

TOP 10 CONSUMER TRENDS FOR 2009

Euromonitor International

11 February 2009

All expectations are that this will be a year of guarded consumption for credit-crunched consumers globally – but consumption is more resilient than people might think and many commentators point out that the global consumer mindset is tuned to recession-spending.

Considered but resilient consumption

“The Lipstick Effect” is the phenomenon of the rise of small self-treating on make-up and gadgets when people forego extravagant purchases such as cars and holidays in times of recession. This tendency is all about consumers' sustained need to enjoy consumption and express their identity despite their pressured lives. Overall, consumers may scale down on purchases and live with delayed gratification by saving and investing more in retraining and putting more energy into getting better value. But the definition of value will be different for different products. For instance, consumers will seek the lowest price for products that serve basic needs such as food, whereas in self-treating and small luxuries, the value of feeling indulged is given precedence. The Lipstick Effect endures. A 2009 US report by Fitch confirmed this, stating “Consumers still appear willing to splurge on prestige items.” This has led to a huge wave of websites on how to be frugal but also keep up appearances. The Miami Herald, for example, has a sophisticated blog site with posts such as “The Cheap Chica”.

Recessionistas” “Voucheristas”, “Frugalistas” and newly-converted private label fans (middle classes flocking to Coto in Argentina and Lidl in the UK, for instance), are a testament to this trend that celebrates frugality but recognises that consumption goes on, and is still a pleasure. “I enjoy looking for clothes online and recently bought a designer leopard-skin dress, which would have been at least £200 new, from £25. That gives me such a buzz,” admits one UK Frugalista. The resilience of consumption is also behind so-called “stealth fashion sales” like the recent private viewing-style sale for shoe designers Jimmy Choo at the home of founder Tamara Mellon - catering to the more discrete pursuit of luxury spending by the well-heeled.

Age of uncertainty

“When there's so much uncertainty, volatility and anxiety, it's harder to define trends. You're not so much trying to predict the future as trying to create a conversation about where the future might go. Most of the time you're illuminating the present,” says Sydney-based futurist Richard Watson, author of new book “Future Files”.

Commentators, journalists and bloggers are certainly signalling 2009 as a year of fear, anxiety and uncertainty for consumers who, in order to fight back against these pressures, will need to engage with them using resourceful coping strategies. These include immersing themselves in the safety and comfort of their home cocoons, voluntarily trimming spending, redefining their relationship with brands so that this becomes more of a dialogue rather than a one-way brand-to-consumer communication and reinventing and re-launching themselves through retraining, thrift, bargain hunting, revised leisure time aspirations etc.

A new shopping aesthetic: Value redefined as quality

Value rather than cheapness will now count when consumers have to choose between brands when making purchasing decisions in the year ahead. Hence consumers will reward brands focusing on quality with loyalty. In this new retail landscape, value equates to quality, longevity, sustainability and meaning. This last attribute indicates that consumers seek consumption that they also perceive as adding value to their lives.

Popular international consumer rating site, Qype, stands for quality not hype. This revival of consumer interest in lasting quality replaces the “little and often” approach of recent years. Mass consumption has also led to mountains of discarded cheap synthetic clothing at landfill sites that worry ethical consumers. Commentators and bloggers are arguing that fast, throwaway fashion, central to our transient, disposable culture is slowing down. Says a spokesperson from UK supermarket ASDA: “We did a survey with our customers at the beginning of the year. They said they are now making product choices around quality and value for money.”

This consumer perception of value in quality will extend to clothing, food and the home – e.g. timeless pieces that will remain stylish rather than one-season fast fashion outfits. The design boom of recent years has been fuelled by fast-turnaround trends and seasonal collections that ape the fashion industry. Expectations are for a design aesthetic reverting to the original premise of design: creating useful things that last.

The death of bling?

The definition of lavish is morphing before our eyes write Jeff Barrett and Robin Turner in the UK's Times. Concurring that the ultra-cheap, throwaway purchase feels wrong, they also stress that bling may have to take a rest cure as “whatever your financial circumstances, being seen to spend unseemly amounts of money is no longer

fashionable.” With conspicuous consumption looking like bad taste, high-end labels benefitting from the new discretion include Bottega Veneta and others evoking consumer perceptions of luxury that is sustainable. The best luxury marketers will offer consumers reassurance about making non-essential purchases.

Designer Karl Lagerfeld recently declared the age of bling over due to the economic crisis. Celebrities at the recent Golden Globe awards were noticeably pared down in monochrome colours and minimal adornment. Stylists are busy seeking conspicuously inconspicuous red carpet looks for next month's Academy Awards, already dubbed “the Recession Oscars.”

This is not a global fact, however. According to consumer expert Arund Singhal, Indian consumers, particularly middle income urbanites and the relatively young segment will display a more visible consumption of bling in 2009, with some consumers willing to pay a premium for it.

Malaysians are still packing shopping malls, though the slowdown has turned them into bargain hunters. An international Synovate consumer survey showed that 53% of Malaysians were worried, but spending earnestly. It was the highest proportion out of nine countries – Brazil, Taiwan, Turkey, Japan, Russia, the USA, France and South Africa - surveyed. The 1,000 Malaysian respondents aged 50-64 had been quick to trim spending on non-essentials however, such as leisure travel, branded items, meals with loved-ones, big-ticket items and foodstuffs considered treats.

Uber-cocooning

In times of economic upheaval and anxiety, people often resort to virtual escapes (everything from films to virtual worlds) and indulge in cocooning – retreating into a home-centred lifestyle. This trend which involves equipping the home with gadgets and touches of indulgence is likely to intensify. "As we fret about what is happening in the wider world, people's natural instinct is to cocoon themselves away," says designer and trend spotter Mark Garside. "Homely details [inspired by the natural world] are creeping into every aspect of design." The new do-it-at-home culture will thrive. Commentators are in agreement that consumers will be less likely to waste money buying time and a fast-track route to consumption through convenience. One old maxim about the consumer economy was that “people have to eat” - the basis by which food companies are deemed recession-proof. But people don't have to eat out at expensive restaurants nor eat high-priced luxury or organic health foods - three food sectors which now look vulnerable.

With less disposable income, consumers are cutting back on non-essentials, fixing rather than discarding, downsizing to a smaller car, getting rid of second homes, possibly renting rather than buying, and retreating all the more into their comforting spaces – ideal settings for the enjoyment of in-home entertainment which is relatively inexpensive after the initial outlay. This is why there is still huge consumer demand for electronics, albeit more affordable models. Personal gadgets from cell phones to media players are also a form of “outdoor cocooning”.

Television producers like Sally Haynes, the controller of drama commissioning at the UK's ITV channel have noted that rising interest in escapist drama is perfectly geared to the mood.

Female “Frugalistas”

Brands keen on recession-proof marketing to women will need to realise that women are currently serving not just as the family CPO (Chief Purchasing Officer) but the CTO (Chief Thrift Officer). Time-starved women have heavily relied on convenience products and services to manage their multiple responsibilities. While money is tight, women will feel obliged to forgo the price premiums they have been paying for this kind of help and take on the labour themselves. By shifting their marketing focus from super-convenience to ingredients (like jarred sauces), food brands, for instance, will capture their share of women now seeking 'made from scratch' foods. The best messages will focus on the bright side of home cooking such as making memories cooking together etc. Fast food chains are already jumping on the bandwagon. In the USA, KFC is promoting its 'Ten Dollar Challenge' for busy consumers living on a budget. Wall mart has gained sales from its recent 'Elevenmoms' campaign – enabling frugal CTOs to share their smart shopping tips via the brand's own YouTube channel.

Builders, estate agents, manufacturers, retailers and e-tailers can also adopt new strategies to keep women buying. Psychologist Judy James says the frugal attitude of women doesn't seem to have caught on among men. She sees the downturn as having brought out the Alpha Female 'warrior' side of women, bringing their competitive and strategic skills to the fore.

Interest in financial services will rise. Former Fashionistas are now researching on investments to justify their purchases. One blogger describes this as a shift from “indulgence shopping” to “investment shopping”. Even Gen Y is expected to “do” delayed gratification.

Focus on wellbeing and DIY healthcare

Health and wellbeing translated as consumer satisfaction looks set to be a resilient consumer concern – even if it is accompanied by more self-treating and “DIY doctors” as part of the fashion for self sufficiency, itself driven by uncertainty. The huge consumer interest in “alli” the only FDA-approved over-the-counter weight loss product is significant. The product's strap line urges consumers who don't like what they see in the mirror to “change your vision, challenge yourself to do things differently.” These capsules prevent the body from absorbing all fat consumed, while this diet plan is accompanied by “mialliplan”, which includes an interactive online journal for users and other motivational tools. Consumers will remain concerned about their surrounding environment – including nature, society and public policy.

Countless consumers are still aspiring to aspects of celebrity lifestyles to feel good about themselves: “This season is all about celebrity fragrances and endorsements,” says Felicia Milewicz, beauty director of Glamour magazine. Dolce & Gabbana have just called on Scarlett Johansson to front their debut make-up campaign.

Cyberspace as lifestyle need, cheap entertainment and work arena

Millions of consumers will continue to feel that being online wherever they are is a basic lifestyle need. In the current economic context, the internet and the whole phenomenon of Web 2.0 is also about the internet as cheap sanctuary, communications, entertainment, socialising and dating tool as well as “word of mouse” haven where consumers can compare notes on brands (data firm Jupiter found that 77% of online shoppers are using reviews and ratings when making their purchasing decisions) and where savvy brands can reach out to them by joining in and responding to online 'market conversations'.

Consumers can also get into cyberspace more easily, now that the industry has finally responded to strong consumer demand for cheap, small, stylish laptops (netbooks) and phones acting as better on-the-go pocket-sized telecoms and web-browsers.

Online consumers will continue to influence what other consumers buy through peer-to-peer reviewing. Trend commentators such as trendwatching are stressing the market as a conversation in the future and Feedback 3.0. According to trendwatching, it “will be all about companies joining the conversation, if only to get their side of the story in front of the mass audience that now scans reviews.”

Major brands including Starbucks, Ford and Pepsi-Co are already using micro-blogging site Twitter to micro-manage their PR. For instance, PR staff at PepsiCo posted messages on the site after users began criticising one of the company's advertisements, which depicted a cartoon calorie committing suicide. One member "tweeted" back: "Thank you for having the guts to get on Twitter on behalf of Pepsi and give us an update on the suicide ad." Innovative online campaigns are thriving. Lastminutetravel.com's newly launched 'world for a \$' teaser offers visitors 15,000 hotels for US\$1 per night for 15 minutes every workday. When this happens is the catch but the one million plus viewers to date of their comedy viral ad clips are promised clues.

While millions are still buying online albeit after extensive comparison shopping and a heightened interest in second-hand sites and rental sites, others are also using the web to find and do additional work to top up employed income – sometimes called the “5pm to 9am economy”.

A parallel return to the real world and old world values

Paradoxically, a degree of “unplugging” is predicted too, as many consumers relinquish digital acquaintances for more human contact, reclaiming personal or family time. Recent eye-catching ads from Dentyne chewing gum play upon this unplugging trend. For instance: “chatroom full” features a photo of happy youths and then the strap line: “minimise buddy list, maximise buddies. Make face time.”

While people will be more self reliant, “we” not me will thrive and family and community will be pushed back together. This return to the familiar means consumers may be less likely to experiment dealing with people and brands they don't know, because they don't trust them - brands will become more receptive to values as a result.

There is an aspirational element at work here stresses futurist Richard Watson. Just as owning a mobile phone was once seen as a mark of sophistication, using one sparingly or not at all is becoming a signal that a person has sorted

out their priorities or has staff to do this: hence the phrase 'digital diets' and an interest in analogue products such as fountain pens and vinyl records.

This feeling is also behind a lasting interest in the authentic and the enduring in consumption, which is craved by consumers to give them a sense of safety and control in uncertain times. Imbys (in my back yard) will continue to be vocal proponents of buying from small businesses, handmade items and importantly, local and national products. This quest can be met by a myriad of products and services from comfort foods, to retro themes to holidays etc.

Meanwhile, more consumers will be joining LOHAS (lifestyles of health and sustainability consumers) or 'deep greens' and downsizing with a greater awareness of the natural world, even though to city dwellers, the thought of growing their own food or hiking without a personal sat nav is faintly terrifying!

Thrift meets green

One trend picks up on many we will find in 2009, that of green thrift. Some commentators are highlighting “eco-fatigue”, and that green considerations come second in times of financial crisis. “Eco-cynics” underline “greenwashing” by brands and the hypocrisy of celebrities who drive a Toyota Prius and then hop on a private jet but there is a clear crossover between thrift and green in consumer behaviour. Consumers are realising that on so many levels these two trends meet each others' needs – consuming less per se is both green and economical. This crossover is leading to interesting new consumer activity driving the mushrooming of swapping and recycling sites that help put mismatched presents and receivers out of their misery and the proliferation of home exchange websites. Freecycle had over 1.5 million members at the beginning of the year. Swapz.co.uk had half a million visits at the start of a January 2009 alone. This trend puts consumers directly in touch with each other, bypassing mediation by companies.

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