

Get to know

Today's 'Real' Consumers



The consumer marketplace is changing in dramatic ways, so it's important to get to know today's 'real' consumers, said IHA's trend forecaster Mr. Tom Mirabile at the 2017 International Home + Housewares Show. Mr. Mirabile is also senior Vice President, global trend & design at Lifetime Brands. He has identified five top trends for 2017: 1) New directions in the American household; 2) Reinvention of value; 3) Rapid growth of the creative class; 4) Health is the new wealth; and 5) Consumers take control.

New Directions in the American Household

Big changes in the way we live bring fresh challenges and opportunities. The average adult in the US will now spend more of their life unmarried than married and more people are renting their homes (as opposed to owning) than they have in the last 50 years. In a way, this is good. When people don't own their own home, they tend to spend more on expendables such as housewares.

Millennials now account for 31 percent of all household spending, while Generation X represents 25 percent, Baby Boomers 36 percent and seniors 8 percent. In the past, Millennials had more of an emotional effect on the economy, but now they're actually spending more. But one can't count Baby Boomers out - they're not exactly fading into the sunset - and Generation X is in their peak spending years. Multi-generational households, changes in the role of fathers, and the importance of friends and social gatherings to Millennials are all contributing to the changes.

We have to understand we're living in different life stages now. Younger people are moving in and out of life stages more often and the rules are not defining everyone anymore. Retailers need to stay lifestyle-relevant and market to how people live...not simply sticking within the product category walls that have always been used.

Reinvention of Value

Consumers' perception of value continues to evolve. There's something wonderful and alarming going on...the value equation has become very intangible. Time plays a critical role, especially when one considers the popularity of Blue Apron's meal delivery service, which offers ingredients at a cost of roughly 18 percent more than store prices. Also factoring into today's value equation is loyalty, the intangible offering of what's "new, now and next," story, brand, inspiration, socialisation and solutions. One also can't count out service. It's never been more important.



The key here for manufacturers is to brand the experience, not the stuff. One needs to decide whether one wants to be a cookware company, or a cooking company. And, it's important to remember that "even know-it-all's need help". Millennials may want to do things themselves, but they'll embrace assistance if it is provided for them to take on their own terms.

Retail is the new town hall - it's where people can connect. So, retailers have to be experiential; their metric needs to be the number of goose bumps per square foot.

Rapid Growth of the Creative Class

Many consumers today want to design their own lifestyles, their own environments, and they want to explore. Consumers say they're not about having more, but being more. The maker movement has gone mainstream, and makers look for three types of experiences: creation, learning and sharing. It's important to note that the creative class is more casual, and they've brought back home entertaining. Home entertaining has never been more important. Trends are coming from the bottom up now. Consumers have rediscovered passion, and stores and manufacturers are expected to share that passion. It's not about doing demos anymore. It's about inviting makers to engage with products, both in-store and online. And it is important to let them play.

Health is the New Wealth

According to Mr. Mirabile, the big shift in health and wellness is that it's not so focused on the "right" way to

do things, such as a certain diet or exercise, but it's more about doing the best you can for yourself right now. "This is about helping people make smart choices," he said.

Health or wellness today is not just clinical; it can also be emotional. The concept is also embedded in every part of our lives; retailers and manufacturers should not view it simply as one category. The world is an eco-system now. Manufacturers should look at the grand scheme of things and what's trending now, and look for ways their products can fit in.

Consumers Take Control

Consumers today have different expectations, and the demand is rising for innovation, differentiation, experiences, personalisation and technology, according to Mr. Mirabile. "You're in the happiness business," he points out. Houseware manufacturers and retailers should pay attention to the intangibles that today's consumers are looking for, including guidance, new experiences, bragging rights, and more.

These days, consumers are on a long, winding road. Manufacturers don't always know where they're going, but can guide them and encourage them along the way. Their journey is an omnichannel one, but retailers who only focus on online or mobile experiences are missing the boat. Omnichannel requires store fixtures. In other words, one has to reinvent bricks and mortar stores too.

To truly stand out, retailers and manufacturers should look for ways to cross-sell, reinvent their spaces, rediscover their relevance, and excel on service. ■ *Source: IHA*