

Mixing-in-the-Moment: A Smart Technology Disruption Relating to Consumer Systems

June 2021

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INTRODUCTION

Scope

Key findings for “Mixing-in-the-Moment” (MITM)

CONSUMER SYSTEMS

Overview of the Home and Technology strategic themes for 2021

An overview of the strategic theme: Consumer Systems

Aspects that give insight into how consumer systems work

Companies are meeting consumer needs using various strategies

Mixing-in-the-moment is a by-product of consumer system thinking

INTRODUCTION TO MIXING-IN-THE-MOMENT

Disruptions from the increasing penetration of smart home devices

“Mixing-in-the-Moment” (MITM) as a consistent shape for disruption

Modularisation of ingredients has additional formulation advantages

MITM is not new; what is new is MITM technology in-home, at scale

Fluid pumps are a topic we will return to; they matter a lot in MITM

Mixing proximity (in location or time) to consumption defines value

Why all the effort from brands?

MITM delivers strong gains in value retention and user experience

System wide value is the new pursuit (after customer lifetime value)

Device and consumable brands both have MITM retention upsides

Where MITM in-home has reached, and why it continues to spread

The feeling of “disruption” from the perspective of the disrupted

Novelty in “predictable disruption” offers the rough with the smooth

First wave of smart was “pushed” but MITM is a “pulled” proposition

The evidence that MITM is driving growth for new business models

The MITM disruption has a “bridge over water” analogy

The first bridge between islands was a rickety and small affair

Smart technology makes experiments and bridge building easier

We cannot forget what this all means to the “shipping companies”

The same lesson can be seen in the Coke example of MITM in retail

MITM disruption impacts “friends” as well as a brand’s “enemies”

Frenemies: Are we heading into a future of conflict or collaboration?

MICRO AND MACRO SENSING

Smart infrastructure drives both new data sources and data sharing

Sensor types in proximity to the user and mission are scaling

A wider societal tension around data use and privacy is a factor

Health risks are something nearly all of us agree to share data over

When data sharing leads to an ethical or valuable outcome, it is OK?

Common data limits make this disruption consistent and predictable

The difference between micro data and macro data

What local sensing and micro data allow an MITM system to do

Air care gives a better micro example of scent personalisation

What connectivity macro web data allow an MITM system to do

Macro data sources vary by industry; but outcomes are predictable

A driver of edge computing and more intelligent sensors/algorithms

Empathic detection and facial recognition cameras arriving in-home

This is a major hardware upgrade strongly boosting personalisation

PERSONALISED AND CUSTOMISED REACTIONS

Disaggregated ingredient dosing adds value via process precision

Modularity and the longer-term impacts of MITM on device design
Valves, pumps and fluid viscosity issues affecting MITM scale
Personalising versus customising, in the context of MITM
Personalised and customised “Sense and React” is a force multiplier
The MITM AI balancing act in the “potency versus gentle” dilemma
Creating demand and supply in the same moment adds immediacy
Ingredient customisation to meet user priorities in real life
There is a need for feedback loops in any self-correcting system
The first technology is device and task-specific voice assistance
The second (and game changing) technology is empathic detection

REPLENISHMENT BUSINESS MODELS

MITM is incompatible with traditional retail; D2C models are implied
Auto-replenishment reduces disruption points in a purchase journey
Pressure for more intelligent forecasting skills in these algorithms
The forecasting algorithm receiving device sensor input is critical
Subscription models blending device/consumable revenue streams
Consumable choices curated by device and retailer stakeholders
Considering wider relationships, this creates an immediate strain
Commoditisation of consumables inherent in auto-dispensing devices
The proximity of private label
The role of voice services in consumable shopping journeys
Ring-fenced shopping journeys: a curiosity or an existential threat?
Consumer System synergy – fabric care futurology
Consumer system synergy: home insecticides futurology

MITM STATE OF PLAY (Q1 2021)

How to interpret MITM progress metrics shared on following slides
Laundry care MITM progress to Q1 2021
Laundry care's best in class: Candy's WashPass
Dishwashing MITM progress to Q1 2021
Most advanced so far in dishwashing: Henkel's Somat Smart
Somat smart is doing very well and extended into China in 2021
Air care MITM progress to Q1 2021
Most advanced so far in air care: Moodo
Beauty MITM progress to Q1 2021
Most advanced so far in beauty: P&G's Opté (1 of 2)
Most advanced so far in beauty: L'Oréal's YSL Perso (2 of 2)
Drinks MITM progress to Q1 2021
Most advanced so far in drinks: Soma Bar
Robot wet floor cleaners MITM progress to Q1 2021
Most advanced so far in robot wet cleaners: Bissell's Spinwave
For robot wet cleaners, there are two fluid routes possible already
Household insecticides and vaping disruption by MITM has begun
Interesting observations about the executions of MITM so far
Will MITM replace conventional technology, or remain niche?

CONCLUSIONS AND RECOMMENDATIONS

A predictable disruption with consistent patterns can be exploited
MITM brings value to the disruptor (usually at someone else's cost)
Whose cake gets scooped varies by industry; but cake stealing is universal
MITM is one way consumer systems are breaking down silo walls
MITM is tapping into the “who owns outcomes?” wider dynamic

There is a move from traditional value chains to MITM D2C
The shape of things to come
MITM solutions offer a Darwinian level of change to task emotions
This is an early glimpse of how AI and smart tech will really help
These are expensive devices at launch but that is already changing
Conventional stakeholders face a potentially existential threat
Select retailers are in position to cover entire consumer systems
It is better to be the “disruptor” rather than the “disrupted”

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