

## **PREDICTIONS FOR 2014**

2013 is racing to a close as we head into December and the final preparations for the execution of 2014 plans are underway. What will we have in store for us in the new year? As with every year, in the past decade, or two, each new year brings with it new challenges, new technologies, and thousands of new products for consumers to vote on with their hard earned dollars. To try and predict new products would certainly be looking into a crystal ball but identifying some themes, while still based on educated guessing, can be based on historical performances and trajectories that we will continue.

In 2014, there will be three areas that will be prevalent across the Canadian marketplace.

1. The food and beverage / grocery industry in Canada will become 'connected' like never before. With the entrance of amazon.ca into the world of Canadian grocery retailing will be racing into the fold to compete with the real threat of online grocery shopping that will hit. We will see more apps, online and in-store programs that will try to provide the consumers with greater levels of convenience like we have never seen before. Don't be surprised if you see programs like, curbside pickup, or drive-thru like offerings, or simply greater availability of on-line shopping. The way we buy groceries is about to change.
2. Commerce and social consciousness will become a greater part of marketing strategies than we have ever seen. Companies, will begin to tout their international aid efforts, a wide variety of charities will benefit from greater corporate gifts and raised awareness and environmental efforts from both the manufacturing and the retailing side of the equation will mark the difference between great performance and mediocre performance. Advertisements for products will focus on these areas as a way to attract consumers and attempt to show how "authentic" a corporation can be.
3. As the economy becomes more cautiously optimistic consumers will open their wallets a little wider and be more open to luxury items or premium brands. The difference this time is that there will need to be more value behind the luxury than just the brand name. Value is not only about quality - that's a given in the world we live in today - there will need to be something more, whether that is the labour practices of the country where it was produced, the environmental friendliness of the packaging, the uniqueness of the products used to make it or how ingredients are sourced locally. Simply being expensive and well made will no longer be enough to compete in a world where product differentiation means the differences between prosperity and obscurity.

The one common theme between each of these predictions for 2014 is Millennials. Each one of my predictions are based on how important these things are to Millennials. Being connected, social responsibility and value for money are key drivers and motivators for Millennials. The trend will extend beyond Millennials. As a highly influential group who currently represent 27% of the population, their buying power with each year increases. By 2016 Millennials and their children will represent 40% of the population. If you factor in the influence they have over their parents, the Boomers and their purchase behaviours, the control or influence they have in the

Canadian market place is over \$70 billion. As more of the Millennials entering the child rearing years, they will become drivers of the “family” decisions, and the primary grocery shoppers.

The one thing we can be sure of, 2014 will be like every year in the past decade full of game changers and surprises and corporations working harder at being innovative and getting to know their consumers better.

