10 Global Macro Trends For The Next Five Years

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Despite the uncertainties facing the global economy , certain trends are inevitable. The world will become smaller, more aged, more city-focused, more cautious and more polarised between the rich and poor.

The climate will change, food prices will rise and economic power will shift from West to East.

In our recent report, 10 Global Macro Trends for the Next Five Years, Euromonitor International has identified the following ten macro trends as being key to the future growth of consumer markets :

1. An uncertain future
Both political and economic uncertainty are at their highest level for years, and the situation is expected to continue with flow on effects for consumers who in view of uncertain times may well exercise caution when making purchasing decisions.

2. The emerging middle classes
The expansion of the middle classes in developing markets has been one of the key outcomes of economic growth, as huge swathes of these populations move out of poverty and form an increasingly demanding and sophisticated consumer base.

3. The disaffected youth
One of the key outcomes of the recession for advanced economies is the lack of decent prospects for young people, who face high unemployment, tuition fees, rising living costs, a lack of affordable housing and the burden of supporting ageing populations in the future.

4. The rich/poor divide
Inequality has been in evidence for a number of years, but is increasingly becoming a focus of social unrest and media interest. Reasons for inequality include changes in employment patterns, disproportionate wage increases, technological progress, urbanisation, government policies and demographic factors .

5. The climate challenge
Increasingly erratic weather patterns and rising sea levels will be one of the largest threats to populations over the next five years and beyond. Most notably, droughts and floods will continue to cause havoc with food crops, affecting food prices in the years to come.

6. An ageing world
A combination of low birth rates and longer life expectancies is driving the ageing process. Ageing populations will impact future economic growth prospects, due to reduced labour forces and lower savings and investment rates. At the same time, age-related public expenditure is projected to increase strongly.

7. The urban transition
Although urbanisation is another long-term trend, its pace has speeded up noticeably in recent years and city growth has reached unprecedented levels in emerging markets. The exodus from countryside to cities is largely driven by a desire for economic empowerment. The global shift towards urban living is shaping consumer markets and demand.

8. People on the move
As the world becomes smaller, while travel gets cheaper and restrictions more relaxed, more people are choosing to live, study or work abroad. Continued migration has a significant impact on economies, marketers and consumers alike. Greater ethnic diversity offers marketers a wealth of opportunities.

9. A more connected world
The internet is increasingly being accessed via smartphones and tablets, as consumers seek convenience and mobility. Almost one third of global on-line consumers now have internet access on their mobile phones. Social media sites, such as Facebook and Twitter, are changing the way people interact with one another. A successful social media strategy will be a top priority for companies globally.

10. China goes global
Chinaâ€™s overseas investments were previously concentrated on developing countries and a handful of resource-rich developed economies, such as Australia and Canada, but since 2008 the focus of Chinese investors has begun to shift to North America and Europe. Several Chinese brands have entered the global arena and are looking to challenge the positions of established international brands. Experts expect Chinese companiesâ€™ investments overseas to see explosive

growth in the next decade.

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