The Big Picture Agenda 2014

As business leaders look to 2014, a handful of challenges and opportunities will affect every type of enterprise in every type of market. Thought-leaders at The Futures Company have compiled these critical issues into a Big Picture Agenda for the coming year. It consists of four overarching themes covering more than a dozen specific areas. During the year, this Big Picture Agenda will guide our knowledge venturing, our Free Thinking publications, our consulting insights and advisory services, and the solutions we bring to the priorities facing our clients.

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1. UNLOCKING GROWTH IN EMERGING MARKETS

Easy growth can no longer be taken for granted in emerging markets. Despite recent stumbles, big opportunities remain. Fresh thinking and new insights can unlock this potential.

**The rise of female consumers in Asia**

Women are coming into the workforce in Asia, and many are delaying marriage and children to do so. New retail channels such as blogshops are arising to meet the needs of working women entering the formal economy. Yet the economic boost is not without social conflicts and demographic challenges, all of which require innovative offerings and communications.

*Key issue: As women’s roles change, what’s the best way to plan for their changing needs and demand and its impact on categories and brands?*

**The middle-class boom in Africa**

The continent of Africa now has a larger middle-class population than the sub-continent of India. But they are harder to reach, with fewer safety nets and less social protection. So middle-class Africans continue to rely on interpersonal networks that pose a challenge for Western brands built to appeal to more individualistic consumers.

*Key issue: In what ways must brands adapt their value propositions—from communications to retailing to transactions—to fit more socially-influenced consumers?*

**Youth and global brands in Asia**

More often than not, global brands misunderstand Asian youth by thinking that consumption and culture are one and the same. In fact, Asian youth have always shifted comfortably back and forth between global and local brands, holding on to their culture as they do so. As local brands build global presence, global brands will need to reinvent their local presence to remain meaningful and credible.

*Key issue: With Asian youth commanding more economic clout, what must global brands do to stay relevant and connected?*

**Breaking out of Brazil**

The big domestic brands of Brazil compete strongly in their home market, but have yet to establish themselves in the global marketplace. Now is the time, with the World Cup in Brazil this year, to be followed by the 2016 Summer Olympics. Brazil has also announced aggressive plans for privatization and is investing heavily in infrastructure.

*Key issue: What is the potential for Brazilian brands to capture a greater share of global demand, and what does this say about the break-out potential of big domestic brands in other developing countries?*
The economic resurgence of Mexico
Capital investment is returning to Mexico as higher labor costs in other markets, along with its proximity to the U.S., give it an advantage. Low wages globally are actually high wages in Mexico, with the effect of slowing emigration to the U.S. and building a new middle class. Add to this a large youthful, urban population. Mexico is an up-and-coming growth market for consumer goods and services.

_key issue:_ What are the pockets of opportunity in Mexico, and what does it take to build them rapidly to scale? Which other markets will also gain from “near-shoring”? 

The growth of intimate computing
2014 will be the year of the wearable. The health and fitness wearables sector has already kicked into life, and payments and identity will follow. As technology gets smaller and more ambient, it will change how consumers think about smart environments and brand engagement.

_key issue:_ As technology is worn as well as carried, how can brands use wearable technologies to innovate and improve services that complement existing products?

Mainstreaming 4G
The 4G moment predicted in our Tech 2020 Future Perspective is almost here. Though coverage is still patchy, real value is only two to three years away, at which point the commercial benefits of a well-functioning mobile Web will accelerate. Time now to focus on the predictable break-out path and avoid the kinds of mistakes only early adopters are willing to tolerate.

_key issue:_ What must business strategists do to prepare for the 4G tipping point, particularly the impact on mobile behaviors and path to purchase?

2. THE MARKETPLACE OF NEW DATA
Digital technologies are leapfrogging current market models. New devices and more advanced networks are yielding a goldmine of fresh data. The big news is that new data are about to forge a new marketplace.

_key issue:_ With Big Data becoming less about IT and more about ROI, what future skills and capabilities will be required across different business functions?

From Big Data to the bottom line
In 2014, the debate over Big Data will lose its monolithic overtones and start focusing on the management potential of rich data for things like supply chain, market analysis and customer management. In the process, Big Data will break out of the CIO’s office and become part of the conversation across the C-suite.

_key issue:_ What must business strategists do to prepare for the 4G tipping point, particularly the impact on mobile behaviors and path to purchase?
3. RETHINKING SUCCESS

What matters is being reconsidered and redefined. This rethinking of the good life means that everything about success is being questioned. Consumers want help, but more than that, they want their new thinking reflected in the brands they use to signal their values and accomplishments.

The mainstreaming of the sharing economy

In 2013, the sharing economy moved from a peer-to-peer niche to the B2C mainstream. It will keep growing as consumers look ever harder for flexibility and affordability. Sharing is more than just a new offering; it is a new business model which brands will need to master in a hurry.

Key issue: In what ways can companies best incorporate sharing into their current portfolio of offerings, particularly given an embedded infrastructure of retailing, customer service, finance and brand equity?

The future of home

Homebuilding and the whole suite of categories associated with it was one of the worst-hit sectors in the wake of the financial crisis. As homebuilding slowly recovers, consumers are reassessing what home means to them. The biggest differences are likely to be generational, with urbanization playing a big role in emerging markets.

Key issue: What will be different—and what will be the same—about home in the future, and how will this play out in the demand for home-related goods and services?

Millennials take a second look at college

In the U.S. and Europe, Millennials are rethinking the value of college. High debt and high unemployment are causing many to look at alternative ways to gain the skills needed for work, such as trade apprenticeships, community colleges and MOOCs. The result is a remaking of life trajectories and the milestones that denote success.

Key issue: Lifestage has long been a strong predictor of many consumption behaviors, yet with college in question, lifestages are in flux. How can businesses best put lifestage to use?

From extrinsic to intrinsic luxury

In the aftermath of the global financial crisis, luxury has moved on to discretion and ingenuity, relinquishing the pre-crisis ostentation of display and show. Luxury must now be more quietly stated—aligning personal stories with brand values, resolving tensions between craft and technology, and reconciling the divide between culture and business.

Key issue: What new stories do brands need as the market shifts to intrinsic luxury, and how does this shift affect positioning and channel design?
4. THE ASPIRATIONAL MIDDLE CLASS
For more than a century, the global marketplace has required middle-class consumers to invest their aspirations in shopping and buying. Even the long-term profitability of premium niches requires the baseline demand of a strong middle class. But in many markets nowadays the aspirational middle class is in distress. This is a new challenge, and a vital one.

Making do in low growth markets.
Across developed markets, consumer incomes continue to be squeezed. Consumers understand that this squeeze won’t end anytime soon. As a result, they are reaching new heights of resourcefulness, deploying different skills, assets and networks to live as well as they can on less.

Key issue: Is your business prepared for these resourceful consumers and their new tools of trade? How can you accommodate—and help your customers to build—new currencies of value in today’s enterprising marketplace?

The politics of wages make a comeback
The issue of a living wage is coming back into politics in developed markets, even in economies experiencing nascent recoveries such as the U.S. and the U.K. Struggling consumers want more than the bare necessities, and are losing patience with the contraction of their situations. Companies will have to meet this challenge both as a demand issue and an employment issue—do they pay enough for their staff to live on?

Key issue: How do employers sustain workers while remaining competitive, and what does this require of the value proposition offered by brands?

Middle Earth: A comparative view of the global middle class
What does it mean to be middle class in different countries around the world? The middle class is the biggest influence on demand and culture in different markets around the world. Middle Earth will combine unique resources of The Futures Company, including Global MONITOR, Cultural Streetscapers and in-depth research to provide a comparative view of what middle class means, and thus what it takes to capture the imagination and loyalty of middle-class consumers.

Key issue: In what ways is the idea of the middle class a useful concept for brand planning and strategic marketing investments in markets around the world?
To learn more about how The Futures Company can help you build your strategy and brands, please contact:

EMEA
(Europe, Middle East, Africa)
Henry Tucker,
Managing Director, EMEA
henry.tucker@thefuturescompany.com
+44 (0) 20 7955 1862

NORTH AMERICA
Kevin Brown, CEO,
North America
kevin.brown@thefuturescompany.com
+1 (919) 932 8603

LATIN AMERICA
Bernardo Geoghegan,
Managing Director, Latin America
bernardo.geoghegan@thefuturescompany.com
+54 (11) 45 30 96 56

ASIA-PACIFIC
Stephane Alpern,
Managing Director, Asia-Pacific
stephane.alpern@thefuturescompany.com
+65 6597 7347

The Big Picture Agenda 2014 was written by J. Walker Smith and Andrew Curry. Design was by Jaclyn Salem.

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