What’s in store for global consumer markets? While geography will always matter, consumer segments tell a more insightful story.

We typically think about global consumer markets in terms of geography—of emerging markets in nations such as China, India and Turkey. But according to international management professor Mauro Guillén, the Anthony L. Davis Director of the Lauder Institute at Penn, “From today’s standpoint, the nature of global consumer markets will change so much that by the year 2030, you won’t be able to recognize them.” The markets will continue to grow, he says, but not necessarily by geography.

Several trends will drive this shift. Guillén outlined a few in a condensed lecture from his International Political Economy of Business Environments course. For one thing, the number of births per woman is declining in both emerging markets and wealthy nations. Also, we’re living longer: On average, according to Guillén, “Most of us will live seven or eight years longer than our parents and 12 or 13 years longer than our grandparents.” Those factors—fewer babies and more elderly people—will change industries such as health care, financial services, pharma, leisure entertainment, and anything offering mobility to the world’s growing population of those aged 60 and up.

Another key driver of change in consumer markets around the globe: the massive movement toward cities. Every seven days, Guillén says, the number of people living in cities grows by some 1.5 million. Today, worldwide, there are 25 cities with more than 10 million residents. By 2030 there will be 51, according to Guillén, and 20 with more than 20 million people. This will affect a range of businesses, from transportation and real estate to leisure and entertainment. Rapid urbanization around the world will also change the way consumers get their food and water.

“If you’re thinking about the future, you can think about geographies,” Guillén said. “China and India will be important, but that’s just one part of the story. It’s more interesting to look at it from the point of view of different consumer segments. That’s what will reshape the global consumer markets.” —Louis Greenstein

At the Whiteboard With Mauro Guillén

Photograph by Colin Lenton