4 Market Trends that will Influence How we do Business in 2023

with Ben Lund, Founder of Rise Marketing Group

- Hybrid work is here to stay.
  - An Envoy survey in April 2022 noted that 77% of companies have adopted a hybrid work environment. What we think this shows is how fundamentally the world has changed since pre-COVID-19. The hybrid approach strikes a nice balance between seeing face-time and being flexible knowing that work is getting done.
  - Regardless of the physical limitations of the office space, companies that are not embracing the hybrid work environment (where applicable) are continuing to lose talent looking for more flexibility and work-life balance.
  - LESSON: Get on-board and figure out how to work this into your company, unless you are one of the "mandatory onsite" options (line in a factory, food service, grocery, etc). It may be hard in the short-term, but it will pay off in the long-term.
- The great resignation is the gift that keeps on giving.
  - Covid caused people to see new opportunities and flexibility in the way they worked, and they want to hold onto that. This is where they hybrid approach comes in. For so many reasons, this is important and when companies try to force people back into the office, especially full-time, it is often met with resistance in the form of quitting.
  - Covid gave people too much time (some would argue to much time) alone with their thoughts, which led to reflection on what they want out of life and work. Which also has caused people to leave their jobs, seek new opportunities, etc.
  - We are seeing not enough workforce in total, and not enough quality workers in many cases. There is no indication that this trend is letting up anytime soon. According to isolved, 1 in 4 employees do not feel secure in their existing job. The US Bureau of Labor Statistics states that 4 million people per month have left their jobs over the last 12 months. Reasons are not just tied to flexibility and fulfillment- there are other factors such as trusting their bosses to being able to make more money elsewhere.
  - Embrace the gig economy and start getting comfortable with consultants, freelancers, there are ways to get the work done outside your company.
  - LESSON: Figure out the currency of your people and adjust accordingly. It doesn't have to be the same for each and shouldn't be.
- The looming recession is causing a re-examination of spend.
  - The other "r"word that is causing major anxiety is recession. Given the climate we have been in during and since COVID is perhaps not a shock, but still equally tough to manage and get out heads around.
  - It is no surprise that all of us- companies included- are taking a hard look at our spend and expenses and re-evalutating what and how to move forward.
  - COVID expedited things like limited spend in the digital space. However, that also comes with a new set of challenges around navigating the complex environment and knowing how to use it to the benefit of a business.
  - Seeing companies pulling back is not a huge surprise, nor is the slow start to consumer spending in 2023. Coming off of the 2022 "permacrisis", continued levels of uncertainty means that a recession should not be surprising. Expectations of lower spend and conservatism, plus the sheer rise in costs in 2022 for basic items means playing it a bit safer.
  - Think about tiers. In the way you offer products and services and how you pitch them. This provides flexibility and meets them where they are. Offer solutions that are "good enough for now" with an eye on how to upgrade in the future.
  - LESSON: Acknowledge this head-on and be honest about it. Put it in terms of your consumer's concerns and speak to them through that lens.
- Consumer shopping continues to sku more digital than ever.
  - We can all thank COVID for the progress here! Grocery is one category where we continue to see growth, with 7% of commerce sales in the US equating for online grocery in 2022. Similar trends exist globally. This allowed a lot of people that were not early or even mid-adopters to dip their toe in the category, when it seems "safer" than entering a grocery store during COVID.
  - On the other side, the early adopter trends are seeing people shop via social media now more than ever- 38% of shoppers purchase monthly through social media according to Forrester. You can look at Facebook to TikTok and see that it must be working considering the ads/ product placements/influencer's we see there.
  - What this means is that you better have your ducks in a row associated with the experience here, and make sure it is on-brand and consumer-centric. This is the place where savviness and expectations are growing at a crazy rate and patience for lacking experiences does not exist.

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