Exploring New Business Opportunities in the Changes of Customers' Values

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After World War II, people have managed to remain at peace without another world war for more than six decades. Business activities thrive as a result of the peaceful time, the increase of population and the continuous improvement in manufacturing techniques; moreover, business models also diversify as customers' values change in various periods.

1970s: an era when all manufactured goods could make a sale

People facing hardships in the post-war era developed virtues of thrift and hardworking attitude, and generally went for certainties in life. It is in the 70s that the baby boomers became the salt of the earth. The 70s saw an economic recovery as technology advanced, and people became richer. Consequently, consumers' purchasing power in this decade increased considerably.

Manufacturers of the 70s led the consumer market. They pursued greater manufacturing efficiency and continued expanding production capacities. As long as goods could function to meet the basic needs in daily life, consumers welcomed them.

1980s: an era of shelf-space competition

Businesses invested heavily on factory machines, facilities, and production gear so that manufactured goods could achieve standard quality and quantity, which have satisfied the basic daily needs of consumers of the 80s. Businesses now competed for shelf-space, striving for a larger space and a longer time from the distributors to exhibit their goods with the limited shelf space.

Distributors, thus, benefited the greatest in this

business chain. Facing an overwhelming number of goods, purchasers began to practice a screening mechanism for on-shelf goods. A screening mechanism has strict on-shelf and off-shelf rules; it controls shelf-space, calculates merchandizing turnover ratio, and exercises inventory control. At this time, some well-to-do consumers that value fashionable and conspicuous products turned to high-end luxury goods.

The 90s: an era of pseudo satiation of consumption

The invention of the Internet changed people's lives. Over the years, Internet has pooled an increasingly rich amount of information that provided consumers more channels to shop and compare prices. In addition to TV, radio broadcast, and conventional media such as books, newspaper, and magazines, consumers were also empowered with a variety of Internet platforms. Consumers of the 90s retrieved product information online, and learned about their desired products from users' online reviews before they made the final purchase in any physical or virtual stores.

Consumers of the 90s also became more careful in calculation, strict in budgeting, and price sensitive. They appraised currency values upon purchasing a product, and they made more rational purchases. The consumer market at the 90s became slightly inactive mainly because shoppers had a different purchasing mentality. They, however, did not just stop buying. Instead, consumers controlled and led a consumer market, which used to be controlled by sellers and suppliers.

2000: an era of real satiation of consumption

Unclear business models of Internet companies were partly responsible for the dotcom bubble burst by 2000. Global economic slowdown made consumers more cautious with their spending. Businesses used discounts and sales to promote, but these measures did not necessarily work to boost purchase numbers in the consumer market. To appeal to more consumers, businesses improved products with aesthetic and exquisite design and increased product lines. They followed the long tail theory, believing a continuous expansion of product lines would eventually attract consumers to make purchases.

At this time, it became difficult for massively produced products to satisfy consumers. Only products that stood out in styles and tastes could sell.

After 2008: post crisis age that saw recessing materialism

The outbreak of the subprime mortgage crisis in the U.S. and the financial tsunami in 2008 resulted in a global financial crisis that was rarely seen before. Big falls in stock, bond and housing markets severely damaged the global economy. In such a turbulent economy, consumers experienced a new low of desire to purchase material goods or spend money in recreation.

Consumers after 2008 were unruffled, reserved and rational. They valued product performances and prices. Moreover, they thought highly of the experience prior to, in the middle of and after the purchase, and preferred aesthetically pleasing goods and services. Businesses had to be in line with the values and lifestyles of the consumers in order to stimulate their purchasing desire.

After 2014: an era that stressed the model of collaborative consumption over owning consumption

Pessimistic predictions on the long-term economic growth and ICT revolution bring about the popularization of a simpler lifestyle. "Enough is good enough" became a

motto that consumers actively abide by; meanwhile, there were also more types of rental goods and services available. Besides conventional rental goods, such as cars and houses, consumers now could also rent fashionable goods, clothes, and accessories, and even household appliances such as blankets and kitchenware. Consumers after 2014 took the possibility to reuse the surplus value of a given product upon purchasing into consideration. They considered whether they could sell the purchase as a used product, or modify and alter the clothes they purchased later on. Renting goods and selling second-hand became a trend; moreover, leisure time also became a commodity. Cell phone apps and Internet platforms work together to cater to clients' needs, offering interested individuals channels to provide passenger services like Uber, give personal styling services like Code Tike and sell homemade meals on a website like dahuo.tw.

It is foreseeable that consumers' values will continue changing in the future. Nevertheless, businesses should continue developing new service models with the advent of new technologies. In other words, businesses should make both products and services more convenient, personalized, and collaborative at the same time.

Ya-ling Kao's research areas include industry technology screening and evaluation, blueprint planning of industrial technology development, and policy planning of traditional industries. Ms. Kao has participated in the project "Research of 2015 Taiwan Industry Development and Technology Integration" commissioned by the Ministry of Economic Affairs, responsible for strategy analysis of traditional industries and technology analysis of aging disease diagnosis and treatment. Prior of MIC, Ms. Kao has worked for a biotech firm and a food products corporation, responsible for product marketing. Ms. Kao holds a Master's degree in management from Fu Jen Catholic University.