

Mapping Success

The New Expectations of American Buyers and Consumers

16th July2020: Well attended by member exporters from different parts of the country along with Mr.Ravi K Passi,Chairman,EPCH;Mr. R K Verma,Executive Director,EPCH;Mr. Neeraj Khanna from Nodi Exports, Moradabad and President,IHGF Delhi Fair-Virtual 2020;and Mr. Rajesh Rawat, Joint Director, EPCH. Expert panelist was Mr. Tom Mirabile. Mr. Mirabile is Principal and Founder of Springboard Futures, while serving as Global Consumer Trend Forecaster for the International Housewares

Association and a Contributing Editor for Pantone. His emphasis on consumer-centric product development and generational relevance has guided the evolution and creative direction of some of the most well-respected brands and retailers in the Home and Housewares Industries, creating custom intelligence and insight reports for WalMart,Target,Amazon,Meijer,Kroger and Walgreen's among others. For the last two decades Mr. Mirabile has held senior trend forecasting, product development and merchant positions with such corporations as Lifetime Brands, Macy's, and Bloomingdale's.

Through an illustrated presentation,Mr.Tom Mirabile informed how the US markets are shifting. Considering that, it is time for unique opportunities for India (esp. in terms of the China trade sentiment), provided there is infrastructure to support it as there



Tom Mirabile
 Founder and Principal, Springboard Futures and Consumer Trend Forecaster, International Housewares Association

Mr. Mirabile will explore the new standards and expectations of today's consumers and retailers. He will look beyond the markups and margins, forecasts and fixturing, competitors and calendars and reveal the essential, adoptable behaviors and attitudes that are at the core of today's most successful retailers and service providers.

are a lot of American buyers and companies who are considering expanded trade with India. Assets India has are in terms of craftsmanship and skills as well as emerging technologies that are very valuable right now. Since handicrafts are perceived as cultural and representing traditions in vibrant manifestations, consumers are more inclined to buy them from their country of origin. So, the story behind the products have a significant role to play. Its about encouraging small business and cottage industries as well. He further explained how the American markets have become more challenging through this time with many converting into the virtual or digital mode. Speaking about mapping the road to 2030 he mentioned of Consumer Insights : The Now - Generational 'Need to Know'; The Next Normal - Visions of the 2030 Consumer;and The Big Question - Envisioning

ESSENTIAL FACTS OF THE GENERATIONS				
	GEN Z	MILLENNIALS	GEN X	BOOMERS
Generation Ages / Size	12-24 / 91m	24-39 / 72m	40-55 / 65m	56-74 / 71m
% of Population	28%	22%	20%	22%
% Avg HH Spending	N/A	31%	25%	36%
% Who Own Home	N/A	37%	59%	72%
% Who Rent Home	N/A	63%	41%	28%
Defined By	social media	technology	recession	affluence
Known For	mobility	urbanism	balance	suburbanism



GEN Z: AGES 11-22

GEN Z - NEED TO KNOW

- Most racially diverse generation – and on track to be the most educated PEW RESEARCH 2019
- Consumption is focused on *access* to products or services, *not ownership*
- When they do shop, 68% say that a wide choice of products is the most important factor in deciding where to shop IBM NIQ 2018
- Aspirational shifts toward home ownership, family time and tech/real world balance
- Teens now enjoy more than five and a half hours of leisure a day. The biggest chunk of that leisure time is spent on screens: 3 hours and 4 minutes on average

GEN Z - NEED TO KNOW

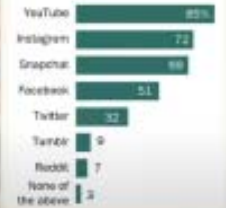
- They make decisions and relate to institutions in a highly analytical and pragmatic way. MORSEY & CO, 2019
- These 'brand participants' want an active role in evolution of their favorite brands
- Gen Z demands responsible behavior and transparency from brands and corporations
- 93% of Gen Z parents say their children influence their family's spending and household purchases

Many teens say they are online almost constantly; YouTube is their top social media platform

% of 13- to 17-year-olds saying they use the internet, either on a computer or cellphone ...



% of 13- to 17-year-olds who say they use ...



PEW RESEARCH 2018 UPDATED 5/14/20

2030 REALITIES: GEN Z @ AGE 22-33

Gen Z in 2030 will view consumption as inseparable from ethical concerns. In 2019, 52% of consumers said that a manufacturer's or retailer's position on social or environmental issues affect their spending:

- Boomers at 49%
- Millennials at 55%
- Gen Z at 65%

- The 2030 consumer makes buying decisions based on the social, ethical and environmental impact... they also judge other consumers by these standards
- The 2030 transparency mandate is all-inclusive: materials, human resources, production, life cycle and end-of-life scenarios matter



PREPARING FOR 2030

Q: How will 'ethical & responsible' materials be used in product design without aesthetic or functional compromise?

So, what is 'Responsible Design'?

Four Streams of Integrated Sustainability (WGA, the professional institute for design)

- Environmental Protection
- Social Equity
- Economic Health
- Cultural Vitality

Source: WGA, The Only/Proven/Patented, Two-Stream Integrated Sustainability



MILLENNIALS: AGES 23-43

MILLENNIALS - NEED TO KNOW

- Over 40% of Millennials are parents
- Millennials are more likely to stay loyal to a retailer because of loyalty/rewards programs than any other generation
- The average Millennial in America is \$42,000 in debt, vs. \$38,000 for the average American
- Only 16% of that debt is student loans
- 75% worry about their finances often
- 39% are 'chronically stressed' about it



MILLENNIALS - NEED TO KNOW

- First-time buyers are on average:
 - 32 years old
 - Make \$72,000 a year
 - 58% are married
 - 60% have no children
- Just 57% of first-time home buyers in 2019 were married, compared with 75% in 1985
- Millennials, though redefining mobility, expect to stay longer in their first home (10 years vs. 7.5 years national average)
- 63% of Millennials (ages 23-38) say they have regrets about purchasing their current home

2030 REALITIES: MILLENNIALS @ AGE 33-53

In 2030, the largest age cohort for the United States population is aged 35-39 – that is, Millennials

- Millennials will enter their prime income-generating and spending years
- By 2030 well over 40% of the American workforce will be working from home in America alone – **TREND IN HYPERDRIVE:** According to Gallup, approximately 60% of Americans workers prefer to work remotely as much as possible, even when public health restrictions are lifted.
- In 2020, an estimated 4.2% of millennials have children... By 2030 that number will increase to 80%.



VIRGINIA FUTURE CONCEPT BEDROOM HOME CO. ON CLICK P. TO REAL

PREPARING FOR 2030

Q: As home becomes a 'crowded house' of activities, interests, personalities and functionalities, how will design meet the demands for 'personal space' and flexible transformation?



Levure, the nation's largest homebuilder. One of the most popular labels? A home that's always home.

Our Place Always Pan - Space set that does the work of eight pieces of traditional cookware.

our Future as well as new challenges and fresh opportunities in the 'Multi-Generational Home; and Core Changes in the value equation. Moreover, markets are now divided on the basis on Generations i.e Gen Z (aged 12-24), Millennials (aged 24-39), Gen X (aged 40-55) and Boomers (aged 56-74). Each generation type has its unique style of buying preference and saving means. He also highlighted the difference between brands as identifiers or unifiers. Consumer demands have also changed from old to new i.e. demographics (age, incomes etc.) to psychographics (interest, passion etc.), from caring about me and my family to caring about me, my family and society, delivering products to delivering shareable experiences and life, the consumer lives to the person the consumer wants to be.


The guest faculty informed the participants that daily life for people around the world has changed in ways that would have been unthinkable a few weeks ago. But as 'consumer-facing' organisations try to find their way through the COVID-19

pandemic, it's important to keep in mind that the global consumer was already evolving at great speed. That process is now in fact, playing out faster than anyone imagined. 'Consumer-facing' companies urgently need to anticipate what kind of consumer is emerging, so that they can make it through the current crisis and build the capabilities that future relevance will require. Mr. Tom Mirabile further elaborated, "now we've to create 'Future Consumer Index' to help leaders understand and track emerging consumer behaviours and sentiment around the world.

BABY BOOMERS: AGES 54-74

BABY BOOMERS - NEED TO KNOW

- Baby Boomers control more than two-thirds of disposable income in the U.S.
- The group stands to inherit \$10 trillion over a 12 year period through the early 2030s
- Over the next 18 years, spending by those over 50 will increase 58% to \$4.74 trillion, while spending by those aged 25-50 will grow by only 24%.
- Decreased interest in object acquisition, Boomers are focusing more on quality and length of life: health and wellness, leisure experiences and quality family
- Instead of "aging in place," a growing percentage are abandoning homeownership and renting
- Baby Boomers: make up 47% of all pet spending



PREPARING FOR 2030

Q: In a new era of multi-modal, nuanced and hyper-flexible device/user communication, what are some products and services which will be improved, transformed or created?

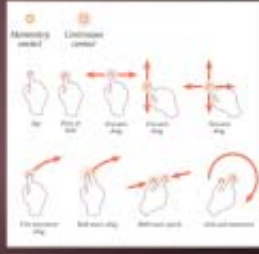


2030 REALITIES: BOOMERS @ AGE 64-84

Today, 20% of U.S. households are headed by someone 65+ years old. By 2035, it will be nearly 35%

Degeneration affecting communication, perception and interaction diminish quality of life for the masses

- Common "gestural" models focused on finger taps, drags and pinches will be insufficient
- Interactive technologies will evolve forms of multimodality which address consumers' nuanced literacies and capabilities for Speech, Gesture, and Motion
- These technologies will expand to meet needs for uses both responsive/reactive and perceptive/proactive



THE MULTI-GENERATIONAL HOME

GENERATIONAL INTERDEPENDENCE

Prolonged health and vitality has collided with financial pressures forcing the growth of multi-generational homes

- As of 2018 Census 20% of Americans live in multi-generational households
- Income demands include helping adult children as well as grandchildren & aging parents
- 13% of all 2019 home buyers purchased a multigenerational home
- 29% of new home shoppers plan to include a guest suite option in their next home [includes a bedroom, small living area, and kitchenette]



WHAT WE LOVE

THE WHOLE FAMILY EVERY DAY!
Just like the holidays!

More people to HELP OUT

More SHARING = Less BUYING

WHAT WE HATE

THE WHOLE FAMILY EVERY DAY!
Just like the holidays. What happened to PRIVACY and PERSONAL SPACE?

More MESS & More CLUTTER

A SINGLE OBJECT must function across WAIVED CAPABILITIES, both mental and physical



What Drives Consumer Demand Has Changed...

From Old ...	To New
Demographics (Age, Incomes, Etc.)	Psychographics (Interests, Passions)
Caring About Me And My Family	Caring About Me, Family & Society
Delivering Product	Delivering Shareable Experiences
The Life The Consumer Lives	The Person The Consumer Wants To Be
Industrial Era Of Consumption	Digital Era Of Consumerism





Over the coming months, we'll identify the new segments we see emerging – asking which are temporary reactions to changing circumstances, and which point to more fundamental shifts. Right now, we're in anxious new territory, in these early stages of the pandemic, consumers are worried about the health of their families, whether they can buy for their basic needs, and the loss of freedoms we all took for granted. Those common concerns are manifesting themselves in different ways, as

consumers adopt new behaviours. Across the world markets, some consumers are making deep cuts. Others are continuing to spend as normal but are changing how they live in other ways. For now, many are remarkably optimistic. And ethical as well as responsible sourcing is here to stay." Finally Mr. Mirabile spoke about the 'Intangibles' that matter most to consumers - time, space, health & wellness, flexibility, safety, sustainability, convenience, experience, identity & status. ■