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MUST-WATCH TRENDS

SHAPING THE FUTURE OF CANADIAN BUSINESS

Advances in technology, changing demographics and the global recession have helped shape new consumer behaviours. Small and medium-sized enterprises (SMEs) must adapt to the new reality to benefit from the opportunities that await.

THE INTERNET REVOLUTION

50% OF CONSUMERS CONDUCT AN ONLINE SEARCH PRIOR TO A PURCHASE.

75% SAY THAT ONLINE RATINGS AND REVIEWS INFLUENCE THEIR BUYING DECISIONS.

CONSUMER OPINIONS POSTED ONLINE RANK #2 BEHIND PERSONAL RECOMMENDATIONS AS TRUSTED SOURCES.

“Review researchers”
A new shopping culture is emerging thanks to easy and affordable access to the Internet. Review researchers use the Internet to make buying decisions before, after and while shopping at retail stores.

“Smartphone shoppers”
Brick-and-mortar retailers now need to compete with online retailers within their own walls. Smartphone-toting shoppers use their devices to compare in-store prices to online deals and to research in-store purchases.

Price discount
is enough to make a consumer buy a product online instead of in store.

Almost 1/3 of smartphone users prefer to turn to their device for product information instead of asking store employees.

More than 1 in 10 consumers admit to using stores to test a product before buying it online, a trend called “showrooming.”

\$5.4 billion (2012) — INTERNET RETAIL SALES — **+ \$10 billion** (2020)

THE “HEALTH MANIA”

“MEAL REPLACEMENTS” ARE OVERTAKING WEIGHT LOSS SUPPLEMENTS AS A MEANS OF SHORTCUTTING WEIGHT LOSS.

33% OF CANADIANS ARE WILLING TO PAY A PREMIUM FOR HEALTH-ENHANCING PRODUCTS.

25% BY 2031, 25% OF CANADIANS WILL BE OVER 65 YEARS OLD - MEANING THIS HEALTH TREND WILL ONLY ACCELERATE.

Pick and choose
Acute awareness of health has completely transformed food demand and shifted eating habits from processed convenience food to fresh produce, and from soft drinks to bottled water.

Get off the couch
The health-toward wellness has created a new market for health-monitoring equipment and applications. Canadians are getting active, driving sportswear sales and creating a new fitness culture.

4 out of every 10 dollars spent in the global weight loss and diet management market are spent on devices and accessories.

~\$1.3 billion in sales of health and wellness smartphone apps was spent in 2012.

\$5.4 billion in sales of athletic apparel, including performance footwear and sportswear, in 2012.

\$935 is the average annual per capita spend on health and wellness (up from \$818 in 2007).

~\$735 million was spent in the health tourism market, including spa services, medical tourism and specialty menus.

THE “MADE-IN-CANADA” ADVANTAGE

97% OF CONSUMERS DECIDE TO BUY LOCAL TO SUPPORT THE LOCAL ECONOMY.

87% OF CONSUMERS THINK IT IS BETTER FOR THE ENVIRONMENT.

45% OF CONSUMERS MADE AN EFFORT TO BUY CANADIAN PRODUCTS IN THE PAST YEAR.

Buy local
A majority of Canadians have made an effort to buy local or made-in-Canada products recently. Consumers in Quebec and Atlantic Canada lead the way.

Consume responsibly
Consumers have changed their everyday habits, integrating environmentally responsible practices into their lifestyles. They expect companies to do the same.

Ask for transparency
Consumers are now taking control of corporate visibility, using the Internet to research corporate practices.

+50% of global consumers take “green” factors into account when making purchasing decisions.

60% of Canadians consider themselves ethical consumers.

75% of consumers said they would pay more for products or services from a socially responsible company.

33% of consumers have researched a company’s business, social or environmental practices in the past 12 months.

90% would stop buying products from a company if they learned it was using deceptive or irresponsible business practices.

CUSTOMIZATION IS KING

2013 IN 2013, NEARLY 75% OF CONSUMERS WANT PERSONALIZED PRODUCTS AND SERVICES.

CONSUMERS ARE MOVING AWAY FROM THE TRADITIONAL CONSUMPTION OF STANDARDIZED, MASS-PRODUCED PRODUCTS.

Excessive variety
Companies are diversifying their product lines to respond to almost every consumer taste.

Mass customization
By delivering made-to-order products, companies are able to increase their margins and minimize risk.

Only 1 in 3 consumers consider the brand a key deciding factor.

Nearly 75% of consumers want personalized products and services.

Up to 20% increase in average order sizes as a result of mass customization of products.

THE THRIFTY CONSUMER

2/3 OF CANADIAN CONSUMERS CONSIDER A LOW PRICE A KEY FACTOR INFLUENCING THEIR PURCHASE DECISIONS.

42% SEARCH ONLINE TO MAKE SURE THEY ARE GETTING THE BEST PRICE.

THE MORE EXPENSIVE THE PURCHASE, THE MORE LIKELY CUSTOMERS ARE TO PRICE-CHECK ONLINE.

Frugal is the new rich
“Frugal” habits are now badges of honour consumers wear with pride.

The sharing economy
Budget-conscious consumers are choosing to share, trade or rent goods and services rather than buying them. This usage-based consumption model is leading to new business opportunities.

Support your economy
Driven by a desire to support the local economy, the buy-local trend has consumers seeking and willing to pay a premium for local products.

Since the recession consumers have become more aggressive bargain seekers.

50% of consumers see it as a way to generate extra income.

47% of consumers still seek stores in their local area, despite the online shopping trend.

Group couponing has emerged as the thrifty way to make impulse purchases.

US\$3.5 billion By 2013, the “Sharing Economy” will reach an estimated US\$3.5 billion.

Locally owned businesses can directly recirculate up to one-third of their revenues in the community.

Want to know more about these emerging trends and how to leverage them for your business? Download the complete report at bdc.ca.

The Business Development Bank of Canada (BDC) is the only bank exclusively dedicated to entrepreneurs.