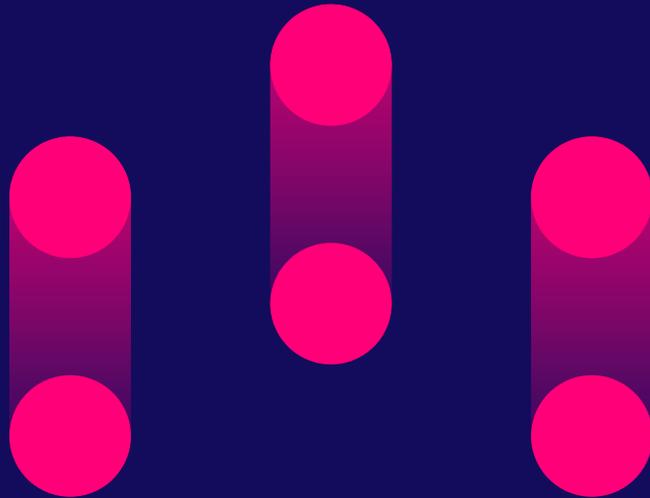


Connecting the dots

Consumer trends that will shape 2020

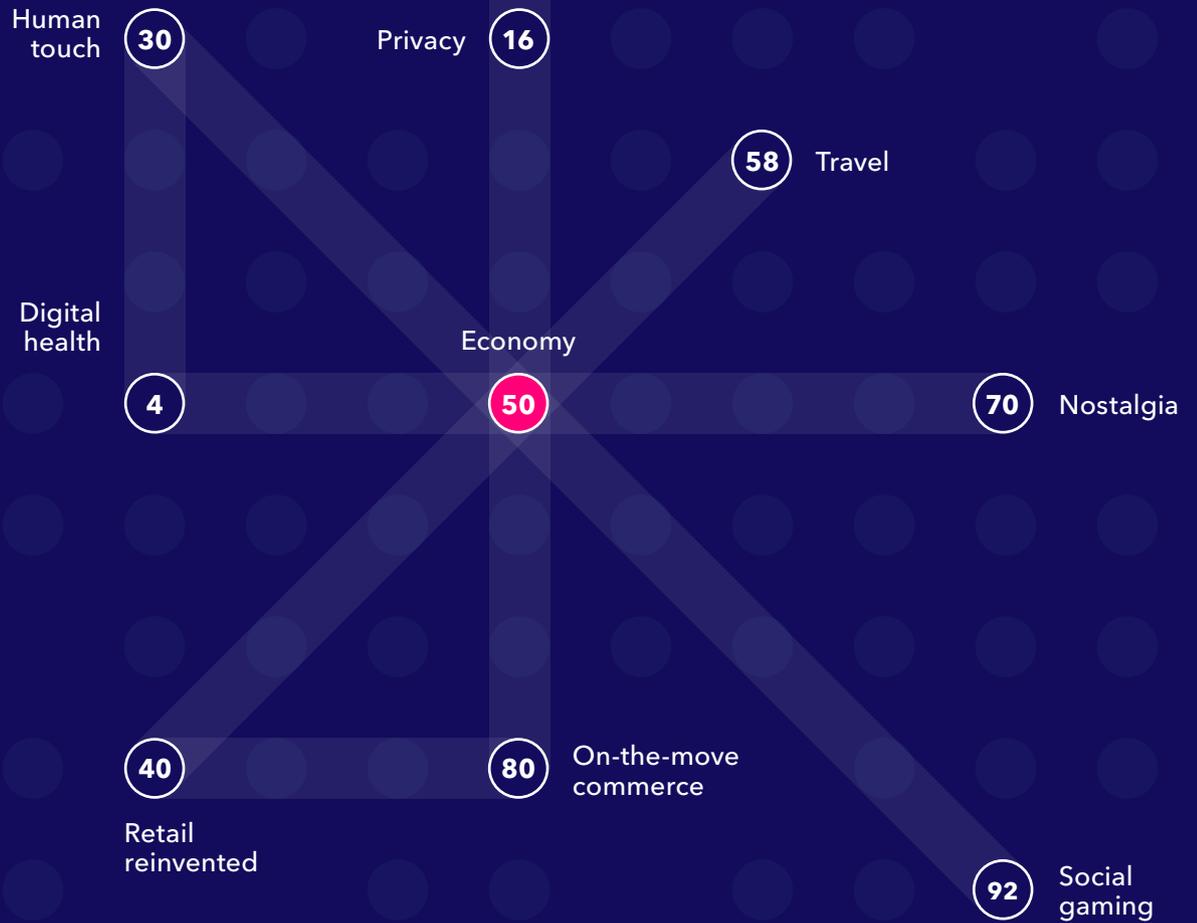


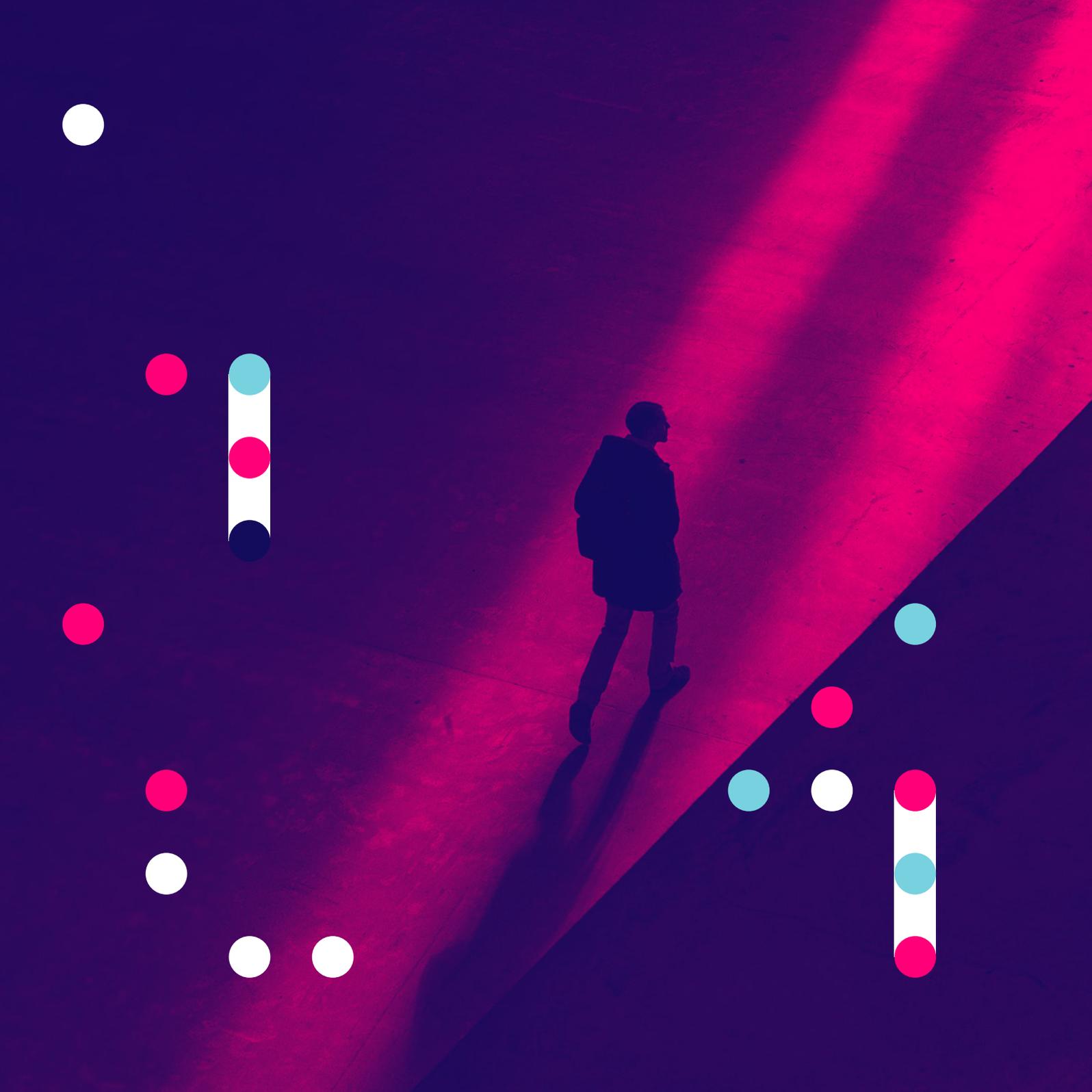
Like the world at large, data can seem intimidating and indecipherable. But it can be made easier to understand when you spot the connections. Hence the new identity for our end-of-year trends report, which encapsulates how we approach research and forecasting at GlobalWebIndex. Finding order in complexity, identifying related trends, and above all, delivering clear, powerful insights to our readers.

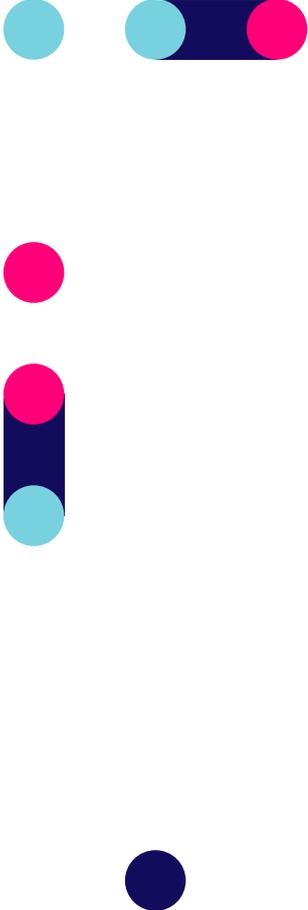
Contents



Intro







Intro.

In recent memory, a lot of predictions have been made about the innovations and trends we'd see by 2020. Some of these must have appeared a little outlandish at the time, but have nevertheless proved pretty accurate. We are indeed seeing AI and automation threaten job security, for example. And yes, we're witnessing industry **tie-ins** and **funding** rounds for flying cars.

Other predictions have remained further from the mark. Thankfully, we're not having to compete with intelligent apes for manual labor (as **envisioned** in 1967). Nor do we all have our own personal helicopters (as **anticipated** in 1951).

Perhaps the biggest lesson from the historical predictions about 2020 is that the underlying themes that drive trends can be predicted with more certainty than their exact manifestations. That's true even of the stories we picked a year ago for 2019.

Naturally, we're thrilled that some of them were spot on. We said esports would enter the mainstream; our latest research shows esports viewership has increased by 50% year-on-year, with China and South East Asia continuing to be the engine for the trend's global growth.

We've witnessed the Fortnite World Cup and the now-millionaire prize-winner Kyle Giersdorf appearing on *The Tonight Show*. *The Washington Post* started hiring dedicated reporters, and esports even made its way onto *The Simpsons*.

We also suggested that the **"social" aspect** of social media would continue to become less important; as we **covered** again recently, it is indeed evolving into a one-stop-shop for many other daily needs, while personal communication continues its migration to dark social.



But there were also places in our 2019 trends where we backed the right themes, but over-anticipated the speed of change or were perhaps a little too prescriptive.

So, while unease with **data privacy** remains pertinent, **data monetization** for consumers is yet to be realized. Similarly, more internet users now own a cryptocurrency and its investor base is more gender-balanced than ever, but growth has been more modest than we might have anticipated.

Voice technology has had another year of incredible growth, but is yet to become ubiquitous in our lives, or have an obvious path to monetization (not that this has stopped anyone trying, with Amazon's **spate** of recent hardware announcements underlining its commitment to making Alexa your go-to interface).

“
Technology
is a double-
edged sword
”

For 2020, then, what's the biggest theme that we should be keeping on our radar?

Like many other trends forecasters, we could say that we will find ourselves in an increasingly complex and transformative world. We could point out that technology will continue to extend its influence into every part of our lives. But none of that would be terribly original.

For us, it's the consumer's struggle between optimism and pessimism which will take center stage in 2020.

In a world of near-perpetual connectivity, a growing tech-induced anxiety should not come as a surprise. Clearly, though, there's an expanding consumer segment who feel like they're being left behind by industry innovation.

Technology is a double-edged sword. And it's this struggle between positivity and negativity which recurs throughout our report - whether that's in the economy, in healthcare, in the digital space, in privacy, or in anything else with a future focus.



Jason Mander
Chief Research Officer

01



Katie Gilsean

What's up, doc?

01

How digital technologies and AI are changing healthcare





Having an appointment with your doctor online will become as normal as making a payment on an app or booking a taxi through Uber. That's the future of healthcare.

With the advent of new technologies such as Artificial Intelligence (AI), **telehealth**, and robotics, not to mention non-traditional entrants like Apple and Google, healthcare – as we know it – is changing.

But this change isn't happening in a vacuum. Tech in healthcare is solving a problem. According to the World Health Organisation, global healthcare spending reached **\$7.5 trillion** in 2016, representing 10% of global GDP. There are several factors contributing to healthcare costs, such as growing and aging populations and the increase in chronic diseases, to name a few. As a result, hospitals and physicians alike are under immense strain.

Technology can play a key role in addressing these challenges. It has the potential to redefine the healthcare system; offering greater preventative and precise care, an improved patient experience, and considerable efficiencies across the board.

There's plenty of conversation around healthcare from an industry point-of-view, but consumer perspectives are relatively limited, and that's where our research comes in.

70% of internet users in the U.S. and the UK believe technology will play a key role in managing their health and wellbeing in the near future.



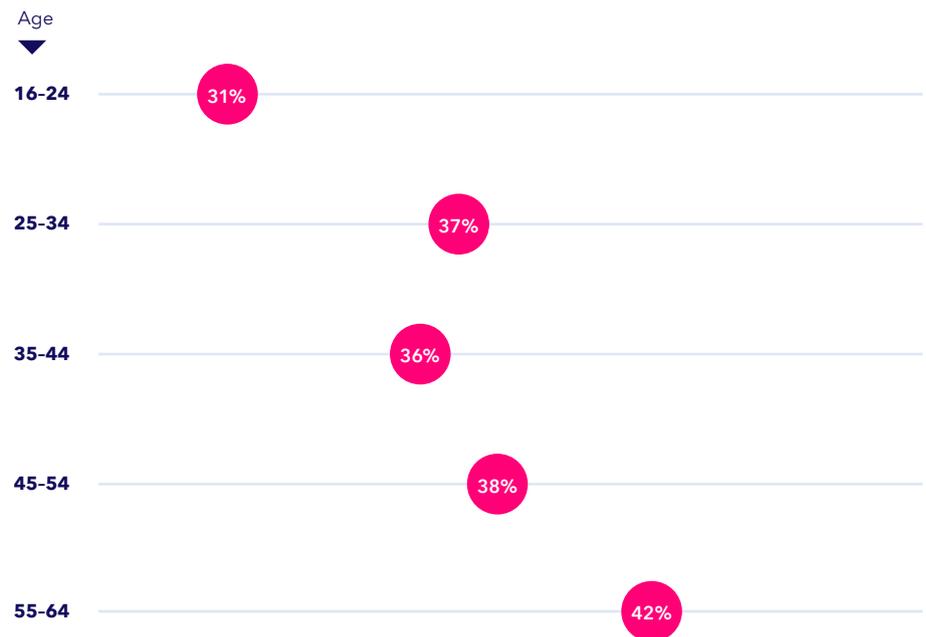
It's time to take control of our health

Consumers are increasingly expecting the same digital experience in all aspects of their lives. We're able to use our mobile phones for banking activities and to shop online without stepping outside our front door, so why should healthcare be any different? With healthcare spending escalating, it's now more important than ever to empower consumers to manage their own health. Our global research reveals 36% of consumers are using the internet to research health issues and healthcare products, jumping up to 42% for users aged 55-64, where a focus on health becomes even more crucial.

We've also found three-quarters of consumers use information or recommendations found online to help them decide which medicines to buy. This isn't restricted to younger internet users either - 66% of 55-64s rely on online medicine information/recommendations. This reinforces the vital role the internet plays in healthcare research and education across all age brackets. Access to relevant information helps consumers make more informed decisions and ask the right questions, which are both essential measures in fostering preventative and efficient care.

Researching health issues is a key reason for using the internet

% of global internet users who say researching health issues is an important reason for using the internet



SOURCE: GlobalWebIndex Q2 2019
BASE: 115,963 internet users aged 16-64



Conversations turn digital

For years, healthcare has traditionally operated as a reactive bricks-and-mortar model, which makes sense because they're very complicated systems with many moving parts.

But consumers are now ready for change and they're eager to embrace digital technologies. We asked consumers in the U.S. and UK which digital technologies would help them manage their health more effectively, and our findings indicate accessibility to doctors and their health information are most in demand.

One of the most exciting developments in healthcare for 2020 will be telehealth.

Half of U.S. and UK consumers say the ability to consult with a doctor by a phone/video call instead of in-person would help them manage their healthcare more effectively.

We asked consumers whether they've tried a digital health service that allows them to consult with their doctor via video or phone call, and while 55% said they haven't tried it yet, they'd consider trying it in future. A further 13% said they've already tried it and would recommend it to others. This shows significant appetite for "digital" appointments. Interestingly, the ability to consult with a doctor by phone or a video call is less sought after by 16-24s (36%) compared to 55-64s (50%). The main benefits for consumers who have used or would consider using digital appointments are that it's more convenient (63%), it frees up their time (55%), and it offers more flexibility with appointment times (52%).

There's strong demand for digital health technologies

% of internet users in the U.S./UK who say the following health technologies could help them manage their health more effectively

SOURCE: GlobalWebIndex August 2019
BASE: 2,705 (U.S.) & 2,933 (UK) internet users aged 16-64

51%

The ability to find doctors and make **appointments online**

50%

The ability to access all of my health **information online**

50%

The ability to consult with a doctor by a **phone/video call**

49%

The ability to complete any **paperwork online** in advance of my appointment

48%

The ability to order **prescription refills** through a smartphone app

48%

The ability to **communicate electronically** (e.g. texting, email or social media) with my doctor

45%

A **symptom checker** to help decide if I need to see a doctor

43%

A **wearable device** that connects with my smartphone to monitor health

42%

A **health tracking app** to help manage my health

36%

A **digital health assistant** (e.g. chatbot) that can offer health advice and information

34%

A **digital health coach** that could help me manage chronic disease/pain

6%

I don't think **any of the above** could help me manage my health more effectively



Half of
U.S. and UK
consumers say
the ability to
consult with
a doctor by a
phone/video
call instead of
in-person would
help them
manage their
healthcare
more effectively.

Babylon Health is a notable disruptor in the digital health space. The UK startup, which works in partnership with the National Health Service (NHS), offers 24/7 access to medical professionals through video or phone calls, and has an AI-based symptom checker that offers guidance for patients. The company recently achieved **unicorn status** with plans to expand into the Middle East and Asia, so we can expect these kinds of services to become more mainstream next year.

Our research indicates digital health services could help alleviate consumers' frustrations and issues that plague the healthcare industry. In the UK, the major frustration consumers have with their healthcare experience is that it takes too long to get an appointment; this is largely because most consumers use public healthcare like the NHS, which is under serious pressure.

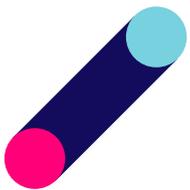
With digital health services, consumers don't have to wait weeks to get an appointment or spend hours in a waiting room. This also has benefits for the healthcare system more broadly. By handling minor patient issues digitally, it helps to free up doctors' time to focus on more urgent cases in-person.

In the U.S., meanwhile, the biggest frustrations among consumers are expensive treatment options and the rise in health insurance costs. Consumers' frustrations aren't surprising given the average annual healthcare costs in the U.S. were **\$10,739** per person in 2017, according to the Center for Medicare and Medicaid in the U.S., and these costs are rising. Digital services can help reduce these frustrations and offer cost-efficient healthcare that's more accessible for everyone, even those that live in remote locations.



As with everything, digital health services aren't perfect. One of the potential downsides is it removes the face-to-face, personal interaction a patient has with their doctor. It's clear from our research consumers' first preference for communicating with their doctor in future is still in-person. This highlights that even though digital services will become a core part of healthcare moving forward, the human touch can't be replaced.

Being able to communicate with doctors digitally is just one piece of the solution though. Half of consumers say the ability to access their health information online would be beneficial in managing their health. Additionally, around 7 in 10 of consumers are happy to have their health data made accessible through their smartphone. Having a cloud-based, centralized and secure electronic health record could be key in helping consumers actively engage in their own wellbeing and provides a sense of reassurance and ownership. **Apple, Google and Microsoft** are working toward giving patients access to historical health insurance claims from their devices, providing users with more data portability and choice in how they access their own information.



The benefits and drawbacks of AI in healthcare

% of internet users in the U.S./UK familiar with AI who say the following are the top benefits/challenges of AI applications in healthcare

SOURCE: GlobalWebIndex August 2019

BASE: 1,974 (U.S.) & 2,053 (UK) internet users who are familiar with AI aged 16-64

Benefits Concerns

52%

Ability to detect hidden **patterns** that humans miss

47%

Ability to **automate routine** tasks for staff

46%

Reduces the rate of **human errors**

45%

Ability to perform with **greater precision**

42%

Ability to predict **future occurrences** based on data

51%

Privacy and security concerns

48%

Doctors might become too **dependent** on them

47%

Concerns with **accuracy** of AI

46%

Might reduce personal **face-to-face interactions**

46%

The **cost** of building and maintaining machines



Did someone call for an AI doctor?

AI is positioned to reshape the healthcare landscape in areas like early diagnosis, automation of tasks, development of new medicines, and precision surgery. One of the most prominent and exciting applications of AI is machine learning and deep learning, both of which can analyze enormous amounts of data, learn from it, and make entirely new predictions.

To really understand the role of AI in healthcare, we analyzed consumers' perceptions of AI in this space, and what they think the main benefits and challenges are.

Around 6 in 10 of consumers agree AI and machine learning will reshape the healthcare environment within the next 10 years.

Tech giants and health providers alike are already utilizing the power of AI. For example, the UK's NHS announced plans to **invest** £250 million in a healthcare AI Lab, and Google is **applying AI** across all parts of the health industry.

Our research reveals that the perceived benefits of AI among consumers are mainly centered around its ability to offer greater preventative care and generate greater efficiency. While AI has many potential benefits, implementing it also comes with its own set of challenges, and not just from a cost or infrastructural perspective.

For consumers, privacy and security issues are their biggest concern overall (51%). AI and machine learning require huge amounts of data to learn and improve, so ensuring patient privacy is essential. Additionally, close to half of consumers worry doctors might become too dependent on AI and have concerns with its accuracy.

To test this, we outlined a thought experiment that said the consumer was due to have a minor surgical procedure and they have two choices of surgeons, a human surgeon or an AI-driven robot. They've heard the AI could perform the surgery more precisely than the human could and we asked them which they would choose. We found that 45% of consumers would still choose the human to perform the surgery, while 28% remained unsure. This demonstrates consumer confidence and understanding of AI in healthcare has a long way to go.

While consumers' concerns with AI are valid, it's important to note that AI isn't expected to go it alone. With the appropriate applications across healthcare, AI might have the power to free up doctors' time when it comes to administrative tasks and perform greater precision surgeries, but it will always need some form of human input. In an ideal world, AI and humans will work together and complement each other, and that's where we'll really see the capabilities of AI shine.

Around
two-thirds
of consumers
agree AI and
machine learning
will reshape
the healthcare
environment
within the next
10 years.



Tech giants are getting healthy

The biggest players in the healthcare space aren't traditional pharma companies. It's the likes of Google and Amazon who are some of the most disruptive challengers.

Using its three healthcare subsidiaries, Google is gearing up to use **AI and data** to tackle various diseases and illnesses like lung cancer and is reframing how we process and analyze healthcare data. The company has also recently **hired** its first Chief Health Officer.

Amazon is using its ecommerce expertise to disrupt areas like the pharmaceutical supply chain and using its voice-controlled smart speaker Alexa in medical capacities. In July this year, Amazon **signed a deal** with the NHS that will see its voice assistant used to offer health advice for patients who can't easily access information online. More recently, Amazon has started offering telemedicine services to some of its employees through **Amazon Care**.

However, these companies have a significant hurdle to overcome: data privacy. The large-scale privacy breaches and issues coming to light across a wide number of tech companies haven't gone unnoticed by consumers. As highlighted above, the biggest worry consumers have with AI in healthcare is privacy and security – a worry that extends to tech companies too.

The vast majority of consumers are comfortable sharing their data with their healthcare provider, but this dips significantly for technology firms. Our research uncovered 39% of consumers don't feel comfortable sharing their health data with technology firms, and a further 26% are unsure how they feel. In fact, consumers are actually more comfortable sharing their data with an AI research firm than a technology firm. Consumers are less likely to be familiar with an AI firm than a well-known tech brand so this highlights a significant trust issue.

This poses considerable challenges for tech companies. Google and Amazon simply can't bring their health plans to life without consumer data. So while they're making considerable investments in healthcare, the biggest issue will be securing consumer confidence to be able to deliver on their ambitions. Health data is the new currency for any company or health provider looking to make headway in this industry, so protecting it is fundamental.

We know technology and AI will play a key role in healthcare moving forward into next year, but it's important to recognize its limitations. Consumers appreciate the convenience that technology offers, but a personal human touch can't be replaced, at least for the foreseeable future.

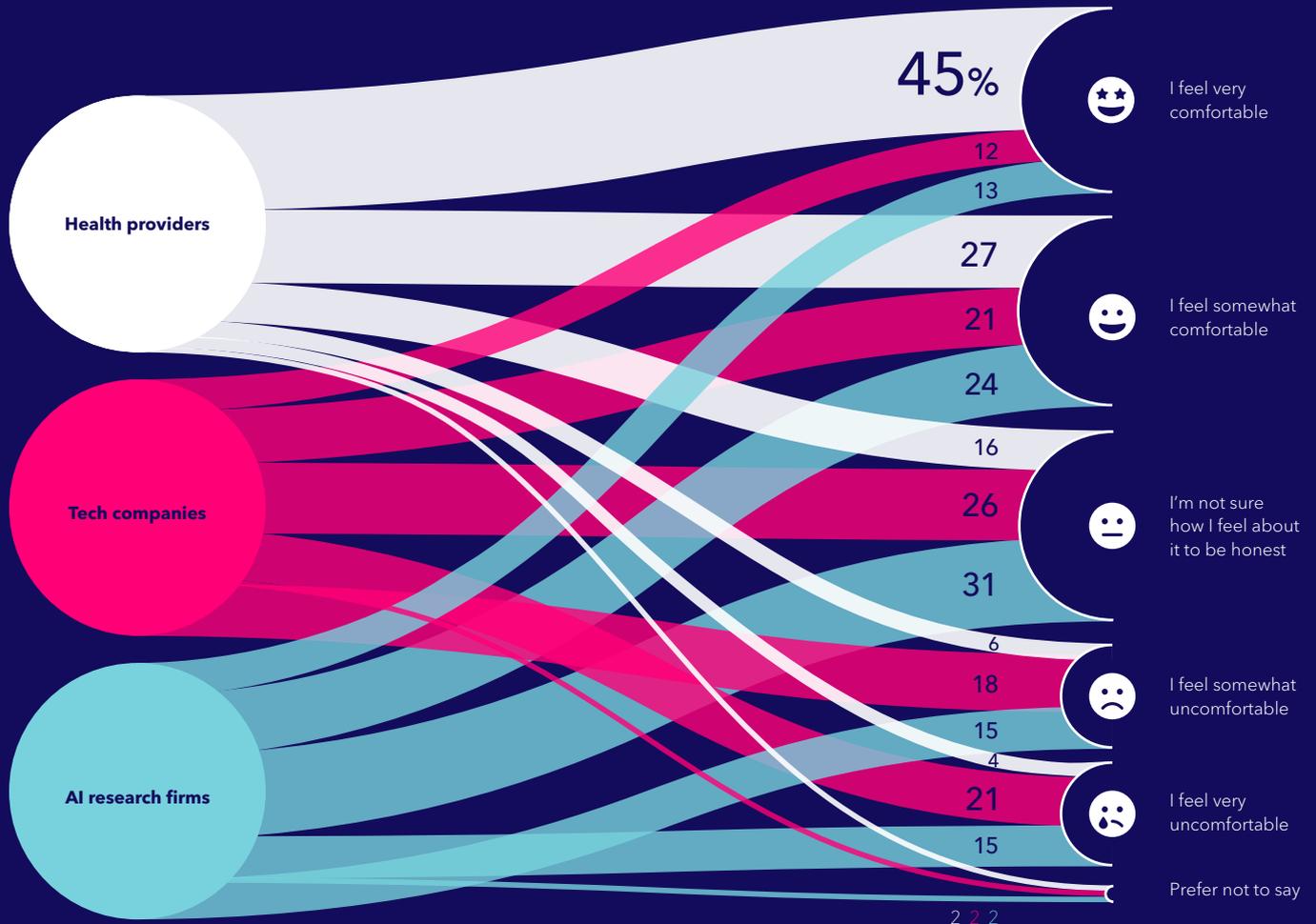
How do consumers feel about sharing their health data?

% of internet users in the U.S./UK who say they feel comfortable/uncomfortable sharing their data with the following companies

SOURCE: GlobalWebIndex August 2019

BASE: 2,705 (U.S.) & 2,933 (UK)

internet users aged 16-64



02



Chase Buckle

Privacy in a cashless future

02

Examining where data privacy meets digital currencies







The phrase “online privacy” most likely conjures up thoughts of cookies, targeted advertising, data breaches and possibly even democratic manipulation. Under this paradigm of privacy, big tech monitoring our every online move has been firmly in the spotlight.

We have our individual online identities, composed of everything from our social media profiles, our “likes”, “follows”, video views, and playlists, to our every click, ad impression and online purchase. We recognize that these seemingly mundane actions have value to the companies who track them to improve their services or sell ads, and to some extent we can **control** our online identities.

In 2020, the spotlight might begin to move from what we’re looking at online, to what we’re paying for in our day-to-day lives, whether that’s offline or online. It might soon be the case that we’ll also be increasingly conscious of controlling our *financial identities* too.



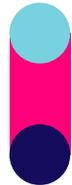
A tale of two tech hubs

Two **major new cryptocurrency proposals** are on the horizon that sit at the heart of this trend. The first, Facebook’s Libra, is emerging out of Silicon Valley.

The second, the Chinese government’s aptly named Chinese Central Bank Digital Currency (CBDC), will be tested in the world’s upcoming tech hub, Shenzhen in Southeastern China.

Both could improve the lives of countless individuals and inject much-needed convenience into a traditionally cumbersome industry.

They’re already beginning to dominate conversations surrounding surveillance, anonymity and privacy, leading consumers to become more wary of how they choose to spend their money.





The move to cashless societies

% of internet users in the following markets who have done the following on their mobile in the past month/who own a cryptocurrency

Global				Key:											
47%	27%	7%		↔ Transferred money to family/friends	✔ Used a mobile payment service	💰 Own a cryptocurrency									
↔	✔	💰		● Below global	● Same as global	● Above global									
Argentina				Australia			Austria			Belgium			Brazil		
28%	18%	10%		45%	17%	5%	27%	23%	7%	44%	15%	5%	41%	27%	9%
↔	✔	💰		↔	✔	💰	↔	✔	💰	↔	✔	💰	↔	✔	💰
34 th	29 th	4 th		20 th	31 st	28 th	36 th	17 th	15 th	21 st	39 th	29 th	26 th	10 th	8 th
Canada				China			Colombia			Denmark			Egypt		
40%	17%	4%		62%	37%	6%	38%	16%	9%	69%	32%	5%	17%	12%	3%
↔	✔	💰		↔	✔	💰	↔	✔	💰	↔	✔	💰	↔	✔	💰
29 th	32 nd	35 th		5 th	3 rd	20 th	30 th	36 th	9 th	1 st	6 th	30 th	44 th	43 rd	41 st
France				Germany			Ghana			Hong Kong			India		
22%	11%	3%		20%	22%	4%	41%	10%	8%	48%	41%	5%	51%	35%	7%
↔	✔	💰		↔	✔	💰	↔	✔	💰	↔	✔	💰	↔	✔	💰
41 st	44 th	42 nd		42 nd	22 nd	36 th	27 th	45 th	11 th	18 th	1 st	31 st	13 th	5 th	16 th
Indonesia				Ireland			Italy			Japan			Kenya		
51%	26%	10%		44%	21%	4%	26%	17%	4%	4%	17%	5%	58%	17%	6%
↔	✔	💰		↔	✔	💰	↔	✔	💰	↔	✔	💰	↔	✔	💰
14 th	11 th	5 th		22 nd	24 th	37 th	37 th	33 rd	38 th	45 th	34 th	32 nd	7 th	30 th	21 st



SOURCE: GlobalWebIndex Q2 2019 BASE: 139,658 internet users aged 16-64

<p>Malaysia</p> <p>57% 21% 8%</p> <p>↔ ✓ \$</p> <p>9th 23rd 12th</p>	<p>Mexico</p> <p>41% 23% 7%</p> <p>↔ ✓ \$</p> <p>28th 16th 17th</p>	<p>Morocco</p> <p>19% 16% 3%</p> <p>↔ ✓ \$</p> <p>43rd 37th 43rd</p>	<p>Netherlands</p> <p>49% 13% 6%</p> <p>↔ ✓ \$</p> <p>16th 41st 22nd</p>	<p>New Zealand</p> <p>55% 18% 3%</p> <p>↔ ✓ \$</p> <p>11th 28th 44th</p>
<p>Nigeria</p> <p>49% 12% 12%</p> <p>↔ ✓ \$</p> <p>17th 42nd 2nd</p>	<p>Philippines</p> <p>50% 25% 16%</p> <p>↔ ✓ \$</p> <p>15th 14th 1st</p>	<p>Poland</p> <p>42% 28% 7%</p> <p>↔ ✓ \$</p> <p>24th 9th 18th</p>	<p>Portugal</p> <p>42% 19% 8%</p> <p>↔ ✓ \$</p> <p>25th 26th 13th</p>	<p>Romania</p> <p>26% 14% 9%</p> <p>↔ ✓ \$</p> <p>38th 40th 10th</p>
<p>Russia</p> <p>62% 25% 2%</p> <p>↔ ✓ \$</p> <p>6th 13th 45th</p>	<p>Saudi Arabia</p> <p>37% 26% 4%</p> <p>↔ ✓ \$</p> <p>31st 12th 39th</p>	<p>Singapore</p> <p>56% 31% 7%</p> <p>↔ ✓ \$</p> <p>10th 7th 19th</p>	<p>South Africa</p> <p>58% 15% 10%</p> <p>↔ ✓ \$</p> <p>8th 38th 6th</p>	<p>South Korea</p> <p>63% 30% 6%</p> <p>↔ ✓ \$</p> <p>4th 8th 23rd</p>
<p>Spain</p> <p>24% 23% 6%</p> <p>↔ ✓ \$</p> <p>40th 19th 24th</p>	<p>Sweden</p> <p>66% 16% 6%</p> <p>↔ ✓ \$</p> <p>2nd 35th 11th</p>	<p>Switzerland</p> <p>25% 23% 6%</p> <p>↔ ✓ \$</p> <p>39th 18th 26th</p>	<p>Taiwan</p> <p>33% 36% 4%</p> <p>↔ ✓ \$</p> <p>32nd 4th 40th</p>	<p>Thailand</p> <p>64% 38% 11%</p> <p>↔ ✓ \$</p> <p>3rd 2nd 3rd</p>
<p>Turkey</p> <p>53% 19% 8%</p> <p>↔ ✓ \$</p> <p>12th 25th 14th</p>	<p>UAE</p> <p>32% 22% 6%</p> <p>↔ ✓ \$</p> <p>33th 21st 27th</p>	<p>UK</p> <p>44% 22% 5%</p> <p>↔ ✓ \$</p> <p>23rd 20th 33rd</p>	<p>U.S.A.</p> <p>28% 19% 5%</p> <p>↔ ✓ \$</p> <p>35th 27th 34th</p>	<p>Vietnam</p> <p>48% 24% 10%</p> <p>↔ ✓ \$</p> <p>19th 15th 7th</p>



Cryptocurrencies are yet to deliver

People know that their financial transactions leave a trail, but they can rest assured that this information is only accessible by strictly regulated companies and national authorities.

Even for those who remain skeptical of the sanctity of their financial identities, cryptocurrencies like Bitcoin have recently offered them decentralized payment networks more conducive to anonymity. But just 7% of internet users globally say they're currently invested in at least one of the **countless** coins available.

A currency is typically defined as a medium of exchange for goods and services, but any cryptocurrency owner is extremely unlikely to start using their crypto-coins to purchase everyday items. Most retailers don't accept them. But even if they could find one, the **unpredictable** value of their coin renders it impractical for such a purpose compared to government-backed currencies, and they could end up missing out on **a lot of money** in the process. Even those cryptocurrencies which are pegged to the U.S. dollar do not have a use in everyday transactions.

That's where Facebook has hoped Libra could change things.

£ibra

At the time of writing, Facebook's Libra project is in stormy waters, and its future is uncertain. Theoretically, it could make Facebook the first non-state entity in history to introduce a currency directly rivaling government-backed currencies on the international stage.

This is a big deal.

Some nations, including the U.S. and China, have cited serious **concerns** over Libra's impact on their monetary sovereignty.

Sharing its namesake origins with the British pound sterling ("£" derives from "L"), Libra's meaning of "balance" clearly signals Facebook's **self-expressed** intention of bringing harmony to the international financial order.

Convenience is one of the main weapons in Facebook's armory - such a currency could seriously improve the cost, speed and simplicity of money transfers and transactions, and could even improve financial inclusion in underserved areas of the world thanks to its reach.

We can see that in a handful of our tracked markets internet users are more likely to have a Facebook account than a bank account, for example.

Don't make the same mistake as others framing the Libra concept as dystopian.

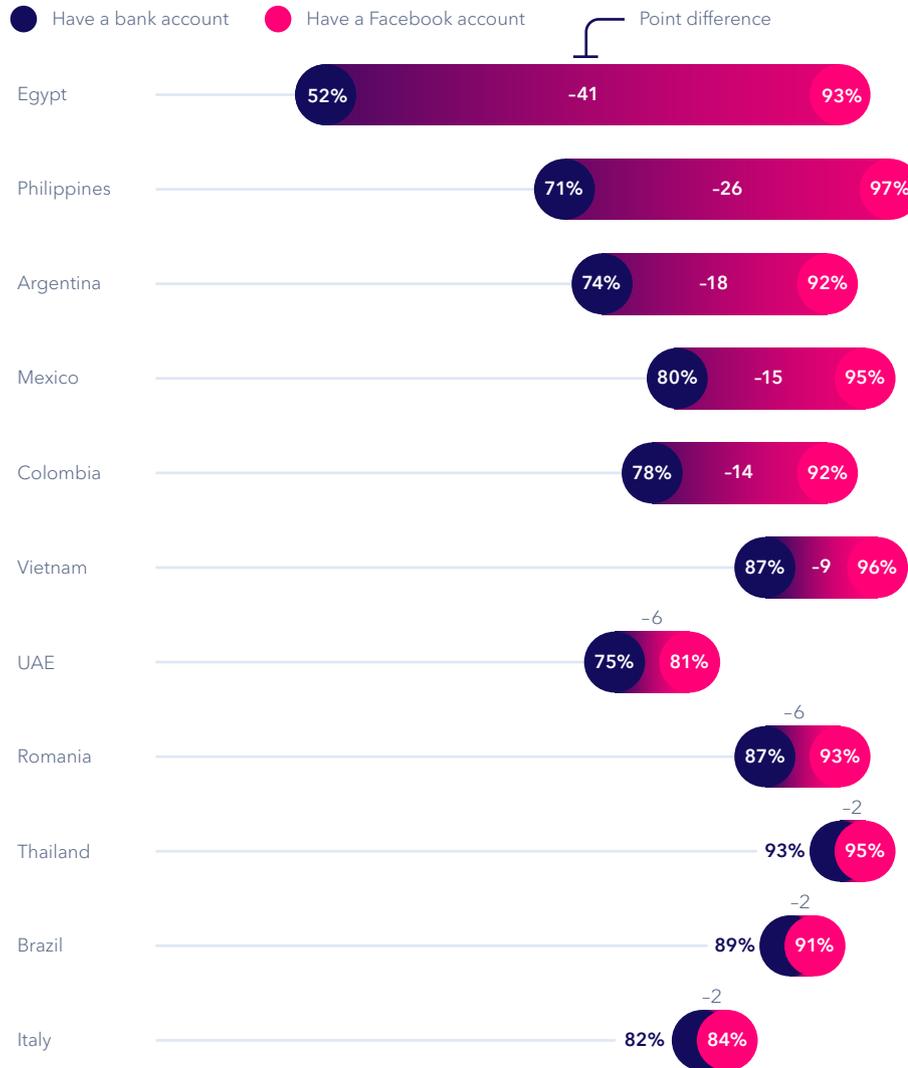
Libra is not operated by Facebook, *per se*. Facebook is just one of many members of the Libra Association responsible for validating user transactions, so it doesn't own or control that information. It's also insisted that it won't share account data between Libra and Facebook and it won't use the data to target ads, although skeptics have pressed the company for more **specific** details.

There are many upsides for such a concept. For example, Facebook could become an important commerce platform and ensure people remain within its ecosystem when they're purchasing products, just like WeChat does in China. This could pave the way for **social commerce** to reach similar heights as it has in China, and could even open up online business models in micropayments thanks to a reduction in transaction fees.



Financial inclusion

% of internet users in the following markets who say they currently have a bank account or Facebook account



SOURCE: GlobalWebIndex Q2 2019
 BASE: 139,658 internet users aged 16-64



Made in China

In another world-first, China is soon to become the first major country to issue a sovereign digital currency.

Thanks largely to Alibaba (Alipay) and Tencent (WeChat Pay), China has moved headfirst into a cashless future - 62% here have transferred money and 37% have used a mobile payment service in the past month.

Both proposed currencies state that user transactions will be anonymous. Although with a history of surveillance and a tightly **censored internet**, the ability to monitor exactly where and how people spend money might grant the Chinese state unprecedented control over its populace.

Like with any other surveillance tool deployed by the Chinese state, such as **facial recognition technology** or a social credit system, the world will be taking note of the potential impact of this technology on personal liberty. This will inevitably increase the scrutiny and distrust around governments or companies considering the same technologies.

To understand the challenges such currencies face, it's important to understand what privacy means to those who say they're concerned about it.



Privacy is a known unknown

It's said that most people fear what they don't understand, and this certainly seems to be the case for **online privacy**.

The increasing complexity of data collection capabilities is causing understanding of the issue to lag, and consumers also display an element of hypocrisy on the matter.

We only need to look to how people respond to opt-in consent forms when first visiting a website to understand consumer sentiment. Given the opportunity, many consumers in the UK and U.S. will try to limit their data sharing by clicking "manage preferences" to select which data the website can access (28%). But 25% say they don't think about it and just click "accept" to proceed, and 16% just click "accept" because they find it confusing. So it's only a minority of people who are concerned enough to take action.

Internet users are now more likely than ever before to say that they just don't understand new technology (25% do). It's the so-called "digital natives" who are most likely to feel this way, because with more familiarity around technology comes more of an understanding of how much we might not know. Tellingly, when asked whether people feel in control of their personal data online, internet users in the UK and U.S. were more likely to say they do not feel in control. In fact, 40% do not feel that they have oversight of their data sharing, compared to 32% who do, and 29% who aren't sure.

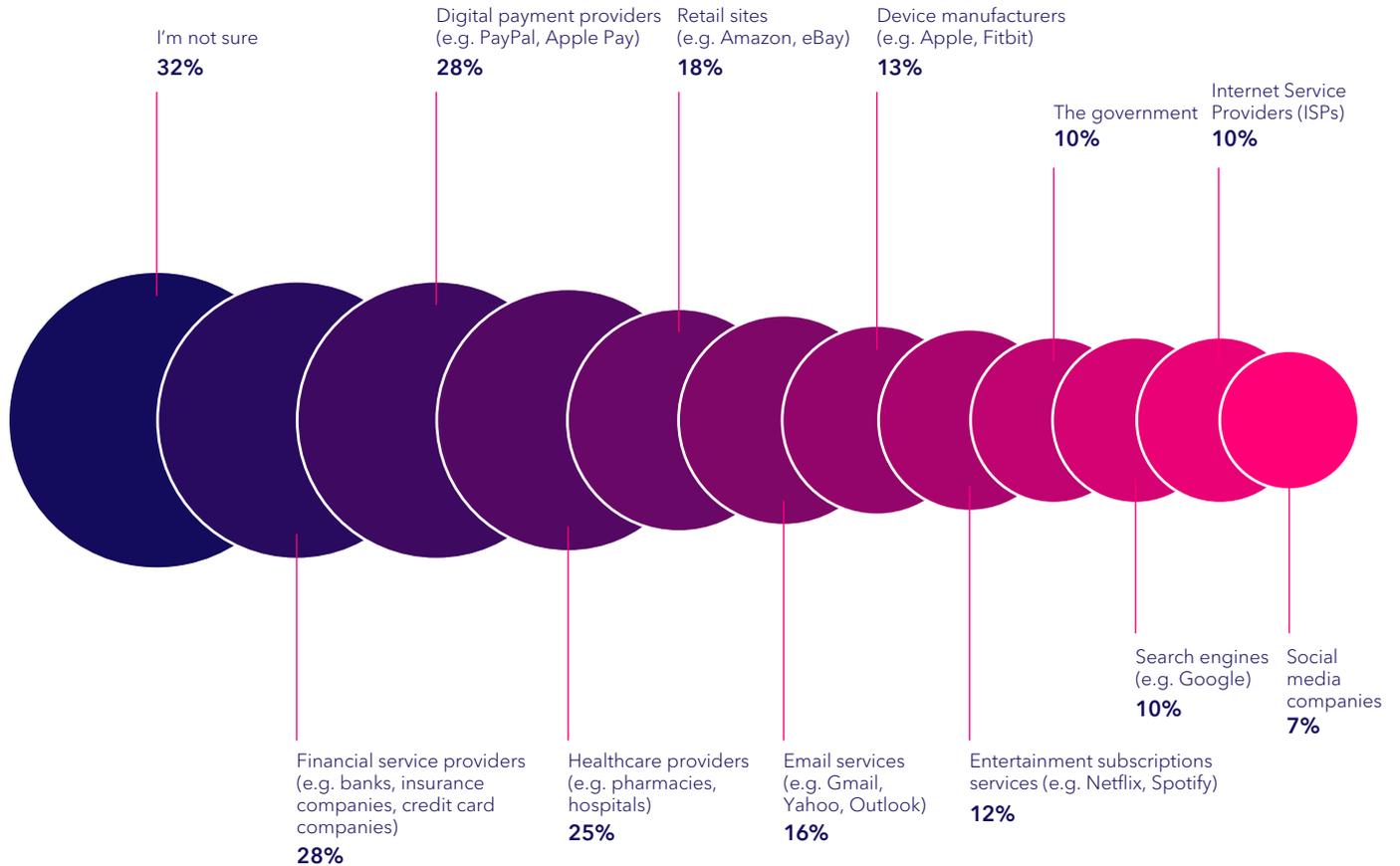
Yet many of these self-professed privacy skeptics are going out of their way to share their lives, opinions and whereabouts on social media. In fact, around a quarter of 16-34s with strong privacy concerns say they mainly use social media to share details of their daily lives. So privacy is actually quite multi-dimensional: it's undefined, it's contradictory, but above all it's still pervasive in the consumer conscience.

This may move these privacy concerns to a more emotional, rather than rational basis, and that's an issue when we consider the importance of trust in new currencies.



Confidence in data handling by industry

% of internet users in the U.S./UK who say the following types of organizations offer the best protection of peoples' personal data



SOURCE: GlobalWebIndex September 2019

BASE: 2,004 (U.S.) & 2,298 (UK) internet users aged 16-64



In financial services we trust

For a project like Libra to work, it needs to lean on the trust credentials of a network of other companies.

Our recent research in the UK and U.S. demonstrates why. When asked which organizations offer the best protection of personal data, social media companies fall behind all other organizations, at just 7%.

Financial service providers and digital payment providers (both on 28%) are among the most trusted, even above healthcare providers (25%). So we can see just how crucial the likes of Visa, PayPal and Mastercard were to the project before they departed from the Libra Association.

But trust is hard-won in every industry, and consumers don't necessarily have sufficient understanding of how each organization uses their data to award their trust liberally. Most (32%) say they're not sure which organizations offer the best protection of peoples' personal data.



The collision of payments and privacy

Governments all over the world are breaking down the barriers to cashless economies, but this is setting the scene for a head-on collision between online privacy and how we spend our money. Smartphones are spreading digital payments to the most **remote locations**. Transaction data is also becoming more valuable, with mobile-only banks and digital wallets starving conventional banks of information on where and how their customers are spending their money.

As we move headfirst into this cashless future, little thought has been given to the implications of such a far reaching trend on how we share information on ourselves. Online privacy concerns are as old as the internet, but while they're pervasive, data risks remain largely intangible to consumers.

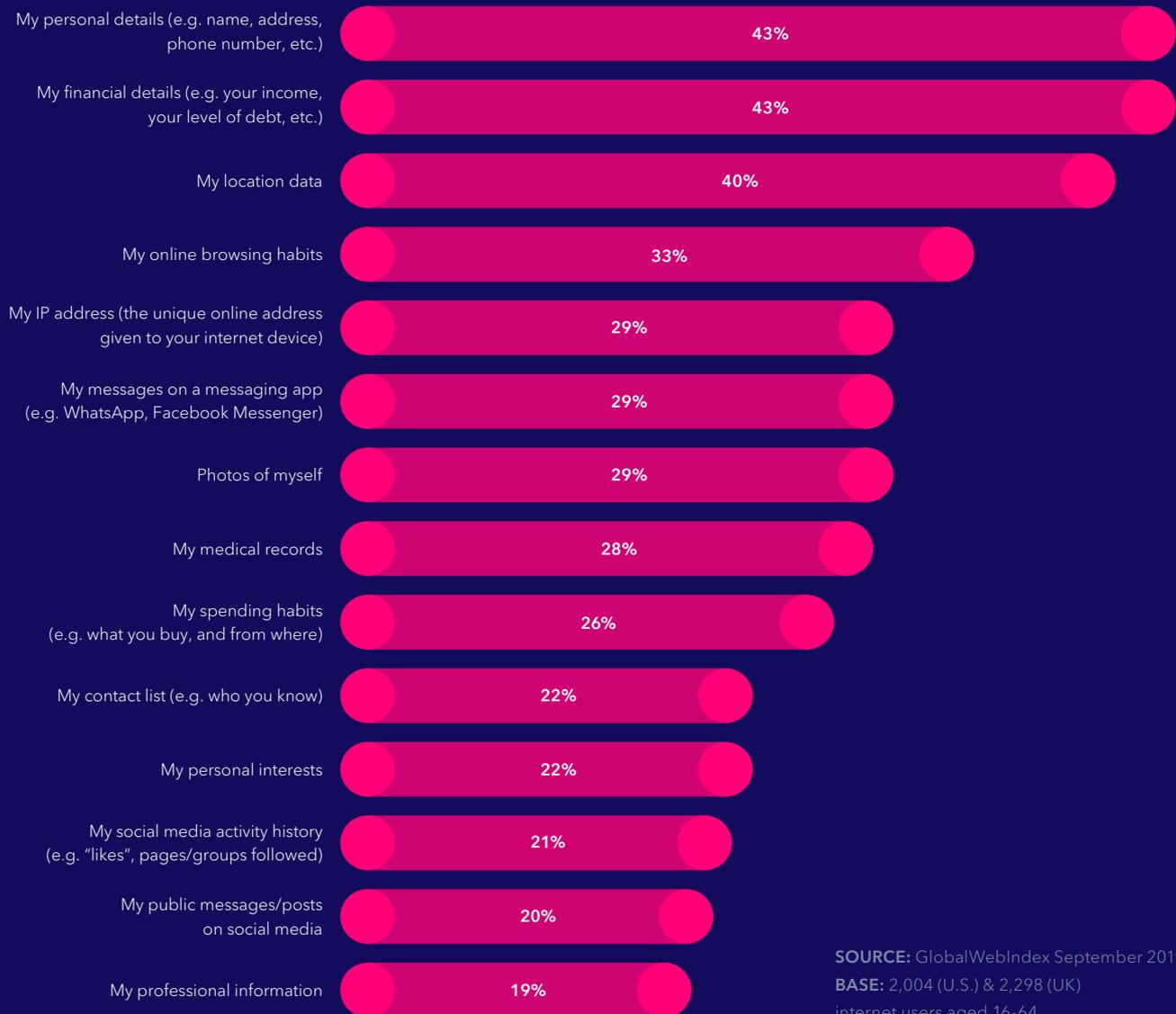
This is clearly the case with spending data. As it stands, data on spending habits appears as far less sensitive (26% are wary of sharing it) than other forms of data, especially compared to personal or financial details (43%) and location data (40%). Our data suggests that older consumers may realize the significance of their spending data compared to younger groups, who seem to be more concerned with the prospect of companies having access to their personal messages on chat apps or their social media activity history.

What this really tells us is that concerns around data sharing remain fairly rudimentary, centering around first-party information relating to immediate personal details or whereabouts. Less thought is given to data which provides richer information or context on other data (metadata). Even as far back as 2015, MIT researchers revealed that data on as little as **three purchases** was enough to identify more than 90% of people in their credit-card transaction dataset on 1.1 million people.

Perhaps spending data would not be as low on the consumer radar if they were more aware of how exposing it could be for their identity. The shift in the privacy paradigm from online identities to financial identities won't happen overnight, but it just so happens that a global social media company defending itself against privacy allegations, and a country criticized for its use of surveillance, are the frontrunners in attempting to implement this cashless future. The developments of these digital currencies in 2020 will likely be seen as important milestones in the intersection between payments and privacy.

Sensitivity around data types

% of internet users in the U.S./UK who consider the following data types to be most revealing/exposing of their day-to-day activities



SOURCE: GlobalWebIndex September 2019
BASE: 2,004 (U.S.) & 2,298 (UK)
internet users aged 16-64

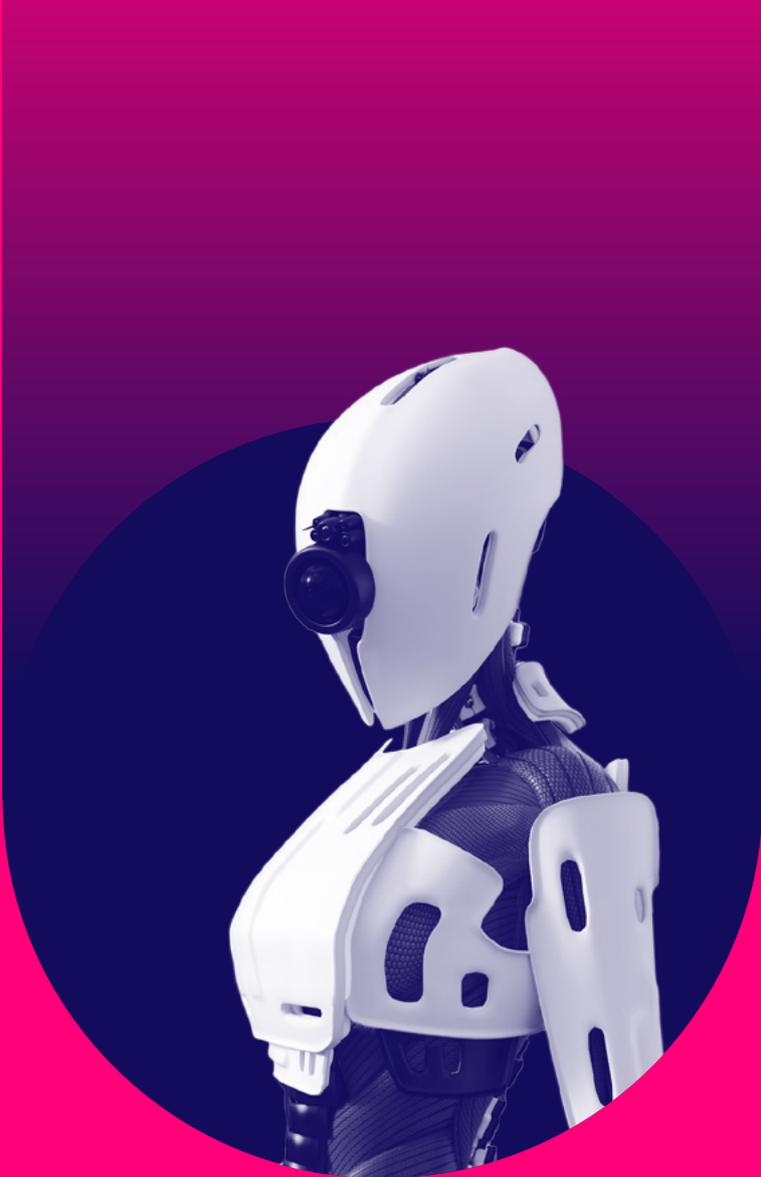


Virna Sekuj

**Can I
speak to a
human please?**

03

The human experience as a premium





Globally, a concern has been growing around how ingrained technology is within our daily lives. In 2013, a quarter of global internet users agreed with the statement “technology makes life more complicated.” By 2019, this had jumped to one-third.

These worries have increased in response to technology's rapid spread into nearly every aspect of our lives. With the average global internet user reporting that they spend 6 hours and 49 minutes online every day, compared with 5 hours and 36 minutes in 2012, connectivity has become an unavoidable way of life. The rise of mobile has fueled this, allowing us to keep the internet in our pockets with us everywhere we go.

And so nearly all of our basic human experiences have become mediated, to some extent, by technology: communication, transit,

entertainment, work, hobbies, to name a few. Increasingly, things like education and health-care – domains where human attention and care have typically been fundamental – are also giving way to screens and AI.

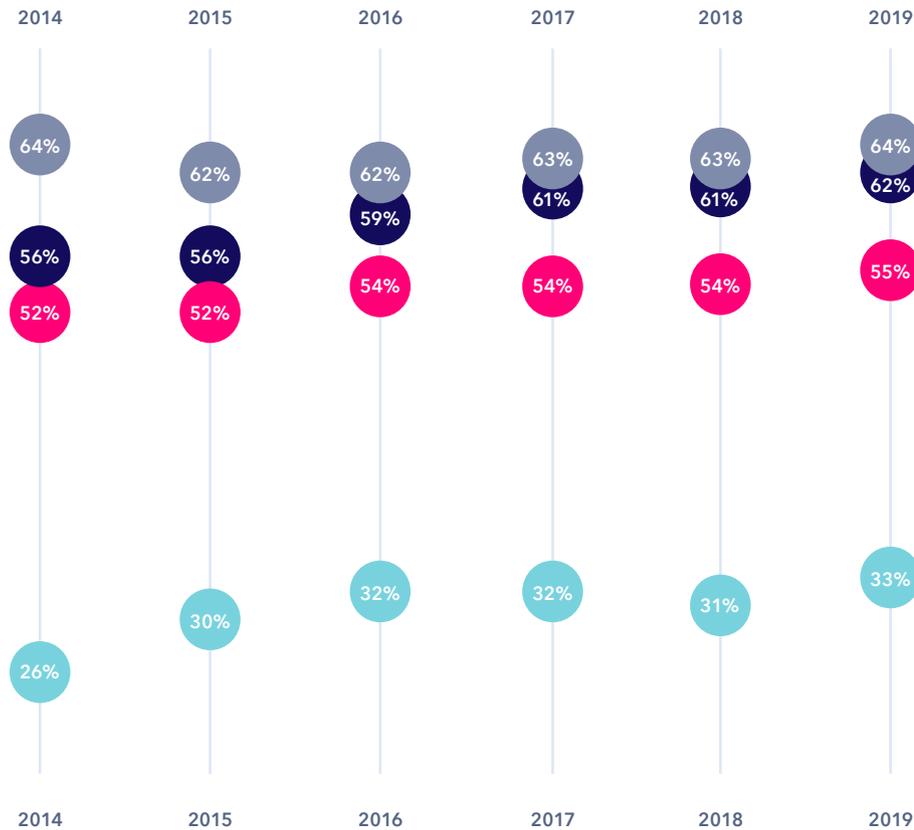
In this landscape of a tech-mediated world, how easy is it to opt out? Can we readily choose to have human-first rather than technology-first experiences – to switch off our email for the day, to limit our children's screen time at school, and even – in the near future – to ask to see a human doctor first? Asking these questions now is essential, as we have reached a point of inflection in consumer attitudes; torn between a desire for technology's conveniences and a concern about its influence in our lives, we are turning to something more familiar: the human touch.



A growing concern with technology's role in our lives

% of global internet users who agree with the following statements

- Technology makes life more complicated
- I am constantly connected online
- I worry about how my personal data is being used by companies
- I prefer to be anonymous when using the internet

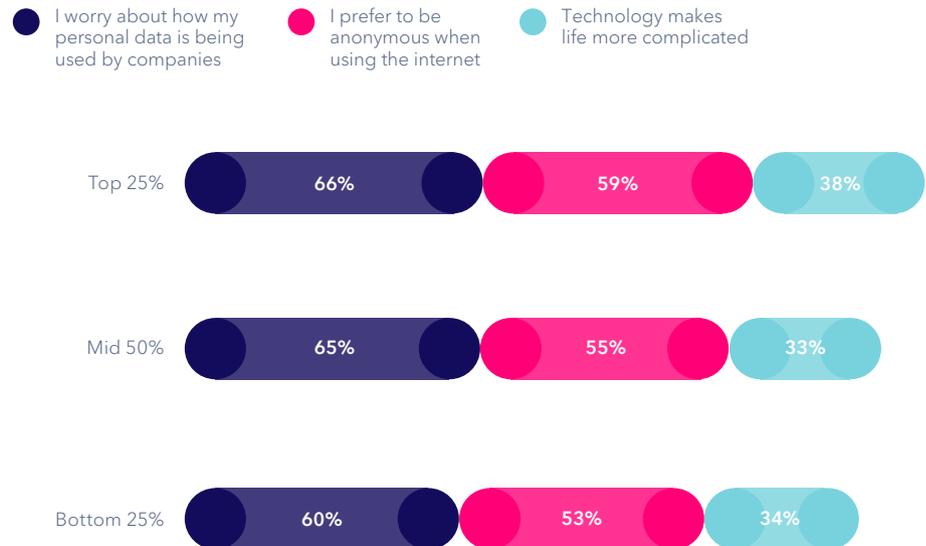


SOURCE: GlobalWebIndex 2014-2019
 (Averages conducted between Q1 2014-Q2 2019)
BASE: 925,568 internet users aged 16-64

Interrogating these concerns by income levels starts to build a more nuanced picture about this relationship. In terms of their view toward technology's influence in our lives, it's those at the top of the scale that show the most concern. This pattern underpins the emerging trends of premiumization - that an air of "luxury" has emerged around human-driven, in contrast to technology-driven, experiences. Spending money on artisanal, small-batch food products, sending your children to "back-to-basics" tech-free schools (as, ironically, the **tech executives** are doing), and the growing popularity of **camping** (and glamping) are all symptoms of this trend. But how did it start and, importantly, where is it going?

Wariness with technology increases with income

% of global internet users who agree with the following statements



SOURCE: GlobalWebIndex Q2 2019

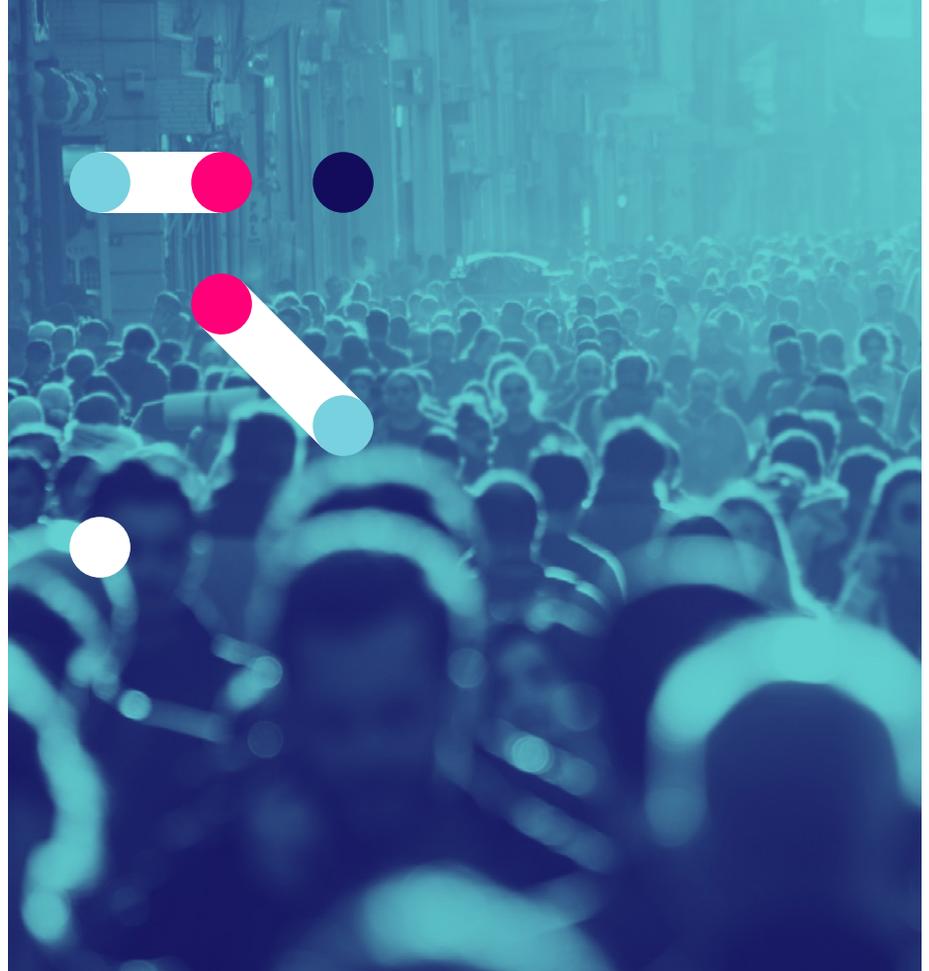
BASE: 115,963 internet users aged 16-64

Technology for the masses

In 1984, Apple's first Mac computer cost \$2,500 - the equivalent of more than **\$6,000 in today's currency**. Fast-forward to 2019, and a basic Chromebook can be purchased from most online retailers for less than \$200. Consumers are essentially now paying one-twentieth of the price for a much more advanced piece of hardware. And so rapid developments in technology have led to near-universal access, especially in the developed world. A few key stats demonstrate the true extent of this reach. Around the world, 96% of internet users now own a smartphone device, and 70% own a laptop or PC.

Mobile phones and laptops used to be a premium, reserved for the affluent and high-powered groups who could afford them. Now, however, we've seen technology become democratized in a way that has reversed this exact sense of exclusivity - even among the lowest income groups in developed countries, ownership of a laptop is at nearly 80%.

The data reveals technology as the great equalizer - we all have access and, increasingly, we all have become dependent. If having a



device and being tied to it is a fundamental part of mass culture, then there is nothing exclusive about that at all. And as we realize that this level of constant connectivity is bad for our health, sleep, and relationships, it's something that many of us will want to pull away from. To actively do this however - to unplug yourself from the network - is incredibly disruptive for work, personal life, and successful daily functioning. Having the freedom and power to do this, therefore, is emerging as a new sign of status in society.



Are you there, Siri? It's me, Margaret

As technology inches closer to being human-like, we've seen it replace various types of jobs and services once performed by human workers. The next evolution, however, is likely to be in providing social interaction and companionship. At this point, nothing exemplifies the replacement of human interaction with technology quite like voice assistants. As advancements in AI have improved the recognition and responsiveness of voice assistants, uptake of this technology has been explosive. In 2017, 34% of global internet users reported having used a voice command tool – by 2019, this had increased to 43%.

With improved technology and, subsequently, more frequent usage, the effects of this on our perceptions of AI vs. human-based interactions is striking. **Research** from Capgemini suggests that consumers are about as likely to trust product recommendations from voice assistants as they are to trust salespeople.

A bespoke study we conducted in the U.S. reinforces some of these findings – nearly 4 out of 10 internet users report that they prefer to use automated services rather than speak to a human customer service representative. Looking at this by income level reveals a striking disparity in how wealth is connected to our comfort with technology. Just over 2 in 5 of low-income earners in the U.S., for example, agree with this statement, compared with around 1 in 3 of middle and high-income earners.

Other forms of automation vs. human service preference show a similar breakdown by income groupings. Reporting on how they typically interact with a business in a basic customer service capacity, 52% of high-income earners said they do so face-to-face compared with 42% of low and 41% of middle income earners. More tellingly, when asked what their preferred method of interaction is, high income earners were nearly twice as likely as middle and low-income earners to say that it's face-to-face interaction with a human.

Consumers in the top income bracket are nearly **twice as likely** to prefer human interaction for customer service.



The unequal distribution of technology

Other research supports the observation that there are clear differences in people's relationship with technology along income lines. For example, access to smartphones in both high and low-income households is essentially the same in the U.S. However, research from Common Sense Media found that young children in low-income households are spending **nearly twice as long** in front of screens vs. their affluent counterparts. When access to technology is provided to those that haven't typically had it, outcomes have been shown to vary by income, as well.

The prevailing thought, especially in education, has been that a lack of technological equality would leave certain people worse off. But we are starting to better understand why there could be negative outcomes to this in the first place. According to research from the Census Bureau's 2016 **National Survey of Children's Health**, longer screen time, especially at a young age, has been shown to be associated with higher rates of **anxiety and depression**. And as people become aware of this and increasingly try to limit their exposure, the effects will inevitably be unequal, ultimately, because screens are cheap and human labor is expensive.

In attempting to remedy a "digital divide" we may have produced another; one in which the basic tenets of human interaction – long conversations, sustained eye contact, cuddling, play – are increasingly replaced by screens and voice assistants who take the load off of resource-poor parents, teachers, and healthcare workers. This creates questions about how people will deal with interpersonal communication in the future, when the way younger generations are interacting with technology is so divided. A thought-provoking **New York Times piece** captured this observation well, predicting that "how comfortable someone is with human engagement could become a new class marker."

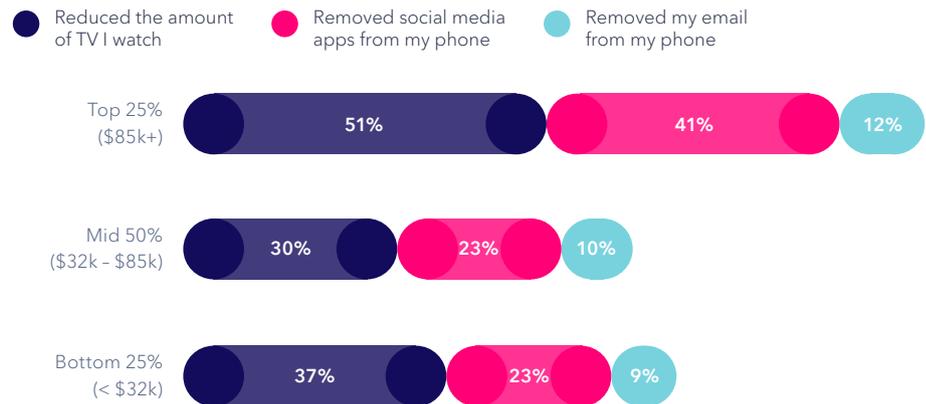
Opting out

In developed markets, we're seeing this concept of a "premiumization" of the human touch come through most readily, as made evident by how long people of various income levels spend on their screens. Across the U.S., Canada, Europe, Australia, and Japan, the pattern is apparent. Higher income is associated with less time spent on mobile, desktop, and TV in the majority of cases. The picture is not so clear for developing regions, where internet and technology culture are less mature due to bigger factors, like infrastructure and relative income levels.

This trend appears in self-reported behaviors around "disconnecting" as well. Our research in the U.S. indicates that those in the highest income bracket are much more likely to have done things like remove social media apps from their phones, remove email from their phones, and reduce the amount of TV they watch.

Opting out of technology is often a privilege of high earners

% of internet users in the U.S. who report having recently done the following



SOURCE: GlobalWebIndex September 2019

BASE: 2,138 (U.S.) internet users aged 16-64



Getting personal

As human interaction increasingly becomes a premium commodity, this has significant implications for both the supply and demand side of global commerce.

In terms of supply, **experts** predict that high-touch, ultra-humanized jobs and services will become extremely valuable as automation phases out many other forms of labor. **Projections** by the U.S. Department of Labor suggest that the fastest-growing jobs are actually the most heavily service-oriented ones – like home health aides and physical therapists. Additionally, research from the **Brookings Institute** suggests that some of the areas of employment least likely to be replaced by machines are those that require non-routine responsibilities, social and emotional intelligence, human creativity, and very high technical expertise.

In terms of demand, the premiumization of human contact is completely redefining what we consider to be “luxury.” According to Milton Pedraza, the chief executive of the Luxury Institute, the **future of the industry** is in ultra-humanized services and experiences:

“The positive behaviors and emotions human engagement elicits – think the joy of a massage. Now education, health care stores, everyone, is starting to look at how to make experiences human. The human is very important right now.”

Companies looking to forge a sustainable path for luxury need to keep this in mind, and be able to evolve from the traditional mindset of designer goods to customized, humanized experiences.

The “premiumization” of human contact is having an impact in the world of influencer marketing as well. Becoming part of someone’s inner circle is now monetizable in its own right. Some Instagram influencers have started to capitalize on the platform’s new “close friends” feature, which limits content shared to only a select number of followers, charging upwards of **\$6 a month** for their followers to be members of the “close friends” list. It’s a glimpse into an interesting future where human proximity becomes a new layer of social media marketing.

Along with the general concept of “luxury,” this has implications for how the industry speaks to its consumers. Emphasizing the human element in marketing and communications will be important, in ways like celebrating the unique, sometimes imperfect qualities of distinct handmade goods. Additionally, crafting experiences that bring patrons back to nature and away from technology is likely to be effective. And adding very high-touch, humanized features to luxury’s most popular purchase channel – the retail store – can help brands engage their target users.

As you’ll find elsewhere in this report, technology continues to change our lives and the world around us. But its reach is inspiring a reaction from the wealthiest consumers, for whom unplugging may be the biggest luxury there is.

04



Viktoriya Trifonova

The reinvention of retail

04

Oblivion or opportunity?





Many articles and analyses proclaim we're set for a "Retail Apocalypse" to **continue** throughout 2020, as ecommerce continues to penetrate consumer lives at scale.

It makes for a startling headline, but the future of physical retail may not be as catastrophic as the phrase seems to imply. Quite the opposite - it's only now we see businesses starting to pursue the balance in the right direction. In the face of almost 9,000 **closed** stores this year in the U.S. and UK combined (as revealed by Coresight Research), newly emerging retailers **born online** are desperate to plant the seeds of their physical footprint. While some are struggling to extract value from their shops, others are realizing certain elements of shopping cannot be digitally replicated.

A reality check is needed, and it will be instrumental for designing strategies and campaigns around retail in 2020. Among other things, this new kind of retail represents an evolution in the relationship between online and offline shopping. Competition between online and offline is giving way to integration.



What earlier attempts failed to do was cater to the unique experience of consumers in a world where the line between digital and real life is increasingly blurred.

Now we're starting to see a fresh kind of coexistence emerge, one where the movement between the digital and real worlds is seamless, fluid, and complementary. But above all, retailers are recognizing the inherent advantages of a physical footprint. By putting fashion stores in the spotlight, we can better understand what's to come in 2020 and beyond.

Refocusing on what's tangible

The growth of ecommerce, and especially the rise of giants like Amazon, was pegged to destroy traditional shopping as we know it. And while its growth has certainly impacted the physical retail we're seeing a resurgence offline that points to more complicated motivations for why people are drawn to one shopping environment versus another.

Looking more deeply at the psychological components of shopping - and the unshakable need for something tangible - fills in the picture.

A bespoke survey we conducted in September 2019 among online consumers in the UK and U.S. showed that 73% still prefer to shop for clothes and apparel in-store. The fact that this figure doesn't fall below the 70% mark even for our youngest respondents - the digitally-native Gen Z aged 16-22 - illustrates that offline fashion has a truly cross-demographic appeal. In-store shopping remains more prevalent in the U.S., where 75% say it's their preferred method compared to 67% in the UK.

In some ways, it's like claiming that cloud kitchens, restaurants that only have an online presence, are replacing restaurant dining. While they are undoubtedly disrupting the food industry, cloud kitchens coexist with restaurants simply because they offer completely contrasting experiences. Nothing can replace the joy of eating out at a restaurant, the same way as nothing can replace a good old-fashioned dose of shopping therapy. There are of course broader economic factors that will shape the retail landscape, like lease lengths and rents, but it would be misleading to think that consumers will abandon their desire for offline shopping wholesale.

7 in 10 Gen Zs
in the UK and
U.S. prefer to
shop for clothes
in-store.



In essence, shopping for clothes is a social and emotional experience rather than a utility-driven one. Consumers want to try the products they buy, and this is the primary reason why they'll keep coming back. For example, 70% of fashion buyers shop for clothes in-store because they can try what they're buying and 63% do so because they can touch and feel the products. Although the instant gratification of in-store shopping is also a factor cited by 45% of buyers who say they can start using the products straightaway, this option lags behind the desire to interact with clothes prior to purchasing.

One interesting, yet underdeveloped, potential integration of the tangible with the digital is augmented reality (AR). This technology allows consumers to virtually "try on" products without visiting stores. Some brands, like **ASOS** and **GOAT**, have already developed different "try-on" AR features. But with only 8% of fashion buyers shopping online because they like to virtually try on products via AR, this remains secondary to the tangible connection of actually putting clothes on in a physical store.

While the technology is promising, it's highly underdeveloped when compared to the true tactile experience of touching and wearing clothing. And so, the psychological and emotional boundary remains very much intact – as consumer behaviors confirm. However, the possibilities of truly immersive AR redefining this boundary – in perhaps a more distant future than 2020 – are alive and well.

Offline fashion matters...

% of in-store fashion buyers in the U.S./UK who say they shop for clothes/apparel in-store because of the following reasons

* e.g. interactive walls/maps, smart mirrors, virtual reality shows

SOURCE: GlobalWebIndex September 2019

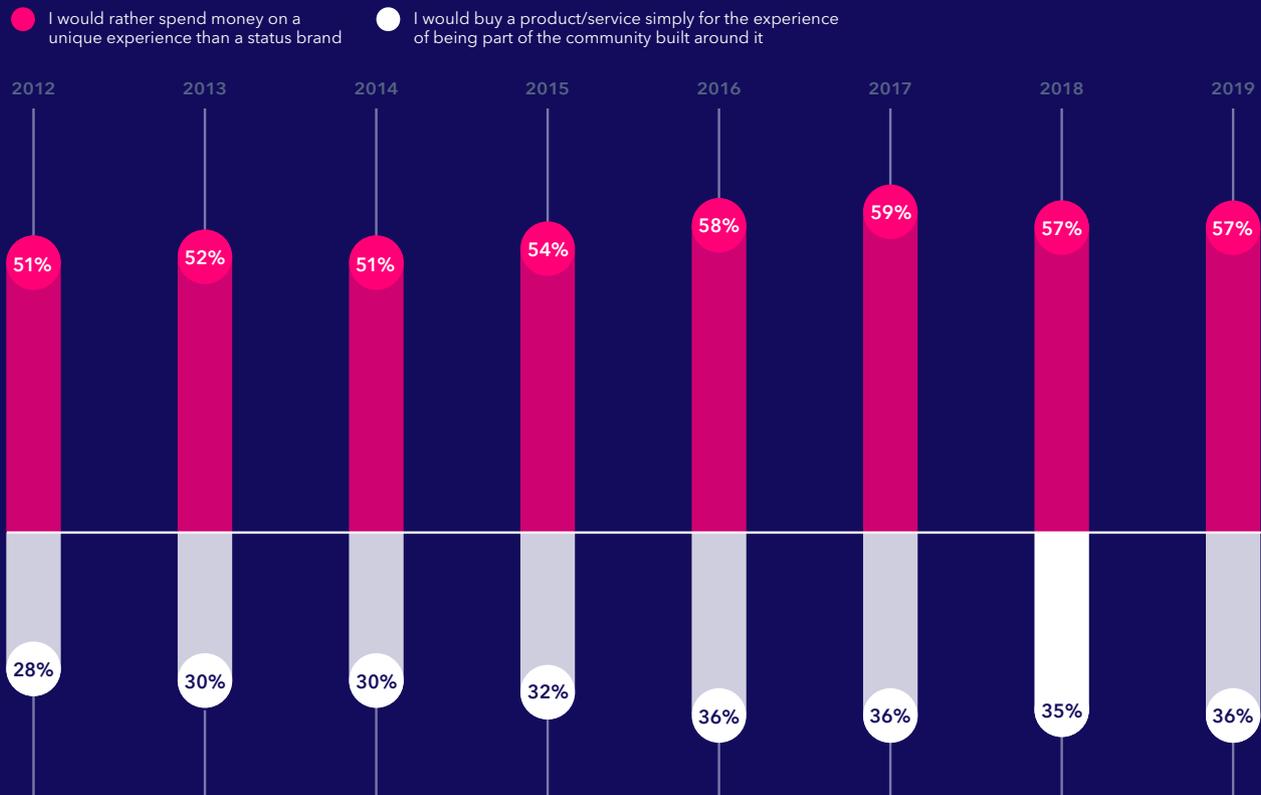
BASE: 1,595 (U.S.) & 1,546 (UK) in-store fashion buyers aged 16-64

1. I can try what I'm buying
2. I can touch/feel/smell what I'm buying
3. I can start using the products straight away
4. I like to support local businesses
5. Shopping in-store is a social activity for me
6. I enjoy in-store experiences*
7. I like to pay in cash
8. I feel more in control of how much I'm spending
9. The staff help me choose the best product for me
10. I like to get the approval of people around me about what I'm about to buy



... but consumers want experiences, not transactions

% of global internet users who agree with the following statements



SOURCE: GlobalWebIndex 2012-2019 (Averages conducted between Q4 2012-Q2 2019) BASE: 925,568 internet users aged 16-64

Step out of your comfort zone

% of in-store fashion buyers in the U.S./UK who say they would most like to see the following features/experiences available in clothes shops

SOURCE: GlobalWebIndex September 2019

BASE: 1,595 (U.S.) & 1,546 (UK) in-store fashion buyers aged 16-64

Smart mirror*

37%

A café

36%

* E.g. a mirror that changes the color of the product I'm wearing

** E.g. where I can learn how to customize products

A tailor shop/custom lab**

29%

A virtual reality experience

20%

A bakery

20%

Gen Z (aged 16-22) are more likely than average to want...

- 1 A 3D printer that prints and customizes products
- 2 A bakery
- 3 A tailor shop/custom lab

Millennials (aged 23-36) are more likely than average to want...

- 1 A bar
- 2 A spa
- 3 A sneak peek into the production/design





Experience 2.0

AR is just one potential pillar of a new, more experiential kind of retail, where experiences are prized above transactions. We can see from our global data that a status brand can be trumped by a unique experience. In fact, consumer attitudes centered around buying as an experience show steady increases since 2012, and are most pronounced among the millennial generation. And although experiential retail is not a new concept, technology and the consumer are constantly reimagining its meaning.

Redefining physical spaces as hangouts is what we're most likely to see booming in 2020. To truly stand out and keep pace with Gen Z and millennials, fashion brands need to transform their stores to grab the attention of consumers and keep them there for longer. We found that more than three-quarters of fashion buyers want to see at least one of the experiences in apparel shops we asked about in our survey.

Although younger generations are more tech-savvy and digitally oriented, technology alone won't be enough to enrich the physical shopping experience. Gen Z and millennials stand out from the average fashion buyer in the UK and U.S. for wanting features like bars, spa centers, and bakeries in fashion stores, which Primark has tapped into with its new **Birmingham** store concept. The branch features a blow-dry bar, beauty clinic, Disney-themed café, and "snap-and-share" room. **Nordstrom's** much-anticipated New York City flagship store opened recently, and embodies this concept of the new retail experience. Boasting seven food and beverage options and a beauty spa inside, it represents the evolution of a traditional retailer into a more immersive space.

For younger shoppers, this is the perfect hangout spot, showing that in reality, so long as brands remain relevant to consumer expectations, the online/offline divide actually disappears. It's only a matter of time until smaller businesses follow suit.



Reviving the physical footprint with direct-to-consumer

Le Tote and other direct-to-consumer (DTC) brands like Everlane, Allbirds, and Rothy's are shaking things up even further, moving away from pure-play digital offerings.

Le Tote, a personalized clothing and rented fashion company born online, is a prime example. In August 2019 the company **acquired** New York's oldest department store, Lord & Taylor, for \$100 million. To put this into perspective, this is a seven-year-old company buying a part of a nearly 200-year-old conglomerate.

Le Tote is acquiring 38 stores, with plans to triple that number in the next two or three years, giving the brand inventory and a new avenue to connect with the consumer. A non-traditional deal to say the least, but one that validates just how important a physical footprint is for fashion brands amid a turbulent retail landscape. Whereas in the financial sector we've seen traditional banks acquiring fintech companies to access the digital infrastructures they lack, the landscape seems somewhat flipped in the world of new retail. A digitally native company buying a legacy retailer means the old bricks turn gold in the digital world.

Facilitating new opportunities in the B2B space

Importantly, the prospect of DTC revolutionizing the online-to-offline model hasn't gone unnoticed by the business-to-business space. Ecommerce tech platform Shopify, which has been instrumental in helping DTC brands bypass retailers and wholesalers and sell to consumers directly provides one such example. Having recognized the vast opportunity for physical retail on the horizon, Shopify is **expanding** on its offering by adding services such as multi-channel returns and exchanges, in-store pickup and fulfillment among others. In fact, the company's quarterly results showed that its merchant solutions **grew** 67% from last year, outshining its online subscription solutions.

But Shopify is not the only company trying to cater to the brick-and-mortar demand in a unique way. A new co-retailing concept, Re:store, **opened** doors in San Francisco, covering a 4200-square-foot space to bring niche DTC brands offline and immerse consumers

in their products. Importantly, solutions like Re:store and short-term lease companies like **Appear Here** solve a fundamental problem that some legacy brands are still struggling with, namely binding and inflexible lease structures for physical stores. With innovative physical retail solutions emerging across the industry, we'll likely see a lot more brands following Le Tote's example in the near future.

Physical retail as we know it is undergoing rapid transformation, but 2020 isn't likely to see an "apocalypse" - at least as far as consumer interest is concerned. By tapping into what's most desired among consumers, we could see a retail renaissance. Technology will be a part of this, but it has to come as part of a renewed focus on what's tangible and emotional about shopping, an embracing of immersive retail experiences, and a reinvention of online-to-offline.





Chase Buckle

When the penny drops: Economic outlook for 2020

RESERVE NOTE

016719 I



IS LEGAL TENDER
PUBLIC AND PRIVATE

Benjamin Franklin
the United States

SERIES
2006
A

FRANKLIN



You don't need to work in an investment bank to notice the mounting pile of predictions and thinkpieces foreboding a global economic recession in the coming year. **Warning signs** from economic shocks of the past appear to be flashing, whether it's in analysis of the "inverted yield curve" or a projection about the outcome of Brexit, the U.S.-China trade war, or the German economy's weak performance in recent quarters.

For many, these warnings may be a cause for alarm. But for all the media noise surrounding them, they're likely to remain fairly detached from the average consumer, who in many cases may have no clue what we mean by an "inverted yield curve", or any other market signal you care to name.

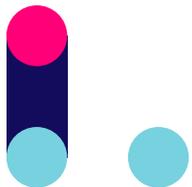
But we can put this to the test.

We hate to burst your bubble

In our ongoing global research, we've asked internet users aged 16-64 about their views on the global economy since our first research wave in mid-2009, just as the world was emerging out of the Great Recession. Respondents in each surveyed country are asked the exact same questions (translated into their native language). In this case, respondents are presented with a five-point Likert scale to express their level of agreement as outlined below:

1. Strongly agree
2. Slightly agree
3. Neither agree nor disagree
4. Slightly disagree
5. Strongly disagree

With the help of some simple data manipulation, we can assign a score to each agreement level to calculate the average total score of agreement to the statement "I feel positive about the global economy", and see how this looks over time. We can run this analysis across all of the major demographic breaks and regions, or any audience group of interest.





What the consumers say

The global results are unmistakable. Consumer confidence among 16-64 year-olds in the global economy has been steadily growing since mid-2013 following a low point of pessimism in 2011, which at least partly resulted from the Eurozone debt crisis and the downgrading of the U.S. credit rating during that year. 2011 also saw its own warning signs of a looming recession, including a **near-inverted yield curve**.

This confidence is now at its highest level since 2009¹.

When it hits home

Global economics aside, only when these matters impact personal hopes and fears in the future do consumers tend to pay attention. Our research shows it wasn't until 2011 that pessimism regarding the global economy really began to bite, swinging from a declining, but overall-positive average score, to one of clear negativity over the course of two financial quarters.

Optimism in internet users' own country's economy remains low in key markets that appear frequently in global news stories, most notably the UK and Hong Kong (54% in the UK and 62% in Hong Kong are pessimistic in their own economy's short term prospects).

But concerns about the national economy aren't always echoed in people's perceptions of their own financial outlook. In fact, internet users in most of our tracked markets are more confident in their own personal economic situation than their country's.

59% of global internet users think their personal finances will improve in the next 6 months, and **50%** believe the same of their own country's economy.

¹A quick disclaimer: since our first quarterly research wave in Q2 2009, we've added 29 markets; now surveying 46 markets in total as of Q3 2019. Nevertheless, the trend stays the same when rebasing among our longest tracked markets only.

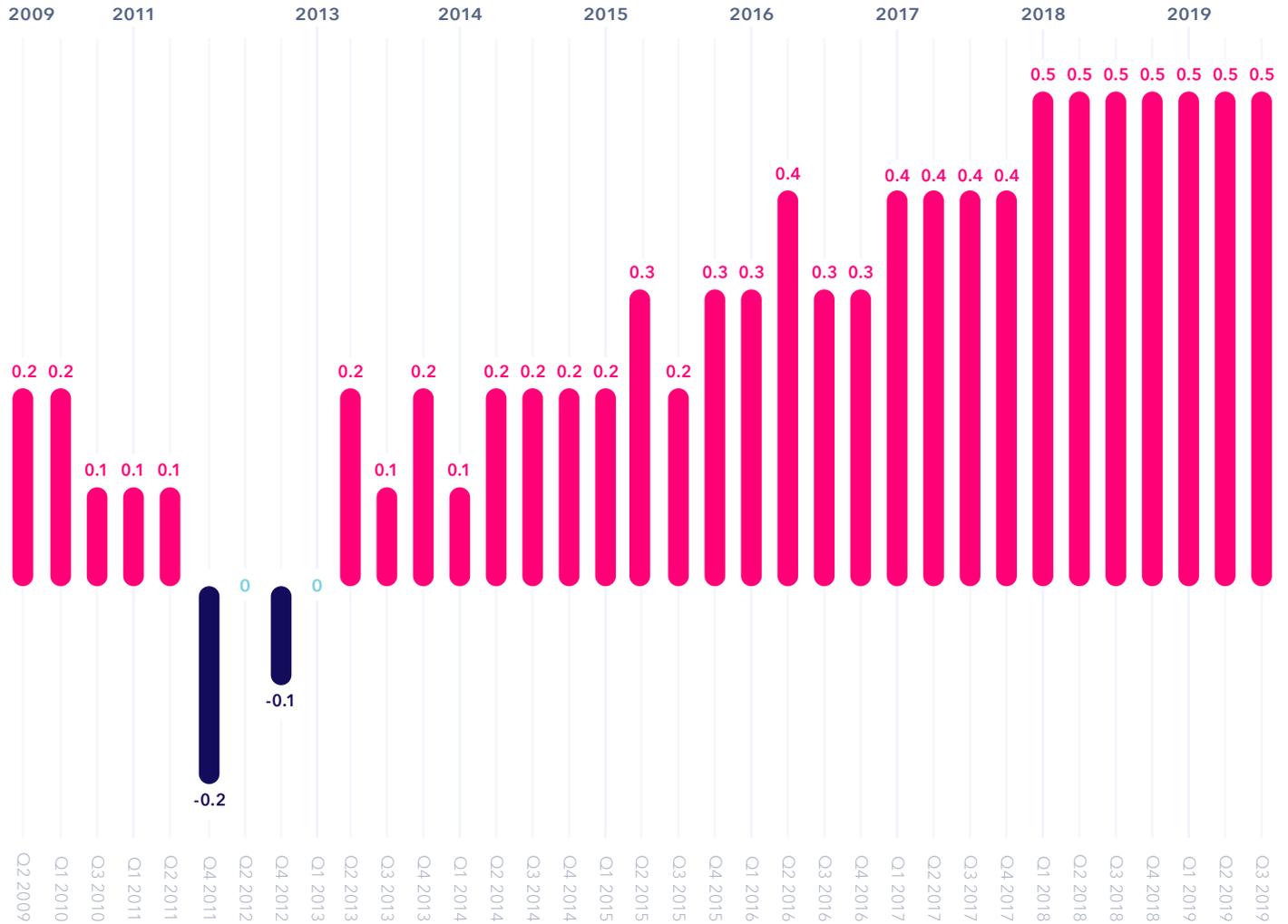


Average score for attitudinal statement: "I feel positive about the global economy"

SOURCE: GlobalWebIndex Q2 2009-Q3 2019

BASE: 2,186,163 internet users aged 16-64

2 Strongly agree
1 Somewhat agree
0 Neutral
-1 Somewhat disagree
-2 Strongly disagree





What the businesses say

In Q1 2019, we introduced GWI Work; an industry-first, multi-country business-to-business dataset designed to understand the views of knowledge workers and the trends impacting the future of the workplace. Here we get the other side of the picture from inside businesses, to look at what they think the next year will bring.

The technology & communications sector is the most optimistic in the economic conditions affecting their companies in the next year.

Revenue expectations in the next year

Compared to other industries, knowledge workers in the technology and communications sector remain more optimistic in the economic conditions affecting their companies in the next year. Nearly three-quarters of tech/telco workers expect their company's revenue to grow in the next year, for example. Compare that to just 9% expecting their revenue to decline, and you might be forgiven for questioning whether trade tensions are weighing on their minds as we'd expect.

This also stands as one of the few sectors in our chart with minimal uncertainty around revenue expectations, with just 4% saying they're not sure on the matter. If we narrow this down to the U.S. only, confidence in revenue growth shrinks to 59% among tech/telco workers, with a higher proportion believing revenue will stay the same (25%) or saying they're not sure (10%).

Across the 10 markets surveyed, knowledge workers in the manufacturing/industry/logistics, management training and financial services sectors all share a similarly positive outlook to tech/telco workers.

It's a very different picture for those working in government, non-profit and education/research sectors. Only around 4 in 10 workers in these sectors feel that revenue will grow in the next year, and they're also marked by a pronounced uncertainty toward future projections. The same is true of workforce projections; tech/telco and financial service workers anticipate workforce growth in the next year, while government and non-profit businesses have more modest expectations.

We can only wait and see what 2020 has in store for our own wallets and business revenue alike. As consumers worry about a potential recession and tech firms perform inconsistently on the markets, the next year is set to be a milestone in economic uncertainty. Exactly which way the penny will fall remains to be seen.

05



Chris Beer

Data is the new jet fuel

05

The race to own your vacation





When the planes hit the tarmac in earnest during 2020's peak season, the travel industry will have a very different feel.

Inspired by Uber, Netflix, Spotify, and their brand of tech-powered disruption, travel providers will begin to adopt the same obsession with customer data and personalization. But they'll be joined by other tech giants looking to apply their expertise to a new vertical. At the same time, pressure will ratchet up on airlines, with their wafer-thin margins, and on travel publishers looking to expand beyond guidebooks and partnerships. All of this will come together in a race to become known as the brand that owns the end-to-end experience of your vacation.

In this new commitment to technology and data expertise, "user experience" is the buzzword. But to understand user experience, you have to understand about the user at the heart of it.

Last call for boarding

Throughout 2019, companies all across the travel sector have been making boardroom reshuffles, rebrands, funding rounds, acquisitions, and investments in technology stacks to create and own a new type of travel economy. Come 2020, these changes will start to filter down to consumers.

There's a host of competitors aiming to become this ubiquitous, end-to-end travel provider. Lurking in the pack are the aggregators and metasearchers Expedia and Booking Holdings (the owners of Booking.com). But they're not the only ones. Review sites, publishers, airlines (which according to IATA Economics only make **\$6.12** in profit per passenger), and even Amazon all have skin in the game. And then there's Airbnb; the tech-driven upstart due to IPO sometime in 2020.

It's not just a Western phenomenon, either. All contenders are vying for their piece of the pie while eyeing up a market that continues to grow globally. The UN's World Tourism Barometer **shows** explosive growth in the past decade for the number of outbound tourists; a figure projected to rise even further, especially in APAC. The new, mobile-first tourists there will be among the first to adopt forward-thinking travel solutions.

Travel providers within APAC, both established and insurgent, have been inspired by the success of super apps. Both MakeMyTrip in India and Traveloka in Indonesia aim to become "travel super apps" in their respective countries, though big local players like Grab and GoJek will surely look to get in on the action as well.

In China, WeChat and Meituan are applying their technological nous to travel, though former market leader (and owner of Skyscanner) Ctrip is hitting back. It rebranded as Trip.com Group in October 2019 in a bid to own what it **calls** "door-to-door" travel. It's a move symbolic of what this trend is all about; becoming the brand synonymous with taking a trip.



Rough Guides launches bespoke vacation service as part of major rebrand

NOV

2018



Hyperlink

Luis Cabrera is appointed CEO of **Lonely Planet**, signalling a deeper move into travel experiences

FEB

2019



Q2 2019

TripAdvisor undertakes a brand reappraisal to boost its reputation for addressing travel pain points

Travel website **The Culture Trip** unveils its online travel agency

AUG

JUN



AirAsia undertakes corporate reshuffle in bid to create "frictionless travel experience"

Glenn Fogel takes over as CEO of **Booking Holdings**

MAY

Amazon relaunches flight booking in India

Google consolidates Travel/Trips offering



SEP

OCT

Skyscanner completes rebrand to provide a more "holistic" kind of travel planning

Ctrip shareholders vote on rebranding to Trip.com Group

2020

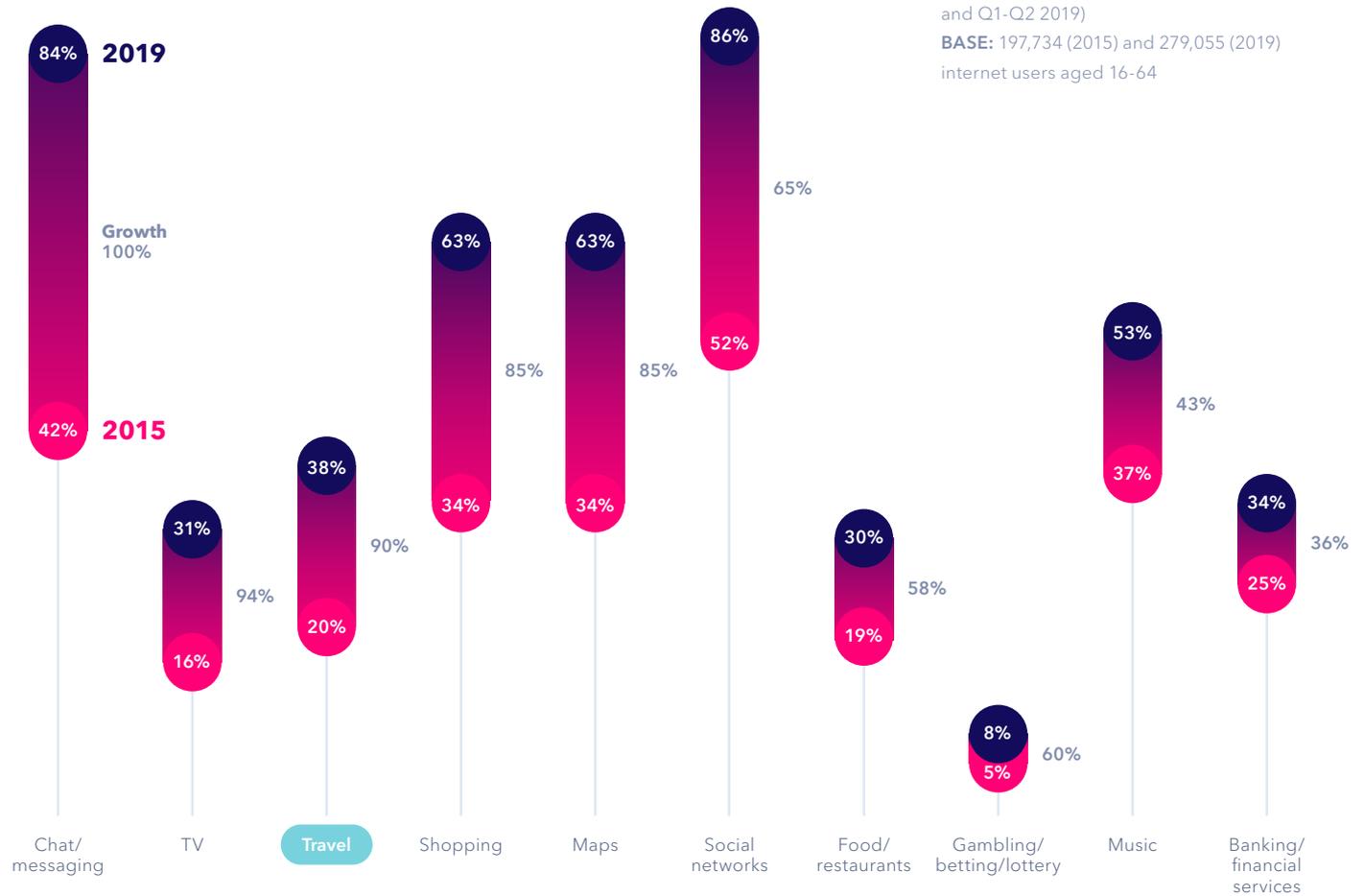


Airbnb plans to go public



Travel migrates online

% of global internet users who have used the following types of app in the last month



SOURCE: GlobalWebIndex 2015 and 2019 (Averages conducted between Q1-Q4 2015 and Q1-Q2 2019)

BASE: 197,734 (2015) and 279,055 (2019) internet users aged 16-64



Since 2015, use of travel apps has increased by **90%**.

All of this has only become possible because of how travel behaviors have shifted online. Since 2015, use of travel apps has increased worldwide by 90%, a growth rate behind only messaging and TV. The growth is particularly striking in Latin America (189%) and North America (148%).

As travel has become more established on mobile devices, two things have happened. One, internet users have become more intimately connected with travel services, and anticipate more connectivity during their trip. Second, the amount of data travel companies can utilize to provide personalized services, anticipating what vacationers need at each stage of the trip, has grown substantially.



Ready for takeoff

Our global research allows us to understand what motivates vacationers. Unsurprisingly, they tend to be more cosmopolitan types – interested in trying new foods, living life to the full, and are generally keen to experience new things.

This is a picture in line with what a **study** published in the *Journal of Travel Research* has found. Holidays are often about variety, personal growth, and non-repeatability; what the lingo calls “hedonic” purchases. But any vacation is stitched together through purchases tied to a very specific function, like flights, transport, and accommodation. Bringing these things together is a matter of convenience, but making “experiences” part of one package might make travelers feel like they’re missing some of the picture, that they’re not able to get the varied experiences they crave. So maybe the kind of person who regularly travels is actually less likely to use a “one-stop-shop”.

We put this to the test with a series of Likert scale questions to investigate this variety vs. convenience paradigm. First off, we found vacationers show a clear preference toward planning activities on their own terms, ideally being left to their own devices and using a wide range of resources in their research.

But what was perhaps even more intriguing was that everything else had such an even spread. Whether it’s for booking activities beforehand or waiting until the trip, booking on one platform vs. many, or booking in one burst vs. a period of time, consumers are virtually split down the middle. How much help someone wants when planning and traveling really depends on the individual. Applying some demographic analysis, though, we can see where the differences tend to come from.

We expected younger travelers to be more spontaneous, either because they tend to plan ahead less, or because they’d want more independence when planning activities. But in fact, the opposite is true. Younger internet users are more receptive to having vacations pre-planned, and older ones prefer to figure it out when they’re there. It goes to show how just how misleading generational stereotypes can be.

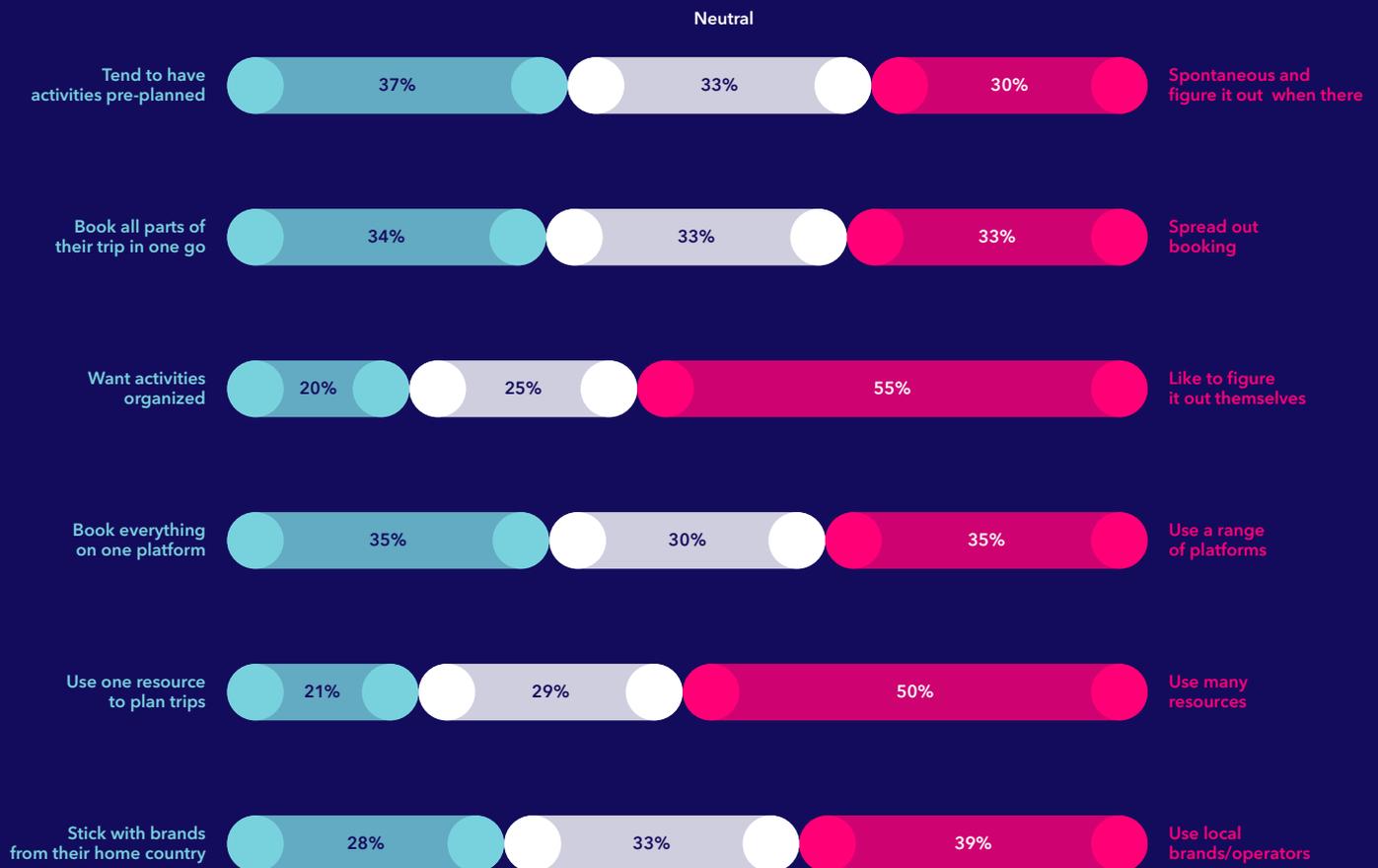
Younger internet users are more receptive to having vacations pre-planned.

Breaking down attitudes to travel planning

% of vacationers in the U.S./UK who...

SOURCE: GlobalWebIndex September 2019

BASE: 1,354 (U.S.) & 2,043 (UK) vacationers aged 16-64





Building out a new package holiday

It's easy to get lost in consumer psychology, but there is a more practical side to all this. Glenn Fogel, chief of Booking Holdings, **highlighted** in his company's Q2 2019 earnings call how little data exists to measure appetite for cross-selling experiences with other parts of a trip.

So we set out to research exactly that. We didn't just consider aggregators and meta-searchers, but included airlines and publishers as well, to figure out who the most effective cross-sellers may be.

Takeup for cross-selling is pretty good overall, with 58% of consumers willing to book accommodation from an airline, and the same number willing to book flights through an accommodation provider.

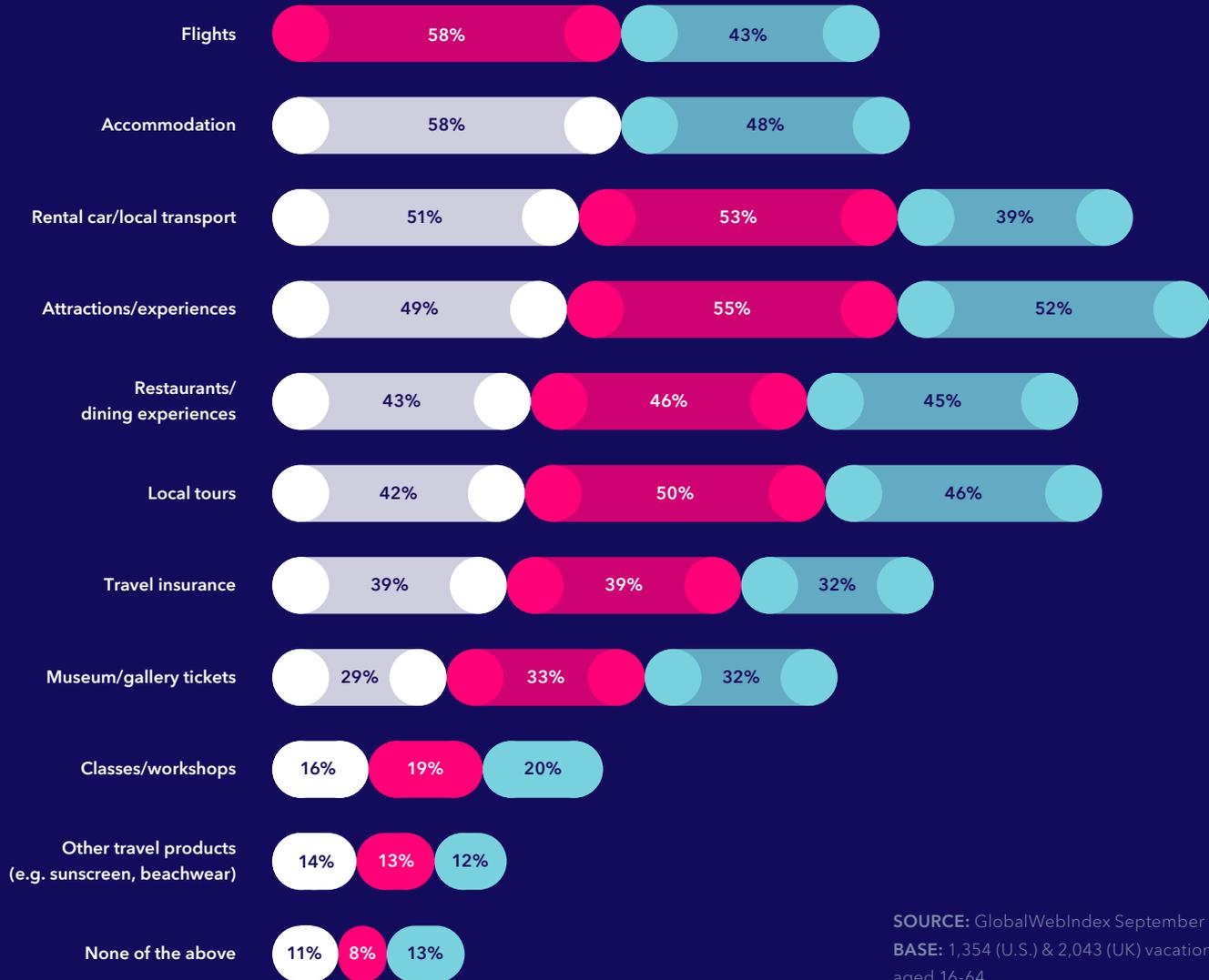
The big prize in owning the vacation is the lucrative activities or "experiences" market, so it's encouraging to see so much demand for cross-selling them, either from airlines or hotels. There's actually as much appetite for cross-sold experiences as there is for rental cars. So while vacationers tend to like variety in their life, they're happy for them to be provided by the same brand that provides the more practical elements of their trip.

Publishers naturally do well when it comes to attractions, experiences, and local tours. But they aren't considered as much for the more utilitarian aspects, like transport.

Consumers
are open to
cross-selling
of experiences
from a range
of providers.

Consumers warm to cross-selling

% of vacationers in the U.S./UK who would consider booking services from the following



SOURCE: GlobalWebIndex September 2019
BASE: 1,354 (U.S.) & 2,043 (UK) vacationers aged 16-64



Price turbulence

So on the one hand, vacationers like variety, independence, and self-determination when planning their trips. But we also find they can be guided toward cross-selling and building out a travel experience under one company's umbrella. Not just with transport and accommodation, but with experiences too.

One of the reasons we see a discrepancy between these results is price. When money is on the line, vacationers will often defer to the most cost-effective solution. It has to be remembered that vacations often involve extensive budgeting. And in our research, the biggest frustrations with traveling were mostly cost-related, with the prices of flights and their various add-ons coming at the top of the list.

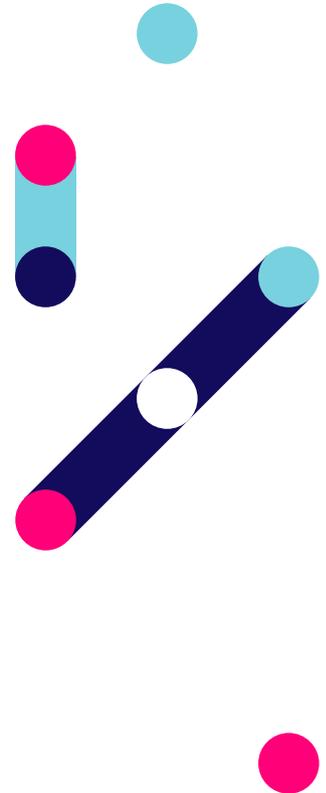
Likewise, when we asked consumers what they would most like to see from a theoretical online travel planner, comparing prices (45%) and providing budget-tailored options (40%) came out on top. The travel industry has been keen to learn from some of the biggest tech-driven success stories of recent years, but Spotify and Netflix's recommendation engines don't add any extra cost to the consumer. Cross-selling in travel usually means adding on a new purchase each time, something consumers will be sensitive to.

This is your travel provider speaking

There is of course more to end-to-end or "frictionless" travel than just the planning phase. The other aspect is what happens when you're actually traveling. Assuming a traveler books all parts of their journey through one provider, all parts could be stitched together with real-time communication and updates. Ctrip has shown **examples** of how this could work in the past few years, reaching out to their customers in the aftermath of earthquakes and volcanic eruptions.

So we put the question to vacationers, to figure out what kind of appetite there was for such a service. We found that 45% of vacationers would be interested in an app that provided customer service relevant to all parts of their trip, and 43% would want a 24/7 virtual tour guide. So it's not as if consumers are turned off by the prospect of even more comms from travel-related companies on their trip. But even here, the most desired feature was price-related; an app that would indicate when locations were good to travel to based on personal preferences, budget, or overall demand.

Consumers are naturally price-sensitive about many purchases they make. But it highlights the real crux of this trend. Travel providers are keen to deepen and diversify revenue through cross-selling. But consumers typically view them as gateways to the best deals and the cheapest overall package. The key will be in nudging this behavior.





Cleared for landing

2020 is poised to be a seminal year for the travel industry, and we can give some practical guidance to capitalize on this trend in the coming year.

First off, travelers like to at least feel that they're in control, using many resources to plan their trip, and preferring to figure out their own itineraries. So any travel provider gunning to own the vacation has to let consumers feel like they're building a package under their own steam.

We also can't lose sight of the fact that consumers often look to travel companies to come up with the most cost-effective options at each part of the vacation plan. Most consumers are more likely to go for an end-to-end package that assures them of price efficiency, compared to bespoke packages tailored to their interests.

It seems ironic that at the same time as Thomas Cook, the first ever travel agent, **entered insolvency**, digital contenders were jostling to offer services that aren't worlds

away from the package holiday and travel agent model. But the key difference will be empowering consumers to make their own choices, emphasizing cost-effective travel packages, and making the most of cross-selling.



06



Olivia Valentine

**Out with
the new, in
with the old**

06

Nostalgia's increasing role in content, personalization and consumer choice





The internet gives us infinite choice. Across TV, film, music and virtually any other media, we've never had more choice over what to listen to or watch. But lately, it seems like it's well-known content from the past that's the focus.

The rights to **TV shows *Seinfeld* and *Friends*** have changed hands for record sums. **Disney's reimagined classics** took millions in the box office, and the company's **streaming service** will bring many childhood favorites online for the first time.

Nostalgia is hot across the board at the moment; think retired logos reemerging, vinyl sales surging, Pokémon being reimagined in the digital app space, or Netflix's top 80s-throwback show *Stranger Things*.

But there's more to nostalgia than these big generational touchstones. Throughout research we've conducted this past year, we've seen nostalgia emerge more and more - and sometimes in unexpected places. Nostalgia may be one of the biggest weapons in the TV streaming wars, but it may also bring a new spin to personalization, and inspire a new, data-driven way of looking back for consumers.

Setting the scene with science

Let's take a step back, and think about what nostalgia actually is. Just like other cognitive biases that brands and marketers use to influence consumers' decision-making, nostalgia marketing is used with a similar outcome in mind.

According to **psychological research**, meaningful memories, like places from the past or music associated with happy experiences, activate the emotional and reward centers of the brain. That's why the familiarity of positive memories from the past feels great, especially in a world that seems to be moving at breakneck speed. In our own research we see that internet users have increasingly felt, year-on-year, that there is too much choice online. Where content is concerned, it's easy to see then how nostalgia could inspire familiar comforts.

Other studies have found that feelings of nostalgia can make humans more optimistic, and even reduce the consumer's rational tendency to conserve spending (which is great news for brands). Often, successful marketing is about the ability to sell a feeling - and nostalgia is the perfect opportunity to do just that. Brands have long relied on this approach to create a deeper emotional connection with consumers and, in turn, a greater influence over their actions.



Nostalgia by consumers

It's all very well knowing the biology behind nostalgia, but quantitative research into the exact whats and whys of nostalgia's influence on consumers is rare. This information is far more useful for brands and marketers to have an insight into what's most likely to get the desired effect.

In our bespoke research in the U.S. and UK, we asked consumers to reflect on their own nostalgia, and the results were telling. Feelings of nostalgia are very common and familiar, whether you're a Baby Boomer from the 50s or a 90s-obsessed Millennial.

When we asked these consumers what they've felt nostalgic about in the past year, music was the most nostalgia-inducing, leading across all age groups. Around 4 in 10 have felt nostalgic about other types of popular media, like TV shows and films. Despite the hype around fashion trends making their way back, like the 90s scrunchie or denim jackets, only around 15% said they have felt fashion-nostalgia.

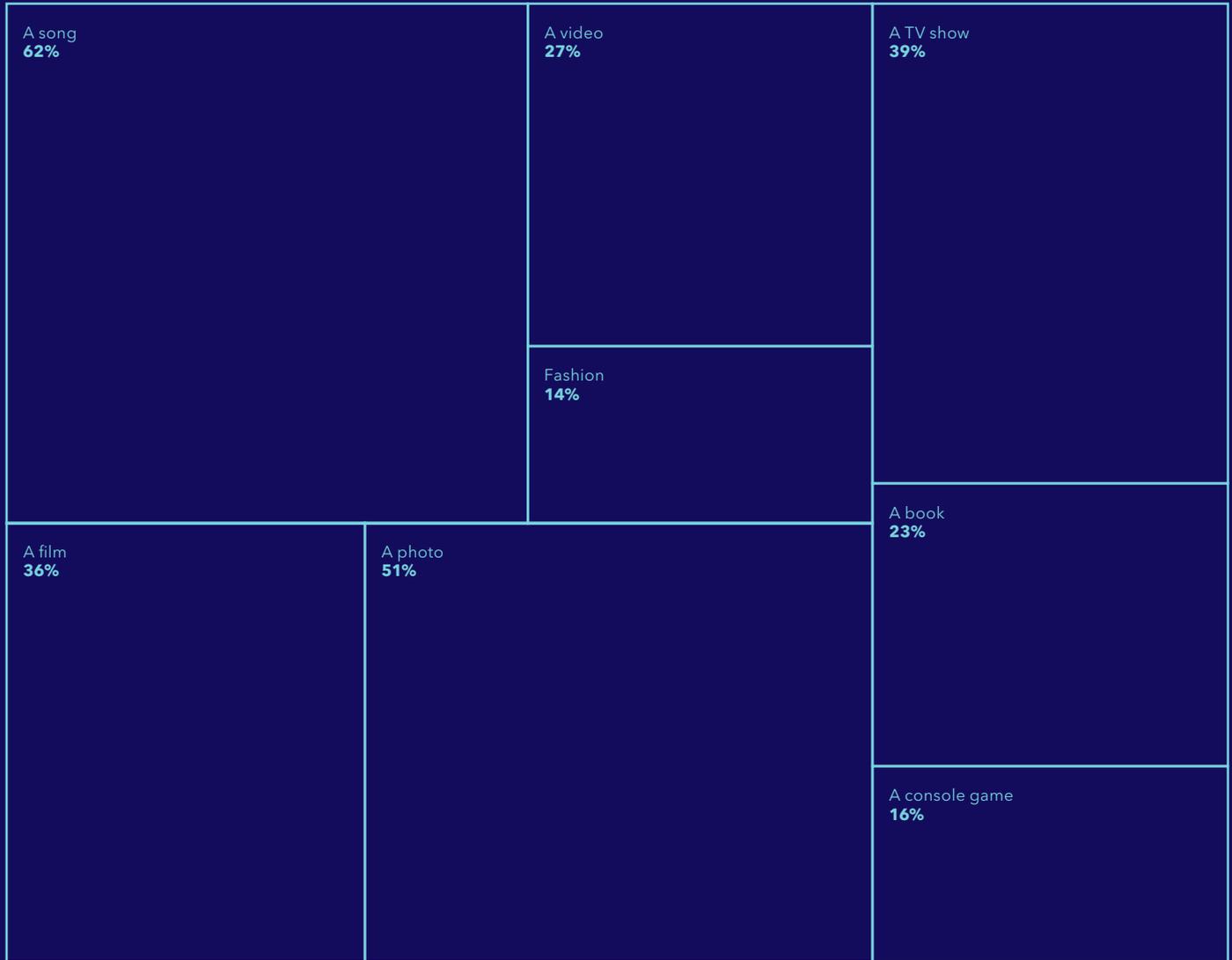
Memories of childhood or teenage years was the top reason why consumers remember feeling nostalgic about something in the last year, although specific personal memories also score highly - especially for the oldest consumers. Millennials were most likely to say they'd felt nostalgia due to feeling connected to others. Very few said that they have felt nostalgic when being reminded of a specific moment in time shared by many. This is an important point to remember - nostalgia is deeply personal.

When it comes to the favorite decades of entertainment, there's a trend of consumers feeling *most* nostalgic about the decade in which they grew up, but that's not always the case. Faux nostalgia, or "fauxstalgia", is characterized by a yearning for something in the past that you never directly experienced yourself, and Generation Z is particularly fond of this. They were some of the biggest users of *Pokémon Go* (counting for 48% in Q3 2016), jumping on the cherished craze of which they never got to be a part when the game first launched in the 90s. Brands and marketers can therefore create cross-generational nostalgia through the same content.

Almost 4 in 10 in the U.S. and UK said they'd be willing to pay more for a content streaming service if they knew that older content they couldn't watch elsewhere would be added.

What's leading to feelings of nostalgia?

% of internet users in the U.S./UK who have felt nostalgic about the following in the past year

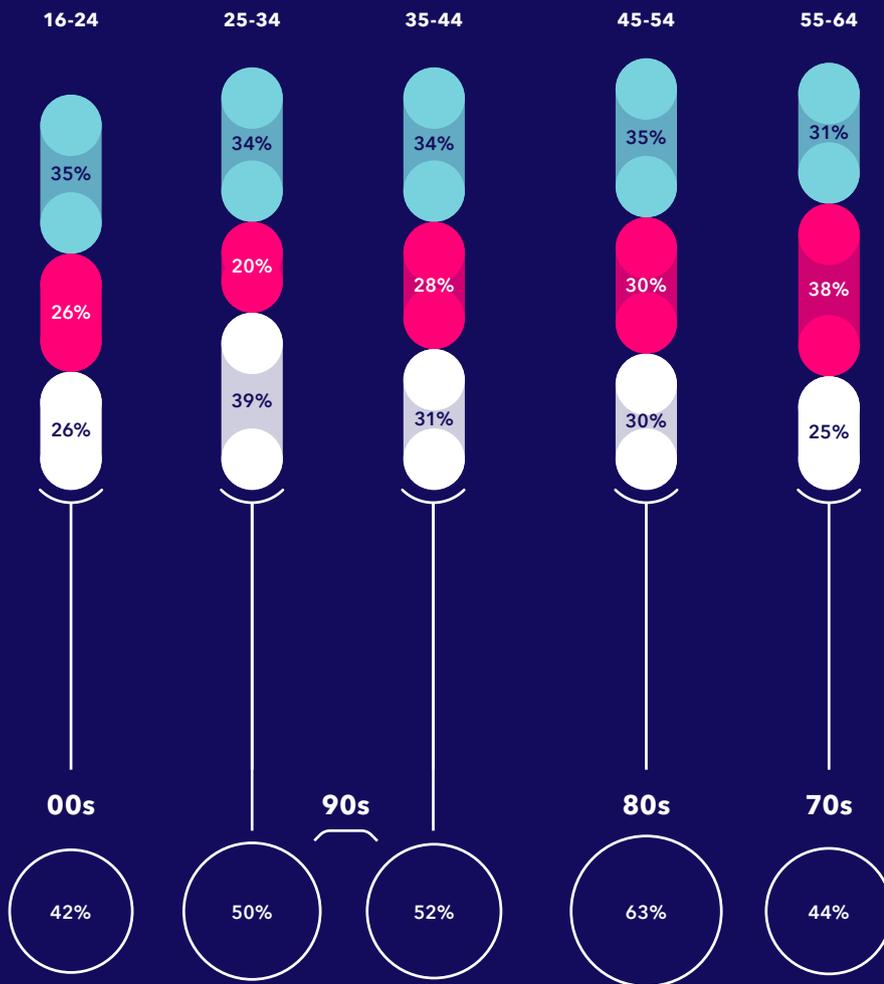


SOURCE: GlobalWebIndex September 2019 **BASE:** 1,948 (U.S.) & 2,081 (UK) internet users aged 16-64 who experience feelings of nostalgia

% of internet users in the U.S./UK who have felt nostalgic in the past year for the following reasons

- Reminded of childhood/teenage years
- Reminded of a specific personal memory
- Felt connected to others (e.g. a memory of family/friends)

Age groups



8 in 10 say they experience feelings of nostalgia (no matter how strong) at least occasionally, with 4 in 10 saying they do so often.

◀ Decade that age groups feel most nostalgic about

◀ % who say they feel most nostalgic about this decade's entertainment



Nostalgia, ultra

Music isn't only the biggest creator of nostalgia in consumers; it may also be the best place for a new, personalized nostalgia to emerge in 2020.

Unlike online TV streaming services, which offer different content libraries, most music is available on all streaming platforms. Apple Music, Amazon Music and Spotify don't rely on content differences and exclusives as much, but on other factors, like user experience. Efficiency of personalization has become a big part of this user experience. Each service is battling to become the one and only audio provider in your life, and collect your listening preferences in the process.

We've already seen Spotify's Unwrapped and Time Capsule playlists, which aim to transport listeners back through their year and provide them with a snapshot of their younger years respectively.

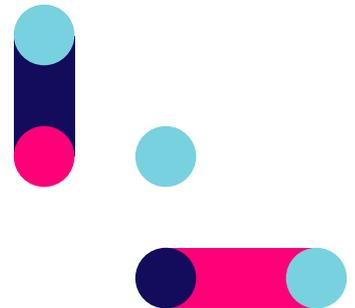
But Time Capsule has to make assumptions about a user's history, because listeners haven't been on the platform for a lifetime. What if, with the same benefit of time that social media platforms have (leveraging +10 years of rich data about consumers), music platforms could tap into this powerful nostalgia on a bigger scale? Listeners could be targeted with songs they haven't heard since their teenage years. And with this nostalgia comes the ability to influence consumers' actions too.

Services like Facebook's Timehop have recognized this already. If you're on social media you'll have probably seen a #TBT or "throwback Thursday", which is often accompanied by something personally nostalgic. This trend was jumped on by consumers and brands alike, and it wasn't too long before Facebook and others wanted to benefit from this nostalgia too. Among the consumers we asked, two-thirds have used at least one of these features in the past, whether on Facebook, Instagram or Snapchat, and this figure was even higher among younger generations.

It's often said that younger generations have grown up with social media, and are adjusting to seeing their past preserved in that form online. But the youngest consumers are now growing up with entertainment platforms that track their every listen or watch as well.

Keeping in mind that consumers feel less nostalgic about photos than music, photo services are making nostalgic content more central through artificial intelligence. **Google Photos'** plans to take users down memory lane through a new Stories function, while **French startup Zyl** is building an app to do the heavy lifting of photo searching, with users being sent a new memory everyday and having to wait 24 hours for another photo-powered nostalgic experience.

1 in 5 say when streaming music, they usually default to favorite songs they've heard before.







Data nostalgia or data privacy?

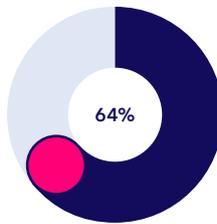
Let's look at social media as a case study of nostalgic tendencies. When we asked users of social media "back-in-time" features, like Timehop, why they'd want to access all of their social media data at once if they had the chance, nostalgia led the way.

This shows just how many consumers like revisiting the past through their online footprint. And surprisingly, even though consumers may have been in a particularly nostalgic mood at the time, data privacy concerns were very few. A third said they would want access to this data out of curiosity to see what they had shared, while only 16% want to see what other organizations, like Facebook, can see.

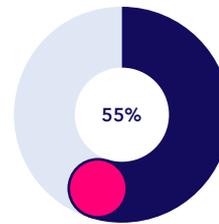
We often hear the phrase "online footprint" discussed in the context of data privacy, but this isn't the first time our research has shown that consumers would be keen to see a record of their personal data, stored by an internet service, out of curiosity.

While consumer awareness of data sharing and privacy is growing, so too is the idea of online personal data being viewed as a type of memory box. In research we carried out in 2018, it emerged that 16-24s were more likely to share old content on social media than status updates, doing so as a way to preserve or remember the past. The youngest generation are often viewed as the target for ephemeral content, but in fact, they're some of the most nostalgic around.

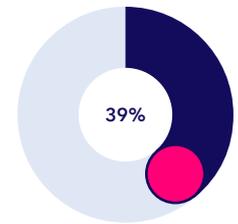
% of internet users in the U.S./UK who say they would like to have access to their past social media data for the following reasons



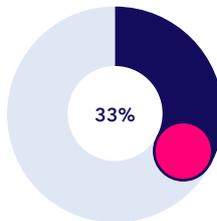
To be able to easily look back at past memories



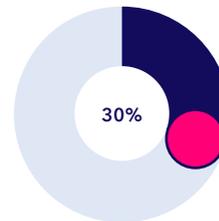
To be able to enjoy content enjoyed in the past



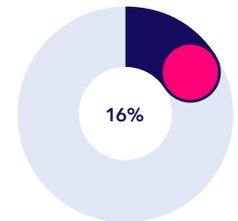
Out of curiosity



To know exactly what data they have shared in the past



To have a copy of previous posts/activity



To see what data other companies/organizations could see

SOURCE: GlobalWebIndex September 2019 **BASE:** 1,444 (U.S.) & 1,416 (UK) internet users aged 16-64 who have used "back in time" features on social media. Features include Facebook's Memories, On this Day, Timehop; Instagram's Memories; Snapchat's Memories



Looking forward

So, what's next? As consumer fatigue increases as the amount of content available continues to grow, personalization is set to become more important to counteract the crowding. Nostalgia will continue as a category of content for consumers, favoring content that makes them feel something.

As streaming services become increasingly ingrained into consumers' day-to-day, the ability to integrate with their moment-to-moment is always increasing, as is the personal data available to these services to influence decisions.

Music services are already building nostalgia into their strategies, but this is likely to increase significantly in 2020 as they work to differentiate themselves. Brands like Disney have mastered nostalgia marketing, reaping the rewards in sales and brand loyalty. As Disney+ launches with an almost century-spanning content library, the following months will be very telling. How much nostalgia TV can consumers handle? How will Disney+ fare against the likes of Netflix and Amazon Prime?

Nostalgia should never fail, as long as it finds the right people.

07



Katie Young

Commerce at the crossroads

07

How marketers can capitalize on the moving consumer in 2020





Not so long ago, if you wanted to buy something online, you'd have to wait for some free time; in the evening while watching TV, or on your desktop at work during your lunch break. But in 2020, shopping, and marketing, will go on the move. Traveling, for so long a passive activity, will begin to become a new frontier for buying online or engaging with brands - whether it's in a car, on a train, in an Uber, or on the subway.

Go back to basics

For a while, marketers have focused their attention so strongly toward consumers' screens that they've forgotten the power and potential that lies in the environment that surrounds us each day. But as the worlds of commerce and transport merge, the world beyond the screen will become more fruitful than ever - making 2020 the right time for marketers to move beyond it.

Despite being one of the oldest advertising mediums, out-of-home (OOH) doesn't face the same issues as other channels. TV has cord-cutters and skippable ads, while digital has ad-blockers. In most media, ads are seen as a distraction, but studies have shown OOH ads actually **improve sentiment** during "dwell time" in public spaces, particularly transport hubs. In many senses of the word, OOH just can't be ignored.

Now, new advances in OOH tech mean that brands can serve really dynamic creatives based on environmental factors such as weather, location and time of day - allowing them to remain hyper-relevant even when they're "offline" and out-of-store. Plus, some of the limitations OOH has faced in the digital era - namely, not having the same capability to measure campaigns - will also have new solutions.

Over 40% of UK and U.S. consumers can recall a billboard ad from the last week.



Technology can really play to OOH's strengths, using data and dynamic video to drive top-of-funnel awareness. Brands are in the middle of capitalizing on programmatic digital OOH. Back in 2018, for example, **Innocent Drinks** used anonymized audience data to inform the optimum times to show its creative for its new Super Juice range.

But it can go further, and provide a stimulus for active behavior. It can trigger you to take action - whether that's researching something, posting online or even purchasing. Increasing capabilities in technologies like augmented reality, radio-frequency identification (memorably used in London for Battersea Dogs Home's #LookingForYou **campaign**) and QR codes are set to further drive on-the-spot activity. OOH will be used as an interactive medium, not just a broadcast one. McDonald's and Waze have already teamed up to **test** a geofenced campaign that paired OOH ads with push notifications, a strategy that's also been **tried** in APAC through the ubiquitous WeChat.

In 2020, OOH is poised to hit the next level of mass reach, **visual impact and location targeting.**



Head underground with OOH advertising

It's underground where OOH advertising really shines. For example, 56% of those in the U.S. and UK who travel by an underground or subway system said they could recall a billboard ad from the last week - markedly higher than the number of train (44%) and bus travelers (47%) who said the same. Conversion rates are also higher underground too. Over half of subway travelers said a billboard ad encouraged them to buy something either there and then, or later on.

The expansion of Wi-Fi and 4G underground is only set to improve these conversion rates by letting consumers research and buy products on the spot. London, for example, will soon be following the likes of Paris, New York and Berlin, expanding **access** to the 4G network anywhere on the Underground by mid-next year, including in tunnels. These seamless connections mean that many purchases previously left abandoned, or never even started, can be completed.

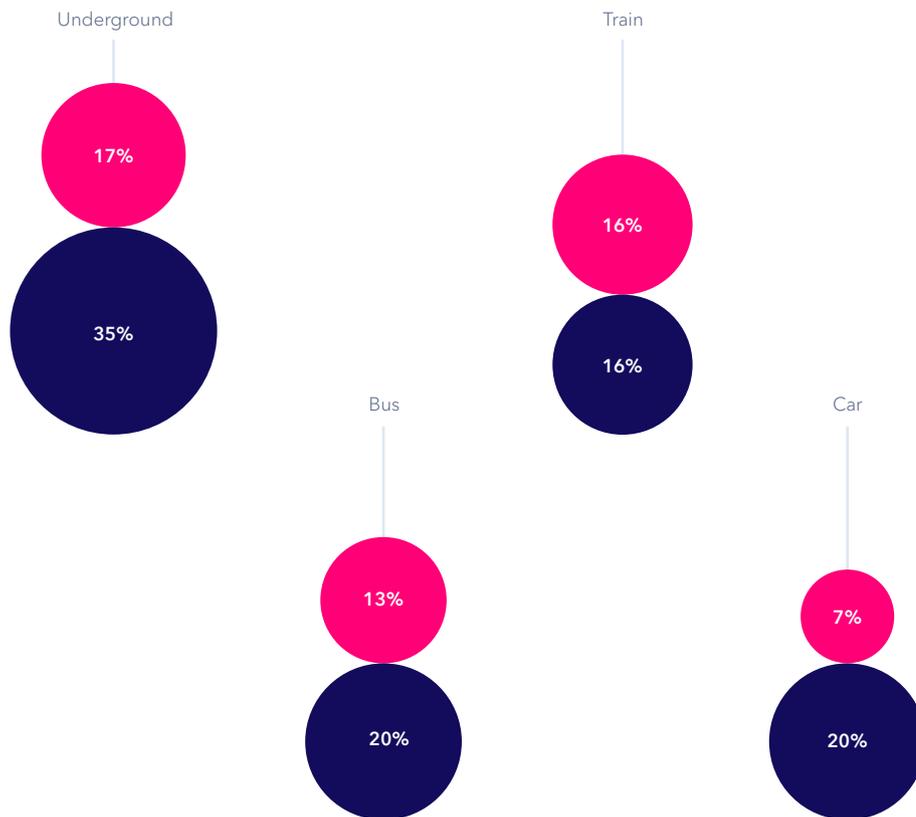
Travelers have the time to read, absorb and act upon out-of-home advertising.



Where does out-of-home advertising have the biggest impact?

% of travelers in the U.S./UK who say they did the following after seeing a billboard ad in the last week

- Made a purchase
- Searched for something and later made a purchase



SOURCE: GlobalWebIndex September 2019
BASE: 2,109 (U.S.) & 2,154 (UK) internet users aged 16-64 who travel via underground /train/car (passenger/driver)/bus



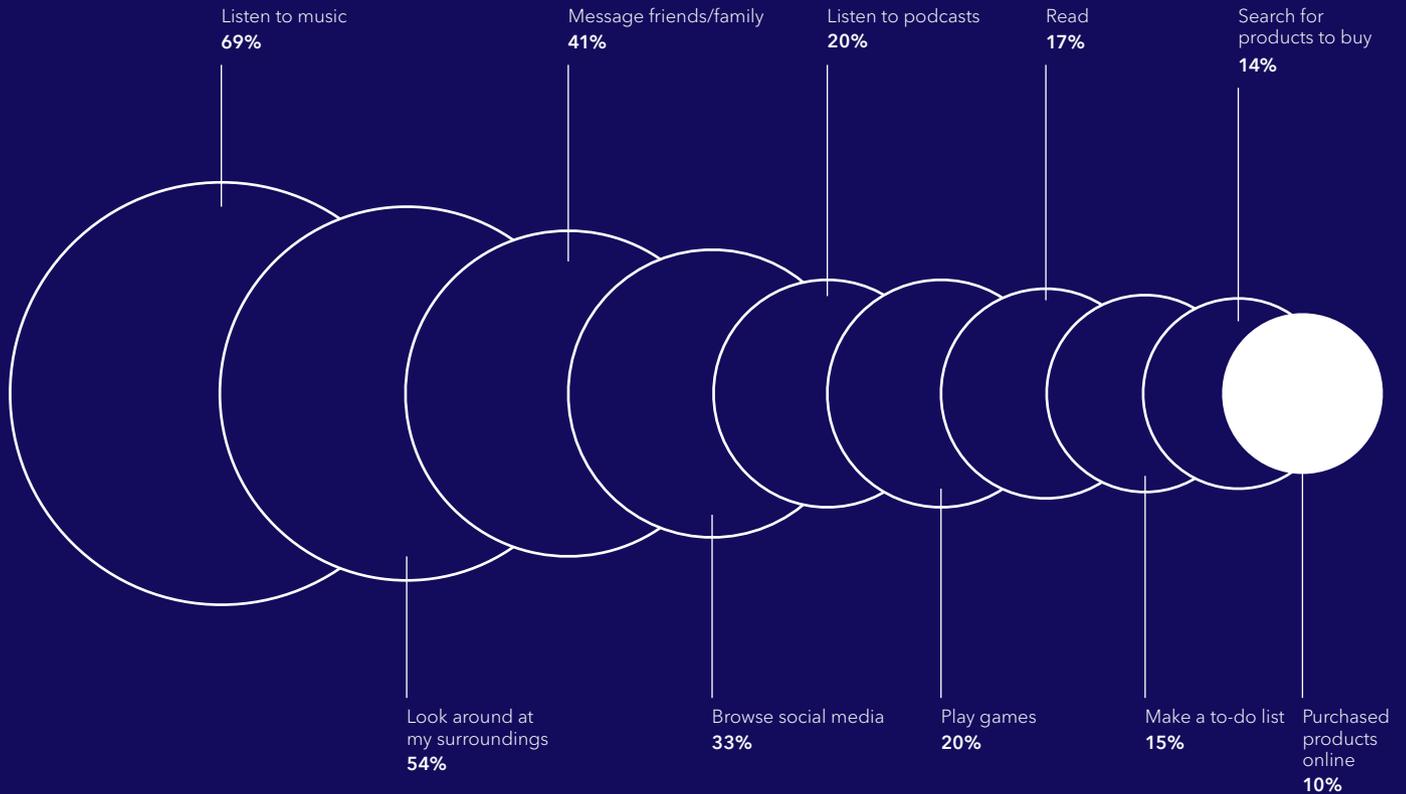
Buying on-the-go is still not frictionless

We saw earlier that OOH ads prove to be memorable among consumers, but when it comes to actually purchasing on the move, it seems that most of them still prefer to buy from the comfort of their home – whether that’s because of faster connection speeds, security reasons or just ease of experience. Just 1 in 10 consumers in the UK and U.S. have purchased something while traveling in the last month. 25-44s are the most likely to be doing so, but it’s still only 13% who say they’ve made a purchase in the last month when they’re on-the-go.

The main issue stems from the fact that mobile commerce is still not completely seamless. Inserting address and credit card information while standing on a train is not likely to appeal to many, especially if connection speeds are slow or intermittent. But in general, breaking through logistical and technological barriers will drive the number of people buying while on the move.

What do consumers do while traveling?

% of internet users in the U.S./UK who say they have done the following while traveling in the last month



SOURCE: GlobalWebIndex September 2019

BASE: 2,109 (U.S.) & 2,154 (UK) internet users aged 16-64



Deals on wheels: the future?

It won't be long until you can ask your car to order your bread and milk.

One crucial area where OOH is really driving change in the path-to-purchase journey is in "commuter commerce". The commute is something that naturally lends itself to carrying out personal admin, and in 2020, shopping and engaging with brands will become a bigger part of this time of day often spent ticking items off a to-do list.

In parallel with the developments around public transport and OOH will come some big improvements in automotive tech.

Here, drivers can't pass the time by looking at a screen, so they're particularly receptive to what they see and hear in their surroundings. Fewer distractions means more time to think too. When they're driving home from work, for example, their thoughts could turn to what they might need for dinner that night.

When we asked car drivers in the UK and U.S. how they feel about the prospect of using their cars to buy products ahead of time, half of them say that the idea excites them to some degree. Convenience is the biggest driver here. The opportunity to save time (68%) and purchase things they need as and when they remember (51%) are cited as the top advantages. Meanwhile, just 12% say they don't see any advantages to buying on the move.

Over 40% of drivers believe that the chance to buy via their cars would make their journey more efficient. And it's clear that they'd like to use this time to act upon their thoughts and carry out routine and menial tasks. Just shy of 4 in 10 car drivers would like to be able to buy groceries or household items from their car, and an even higher number (45%) would like the chance to set reminders for them to buy items later on.

This is why the introduction of voice assistants has the potential to seriously shake things up. Connected cars embedded with voice assistants are growing in number. Last year saw a number of **car brands** like BMW, Ford and Audi all infuse Alexa into their car models' operating system. Things really took off in September when **General Motors**, the biggest carmaker in the U.S., announced plans to integrate Amazon's Alexa into millions of its vehicles from 2020.

Amazon has even made its own car-focused device: the **Echo Auto**. For Amazon, this is the gateway to "capitalize on the commuter". Alexa thrives in-home through the myriad devices Amazon sells, but Amazon is yet to make itself integral in daily commutes where consumers typically turn to their mobiles, and therefore Siri and Google Assistant.



Voice technology isn't the only way that commerce is going to enter the car, though. Visa and SiriusXM are teaming up on an in-vehicle electronic wallet, and Honda's Dream Drive (currently a prototype) is built around the dashboard. In all these cases, the nascent 5G network will help cars become places where buying online is consistently possible, without needing a smartphone.

The opportunities that lie in these integrations are vast. For voice assistant providers and automakers, the car offers an opportunity for unique, localized services that they can generate recurring revenue from. For instance, automakers and voice assistant providers could offer local merchants ad time and promote their services to drivers via Alexa or Google Assistant when a car drives nearby.





Retailers can engage with consumers at times when they were previously passive.

Above all, this integration means reaching and engaging with consumers at a time of the day when they were previously passive. It encourages impulse buying too. It's easy to see how seeing something in the surrounding environment, like an OOH ad, could trigger a driver to remember they need something - especially when the transaction can be done so seamlessly.

The potential for location-based partnerships becomes apparent when we ask consumers what they'd like to do from their cars. The top scoring options are all location-based and car-related things like finding nearby parking spaces (61%) and restaurants/shops (53%), or paying for fuel in advance (52%).

What do consumers want to be able to do from their cars?

% of car drivers in the U.S./UK who say that they would like to be able to do the following while driving



SOURCE: GlobalWebIndex September 2019 **BASE:** 1,446 (U.S.) & 1,066 (UK) regular car drivers aged 16-64



Looking to the future

There's no doubt that there are issues to overcome. For one thing, car drivers report some concerns about the increased likelihood of accidents from distracted drivers.

But more generally, the opportunities that lie in the integration with in-car voice systems, and the advancements in OOH, need to be on the radar of marketers as we enter the new year.

Beyond what we've outlined here are start-ups like **Cargo**, which lets Uber passengers buy while traveling in one of their cars, and **Holoride**, the Audi spinoff focused on in-car VR experiences. Each development points to one of the most profound potential changes in consumer behavior for some time. Parts of the day previously closed-off to marketers and brands will be opened up. Wherever you look in 2020, shopping and marketing will be on the move.

08



Duncan Kavanagh

**Two can play
at that game**

08

Gaming will transform how we connect





If life imitates art, then we are in the middle of a high-stakes, highly competitive battle royale.

Various tech companies are moving their pieces into place to take on the gaming industry, from Apple's **Arcade** to Google's **Stadia**, from Microsoft's **Project xCloud** to Facebook's VR world **Horizon**. But why are these companies so interested in being the frontrunner?

The gaming industry is set to be a different beast in 2020, reinvigorating how we interact with people online.

Games are no longer episodic consumptive media, but are now the basis of new massive online communities. They're evolving into "third spaces" - a place that's not home or work - where players can socialize on their own terms. Epic Games' acquisition of social app Houseparty in June 2019 stole the headlines, and with its tech, *Fortnite* gamers can now **connect and hang out** without actually launching the game.

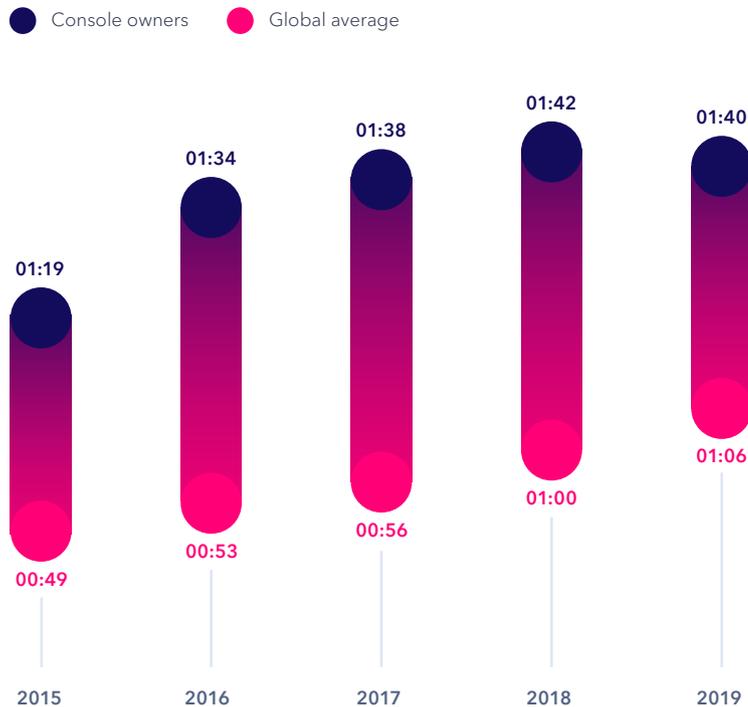
This is a cultural shift that is often underestimated. Not only will games change how we entertain ourselves, but also how we relate to one another, and how we form and maintain relationships.

84% of internet users play games on at least one device.



Time spent on consoles

Average time spent per day (hh:mm) on game consoles



SOURCE: GlobalWebIndex 2015 - 2019 (Averages of all waves conducted between Q1 2015 - Q2 2019)

BASE: 1,334,305 internet users aged 16-64 & 401,123 console owners aged 16-64

The gaming boom

Time spent on games consoles has grown in the past few years as games take on a more social function. With new PlayStation and Xbox devices on the horizon, 2020 will prove pivotal to the industry as a whole. But perhaps the biggest change will be a breaking of barriers between devices, as cross-console play comes to the fore.

Mobile gaming will receive a boost from expanding 5G networks, allowing on-the-go online gaming to move even closer to the home console experience.

Put both of those trends together, and you have the ingredients for a more seamless online gaming experience. But it doesn't end there. With a seamless experience comes multiplayer worlds that are easier to dip in and out of. With that in place, you have the foundations for communities to thrive.



Putting the “social” back in social media

Online multiplayer games are increasingly resembling a new form of social network. They typically encourage interaction between players; some even go as far as demanding it. Collaboration with other players may be a prerequisite for making progress in a game, or a game may be based on competition between players.

At the same time, questions are being asked about whether traditional social media platforms are truly connecting people. In the UK and U.S., the third most common frustration with social media is the lack of actual human connection, while bullying, discriminatory or hateful behavior as a whole is also a common grievance aired across all age groups. Games, on the other hand, are valued for their authenticity and openness. Female online gamers, in particular, are much more likely to say they play online because they feel like they can be their real selves and can do so without needing to worry about being judged.

Online games tend not to have these disadvantages. They can be played without giving too much of your personal life away to other people, and foster a more authentic connection through shared interest and skill. While the dominant reason to play them is to relieve boredom (61%), the next most important reason is to have fun with people they know (38%), coming ahead of skill progression, competition and even game immersion.

1 in 4 online gamers in the UK and U.S. say gaming makes them feel closer to people online than they do to people in real life.

Social frustrations and Gaming motivations

% of internet users in the U.S./UK who say the following are the biggest frustrations with social media

- 32%**
Bullying, discriminatory or hateful behavior
- 30%**
The number of ads I see
- 30%**
The lack of actual human connection
- 27%**
I'm concerned over who can see my activities
- 27%**
It portrays an unrealistic self-image
- 24%**
I spend too much time on social media
- 23%**
The overload of information and content
- 17%**
It's always the same experience whenever I log in
- 12%**
It doesn't appeal to my interests
- 11%**
It gives me FOMO (fear of missing out)
- 11%**
It doesn't allow me to bond properly with my friends
- 9%**
I can't be myself on social media

SOURCE: GlobalWebIndex September 2019

BASE: 2,270 (U.S.) & 2,559 (UK) internet users aged 16-64 | 1,275 (U.S.) & 1,135 (UK) gamers aged 16-64

% of gamers in the U.S./UK who play games for the following reasons

- 61%**
To relieve boredom
- 38%**
To have fun with people I know
- 37%**
To progress my skills
- 36%**
To enjoy the competitive nature of gaming
- 34%**
To feel immersed in the game
- 33%**
To challenge myself against others
- 31%**
To overcome challenges and feel accomplishments
- 26%**
As it allows me to be myself
- 22%**
To chat/keep up with friends
- 21%**
To share moments/experiences with other gamers
- 20%**
To build my in-game status/reputation
- 19%**
To collaborate and work with others



Ready player two

Letting gamers escape from their everyday life remains a huge part of gaming, and one which gaming franchises are continually trying to master.

Immersion and escapism form a huge part of why people game, as well as the cooperation and teamwork which resonates across all demographic breaks, but particularly among 16-24s (43%). This plays into what gamers think could be done to enhance the social aspect of gaming too. When asked, the most popular answer was to create more challenges that involve 1-to-1 teamwork (31%).

The shared experience of playing with people (39%) also features prominently for why gamers play online specifically, and 16-34s are particularly keen for more in-game events. This comes after *Fortnite*'s hugely popular virtual concert with DJ Marshmello, which 11 million people attended live and a further **43 million** and counting have watched on YouTube.

“

We live in a world today where it's hard for kids to go out and have unstructured play with their friends. Most of the experiences on our platform aren't just about the object to win. It's an experience you have with other people: a shared experience.

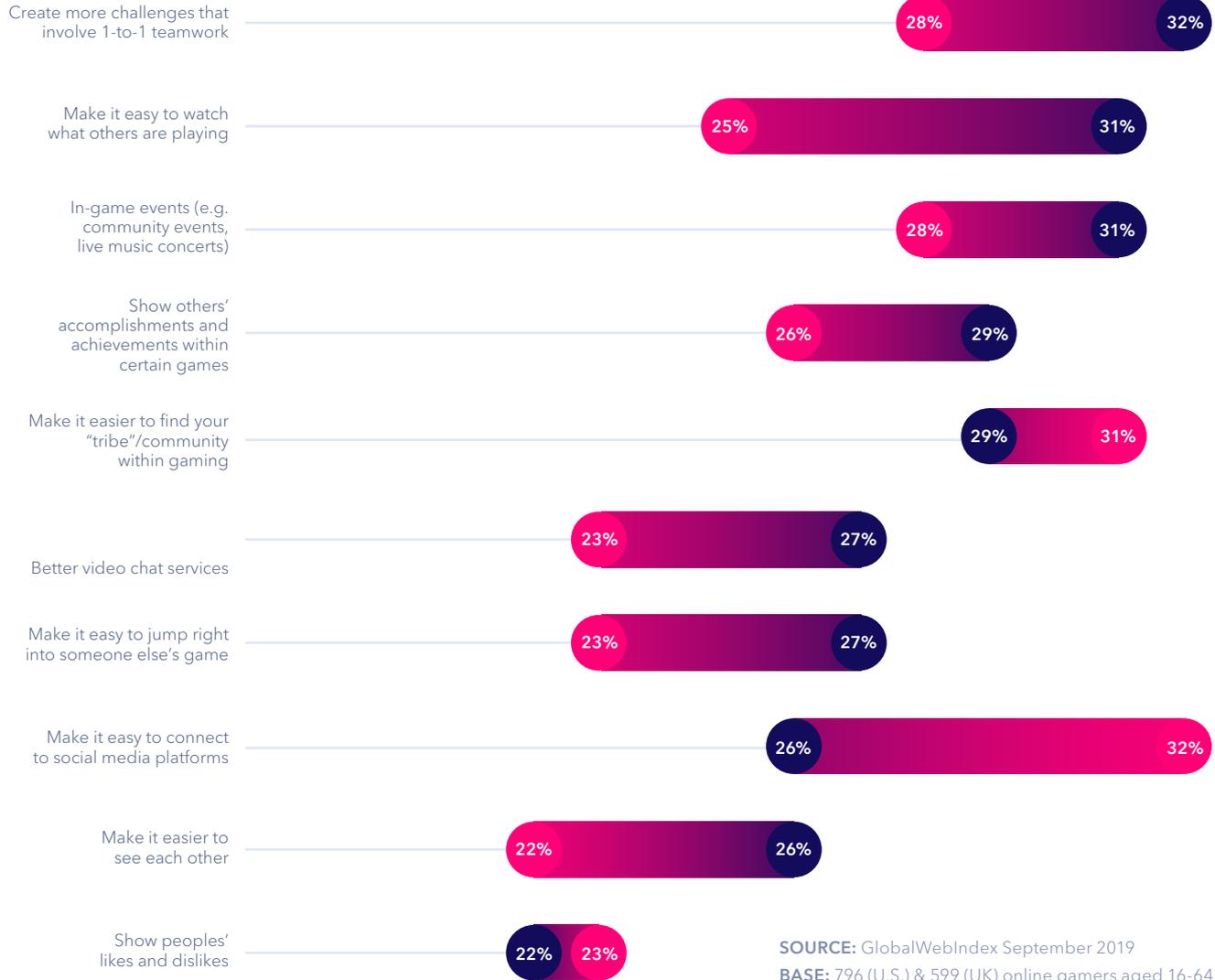
”

Craig Donato, chief business officer, Roblox Corporation

For people, by the people

% of online gamers in the U.S./UK who say the following would most improve the social aspect of gaming

 Female  Male



SOURCE: GlobalWebIndex September 2019
 BASE: 796 (U.S.) & 599 (UK) online gamers aged 16-64



Keep your enemies closer

Creating events and shared experiences is key for establishing sub-communities within a particular game or genre.

Social interaction between members of multiplayer communities shares similarities to the interaction in face-to-face groups. Shared values and goals are the basis on which a shared understanding and a sense of community are built.

The traditional building blocks of identity, such as appearance or age, are often insignificant in multiplayer gaming communities. When the members never meet face-to-face, they form perceptions of each other based on how active or reliable they think others are, for example.

Among online gamers in the UK and U.S., 43% say they feel they are part of a distinctive group when gaming because of shared interests, a figure that is especially prominent among 25-44s and one that rises to 53% among those who have also watched a livestream recently.

3 in 10 online gamers in the UK and U.S. say that making it easier to find a “tribe” or community would most improve the community aspect of gaming.

Only **1 in 10 online gamers** in the UK and U.S. don't feel part of the gaming community.



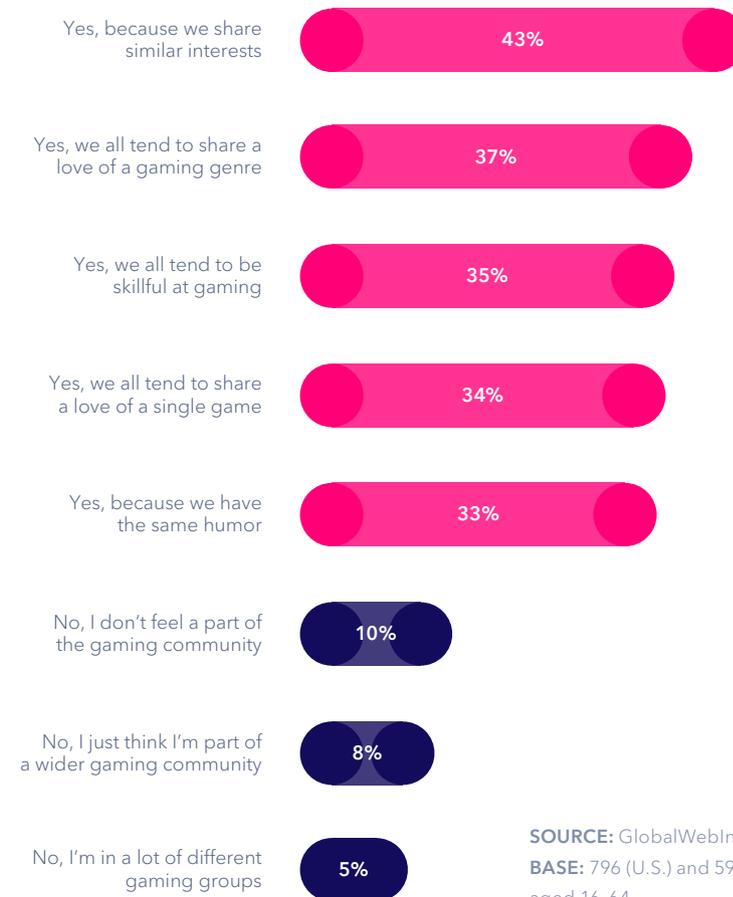
But the gaming community is bigger than just its players; it now includes streamer-viewer relationships as well. In an [interview](#) on Twitch's expansion plans, Chief Revenue Officer Walker Jacobs revealed plans for more investment in non-gaming content, the fastest growing segment on the platform.

As streamers transition from solely game-play broadcasters into more rounded online personalities, it is likely to deepen the bonds they have with their viewers. However, more content from livestreamers' real lives is relatively low in the priorities of those who watch streams. Competitions and giveaways (43%), tutorials and tips (39%), and variation in gaming genres (39%) were the most popular features they wanted to see, but this demand could change as more IRL ("in real life") content becomes available.

*Please note that respondents were able to select multiple options when answering this question

Find your tribe*

% of online gamers in the U.S./UK who say the following when asked whether they feel part of a distinctive group or community when gaming



SOURCE: GlobalWebIndex September 2019
BASE: 796 (U.S.) and 599 (UK) online gamers aged 16-64



Brands have joined the game

So what's at stake for brands here?

Quite simply, social gaming is a massive money-maker, as *Fortnite* has proved. The Wall Street Journal has reported that *Fortnite* **boasts** an annual revenue per user of \$96; more than Google (\$27), Facebook (\$19), Twitter (\$8) and Snapchat (\$3), combined.

Whether it's Louis Vuitton **partnering** with Riot Games for the 2019 League of Legends World Championship, Adidas **signing** streaming celebrity Ninja or H&M **targeting** the gaming audience, brands are clamoring to get involved in the gaming industry somehow.

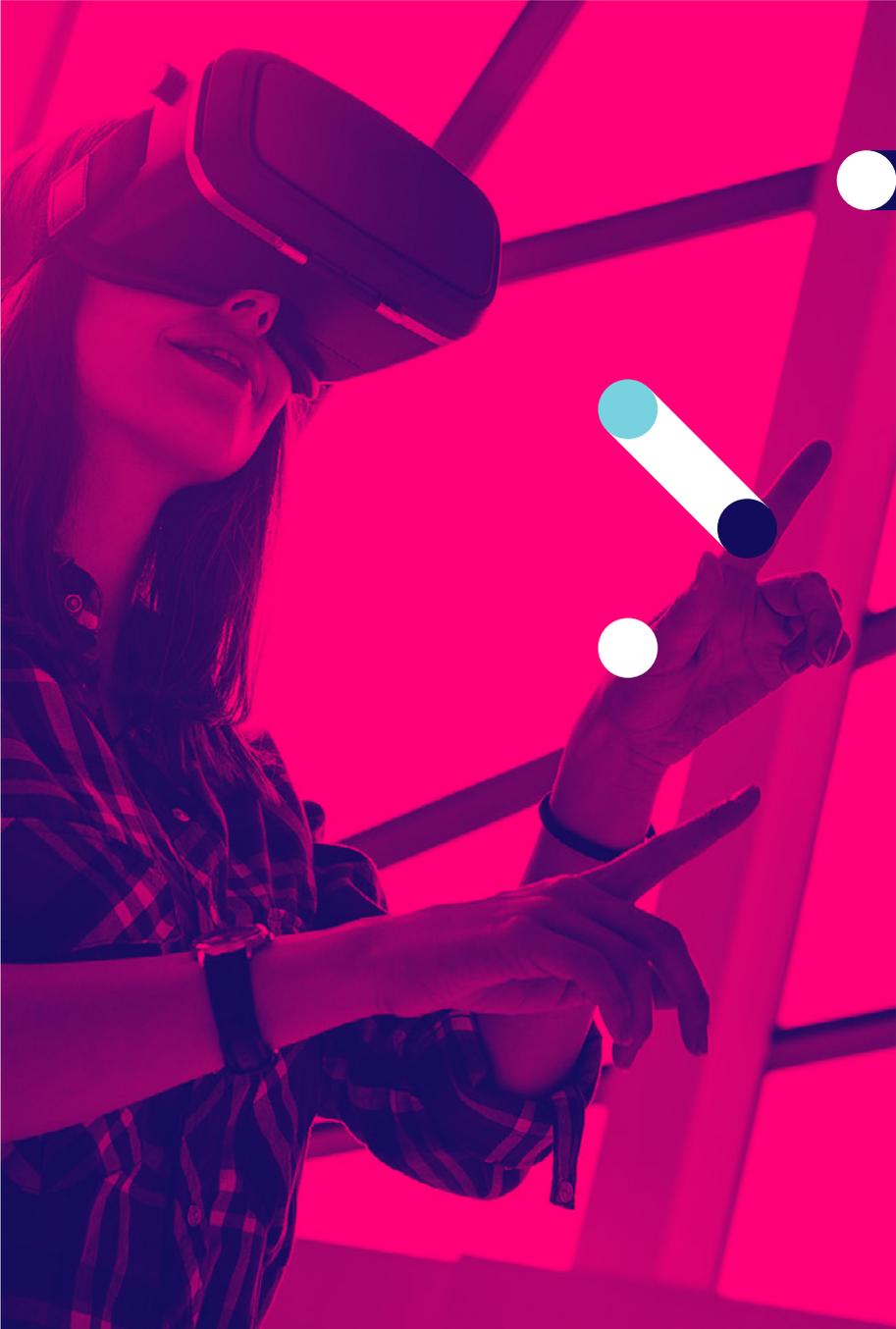
With a more social breed of gaming comes a more immersive world, and one that presents a possible new frontier for advertising. But caution is needed. We see fatigue with the extent of advertising on social media, and 6 in 10 gamers in the UK and U.S. think seeing ads detracts from their gaming experience. One thing to note is that 16-24s are most receptive to ads, which suggests that younger gamers view these spaces differently and are more open to commercial partnerships.

When asked what they would choose if they had to pick one type of ad, those involving some form of compromise were particularly popular. Ads you watch in return for power-ups, extra-lives or rewards (20%), in return for surprise packages or loot boxes (13%), and in return for exclusive content or items (11%) are the most common choices.

While gamers are generally skeptical of ads, they do make purchases; the most popular in-game add-ons are in-game currencies (33%), pay-to-unlock content (28%) and gameplay-affecting upgrades (27%). While males are typically more likely to cite any of the in-game purchases we surveyed compared to females - particularly loot boxes - females are almost as likely to buy a cosmetic upgrade, like a new weapon skin or premium costume.

Compared to other online gamers, those who have purchased a cosmetic upgrade are more likely to play games because they don't want to miss out, to form connections and relationships and to collaborate with others. This is a group who are aware of, and enjoy, the fact that they are perceived by others in what they buy.

The number of ads is the second most common frustration with social media.



The next level

Whoever emerges triumphant in the gaming battle royale, social networks are going to change. As gaming worlds expand and become more complex, there could be a further transformation from the associated ecosystem of gaming activities we see now.

Soon, we might start to see gaming worlds that **function like a real world**, where jobs, commerce, education and meaningful relationships can all be found virtually. In any case, gaming will continue to move toward a “third space”, persistent across devices and consoles, which combines the very best parts of entertainment and social media into one online community.

We’re already seeing signs of the youngest gamers viewing gaming spaces in a profoundly different way to their older counterparts, and are happier to let brands join them in the arena. But in joining the fray, brands’ best bet will be to bolster the social ties that underpin these evolving communities.

Appendix

Key: Page number Related question in survey

- 3** To what extent do you either agree or strongly agree with the statements below?
- 7** Which of these things are important reasons for you using the internet?
- 9** Which of the following health technologies/features do you think could help you manage your health more effectively?
- 12** What do you think are the potential benefits of AI (Artificial Intelligence) and machine learning applications in healthcare? • What do you think are the potential challenges of AI (Artificial Intelligence) and machine learning applications in healthcare?
- 15** On a scale of 1-5, how do you feel about sharing your health data with... Your doctor or healthcare provider, A tech company (e.g. Google), An AI research firm?
- 20** Which of these have you done on
- 21** your mobile in the last month?
- 23** Which of the following sites/applications have you visited or used in the past month via your PC/Laptop, Mobile or Tablet? • Do you currently have any of the following?
- 26** In your opinion, which of the types of organizations listed below offer the best protection of peoples' personal data?
- 29** Which of the following types of data would you consider to be most revealing/exposing of your day-to-day activities?
- 33** To what extent do you either agree or strongly agree with the statements below?
- 34** To what extent do you either agree or strongly agree with the statements below?
- 38** Have you recently done any of the following things in order to take a "break" from technology?
- 45** Which of the below best describes why you shop for clothes/apparel in-store?
- 46** To what extent do you either agree or strongly agree with the statements below?
- 47** Which of the following features/experiences would you most like to see available in clothes/apparel shops?
- 55** To what extent do you agree/disagree with the statements below on your outlook of the world?/I feel positive about the global economy
- 57** Thinking about your company's workforce and revenue, are you expecting them to grow, stay the same or decline in the next year?
- 62** In the last month, which of these app types have you used?
- 65** How do you tend to approach planning activities for your vacation? • When it comes to having activities on your vacation pre-planned by a travel provider (e.g. booking website /travel agent), which of the following do you tend to do? • How many resources do you tend to use when finding out more information about your vacations? • Which point on the following scale best describes your approach to booking different parts of your vacation? • For you personally, which point on the scale best describes the number of services you

- tend to book your vacations on? •
How much do you tend to use local brands/operators for your activities?
- 67 Thinking specifically of airlines, which of these add-on travel services would you consider booking in addition to a flight? • Which of the following, if any, would you consider booking from an online travel agent/travel publisher?
- 74 Which of the following do you remember feeling nostalgic about at some point in the past year?
- 75 Which best describes why you felt nostalgic in the last year?
- 75 Thinking about the past, which decade's entertainment (e.g. music, films, TV shows) makes you feel the most nostalgic?
- 78 If you were able to access all this information at once, which of the following describes why you'd do this?
- 85 In the last week, has seeing an out-of-home ad (e.g. billboard ad) triggered you to either make a purchase or search for something related on your mobile?
- 87 Which of the following have you done in the last month while traveling somewhere? Including when stationary in traffic.
- 90 If you had the chance to, which of these would you like to be able to do from a car while driving?
- 95 On an average day, how long do you spend on games consoles?
- 97 What are your biggest frustrations with using social media (e.g. Facebook, Instagram, Snapchat, etc.)?
• Which of the below best describes why you play games?
- 99 What do you think would most improve the community/social aspect of gaming?
- 101 Do you feel you are part of a distinctive group of people or not when gaming?

