



Sean Pillot de Chenecey

Forum för talare
April 2009

Ett nyhetsbrev från Talarforum

The crisis and the consumer

A contracting economy

At the conclusion of the recent G20 summit, President Obama said "The challenge is clear - the global economy is contracting. Trade is shrinking. Unemployment is rising. The international financial system is nearly frozen".

"In a crisis, don't hide behind anything or anybody.
They're going to find you anyway"

Paul Bryant

So what does this mean for product brands? In the current issue of Fast Company magazine, the editorial states 'The one incontrovertible truth (re: the economic downturn) is: only creativity and aggressive innovation in the face of hardships and layoffs and seriously tough choices will fuel a turnaround. We're paying for an era when financial engineering counted for more than breakthrough products and services. We were deluded by ephemeral and unsustainable growth figures, lost track of our long-term priorities, and embraced the idea that size equalled safety. We were wrong'.

Winners and losers

The impact on business sectors has been fascinating with distinct differences becoming clearer by the day regarding who will be the losers, and who will win in this economic onslaught. (Recent examples being the accountants and lawyers trying to sort out the European collapse of Lehman Brothers, the American investment bank, who have charged more than GB£100m in fees in the last six months ...whilst only recently it was reported that Nokia have just seen their profits plunge by 90%, with sales down by 27%.)

As we all know, the day to day impact of declining housing prices, company layoffs, non-stop retail sales (and closures), and currency devaluations are causing immense knock-on effects to consumer confidence, and with it, consumer consumption.

A call for innovations

A 'new seriousness' is taking hold, mixed with an ever-stronger interest in brand authenticity and truth alongside 'smart buying'. Innovation remains absolutely key but to keep innovation on-track, marketers need to keep a close eye on emerging trends. And this is where the trends analyst performs a vital function.



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Sean Pillot de Chenecey är brittisk mediekonsult med inriktning på trendanalys och varumärkesutveckling.

Klicka här för mer information om Sean Pillot de Chenecey



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For as 'Neutron Jack' (Jack Welch, the infamous CEO of General Electric) put it so memorably 'the key to competitor advantage is to know and understand the trends before the opposition, and then implement them quicker'. That's a key issue when, for instance, consumption of new 'non-essentials' has been a disaster for a growing number of sectors.

"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction"

Bill Gates

Consumer attitudes

Over the last few months I've been concentrating on researching into the impact of the downturn on consumer attitudes & behaviour, on an international basis. What's becoming clearer and clearer and is just how fundamental a shift that began (in earnest) last summer is gathering pace, and how impactful this issue is as it relates to a whole range of brand adoption / rejection issues, along with category specific activity and a reappraisal of how brands should be adapting their marcoms in an era of austerity.

"When you're finished changing, you're finished"

Benjamin Franklin

For while recessions are usually 'minority activities' for individuals and businesses alike, this one is casting its impact across a wide range of but not all consumer groups of blue, white and black collar workers.

Beyond this there are also huge issues with regards to age and gender. Very specific levels of impact are being felt and will continue to affect those across a series of different life-stages. So far in this recession, it's women and graduates (of both sexes) who have been the most excessively affected.

The home as a centre

Regarding the home, we're seeing a huge shift to understanding how consumers are using their homes for a variety of brand-relevant needs and activities, with the impact on the entertainment industry being a classic example.



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From a different perspective we're also seeing a strong shift towards young people intending to remain living at home for longer or returning to live at home after college. Whilst the age of leaving home has always had very strong national differences i.e. Spanish vs Danish women, the impact of the downturn is expected in many cases to reverse the lowering age of this fundamental life-stage over the near to medium term future.

Who the new consumer is

New consumer groups (typically a result of immigration policies) and just what 'the family' means in modern, liberal democracies are also impacting heavily on who the 'New Consumer' actually is. And of course a clear focus on the impacts of travel, the digital revolution, green issues and consumer involvement / co-creation all need to be included in the equation.

New media

Meanwhile, a continuing revolution in marketing communications has seen trends in broad / narrowcasting and indie-media moving on at a relentless pace. The likes of Twitter, Facebook, MySpace, LinkedIn et al, have combined to fundamentally alter the balance of power between brands and consumer groups not to mention political parties and voters.

"When you have a crisis, the crisis itself becomes one of your biggest assets if the crisis is bad enough. Everyone get very modest and humble and listens. If you need to do rough things, you do rough things"

Carl-Henric Svanberg

Yet the digital world is as prone to boom and bust as the 'real' one with the latest example being the adulation given to Spotify and the hysteria over the possible sale of Twitter, mixed with the realisation that mobile television was an ill-fated and expensive flop. The latest bad news has come from eBay which has seen the lack of synergy between its core business and that of Skype (for which it paid US\$3.1bn only four years ago) meaning that Skype is up for sale possibly to be bought back by the Scandinavian pair of Janus Friis and Niklas Zennstrom.



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Know what's happening

What we're left with is right back with Neutron Jack's point about the vital necessity of keeping up to date with, understanding and then implementing the effects of relevant trends as they relate to the brand in question be it the relevance of 'well-being' culture, issues relating to trust or corporate social responsibility, etc.

How consumer attitudes will change towards brands that do not have a fundamentally strong 'reason to be' or promote themselves around genuinely solid emotional connections, may well lead to serious switches in consumer behaviour.

"Crisis and deadlocks, when they occur, have at least this advantage, that they force us to think"

J. Nehru

But one clear outcome is definitely emerging from the heat and dust of this particular economic battle the need to get close (and stay close) with consumers, and to both understand and interpret trends is more vital then ever.

The world is changing, and brands need to keep up with that change or risk being left behind.



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