Global Trends - Wine Industry Key Elements

Economies and Consumers Expert Predictions for 2016

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- The migrant crisis will continue in 2016 with another record year registered for the number of global refugees and asylum seekers.
- The Chinese working-age population is set to decline from 2016 for the first time as the country’s ageing trend takes hold.
- Consumers can expect a greater integration of loyalty within mobile wallets as aspiring providers seek to spur consumer adoption. Despite progress, the era of one-on-one consumer engagement will remain elusive for a few more years.
- S-commerce will continue to rise in 2016 as Western social players like Facebook, Twitter and Pinterest introduce buy-now buttons as part of a larger push to showcase their networks as an avenue for social-driven commerce.
- As digital life retains its grip and more shop for greater control of their lives though smart devices, a growing band of consumers, led by parents and health experts, are signposting the downsides, and will be urging more analogue time in 2016.
- Health consciousness has millions more wanting to eat greener, healthier and more local food with fast food chains starting to respond to try to boost consumer appeal and reverse a decline in sales.
- The BRIC markets will continue to lose their appeal to investors in 2016 at the expense of smaller emerging markets which are conducting more sweeping reforms.
- The gap between the percentage of the population with secondary education in emerging and developed markets will continue to narrow, showing a gradual leveling of global education standards.
- The income gap between men and women is set to widen further in 2016, largely as a result of deteriorating gender income disparity in Asia Pacific.
- Asia Pacific will record the strongest consumer expenditure gain of all regions in 2016. However, China’s consumer spending growth in 2016 will remain similar to the rate achieved in 2015, which is significantly below the pre-2015 growth trend.
- Although economic growth will slow further in China, growth of private consumption will continue to outpace real GDP growth.
- Emerging markets will put in divergent performances in 2016 with major economies such as Russia and Brazil shrinking, whilst the MINT economies strengthen.
- The smart home segment will see a major boost, in the form of a mainstream new product or a
big brand entering this market.

- Household energy costs (electricity, gas) will stagnate across most markets as global hydrocarbon prices remain low.
- Extended sanctions and low oil prices mean recession-weary Russian consumers will continue to face tough times in 2016. The government’s ‘import substitution’ programme—should spur development in local business, particularly in the food industry.
- A record number of Chinese consumers will travel to the USA for shopping holidays for the 2016 US-China Tourism Year. Most shopping sprees will occur in traditional hot spots but some more adventurous tourists may venture into ‘fly-over’ country.
- Shoppers will be highly price-sensitive but demanding the utmost in quality and indulgence. Middle class emerging market consumers will seek accessible luxury, while developed market consumers want premium products at the lowest possible prices.
- Expectations for status food will rise just as the ability to reproduce it at home declines. This increases demand for high quality food at minimum effort - eating out, using kitchen short cuts and buying quick fix gadgets.
- The storage and warehousing industry will continue to be reshaped by new data management tools, emergence of the Internet of Things (IoT) yet challenged by strained transportation systems. Storage and warehousing industry in China is forecast to grow fastest among top 10 biggest economies in 2016.
- The construction industry globally is forecast to accelerate in 2016 as demand stabilises, and labour shortages and price pressures will ease. India is set to be one of the most promising markets thanks to ongoing urbanisation and housing projects.
- Mobile will continue to take screen share from other digital channels as long as retailers feed consumers’ desire for a seamless, omnichannel experience. 2016 will see increased consumer attention on whole body wellness, including not only physical health but also a focus on mental well-being and making – or buying – time for oneself.