unnecessarily complex experiences from their lives. Brands gain an exceptional marketplace opportunity by simplifying their business models to focus on user experience.

The Top Five Consumer Trends of 2023 (and Beyond)



SUSTAINABILITY

As news of climate change intensifies, the long-simmering trend of sustainability has become top-of-mind for consumers. In fact, 67% of consumers report having tried making a positive impact on the environment through their purchases. Millennials and Generation Z, in particular, feel that they can make a difference through the choices they make. (3)

The demand for sustainable products, including those that are local, organic, simple, and recyclable continues to grow. Consumers expect brands to step up and meet the demand. Those that can respond (in both the B2B and B2C arenas) will be well-positioned for the future.

Consumers want companies to do more than just pay lip service to sustainability. They seek out businesses that prioritize authentic, effective forms of sustainability to help them mitigate their own impact.

Unfortunately, consumer desire for sustainable products does not necessarily translate to purchasing behavior. Sustainable products must also be affordable and easy to obtain. (4)

- The average person finds adopting sustainability into their lives challenging. Having to create new habits prevents some people from trying altogether. Brands that can simplify sustainability and work it around consumers' existing lifestyles are appealing to the average person who's looking for easy ways to reduce their personal impact. (5)

The Top Five Consumer Trends of 2023 (and Beyond)



LOCALISM

Localism is a “megatrend” – a long-term trend that is powerful, transformative, and global in scope.

- The special connection that consumers feel to their locality is an impulse as old as human nature. Consumers continue to embrace local products, services, and knowledge. (4)
- The now near-universal celebration of place tends to focus on authenticity, relevance, local pride and storytelling. And while consumers appreciate brands that help them embrace place, moving forward they will have particular affection for the brands that also actively work to make those spaces better. (6)

Some trends, including localism, can be viewed as an opposing reaction (or countertrend) to other powerful trends. Despite our increasingly digitized and connected world, consumers still crave authenticity, convenience, and a feeling of belonging - revealing that a sense of place still matters.

The Top Five Consumer Trends of 2023 (and Beyond)



PERSONALIZATION

Consumers don't just want personalization, they demand it. Indeed, research shows that 73% of consumers expect companies to understand their individual needs and expectations. They also get frustrated when this does not happen. (7)

As another long-term megatrend, personalization remains a powerful driver of consumer expectations and behavior.

- Personalization has become a “basic expectation” among consumers, meaning the average shopper expects brands to remember them—their preferences, their history, their location, their sentiments—on every channel, at any given time. (8)
- Personalization drives performance and better customer outcomes. Companies that grow faster drive 40% more of their revenue from personalization than their slower-growing counterparts. (9)

There are many ways that companies can personalize the way that customers experience and interact with their brand and products. Most methods involve personalizing marketing and sales communication. An emerging target for personalization, however, is the ecosystem – the various touchpoints experienced by the customer during their interaction with a company. (10)

The Top Five Consumer Trends of 2023 (and Beyond)



EXPERIENCES

The quest for experiences has been the dominant consumer trend of the past several decades. Our economy is increasingly driven by the consumption of experiences.

Consumers across the board continue to demonstrate that they prefer experiences and the opportunity to create memories over acquiring possessions. Millennials are at the forefront of this trend, but consumers of all ages express the desire for more meaningful experiences and are willing to pay a premium for them.

- People are happier with experiential purchases over material ones irrespective of when you measure happiness: before, during, or after consumption. Experiences also provoke more satisfaction even though people typically spend more time using their material possessions. (11)
- Companies are shifting their business models to accommodate changing consumer preferences for experiences, with even some product-based industries moving with the times. (12)
- While the preference for experiences has been growing, market factors like the pandemic and the high rate of inflation have contributed to the shift. The lifestyle that many consumers have started living or plan to live is one that heavily prioritizes experiences over physical goods. (12)

Examples and Action Steps

Ideas to consider

5

SIMPLICITY

Streamline and simplify marketing information and the purchase process. Reduce product options.

4

SUSTAINABILITY

Corporate recycling programs. Recyclable packaging. Reduce waste and energy consumption at all levels.

3

LOCALISM

Local sourcing. Local events and community involvement. Offer regional and local products.

2

PERSONALIZATION

Personalized product offerings and discounts. Individual usage reports. Customizable products.

1

EXPERIENCES

Events, concerts, tours, travel, and dining. Retail outlets as destinations. Live online events. "Make your own".

Putting it all Together

Now What?

Armed with knowledge of the five key consumer trends for 2023 (and beyond) you can begin to position your company for the future. Your product portfolio, organizational structure, sales process, marketing, and customer journey are all fair game.

Trends do not exist in a vacuum. Neither are they static. Trends influence and converge with each other. This convergence of trends presents you with an exciting opportunity for deep analysis, brainstorming, and planning.

For example, ask how you can draw on local resources to create memorable experiences for your customers that are simple and easy to access.

How we Can Help

Don't let the future catch you by surprise. NWI Business Solutions is here to help you strategize and plan. Our signature whiteboard evaluation process is the first step toward meeting the future on your terms.



CONTACT:

Norine Weibner
President/CEO

www.nwibusinesssolutions.com

E-mail: norine@nwibusinesssolutions.com
(847) 308-2946

References

- (1) Marketers Have It Wrong: Forget Engagement, Consumers Want Simplicity (forbes.com)
- (2) The Drum | From Premium Products To Premium Experiences, Consumers Want Radical Simplicity
- (3) Sustainable Eating and the Environmental Cost of Food - Euromonitor.com
- (4) 2023 Global Consumer Trends | Mintel
- (5) #1 in Trend Reports, Custom Research and Consumer Insight (trendhunter.com)
- (6) 2023 Trend Check (trendwatching.com)
- (7) Consumer Behavior Trends: Personalizing the Customer Experience - The BigCommerce Blog
- (8) Personalize Or Perish: State Of Personalization Report For 2021 (forbes.com)
- (9) The value of getting personalization right--or wrong--is multiplying | McKinsey
- (10) The future of personalization--and how to get ready for it | McKinsey
- (11) Spending on experiences versus possessions advances more immediate happiness -- ScienceDaily
- (12) The changing consumer: from buying products to buying experiences (kantar.com)

Resources

Consumers Expect Brands to Address Climate Change - WSJ

Business Models for the Companies of the Future | OpenMind (bbvaopenmind.com)

The Next Normal: The future of industries | McKinsey & Company

How Companies Can Use Megatrends Analysis To Anticipate Long-Term Societal Shifts (forbes.com)

Your Brand Must Adapt to the Experience Economy: Here's Why (g2.com)

Trend Hunter Accenture Trend Watching Euromonitor Mintel GWI Deloitte