ERICSSON

DISRUPTION OF THE OLD
CONSUMPTION LOGIC

PART 1/4

PREFACE

This series of reports on Lifestyle Change provides insights into how consumption patterns will change and respond to some of the major technology-driven trends now reconfiguring the global marketplace.

The methods consist of extensive qualitative analysis including a series of in-depth interviews with 36 academic researchers, experts, authors, entrepreneurs and forerunners; a broad range of literature and articles on the topic; and many blogs and websites on the digital economy and homepages of digital companies.

The report series consists of four parts: “Disruption of the old consumption logic,” “The sharing economy,” “Emerging consumer values,” and “The consumer in the Networked Society.” Supporting the whole series is a fifth report – “A tale of two transforming cities” – with contrasting case studies of two rapidly transforming urban areas, Detroit and the Bay Area, which highlight the emerging opportunities of the Networked Society.

Special thanks to Jan Unkuri, Fredrik Öhrfelt and Josef Conning at Augur, a Stockholm-based insight agency, as well as to all the people whose interviews contributed to these reports.

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Ericsson Networked Society Lab

The Ericsson Networked Society Lab is focused on delivering unique insights about the emerging opportunities in society enabled by information and communication technology (ICT). Since 2008, we have conducted research into vital aspects of the technology-driven transformation of industries, business, society and everyday life. Our lab community includes a dedicated core team, Ericsson experts, and partners such as university professors and independent thought leaders. By gathering a wide range of perspectives and experiences, the Networked Society Lab aims to provide a deeper understanding of the fundamental changes empowered by ICT.

INTRODUCTION

The word “consumption” originates from the Latin word consumptionem, meaning “using up or wasting.” In economic terms, consumption is defined in part by a comparison with production. Traditionally, there has been a clear production side and a clear consumption side. The word “consumer” is, therefore, related to the age of industrialization.

Historically, consumption has mostly followed this original meaning: that the consumer is “using up” the product – for example, commodities such as food, or even, in the longer term, a car or an item of furniture. However, with the digitalization of products and the move towards more services the meaning of being a consumer is changing. With this, what constitutes consumption is changing as well.

Just as we have different forms of employment today, and have a relatively granular understanding of all the types and facets of work, we will begin to understand consumption in a more nuanced manner. It will become increasingly important to talk about different roles of consumption in society.

Some examples are:

- The individual as a consumer in its traditional meaning: consumption as an act of purchasing, owning and consuming products.
- The individual as a user: consumption as an act of using services and products, with less focus on ownership.
- The individual as a co-creator or breeder: consumption as an act of contributing to the creation of products and services – and businesses.
- The consumer as a citizen: consumption as the main state of belonging to and being in society.
- The individual as a consumer specialist: consumption itself as a true skill or craft.
- The individual as an activist: consumption as politics and as a means to change or even disrupt society.
- The consumer as a proletarian: consumption as a dependent underclass existence.

This means that we have to start our analysis of what the future of consumption and commerce will be like with the underlying notion that the very meaning of the word “consumption” is changing.

FROM THE AGE OF INDUSTRIALIZATION TO THE NETWORKED SOCIETY

In many ways, the new millennium marks the transition from the age of industrialization to a new paradigm: the Networked Society.

It is only now that we are able to see the age of industrialization for what it really was: an era of market economy, of mass-manufacturing, of mass-consumption and a highly-modernistic organization of life into clear-cut categories, invented by the great institutions of the 20th century, namely governments and large enterprises. During the age of industrialization, the individual left their rural and collective societies, moved into cities and other urban areas, settled in nuclear family constellations, and separated work life from private life. Labor and waged work increased the standard of living, and developed the market. Individuals started to consume the fruits of this new market.

During this time, democracy and individualism won the ideological race in Western societies. The individual increasingly began to view their life not only as a religious, political or family project, but as a project of self-fulfillment; through individual choices, through work, through consumption. The state guaranteed a stable economic and juridical platform for society and markets and large enterprises provided both employment and all things necessary to live a modern life.

Businesses invented the first mass marketing and then branding to help consumers make decisions in the market and to attract their interest and desires. The individual increasingly turned to the world of consumer goods to form their identity, to create belonging in the world and to position themselves in their sociocultural context. Consumption gave the individual a sense of meaning and from this emerged the so-called consumer society and various consumer cultures. The world and the market seemed to be made up of producers and consumers – and an ecosystem formed where the individual worked for one enterprise, received their paycheck and spent it on brands from other enterprises.

While all this peaked during the late 20th century, digital technology had begun to materialize in the developed world. First, digital technology was adopted by businesses and put to use in order to automate and make business processes and manufacturing more efficient. Soon digital technology entered consumer markets, and as prices fell and the technology advanced rapidly, the age of industrialization started to take on a different shape.

In recent years, the individual became digitally connected, as did many things around them. Suddenly the individual could communicate with a huge number of other people around the world and also with all sorts of things in the world. The age of industrialization had transformed into the Networked Society.

As relationships, communication and transactions turned into data and became possible to access and stream over the internet, digital services became easily available, at transaction costs close to zero. This disrupted the old logics of industrialization. Organizing production, executing production, distributing products and services, and marketing brands was no longer the same big apparatus it used to be in the industrial world. The individual consumer had access to all information they cared for, to all products and services they cared for, to all brands they cared for, and was no longer limited by physical space and local supply.

The volume of products and services offered during the age of industrialization was transformed to an infinite abundance of consumption opportunities in the Networked Society, available at the click of a virtual button. The traditional boundaries between industrial and commercial providers and those who consumed the output began to make less sense as digital technology empowered the users and made it possible for them to venture into realms that had formerly belonged to businesses only. Consumption became less an activity of buying and using things and increasingly a productive practice. It was no longer one thing among others that the individual engaged in, at specific points during the day. Consumption or the usage of services became a

constant, ever present in everyday life through computers, smartphones and other innovative technologies.

As we now glimpse into the future, the Networked Society, we can see that the age of industrialization has perhaps been an anomaly. Now that technology allows us, people are turning away from the industrial and modernistic way of life and seeking meaning and belonging in structures and organizations that resemble pre-industrial ages: in collectives, in communities, in networks. As they do this they also bring together and reconnect the industrial notions of businesses and pleasure, of work and consumption. It will become increasingly obvious in the Networked Society that these dimensions of life are not as separated as the age of industrialization has taught us to believe. Rather they are inseparable and naturally intertwined parts of everyday life.

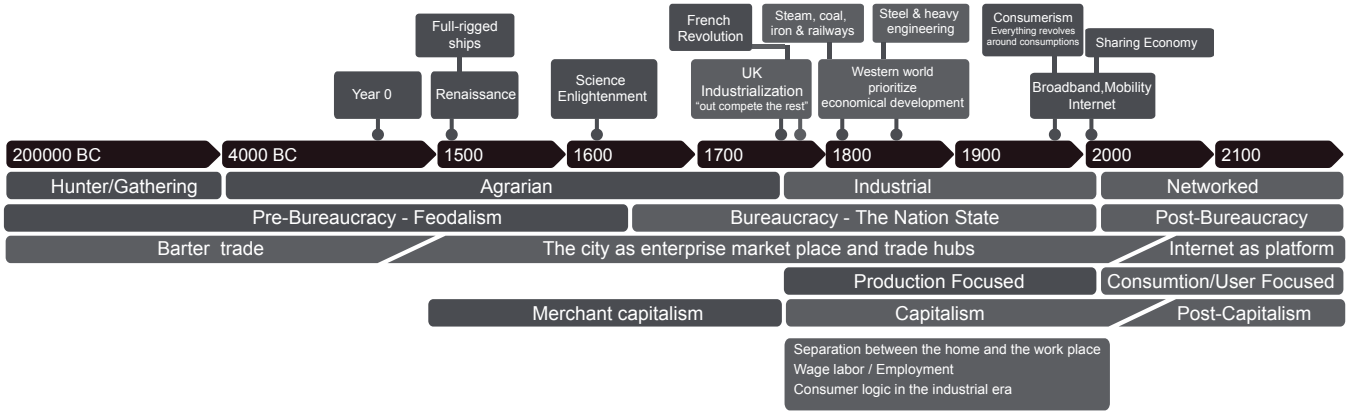

Figure: Timeline of consumption.

AUTOMATION OF CONSUMPTION

"What we did in the 20th century was to make manufacturing more efficient. After the Second World War we are started to make consumption more efficient. This is because once you've made manufacturing more efficient there's a hell of a lot of products on the market. It becomes necessary to make purchasing efficient so that people can manage to buy them. This is what we're up to right now. The main task of the big four companies of the internet, Google, Amazon, Apple and Facebook, is to make consumption more efficient. To make it easy for you to buy the things you want."

Bo Dahlbom, Professor, IT University, University of Gothenburg

If automation of production has been the grand business project of the industrial 20th century, then automation of consumption is emerging as the grand business project at the beginning of the 21st century.

Digital technology is being employed to automate relationships in the market and interfaces between businesses and their customers. This is especially the case with the many emerging, purely digital, companies that enter into traditional markets with new digital business models and technology-driven value propositions. From the customer side this means that the consumer acts of discovery, purchasing, making transactions, bringing goods to the home and using products and services become increasingly automated.

THE RISE OF THE THIRD ECONOMY

In the Ericsson report, Digital Business Transformation: The Disruption of Industry Logics, we presented the idea of the third economy. The first economy represents the completely physical and manual economy of early 20th century industrialization. The second economy is a term coined by W Brian Arthur to describe how the economic system changes when digital technology comes into play and begins to automate traditionally manual business processes. This initial wave of digital technology has primarily served the business side of markets, and technology has primarily been employed to make business operations more efficient

What we are now seeing is the rise of a third economy where technology is employed by new market actors – commercial, independent/entrepreneurial, and crowds – to create (1) extremely user-friendly interfaces between products and services and the people who buy and use them, and (2) networked models that incorporate users as productive resources in the business model (Facebook, Airbnb, Truecaller).

This indicates that digital technology begins to serve and empower the users as much – or even more – as the businesses. By incorporating the users, by being empathetic to the users and by striving to solve real user problems, the projects of digital transformation are beginning to automate many aspects of the previously relatively demanding user experience. Instead of simply providing people with products, the providers of the digital space are focused on providing the actual value of consumption to people, while working to eliminate the surrounding difficulties that were previously required to access that value (finding products, paying for them, getting them home, making them work, fixing them when they broke, and so on).

	1st economy	2nd economy	3rd economy
Period	Pre 1990 “Industrialization”	Ca 1990-2010 “Digital transformation”	Post-2010 “Datafication”
Nature	Physical/ traditional	Machine-to-machine	Virtual digital
Output	Physical products Physical services Manual processes	Digital representations IT systems M2M execution	Digital products Digital services/ Digital “servgoods” Digital interfaces Networked processes
Authority	Business centric	Tech centric	User centric

The tech giants of the early 21st century – Google, Amazon, Apple, Facebook, Spotify – initiated the process of automating consumption through disruptive use of digital technology. This automation is now being pushed even further ahead by a whole new generation of digital enterprises that understand how to apply digital technology to increase user friendliness, eliminate friction from current consumption processes, and employ networked models of crowdsourced automation.

As people realize that a lot of the consumption and usage that they have previously spent significant time and effort on can be automated and made easier they will also require even more efficient means for consumption from the business side of the market. Maximum efficiency of consumption will become a base requirement in most categories and benefit those providers who are able to deliver. Automation of consumption will spiral in this interplay between technological innovation and people’s awakened demand for “frictionless” user experiences.

AUTOMATED AND FRICTIONLESS CONSUMPTION PROCESSES

There are many ways in which consumption processes are already being automated today. This is automation that will only increase in order to eliminate all possible friction that we are used to in today's discovery processes, purchases, transactions, deliveries and usage of goods and services. Technological systems will also be increasingly integrated with one another and thereby enable more seamless user experiences across categories of products and services. This automation will enable consumption to flow more effortlessly through our everyday lives and make consumption opportunities available to us almost at the thought of buying or doing something.

As this automation develops over the coming decades, people will strive to automate all consumption and all tasks that don't add any relevant meaning or value to their lives. Chores, administration and routine purchases will quickly become subject to automation, as will much of the managing of services and products that is today necessary to do before and after usage.

We will now describe how the discovery, purchase, transaction, delivery and use related to consumption are being automated by different types of technological innovation.

AUTOMATION OF DISCOVERY PROCESSES

Search engines are making all sorts of products and services available to the consumer through typing a few search words and clicking on a few links. Algorithms are automating searches and recommendations based on historic data and presenting relevant alternatives to people. These algorithms will keep getting smarter and more relevant until a point where they know a person's requirements almost better than the person knows them. At this point, discovery will seamlessly fit into purchase and people will acquire some types of goods without having to think about getting them.

In just a few years' time, augmented reality will also be integrated into the discovery process that happens in the

CASE OF AUTOMATED CONSUMPTION: SAMI AND THE SERVICE APPS

Sami is 28 years old and lives in an apartment in San Francisco with her boyfriend. She works as a content editor at a tech startup in food, Foodely, but as the company is in startup mode and still looking for more seed funding, they don't have an office yet and the staff of five people are teleworking from home. This means that Sami works from her home office and spends most of her day in her home.

Being immersed in the Bay Area startup scene and part of networks including other entrepreneurs and creative people, Sami is well aware of all new digital services that are launched in the Bay Area. She has taken to trying out all new apps she hears about and has found many of them useful in her everyday life. What the new digital services are ultimately doing for her is making her everyday life simpler. They help her eliminate all kinds of tasks and chores she really doesn't care about and give her time to focus on things she enjoys or find interesting, like her job and her passion for surfing. Some examples of how digital services automate Sami's consumption are:

- She uses Google Shop Express, Blue Apron and Amazon Fresh for home deliveries of groceries and only visits traditional grocery stores when she's forgotten to order something online.
- She uses Instacart to get automatic and regular home deliveries of toiletries, as most toiletries are low engagement products for her.
- She uses Munchery and Spoonrocket to order readymade food to her home. After picking up these services she's cut down on dining out and is saving money.
- She used to use Getaround to access a car but has recently bought her own car, which she's registered on Getaround for others to use in order to finance it.
- She uses Valet Luxe to park her car when she's driving to downtown.
- She uses Uber and Lyft rather than traditional taxi services.
- She uses Task Rabbit to get chores done at home.
- She uses Glow to track her menstruation cycle.

Sami's lifestyle of using digital services to automate consumption in everyday life is telling for how easy and quickly consumers will pick up automated services if they are available.

physical world. When this happens the discovery process will be ever-present to present people with interesting and/or relevant alternatives in any kind of context. For example, when a person admires a car on the street, services based on augmented reality technology will serve up information about the car, how to get it and what it costs.

Applications and wearable technology will keep track of people's needs and wants and suggest tailored and optimized products and services. The field of healthcare is a good example. Future versions of wearable technology like Jawbone and Fitbit will monitor anything from blood pressure to nutrition levels and automatically suggest products and foods that keep the body in balance and good shape.

AUTOMATION OF PURCHASES

The actual purchase is currently still an active and involving performance conducted by the customer, but just like the discovery process the purchase process will become increasingly automated. Many routine purchases will be stored in digital systems for the customer and automatically repeated when the system recognizes that a person's storage of certain goods is running out. For instance, refrigerators will communicate directly with stores and place orders on standard household goods that will be delivered to the home without any (or minimal) involvement from the customer.

Purchases will increasingly be made online and also be delivered to the home, possibly by drones (which, for example, Amazon is experimenting with).
Just like with discovery, various applications and technologies connected to the body will know when a person requires certain foods, medicines and dietary supplements, and order these automatically for the customer.

As more and more consumption takes place on the smartphones, tablets and computers of tomorrow the services that people will use on these will provide increasingly automated purchases of anything from information to entertainment to software.

3D printing and other new manufacturing methods will allow people to create products at the press of a button in their home or at a nearby print shop, thereby eliminating the need to go to a specific store and get the products.

AUTOMATION OF TRANSACTIONS

Today, transaction processes are automated primarily by customers managing large parts of the transactions themselves: they are automated on the business side but not really on the customer side. Self-check-out registers at stores and online payments for anything from tickets to hotels and cars are obvious examples. But new solutions that also automate transactions for the customer are emerging. Uber and Lyft have, for instance, eliminated the need for the customer to make the payment for a journey as this is managed automatically in the Uber and Lyft apps.

The future will see more and more automated transaction solutions like the ones offered by Uber and Lyft. Completely digital crypto-currencies like Bitcoin (or some future equivalent) will make it possible for customers to go into a store, choose whatever products they want and just walk out of the store without passing through a register. The customers' digital wallets will communicate directly with the store's system and sensors in the product packages, and the transactions will be completed automatically in the cloud.

The Networked Society will be a cashless world where more and more transactions will resemble the pre-defined auto-pay functionality that is today offered for invoices. In tomorrow's markets, automatic payments will be the standard for any type of purchases.

AUTOMATION OF DELIVERIES

The start of the 21st century has seen home deliveries increase at an accelerating rate. Everything from books to groceries and clothes to cooked meals are currently being delivered to people's homes at an unprecedented rate. This trend will only continue as digital transformation paves the way for new smart services that build in automated delivery into all sorts of consumption experiences, and also starts to utilize network models like crowdsourcing to accomplish these deliveries in an efficient and decentralized manner.

The next big thing in deliveries is assumed to be delivery drones, which, for example, Amazon is experimenting with. Whether or not it will be drones that deliver people's groceries and clothes in the future remains to be seen, but it's likely that some kind of automated delivery system (or systems) will be created and implemented to automate this part of consumption.

3D printing, or additive manufacturing, will most likely also play a role in the automation of deliveries as it will become possible to manufacture more products at home or in close proximity to the home with the aid of 3D printing technology.

AUTOMATION OF USAGE

Finally, the usage of products and services will become increasingly automated, requiring minimal effort from the user. Predictive systems and voice controls will enable usage without any time-consuming procedures that initiate usage. The Netflix type of auto-play next episode feature will be applied to a variety of products and services. Technology will be integrated into many previously "analogue" products and software will run these products automatically for the users. Self-driving vacuum cleaners and lawn movers are already here while self-driving cars are expected to take over much private transportation in 10 to 15 years from now.

HYBRIDIZATION OF CONSUMPTION EXPERIENCES

Not all physical consumption experiences will become completely digital and automated and many digital consumption experiences will have physical components. Therefore, it's important to realize that the Networked Society will not be a completely digital and technological arena, but rather a hybrid arena where the physical and the virtual are combined in sophisticated ways. Jack Dashwood at Metaio, a company that builds augmented reality technology, says:

"The real world and the virtual world will converge. It will be a mixed reality, an augmented reality. We will have to play around with this in order to understand where we want to be as a society."

In many categories, digital technology will serve the role of automating away unwanted friction from consumption experiences in order to focus the experience only on the value-adding tasks. Digital technology will also be applied to enhance consumption experiences by automatically adding available benefits to the core experience. Primarily virtual consumption experiences will, on the other hand, only add physical – real life – components if they add value, not because it was how these experiences used to be created.

The individual will be comfortable consuming these hybrid experiences where the physical and the digital merge and work together to create relevant and valuable consumption experiences.

AUTOMATION IN LOW-INVOLVEMENT CATEGORIES AND TASKS

The increasing automation of consumption will have effects on how people approach and relate to their consumption. Overall it can be expected that people will approach categories of consumption in two different ways: with low-involvement or high-involvement.

In a person's low-involvement categories, the person will prefer as much automation as possible and also require full automation from the business side of the market. In these categories consumption should just happen with as little effort as possible on the part of the consumer. This also goes for all the low-involvement tasks that are part of more high-involvement categories (paying bills, getting started, receiving support).

In a person's high-involvement categories, the person will require automation of all pointless friction but will take a more active part in all consumption activities that bring them some kind of value or cultural meaning. This will, to a very large extent, be accomplished through very high involvement in certain categories and tasks through high levels of "DIYism" and productive practices (which we will discuss at length in the chapter on involved consumption).

What are deemed as low and high involvement categories will differ between individuals. This means that automated options will have to be available in all categories since there will always be a large customer base expecting a completely automated user experience.

THE INDIVIDUAL AS A STREAM OF DATA

An additional dimension of automation is how the use of big data will be applied to all business models and how it will therefore affect the individual as a consumer.

To an increasing extent all business systems and interfaces that people are using in their everyday lives are collecting data. When connected sensors are integrated into everything from electrical sockets to clothes, people's usage of any types of goods and resources will also begin to generate data about their behavior. This all points towards a future, and a networked society, where the individual is a stream of data whose behavior and choices can be monitored almost in real time.

When the individual materializes in the digital space as a stream of data, they can be digitally and automatically connected to various business systems and consumption experiences. This will have several implications for the individual as a consumer.

EXTREME AUTOMATION OF CONSUMPTION

Firstly, when the individual can be read by various systems as a stream of data these systems can automate a number of processes related to their consumption behavior. For one, the individual can be relieved from a number of mundane choices as the system behind the commercial interfaces they use already knows the choices they will – or should – make. For example, it could determine the best toothpaste to use given the individual's oral condition, after which the system places the order automatically and makes sure it's automatically delivered to the home of the individual with the next shipment of toiletries. Another example is which type of music the individual prefers in a given situation. The system will automatically play certain playlists or radio stations in these situations.

RELEVANT COMMUNICATION

Secondly, the stream of data the individual leaves behind in the Networked Society will enable automatic but highly relevant messages to be communicated to the individual. Digital interfaces and systems of augmented reality will push up messages in situations when the individual needs them or could benefit from them. An example is when the individual goes grocery shopping and passes something in the store that has been used up at home, and the system notifies them about it.

PERFECTLY TAILORED EXPERIENCES

The extreme automation of consumption and relevant communication that can be enabled through a person's stream of data will make it possible for businesses and others to tailor perfect experiences for consumers. The experiences of cooking a meal at home can be completely and automatically prepared, according to individual preferences, for when the individual comes home. Shopping in the town can be completely guided by systems that steer the individual to stores and items which they are on the lookout for and to where they can get things at a discount or according to some highly individual preferences.

AUTOMATICALLY ADAPTED BUSINESS MODELS

Finally, business models can be adapted on an individual level and according to their economic, cultural, social and/or physical status. The system might recognize a person as a first time customer and give them a trial rebate, or as a loyal customer and give them a reward for loyalty. A person may get a product or service for free just because their data indicates that they are well connected with interesting groups of people. Similarly their physical data may indicate that they are a high or low risk person for an insurance company, which will impact the insurance solution and cost they will get. Government systems may recognize a person as contributing to society in some productive manner which can then affect their tax level in a certain category. Businesses that are associated with one another may give consumers who place their consumption within their conglomerate benefits and rewards compared to consumers who don't. The potential use cases are practically endless. Automatically adapted business models are based on the idea that what a person does in one part of their life will reflect on the opportunities enabled on other areas, thereby linking together the individual's life and consumption into a coherent ecosystem. The individual can earn advantages at one end by behaving in a certain way at the other end of the system. In this way consumption will add to the type of meritocratic society that we will discuss in the chapter on the consumption classes of the Networked Society.

TO ENABLE AND DISABLE ACCESS TO PERSONAL DATA

The question that arises for the individual is whether or not they should or want to enable all their data to be used by commercial and other systems.

Different people will approach this in different ways. Some will be prepared to stake their personal integrity and enable all data in order to make life and consumption simple through automation and customized experiences. Others will guard their personal integrity and disable their data and decide that they prefer to make it on their own in society. The most likely scenario to begin with is that most people will switch between enabling and disabling access to their data based on different categories and contexts.

For many consumers it will, however, be necessary to have their data enabled as their data will make it possible for them to make a livelihood out of their consumption rather than their work. By consuming productively in one end of the ecosystem they will get access to things they otherwise couldn't in other arenas.

In a future scenario, where the individual consumer really benefits from being constantly connected to the system it may even become a new kind of "extreme sport" to disconnect and make it for a day, a week or a year without automated consumption support.

INVOLVED CONSUMPTION

"Distributed production, 3D printing and all those tools are going to make us less dependent upon those macro systems, established financial systems and large industrial production systems and allow us to be more local… One thing I'm very optimistic about is that while globalization has stripped products and services of their local character and local culture, those tools will facilitate the return to unique local character and culture whether you are producing pottery, clothing or food."

Greg Delaune, Urban Innovation Exchange

While the automation of consumption will only escalate, as digital technology becomes increasingly integrated into products, services and user interfaces, there's a strong trend of more involved consumption evolving simultaneously. Involved consumption is really the opposite of automated consumption and should be understood as a counter trend in a highly automated society. Involved consumption includes all types of consumption where the consumer engages in a very active and engaged manner in order to design, craft or personalize their consumption experiences.

FIVE TYPES OF INVOLVED CONSUMPTION AND CREATION PRACTICES

We can see five overall categories of involved consumption emerge in the Networked Society:

- personalized consumption
- co-creation
- crowdfunding
- craft consumption
- collaborative consumption.

PERSONALIZED CONSUMPTION

Personalized consumption is when the consumer engages with brands, products and services to integrate and alter them for their personal life and self. Personalized consumption can be anything from simple customization to complete alterations of commercial offers. Personalized consumption has always been an important part of consumption patterns, but with the presence of digital technology, people are more able than ever to personalize their experiences as consumers. Digital technology often makes products and services more open to customization and alterations, with significantly less effort than is required for completely physical products and services.

The increasing possibility to personalize consumption experiences enables people to become more involved in the categories which are important and meaningful to them. Consumption in these categories can, in many cases, evolve from relatively basic consumption to very interested and highly passion-driven consumption, with a distinct personal angle.

CO-CREATION

Co-creation is when the consumer engages with brands, products and services to a degree where they transcend the "theoretical" border of being a consumer in the market and move into the realm of the provider (for example, brand, company). We understand co-creation here as personalized consumption taken to the next level. The consumer/customer enters into the process of actively creating (producing) the whole consumption experience and adds their own thinking, effort and work into a collaboration with the original provider of the experience.

Again, digital technology and digital interfaces enable co-creation to a higher extent than has been possible in the traditional physical market and drives some customers to almost become co-workers within the organization of the commercial provider. We expect that the increased opportunities to co-create will bring forth a movement of customers as co-workers in the future, especially as consumption will become an increasingly important activity compared to working.

CROWDFUNDING

Crowdfunding is, at the moment, primarily understood as a means of collecting startup and project funds from the crowd, but the mechanisms and characteristics of crowdfunding indicate that it will be a form of involved consumption as much as it's a financing model for entrepreneurs.

People who decide to "crowdfund" various businesses and projects very often do so because they want to see these businesses and projects become reality and available on the market. By crowdfunding projects, people invest not only money but also time and interest in these projects, which means that they become stakeholders in the projects – who are also in many cases interested in taking part in the community forming around these projects.

As the crowdfunding model evolves and becomes more mainstream in the Networked Society we're likely to see people focus some of their consumption efforts to certain – yet not launched – projects. This means that they engage much more productively (than only as consumers) in the market as they enable businesses and manufacturing to actually happen from the ground up. It's also reasonable to expect that some "crowdfunders" will find employment or some other kind of productive tasks to do in the projects they venture into.

CRAFT CONSUMPTION

Craft consumption is when the consumer applies a craftsmanship approach to their consumption. Crafted consumption has become increasingly popular over the past decade, with the "hipster" movement as the epitome of craft consumption. "Do it yourself" consumption like sourdough baking, slow cooking, home gardening, sewing your own clothes, brewing your own beer, building your own computer or making your own jewelry, has recently emerged as a strong passion among urban youth and young adults. The craft consumption trend is possible to interpret as a reaction to the increasingly digital and automated society that surrounds us, where people

sometimes have trouble extracting satisfying amounts of meaning from all of the ready-made and fast shifting consumer experiences they constantly take part in. Doug Stephens, the Retail Prophet says:

"A lot of the nameless brandless commodity items can be made when needed. All of these things can be replaced by 3D-technology. There will be a greater appreciation for finer crafted items. The ability to print something in your home is the ultimate level of commodification. It shows us that the basic products require little craftsmanship. That will lead to a greater appreciation for say a Louis Vuitton handbag that is meticulously crafted and put together with quality materials. Products with a high degree of authenticity and unique materials can't just be downloaded and printed because they are intricately crafted."

Craft consumption will be perceived as a more genuine consumption experience that also provides richer cultural meaning and more substantial value to people. And while craft manufacturing has always been present among high-end luxury items, like the example of Louis Vuitton that Stephens give us, the Networked Society will see an increase in independent craft manufacturing among rather small scale producers who have originated as consumers of crafted items.

It's reasonable to expect that the craft consumption movement will keep on evolving as consumption at the other end of the spectrum becomes increasingly automated. People will make up for highly automated experiences by becoming craft consumers in a few categories that they feel strongly about. Today, we see many cases where consumers turn their craft consumption into independent entrepreneurial commercial projects and thus integrate consumption and working life. In a society characterized by fewer traditional employment opportunities, it's likely that even more people will turn their particular craft consumption into their day job.

COLLABORATIVE CONSUMPTION

Collaborative consumption is a widely used term to describe the emerging patterns of consumption that are based on accessing shared resources rather than buying and possessing new items; for example cars, clothes, tools and meals. Collaborative consumption usually requires a higher degree of social, peer-to-peer and community-like involvement than just entering into a distanced transactional relationship with a commercial provider. In some cases, collaborative consumption is just an alternative way of getting access to consumer goods, which would otherwise be inaccessible (usually due to the price level). In other cases, people engage in collaborative consumption with the aim to contribute to a more sustainable economic system that takes a stance against mass-production, over-consumption and unsound exploitation of resources.

The collaborative consumption movement is already seeding off initiatives that strive to create new types of markets and economic systems (often more local and community based). Yerdle, Getaround and Task Rabbit are examples of services that help consumers to collaborate and trade goods and services with one another. Local currency initiatives like Bay Bucks and BerkShares are also on the verge of collaborative consumption as they are systems that encourage and promote local markets. It's likely that many people will become increasingly engaged in collaborative consumption and similar movements as they either want to contribute to a more sustainable economic system or are forced to by financial necessity (because of lack of steady employment). In the future we will see people entering into more community based production-consumption initiatives, in order to acquire daily resources, find something to do and create meaning in their everyday life.

INVOLVED CONSUMPTION TAKES ON WORK-LIKE CHARACTERISTICS

A common denominator for all of the above discussed forms of involved consumption and creation practices is that consumption takes on work-like characteristics. In a society characterized by lack of traditional jobs and unemployment it's highly probable that people will – to a much higher degree – exercise work-like tasks through their consumption and find work-like meaning in these (and other) types of involved consumption and creation practices.

DRIVING FORCES BEHIND INVOLVED CONSUMPTION

As we have already touched upon, it's the changing society that is driving involved consumption among many consumer groups. The three main macro drivers are:

- digital technology
- automation of consumption
- end of work.

Digital technology opens up user interfaces and makes products and services increasingly customizable, thereby enabling consumers to engage in a more involved manner with their consumption experiences. Digital technology also enables cooperative platforms between commercial providers and customers, where customers can take a more active part in the creation and production of consumption experiences. Finally, digital technology also enables network-based models and services that connect people in their role as consumers. Thereby these services pave the way for more collaborative and shared consumption experiences.

Automation of consumption is driven by the event of digital technology, but automation of consumption is at the same time driving craft consumption as a counter-trend to automation.

End of work, or a society characterized by fewer and fewer traditional jobs as a result of automated production, leaves people with more spare time, lesser financial means and unfulfilled needs. To find something meaningful to do (instead of working) and to fulfill both utility needs and psychological needs (without a steady income) people will turn to consumption, and in particular to more involved consumption to manage everyday life.

CREATIVE PRACTICES AND INVOLVED CONSUMPTION, NOT WORK, PROVIDES MEANING

In a society where the majority of the population is employed and spends a large portion of their weekday working, it's natural that social status, cultural meaning, personal identity, and empowerment in the community and the larger society are closely connected to the professional life.

In a society where a large share of the population doesn't work on a regular basis, and thus has more free time at their disposal, social status, cultural meaning, personal identity and empowerment must be found elsewhere. As not all people will become artists, poets or philosophers, the most likely realm to turn to for this is the arena of consumption.

For consumption to be able to substitute the very powerful meaning that a job provides, consumption has to become more involved than just an act where the individual just passively takes part in various consumption experiences. That's why involved consumption of the kind discussed above will increase in most categories.
To be able to provide a substitute for the traditional work arena, the arena of consumption is bound to become something else than we're used to. Perhaps the most important component of this "something else" is that it can help people feel that they're productive to society in some way, not that they're simply a liability to society. Sofia Ulver, at the University of Lund, Sweden, says:

"Participative culture is a counter-reaction that emerges when consumers have been passively slouched in a sofa for 75 years. There will be an increasing urge to get up and do things on one's own, and/or mobilize initiatives together with others."

We're likely to see an attitude change in how the arena of consumption is understood and how people organize themselves based on consumption. People who have nowhere else to turn to – or who choose to stay out of traditional employment for whatever reason – will be forerunners in driving the arena of consumption in a different direction than we're used to.

INVOLVED CONSUMPTION TURNED INTO WORK

In a society that cannot provide traditional employment for everybody, and where people therefore turn to consumption to find meaning in everyday life, it's reasonable to expect that people will eventually transform their consumption into more work-like practices. This is especially close at hand for involved consumers and involved consumption and we can already see this transformation happening in so called "hipster neighborhoods" in urban areas like Brooklyn in New York, Södermalm in Stockholm and Corktown in Detroit. We can also see this in how highly involved consumers broadcast about their consumption in social media and make money from it. Jimmie Röndell at Mälardalens Högskola, Sweden, says:

"Consumers start to act more like companies do. They're not just dumb consumers anymore. They understand the system and the market and eventually they realize that they are also adding value. They change the logic of the market."

CONSUMPTION TURNED INTO LIFESTYLE BUSINESSES

People who are highly passionate and involved in a certain category of consumption (for example, beer, fashion, accessories, bicycles, games) are likely to turn their highly involved interests in the categories into small scale businesses, for instance retail boutiques, nano-factories, web shops or software apps.

If they cannot (or don't want to) find traditional forms of employment and instead spend significant amounts of time cultivating their consumption passions, it's a tiny step and very limited financial risk in a digitally transformed world to create a small lifestyle business around a passion. Setting up a business is today simpler than ever and anybody can use digital technologies and digital channels at hand to access resources, assemble production capacity from around the globe, set up distribution, market themselves and administer the business.

In the future we are likely to see an explosion of small scale lifestyle enterprises run by one or a few individuals. The long tail logic of the Networked Society is a relatively fertile ground for such businesses. The generally increasing demand among consumers for more original and authentic consumption experiences (than the multinational industrial conglomerates can offer) is also a factor that will enable these types of businesses to emerge and break even in the market. These independent entrepreneurs will not venture into business to get rich or take over global markets. They will venture into business because it's the option that is most naturally available to them in a post-industrial era characterized by automation and the end of work.

CONSUMPTION AS A MEDIATED SPECIALTY SKILL

Another way of being highly involved in consumption is by becoming such a consumption specialist that other people become interested in the "specialist's" opinions and recommendations. Fashion bloggers and gamers are perhaps the primary existing examples of this, but in the Networked Society we're likely to see the same type of specialist role emerge in many other categories.

The consumption specialist turns their consumption into work by broadcasting about their consumption in social media, and successively building up a base of followers who take their advice and are inspired by them. What started as involved consumption turns into skilled consumption, which then turns into a media outlet for consumption, which the specialist consumer can then monetize.

The specialist consumer will most likely also be approached and engaged by commercial brands who want to "hire" them as a co-creator or brand ambassador. Accordingly, specialized consumption can be the first stepping stone on a career path.

THE CONSUMPTION CAREER

A third form of highly involved consumption that we can expect to see more of in the future is how some consumers make a career out of their consumption. They become such experts at consumption in general, or in certain categories, that they are able to rise through the consumer ranks (so to speak). They learn to make smarter and smarter choices as consumers and realize how to maximize their dollars, by taking advantage of sales, bargains, outlet offers, coupons, loyalty programs and other new models that will emerge along with innovative businesses. Some crowdfunders can also make an investment career out of their involved consumption of crowdfunding projects.

Some people will do this out of necessity, to be able to

keep their standard of living intact, despite a lower income level. Some people will do it for the sport and find both meaning and financial relief from doing it. Some people will be able to turn bargain hunting and smart consumption choices into a specialty skill, which they can mediate and monetize in the same way as we've discussed above. Some people will be able to forward their consumption career to a point where companies become interested in them as ambassadors and perhaps even employ them.

TRADER CONSUMERS

As we have already discussed, consumption as a specialty skill can probably used to monetizable to some degree. One such possibility is to become a kind of "trader consumer." People who have made a consumption career as bargain hunters will stack up on affordable goods and sell them at a profit to others or use them for bargain trade with other people. Others will utilize sharing services, product libraries and an increasing number of second-hand stores to trade goods for other goods and thereby manage their consumption by primarily using used goods, at a minimal cost level. With increasing free time at people's disposal this scenario becomes more likely than in a society where people work long hours and then commute a couple of hours to and from work, and accordingly must focus their consumption to certain days and occasions.

PRODUCTIVE AND GAMIFIED CONSUMPTION

In the previous chapter on automated consumption we also discussed how the individual's life will come together in an integrated ecosystem, where systems from various arenas are connected to the individual's stream of data. In the future Networked Society, where this kind of system is a fully plausible scenario, a person can engage in productive consumption in order to gain rewards within the overall system. They can, for example, stay healthy by exercising and eating healthy food and thereby lower their costs for things like medical care, insurance and taxes. They can contribute productively at one end of the system, for example by marketing a certain brand to their network, and get products for free from another company in the same group of companies. In this way consumption can have a directly productive dimension that people can utilize as a new form of work. In this way consumption can also become gamified and eventually take on the character of a real-life game that people can engage in to make their livelihood take form in the Networked Society.

CONCLUSION

As we have moved into the third economy with digital and networked products and services, digital processes and relationships, the traditional division between producers and consumers is dissolving.

The meaning of the word consumption changes: the businesses that still define people as consumers as we used to know them in the 20th century will fail. Looking ahead, the relationship between those who produce products and services and those who use products and services – regardless of whether we are talking about physical or digital goods – needs to be a constant ongoing process. The consumer or user will need a constant interaction and they will be a crucial part of creating the product or service – whether that is by taking part in the innovation process, financing, marketing or as members in the network.

This development drives two parallel developments: the automation of consumption and the revival of the craftsman:

- Automation of consumption driven by digital technologies and a move from a world where products dominate to a world where services dominate is taking place in all steps of the consumption chain, from finding the right product or services, to the transaction and the usage.
- While the automation of consumption will only escalate, there's a strong trend of more involved consumption evolving simultaneously. Involved consumption is really the opposite of automated consumption and should be understood as a counter trend in a highly automated society. It includes all types of consumption where the consumer engages in a very active and engaged manner in order to design, craft or personalize their consumption experiences.

If your business is working with automation of the consumption experience you should focus on how to:

- deliver extreme user friendliness
- eliminate all friction from the usage or purchase processes
- understand the data flow and be able to take automated decisions based on analytics.

If you are targeting involved consumption and creation practices you should focus on how to:

- be extremely involved with your peers, your customers, your co-creators
- deliver and develop the product, service or experience together with you community
- show your passion.

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