

RESEARCH

## Anxious, lost consumers hungry to connect: Forrester predictions for 2020

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Consumers are still unfulfilled as chief marketing officers race to invent content and experiences that are novel, delightful, hyper-personalized, memorably viral and delivered at the right time to ever-shrinking screens.

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That is the nub of a set of predictions from Forrester Research for customers in 2020. Clairvoyant CMOs who create and capture new types of value by tapping into consumers' sense of, and need for, purpose can change the game.

"We believe 2020 is the beginning of a turning point, where consumers, marketers and technology providers will become aware of the need to choose experiences that fulfill our human craving to cooperate with others for a greater purpose," said Forrester analysts James L. McQuivey and Anjali Lal in their "Predictions 2020: The Customer in 2020" report.

"Yet, we warn that appealing to human desires doesn't automatically mean that doing so is ethical it's only when genuine value flows from the technology experiences that firms create," they said in the report.

The past 20 years of digital disruption have given consumers solutions that were unimaginable at the turn of this century, the report said.

Consumers can now get more of what they want, more easily, more often, and at a lower cost than ever before. They are not happier today than they were 20 years ago. By some measures, they are less so. Why?

"Because humans are social animals who evolved to make decisions not just with themselves in mind but with an eye to the social impact of their choices," the analysts said.

"The recent rapid escalation of self-centered benefits has left behind their human need for affiliation and meaning."

**Forrester** made five predictions about consumers next year.

First, consumers will spend their tech time behind closed digital doors with people they care about.

"Welcome to digitally enabled group personalization, something at which Peloton already excels," the report said.

"Today's digital tools either make people feel like an undifferentiated mass such as when they search on Google or cause them to feel isolated and hyper-individualized.

"In 2020, consumers will seek meaningful group identity. For example, the percent of social media time that consumers spend on the public Internet will drop, replaced by a rise in closed social media experiences like private Facebook groups or Marco Polo asynchronous video chats."

Marketers that learn how to craft group-targeted experiences instead of merely personalized messages will have a new powerful method for reaching people in the context of their identities as Geminis or their participation in their ancestral folk dances.

Second, consumers will attach their hopes to brands that spark joy in them directly.

Brands such as Coca-Cola previously associated themselves with a sense of joy. But they did not provide the tools for achieving that joy because people had plenty of ways to seek joy in their personal lives, from their support of the girl scouts to their coaching of the local lacrosse club.

The slow evaporation of many of those avenues has left people with less tangible proof that the world is a collectively hopeful place, letting their instinct for hope fly loose in the wind, unattached, Forrester said.

"In 2020, more brands will help them tie that hope to a real source of joy," the analysts said.

"Under Armor is now a brand that actively provides you with the tools to achieve and monitor your fitness performance, giving customers something to attach their hopes to. Others will follow."

Third, consumers will want to be part of the service a company offers, not just a recipient.

"In the self-centered world where, through diligent customer experience effort, everything is easy and friction-free, we paradoxically run the risk of making people feel like they are the center of what is ultimately a hollow universe," Mr. McQuivey and Ms. Lal said in the report.

"At Apple's September 2019 iPhone and Apple Watch event, the company subtly demonstrated an awareness that the customer does not want to merely be served; more and more, they want to be part of the service," they said.

"The masterful strategy of inviting Apple Watch Series 5 customers to volunteer their health data to support research that is already saving lives today makes the customer a partner in generating value, not just receiving it."

Fourth, consumers have hit the limit of values-based companies that they will open their wallets for.

This all makes it sound like customers will approach all buying decisions with an increased sense of purpose that they will apply to anything, from buying toothpaste to choosing a paint color for the nursery, the report said.

"While some consumers live in that extreme world, most do not and will not," the report said. "They want group identity, hope and to contribute to a positive future. But their resources still have limits.

"There will be a point of diminishing returns past which the marginal utility of buying one more purpose-filled product or joining one more meaningful group will approach zero.

"That limit will likely be in the single digits, probably seven or fewer. So while big brands, spurred by years of mounting pressure from values-based consumers, increasingly take bold action to showcase their values, only brands that move with notable swiftness and authenticity will capitalize on this consumer demand."

Finally, consumers will open up to brands or bots that meet their need for meaning, perhaps dangerously so.

As technology becomes more human-like think robots with facial expressions, A.I.-enabled services that perform sophisticated tasks, smart devices that talk back consumers will project their emotional needs for hope and meaningful group identity onto these entities, the report said.

As a result, consumers will become less adept at and less driven to distinguish between human-generated experiences and tech-generated ones, putting brands such as Hyatt Hotels at an advantage because they seamlessly blend the two.

"This also means that many consumers will fall prey to human-like, machine-based exploitation schemes like deep fakes and other technologies over the horizon," the report pointed out.

"The backlash here will come from tech companies that adopt policies and develop experience nudges like

Pinterest's All caught up' feature designed to keep people away from the dark allure of human-seeming tech."

THE KEY takeaways from the report are simple.

In essence, consumers' urge to restore meaning creates group-level digital personalization. Consequently, consumers move from being recipients of brand experiences to participants in them. Not surprisingly, all of this makes consumers more susceptible to a manipulated reality.

"Consumers' hunger for uplifting emotional experiences will combine with the rapid sophistication of digitally mediated reality, dissolving the line between human and robot-powered experiences," Mr. McQuivey and Ms. Lal concluded in their report.

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