Firms must cater to this desire for instant, easier, and simpler customer experiences. PayPal, for example, allows customers to execute cashless payments and transactions. Additionally, with this instant access, customers are increasingly able to compare brands and prices. Responding firms are challenged to create more personalized suggestions in order to decrease the time customers spend making decisions.

- ***Snacking.*** Through technological advances, customers expect all aspects of their lives to be immediate, interactive, and intuitive. Customers now prefer to digest smaller portions of information, data, or entertainment and they prefer access to be immediate and free. Examples of this trend include blogs, YouTube videos, RSS feeds, Tumblr photos, and Tweets.
- ***New Networking.*** Communities can now be based on shared interest instead of location. Social media and online communities are thriving, and customers now digitally connect with a purpose, such as volunteering for a cause or participating in Kickstarter campaigns.
- ***Local Celebration.*** Customers are increasingly opting to purchase locally produced goods over products sourced from other countries. Customers prefer to support local communities, traditions, and culture because it gives them a sense of pride, belonging, and exclusivity. Responding firms offer locally sourced brands and products.
- ***My Tribe.*** There is growing affinity toward a social unit that is centered on an interest or activity and not bound by conventional social links. Harley-Davidson events, such as the annual rally in Sturgis, South Dakota, attract hundreds of thousands of participants. The Apple users group has been a strong part of Apple's success in a PC world. The Internet has generated a host of communities and chat groups that play an influential role through information exchange and social networking.
- ***Renting Not Owning.*** There is a growing trend, especially among young customers, toward valuing access to products instead of owning them. Rather than seeing renting as a poor substitute for owning, many customers actually prefer the flexibility and pricing model of renting. This trend can be seen in the increasing use of Zipcar and BMW DriveNow that allow customers to use a car for a few hours, and companies, such as Spotify, that allow customers to listen to music without purchasing CDs.

Figure 5.3 Cultural Trends Important to Customer Behavior

Sustainability

A mega cultural trend worth examining in more depth is the green movement of the twenty-first century. Customers care a great deal about sustainability, or the impact of their purchases on the environment, and there are a variety of different ways that this concern influences their purchasing behaviors. For example, many customers have switched from conventional products, such as incandescent light bulbs, gas-fueled cars, and conventionally grown foods, to more eco-friendly ones, such as CFL or LED light bulbs, hybrid cars, and organic produce. Other customers consider how sustainable a firm's business practices are when deciding whether or not to make a purchase. Still other customers are choosing to not purchase new products altogether, instead repairing old products or borrowing or trading products through organizations such as Freecycle.[10]

Importantly for firms, increasing numbers of customers—66 percent in 2015, up from 50 percent in 2013—report being willing to pay more for eco-friendly products.[11] Some customers, most notably Millennials in the United States and a range of customers in developing countries, do pay more for eco-friendly products, but other customers' actual willingness to purchase environmentally friendly products lags behind their purported support for them. For example, 26 percent of customers say they want more eco-friendly products on the market, but only 10 percent have actually bought these new products when they are made available. Companies seeking to compete on environmental benefits should carefully determine whether their target market's interest equals their willingness to pay.

Business and Technology Trends

Business and technology trends represent opportunities to those firms in a position to capitalize and threats to firms which are not.

Big Data

The ability to capture and store data became possible in the 1950s and 1960s with large mainframe computers. Since then, the advent of the personal computer in the 1980s, the rise of the Internet in the 1990s, and expanded bandwidth into the 2000s have set up the ability to collect, store, and manipulate large data sets often referred to as big data. Supported by the "cloud" where data are now stored and accessed by customers and companies, big data is one of the megatrends of our era.

Firms in general and marketing teams in particular are swamped by data and are struggling to turn that data into insights, more valuable products and services, and better decisions. It is truly an avalanche that has many sources, some new and some ongoing. One distinguishing feature of these data is that they are at the individual customer level, which means that the company has a much richer understanding of customer behavior and the ability to act on it. For example, a bank achieved more than 600 percent ROI (return on investment) by using predictive analytics to more intelligently target customer offers. Among the sources of these data are Internet search and shopping records, social media activity, blogging participation, mobile phone usage behavior including opt-in records of GPS (Global Positioning System) locations, digital picture and videos, purchasing data, and much more.

A second distinguishing feature of big data is that it is often real time in nature, which means that companies are able to learn quickly if there are problems and work to resolve them. For example, social media activities help alert the firms to problems with their products and services, and credit card companies are able to alert their customers to the possibility of fraud by documenting purchases in real time and comparing to the customers' purchase history patterns.

Firms trying to use "big data" to get an edge or just to keep up with competitors require a set of competencies. First, it is critical to be able to ask the right questions, both strategic and tactical, because with big data, questions are not obvious and the nature of the insights is often hidden. Finding the right questions requires a deep connection to customers achieved through interviews or visits where customers purchase and use products. Second, firms need to be competent in designing and interpreting an ongoing flow of experiments. The ability to learn in real time sets up an opportunity for companies to run small and numerous experiments to tune their strategies. Third, big data often presents big integration challenges because companies have social media data in one repository and purchase data in another. To get the 360-degree view of customers in communication, purchasing, and social activities, systems should be set up to capture and integrate customer data. Finally, companies need to be good at data storage, data handling, analytics, and the development of problem-driven statistical models. Without such capabilities, they can't play the big data game.

Innovations

Trends, both market and environmental, can stimulate innovation. It is useful to distinguish between incremental, substantial, and transformational innovation. They differ in terms of how new they are and how much wealth they represent for the business. An incremental innovation makes the offering more attractive or profitable, but does not fundamentally change customer