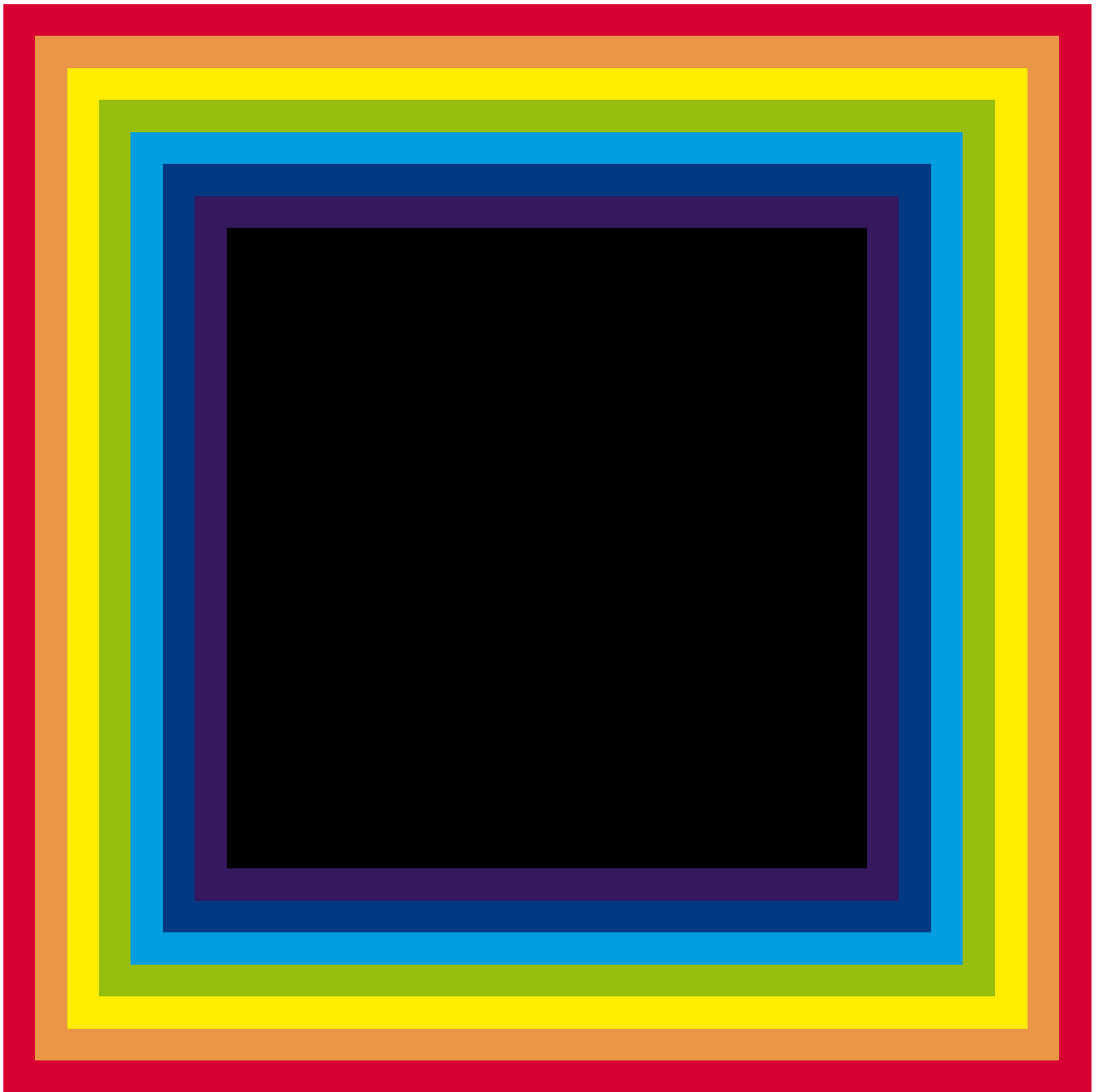


2008+

10 Trends: Predictions & Provocations



“ What a business needs the most for its decisions, especially strategic ones, is data about what goes on outside of it”

Peter Drucker

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Introduction.

Welcome to 2008 - the year of the rat. 2007 seems so last year already. So what's in store for the next 12 months? Two of the largest (predictable) events will be the US election and the Beijing Olympics. The former is a two-way race to see who will inherit an economy balanced on a knife-edge. The latter is a coming out party for what will one day be the largest and most powerful economy on earth. Maybe.

So what else will be worth watching in 2008? Russia is a worry and nationalism is likely to deepen in '08 taking any semblance of democracy with it.

Other things to keep an eye on are climate change (green is the new black this year) and political flash-points like Iran and ~~the US~~ Israel.

Finally there is some good news. Our new found global connectivity (mixed with a generous helping of global warming and citizen activism) means that governments and corporations are starting to question what their wider purpose should be - and are embracing a wider set of values and ~~stakeholder~~ issues. As a result the world is becoming ~~more~~ more open, inclusive and balanced.

This is not quite The 1960s all over again but it's close. Far out and groovy! It looks like those hippies were onto something all along.

R.



Ten Trends for 2008+

1. Karma Capitalism
2. Rhythm & Balance
3. Making things
4. Something for nothing
5. Industrial provenance
6. Robotics
7. Data visualisation
8. Reality mining
9. Eco-exhaustion
10. Fantasy & escape

1. Karma Capitalism

The old capitalist model was red in tooth and claw. It was shareholder driven and its motivation was money. This model was refined in the caring sharing nineties to include stakeholder concerns and is now being reinterpreted once again to include a much broader awareness of societal impacts at both a local and international level. For example, companies are starting to move away from the idea that they are money machines reacting to the market and are embracing a more proactive model in which shareholders, employees, customers, society and the environment are all deemed equally important. Outsiders are now collaborated with rather than manipulated. An example of this shift from competitive capitalism to collaborative cooperation is the fact that the classic management text of the 1980s, *The Art of War*, has more or less disappeared from bookshelves and has been replaced by the more introspective *Bhagavad Gita*, which is perhaps more in line with the post-Enron, post-Bush, post Blair, post- Howard zeitgeist.

Implications

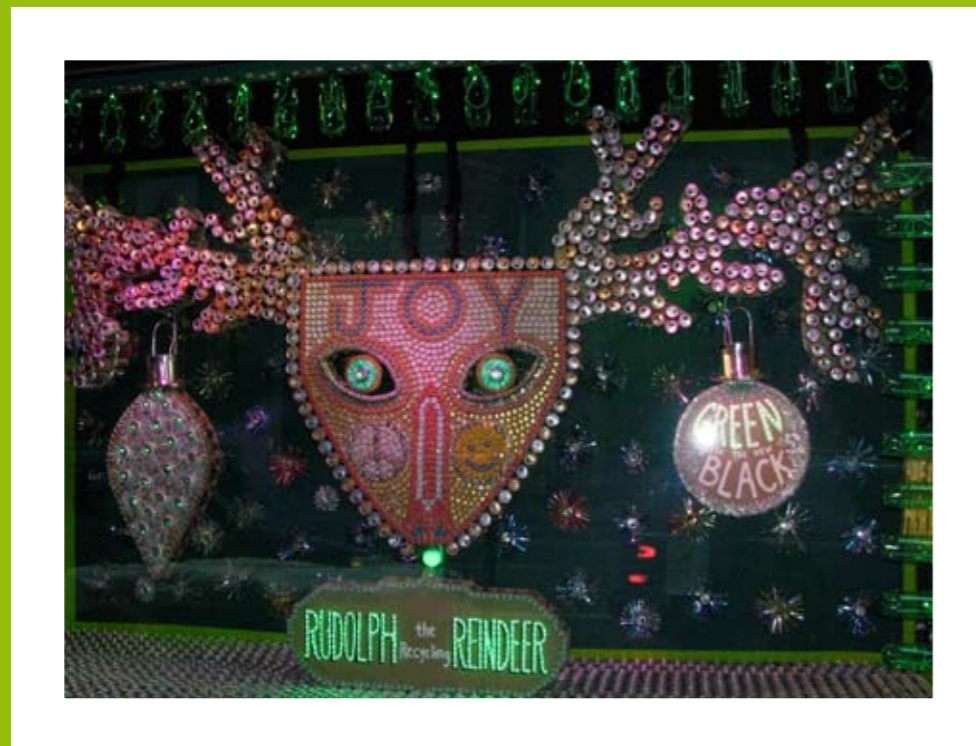
Karma capitalism (a term used by Trend Büro in Germany) is part of a wider shift towards things of substance. It is by definition highly inclusive and inherently open source. Its moral and ethical component links with the desire for more balanced lifestyles and also with a desire for inner peace, harmony and happiness. At its core Karma Capitalism (or conscious capitalism as it's also known) is radical because it says that the purpose of a business must be much more than mere profit and that various ethical and moral issues should be proactively not reactively addressed.

Opportunities

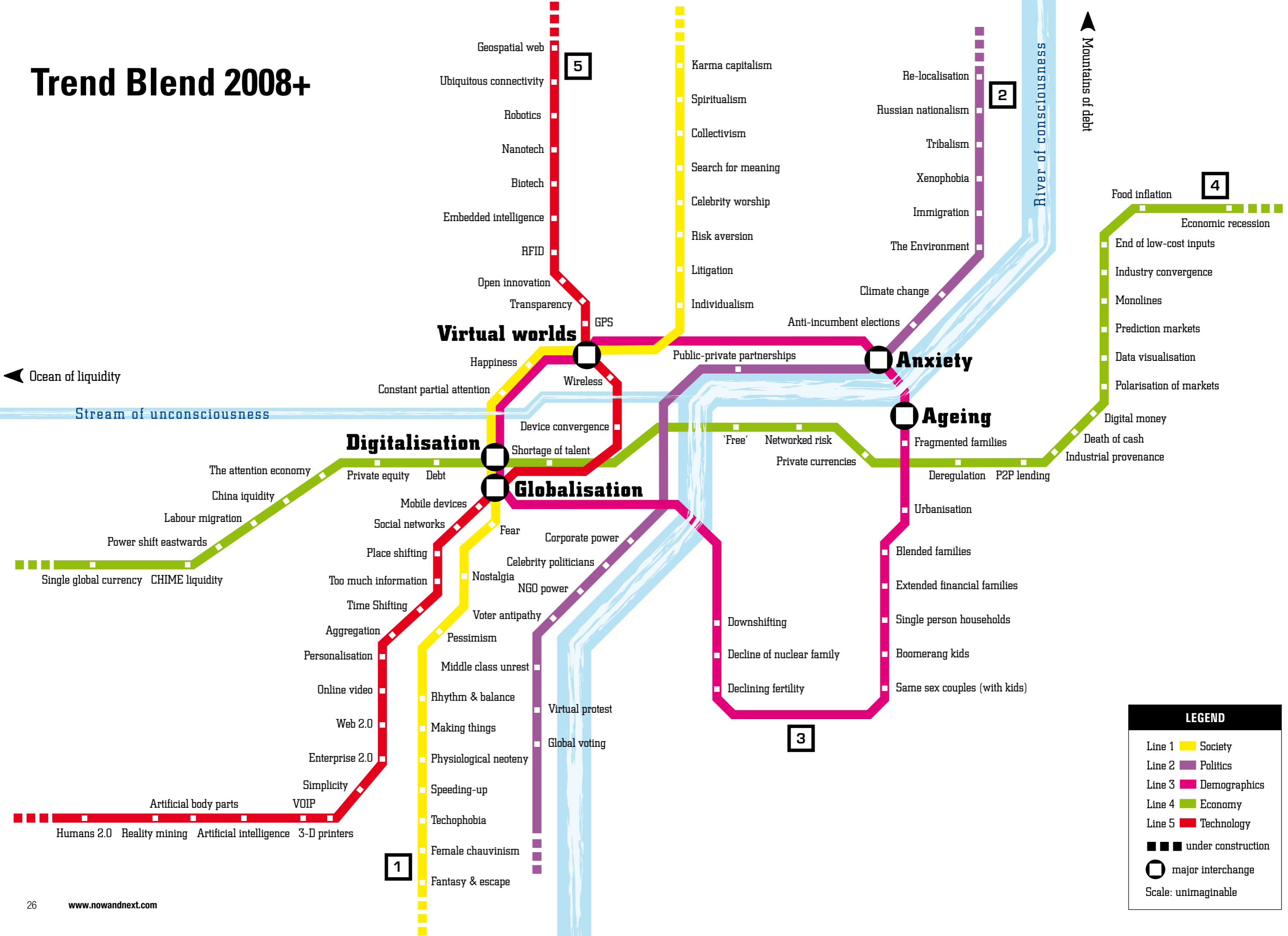
Putting values ahead of prices and putting the long needs of employees and customers ahead of (or at least alongside) the short-term needs of shareholders.

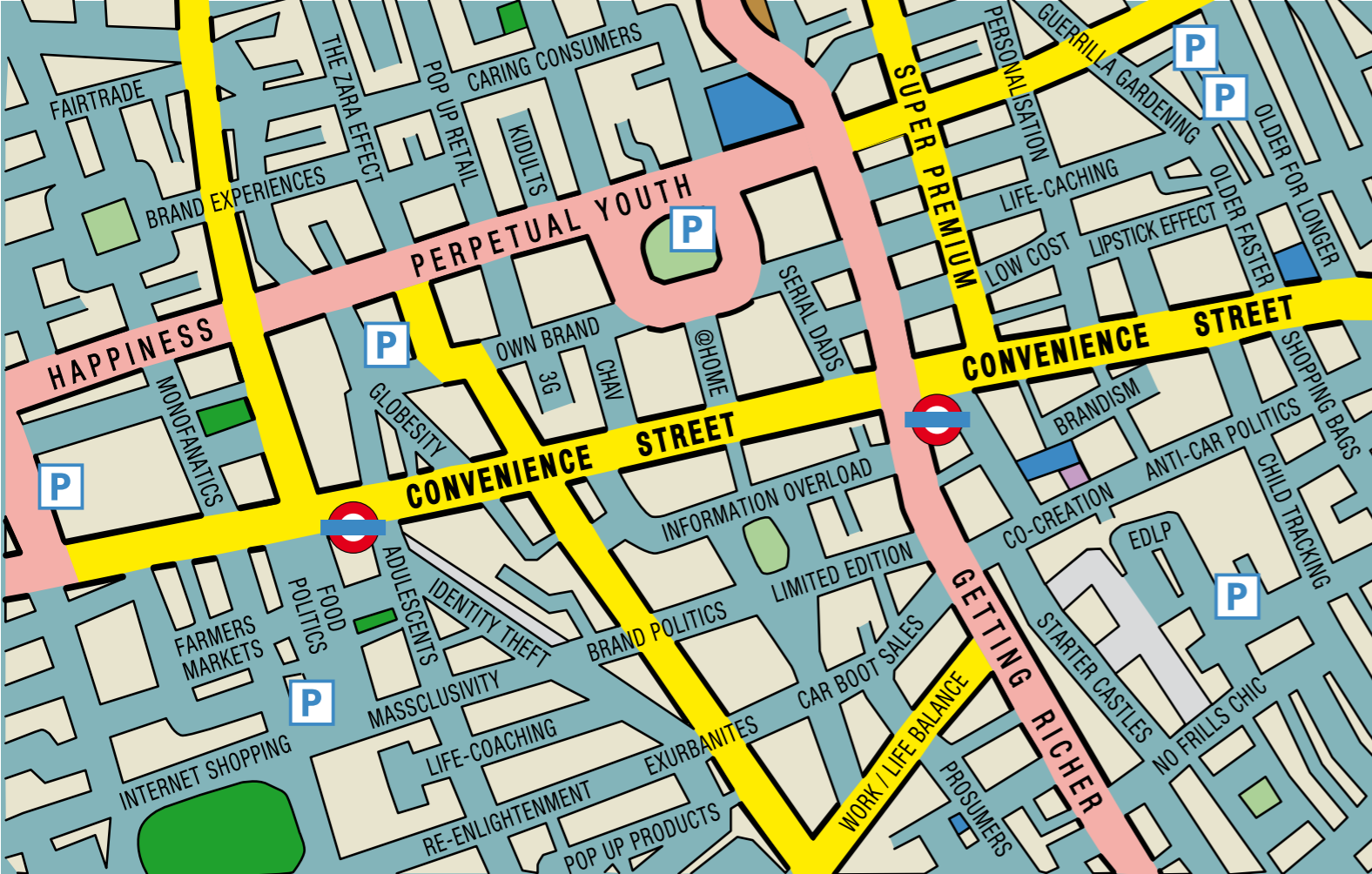
Examples

Grameen Bank, Wikipedia, Co-op bank, Cafedirect, Oxfam, Ben & Jerry's and the teachings of Deepak Chopra, the late Prof. Sumatra Ghoshal, Ram Charan, Vijay Govindrajan and C.K. Prahalad.



Trend Blend 2008+





Sector trends:

1. Society
2. Government
3. Technology
4. Media
5. Retail
6. Food & drink
7. Transport & automotive
8. Travel & tourism
9. Financial services
10. Healthcare & Medicine
11. Work & business

We've now looked at ten macro-trends that are likely, in some form or other, to shape our lives in 2008 and beyond. But what about something more specific? The next section goes into more detail about some of the micro-trends affecting certain sectors. We start with societal trends and then move through politics and technology to specific industries and markets.

5. Retail

Social shopping

In the real world, shopping is an event. It is an experience, usually shared, and people listen to the recommendations of friends and trusted experts. This fact has not escaped the attention of various r(e)-tail entrepreneurs and we are starting to see the emergence of sites like Crowdstorm, ThisNext, Karboodle and Stylehive that tap into various social networking principles.

Convenience

In urban areas, supermarkets are opening small stores in mixed-use developments. The trend is a response to the growing number of high-rise residential buildings and the increase in the number of single-person households in inner city areas that value speed and convenience ahead of price or choice. This trend almost certainly represents one of the next phases in grocery development in high-density areas because most corner grocery stores have disappeared and online grocery shopping is still largely a thing of the future.

Self-service

Customer service costs money and is notoriously difficult to do well, so why not get customers to do it themselves? Everyone saves money and your customers think they're in charge. Current examples include self check-in kiosks in airports, self-scanning machines in supermarkets and DIY check-out services in hotels. Similarly, expect to see the appearance of intelligent vending machines very soon.

Ethical consumerism

Comparing prices is so last century. Nowadays customers are starting to compare environmental and ethical policies, especially emission levels. This is giving rise to what's been termed life-story labelling where products explicitly state where they are from and how they were made.

The immortality factor

Customers are looking for healthy foods and other products to help reduce ageing. This links to the ageing trend and we will also see retailers tailoring products and customer service to this very large and very wealthy demographic segment.



Statistics for the past, present and future

- There was a 25% increase in the number of teachers buying liability insurance in the US between 2000 and 2005.
- There are now over 1 billion overweight people (out of a global population of 6.5 billion) compared with 800 million people that do not have enough to eat.
- PayPal now has over 150 million accounts – more than double the number it had two years ago.
- Costco is the number one supplier of Dom Perignon Champagne in the US.
- The average US home has more TVs (2.73) than people (2.55).
- Just 10% of new users on Second Life are still active after 30 days.
- Around 7,000 Americans die every year as a result of a doctors' bad handwriting
- 50% of all new pharmaceutical products launched in the US are now created by companies less than ten years old.
- In a recent US study, only 3 out of 220 students were able to live with their cell phone turned off for 72 hours.
 - In 1985 the average American had three people to talk to about their problems. Now the figure is just two.
 - 60% of custom homes in the US will have dual master bedrooms by the year 2015.
- The probability of a 25-year-old American getting divorced is 52%
- 36% of US high-school students believe that the US government should approve news stories prior to publication or broadcast.
 - 30% of Americans don't know the year in which 9/11 took place.
 - Box office receipts now account for less than 25% of total film revenues.
- 17% of Sony PlayStation users in the USA are aged over 50.
 - In 2002 sales of office paper were 22% higher than in 1999.
- In the mid 1950s 9% of adults were single in the US. The figure is now 44%
- The number of Americans that will download at least one podcast is forecast to increase from 10 million in 2006 to approximately 60 million by 2010.
- Over the past 20 years the number of people in America that have nobody at all to confide in had doubled to one in four.
 - In 2006, 10% of US companies had to correct publicly issued financial statements.
- In 1980, 22% of US college-educated men worked fifty-hour plus weeks. By 2001 the number had increased to 30%.
- 51% of women in America live without a spouse. In 1950 the figure was 35%.
- 7 million American households are now contained within secure purpose-built compounds. This represents 6% of all US households.
- 61% of CEOs believe that over-regulation is a threat to growth.
- 51% of US households now use organic products and the value of the organic market is expected to grow from US\$13 billion to US\$20 billion by 2010.
- If you index the costs of robots to humans with 1990 as the base (1990=100) the cost of robots has fallen from 100 to 18.5. The cost of humans on the other hand has increased from 100 to 151.
- 83% of children aged 8-18 own a video game player.
- Britons eat 49% of all the ready-to-eat (RTE) meals in Europe.
 - Around 50% of UK households do not have a dining table.
- 44% of people in the UK still live in the area in which they were born.
- 45% of children aged 16 years and under in the UK spend just 2% of their time alone.
- The amount of free time available to schoolchildren in the UK (the time remaining after sleeping, eating and schoolwork) has declined from 40% to 25%.
 - 52% of people in the UK would prefer to live somewhere else. Top dream destinations include Australia, Spain, USA, Canada and New Zealand.
- The number of millionaires in the UK is forecast to grow by 400% by 2020
 - 16% of people in the UK belong to a trade union, 14% to a gym, 7% to a religious group and 3% to a single issue-lobbying group.
- In 1950 the average Briton travelled five miles every day. In 2006 the average daily distance travelled was 30 miles and for the next generation it is expected to be 60 miles.
 - In the UK CDs still account for 85% of all music sales.
- In the UK 63% of doctors have seen an increase in the number of patients reporting food intolerances. However, 75% of reported intolerances are psychological.
 - In 2000 the average British lunch hour lasted 36 minutes. Today it lasts just 19 minutes and 20 seconds.
- 70% of children in the UK have a television in their bedroom and 20% of British families eat every meal while watching the television.
- 10% of maids in Shanghai have recently quit their jobs because they make more money trading shares than cleaning rooms.
- BMW has established a factory in Leipzig (Germany) that is specifically designed to attract workers aged 45 +.
- By 2050 there will be more Egyptians alive than Russians.
- 40 million men in China are unlikely to find a wife – ever.
- World energy demand is predicted to increase by 50% over the next 25 years.
- 80% of toys now contain an electronic component.
- Toyota's employee suggestion scheme generates around 2,000,000 ideas every year of which around 85% are implemented.
 - There are 2.8 billion mobile phones in the world with an additional 1.6 million being added every day.
- Between 42-56 million US service and manufacturing jobs are predicted to disappear over the next 10-20 years
- The average American soldier now carries 22 batteries on his (or her) person.
- 25% of Silicon Valley start-ups are created by either Indian or Chinese entrepreneurs.
- The average walking speed in 32 cities worldwide has increased by 10% since the early 1990s. The fastest city in the world is Singapore.
- If MySpace were a country it would be the 11th most populous country in the world.
 - Sales of fair trade products increased by 56% over the period 1997 to 2005.
- 82% of Australians believe they work for a boss who's incompetent, arrogant or sexist.
- 44 million people visit a Starbucks coffee shop every week.