

# Disruptive technology – responding to changing demographics and consumer behaviours

10 Jun 2016 **For discussion**

The world is changing. Population growth, big data, urbanisation and disruptive technologies are all having an impact on the built environment, and will continue to do so for the foreseeable future.

Through our [RICS Futures programme](#), we have identified the key drivers and trends that will affect the profession, the industry and the population at large. This creates a framework for conversations on how to best prepare for these emerging trends, enabling us to continue to provide a high standard of service to our clients and the public.



On 7 June 2016 approximately 100 key players in the built environment sector came together to debate and discuss the long and short term future of the sector at the UK Summit, part of the [World Built Environment Forum](#).

The attendees included construction and real estate professionals, investors, thought-leaders and those at the fore front of rising to the challenges that face the industry. The summit began by considering the current economic and political climate - with Brexit understandably being a common focal point - and towards the later stages of the day the focus shifted to future considerations.

## Current and emerging trends in global demographics and consumer behaviours

Anne Lise Kjaer - CEO and Founder of [Kjaer Global](#) - took to the stage to share her insights into current and emerging trends in global demographics and consumer behaviours, and the technological innovations that are influencing future developments in global real estate markets. A prominent futurist, Anne Lise began by stating that the complexity of our world is increasing, and increasingly companies do not understand it, meaning that creativity is in demand.

At the core of Anne's philosophy are the four "P's" of business: people, planet, purpose and profit.



Only by taking a balanced approach between these four “P’s” can an organisation expect to be successful. As part of this, the metrics used to measure success are expanding to consider other dimensions. For example, metrics measuring happiness are important indicators of the well-being of a country’s citizens, with Nordic countries scoring highly.

Historically, organisations have used a PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analysis to assess the future. Anne Lise puts forward an alternative approach termed a “Trend Analysis”, stating that this is her “GPS for navigating the future and understanding how things work.” This trend analysis focuses on the scientific, social, emotional and spiritual drivers that should be considered when looking to the future.

All of these drivers are interconnected and should be considered holistically, which relies on both left brain and right brain thinking, i.e. logical and creative thinking. As technology evolves, so will humanities “Global Brain”, which will rely in part on the rapid evolution of the Internet of Things (IoT).

The IoT will enable societies to become smarter by optimising their activities using data generated from an abundance of sources. This data can be harnessed by creative talent to produce solutions to problems. It also enables citizens to participate with the built environment around them due to the opportunities for real time connection.

A good example is the use of digital posters by Google, which allowed citizens to vote on which non-profits it should fund. At the same time, however, balance must be struck between hyper-connectivity, overconsumption and authentic wellbeing and meaning.

Lessons can also be learnt from companies like 3M, who allow employees 15% of their time at work to think and focus on their own ideas, leading to innovation. Anne Lise

terms this as “Betapreneurship”. While the millennial generation might see the obvious potential in this, it is important that leaders from older generations and established companies inspire and facilitate such practices in their organisations to enable employees to find a deeper purpose within their roles.

In conjunction with a trend towards greater mindfulness practice, we will see organisations establishing business models that revolve around a “betterness” culture. Employee development and quality of life are central to this culture.

One of the top priorities of RICS Futures is “Helping our sector win the war for talent”. Anne Lise shares interesting insights on the future skills and demographics of the workforce. There will be greater emphasis on collaborative problem solving, and we will transition into a five generation work place, with people working well into their seventies.

Future citizens will be “Global Citizens” who are willing to travel amongst countries and cities, leading to greater talent diversity. We will also see a trend towards shared office spaces, which has implications for those involved in this sector.



On a more macro level, we have to consider the broader environment in which organisations and individuals operate. The circular economy is all about reducing waste, improving resource usage and generally being more sustainable to enable autonomous communities to exist. Taking a global view, we should be aware that resources (at least on earth) will eventually run out.

When we acknowledge negative externalities resulting from the production or consumption of goods and services, such as deforestation and pollution, we recognise the need to develop sustainable business models that eliminate them and instead create positive externalities. Our outlook should be “not the best in the world, but the best for the world”, which brings us back to the 4P bottom line.

Each of the ideas touched upon within this article is profound in its own right, and one only needs to sit and reflect on each to understand the implications for our future world. When considered holistically, these concepts and ideas form a blueprint for the creation of the future.

As existing trends converge with new trends we will witness changing consumer values, changing employee motivations and changing metrics for how we measure fulfilment and life satisfaction. Successful organisations in the future will be those who possess the agility to adopt the 4P outlook.

## **How technology is disrupting the real estate industry**

Following Anne Lise's talk, we heard from two companies who are in the process of creating the future, using technology to disrupt the real estate industry.

### **Peter Lennon – Appear Here Ltd**

[Appear Here](#) is an online service that connects those with empty retail space with retailers looking for space for a relatively short period of time. Describing the company as the "Airbnb for retail", Peter explains how we are seeing a trend of retailers moving away from static product lines to more varied offerings that can be deployed quickly.

This enables retailers to adapt to changing consumer preferences and also to 'test' new product lines and ideas without committing to future expenditure – this facilitates a fail fast, fail forward culture. With many retailers' main outlet for sales being online, pop up stores are a way for them to market their products to consumers without adding a long term lease liability to their balance sheet.



Traditionally, leases on retail space have been entered into for 10, 15 or 20 years – in recent years the average length of a lease has fallen to 3.9 years (and is still falling).

Short leases enable companies to remain agile.

*Landlords should now see their role as being the editor of a magazine, with the purpose being to keep things fresh in order to keep people coming back.*

Peter Lennon – Appear Here Ltd

One can envisage how frequently changing pop up stores will enhance the consumer experience, with the novel experiences on offer increasing engagement and keeping customers coming back for more.

### **Nick Blenkarn – Seeable Ltd**

We then heard from Nick Blenkarn of [Seeable](#). Seeable provide geospatial data for the real estate industry. Throughout Nick's time at the podium, he demonstrates a number of ways that cutting edge technology has been utilised to produce data and visuals that can be used for marketing, stake holder engagement and safety training.



Applications range from “3D Animated Fly Throughs” of buildings based on BIM models to “3D Panoramic Photo Surveys”. The use case for these technologies is broad.

*If you want the data, it can be created. All you have to do is ask and the software can be built.*

Nick Blenkarn – Seeable Ltd

### **About the World Built Environment Forum (WBEF)**

This report was written by [Alister Gray](#), Quantity Surveyor, [HA & DB Kitchin Ltd](#).

The World Built Environment Forum demonstrates responsible leadership for the built environment and is an annual, global event which takes place on a different continent each year.

This forum creates and sets the standard for dialogue and collaboration among professionals, clients, policy makers and regulators with the aim of driving up standards so that our profession and our industry show responsible leadership in enabling sustainable growth.

Find out more about the [WBEF, access videos from the event and get details of upcoming events.](#)

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