



upshot

## 10 TRENDS FOR 2010

REPUTATION ECONOMY. MICRO COMMUNITIES. DELIGHTED CONSUMERS. AND MORE.



upshot®

# 10 TRENDS FOR 2010

REPUTATION ECONOMY. MICRO COMMUNITIES. DELIGHTED CONSUMERS. AND MORE.

by Liz Aviles and Brian Asner

The trends were identified by The Source, Upshot's Market Intelligence team, that continually monitors marketplace and cultural trends with a focus on providing actionable insights for the agency's clients.

Just a quick reminder about what a trend is, and isn't. Behaviors may change quickly, but the ten trends shared below are the product of long term shifts in values and attitudes. They're not going to start in 2010, just like our trends from 2009 (the New Austerity and the Online-Offline Convergence) weren't going to end as December came to a close. And of course, this isn't an exhaustive list. If anything, it's a list of diverse thought starters, which apply to just about any client or industry.



Now, without further ado, it's the future! And Upshot's 10 Trends for 2010.

- 1. Ubiquitous Connoisseurship.** Bold, unique brands will benefit from further educating their consumers.
- 2. Down-to-Earth-ism.** This is no time for pie-in-the-sky promises; address consumers' real priorities with real solutions.
- 3. Hometown's Hero.** Regional differences will be more pronounced as Americans experience a period of extreme rootedness.
- 4. Niche Networks and Micro Communities.** Consumers will seek out smaller communities (both online and in real life) that are built around their shared passion points.
- 5. After the App.** If you're not breaking through the clutter with a smartphone app, focus on the mobile web instead.
- 6. Reputation Economy.** The company *behind* the brand is now a brand asset—or a liability.
- 7. Consumer Controlled Conversations.** Consumers don't need your help to "express themselves" online. Now, they want to talk about YOU.
- 8. Radical Demography.** Demographic changes will be front and center as the 2010 Census gets underway, but you can already start preparing for the study's most shocking revelations. Here's a hint: pay closer attention to women, child-free households and Hispanics.
- 9. Immersive Sensory Experiences.** Consumers are increasingly expecting sensory *indulgence* from their entertainment *and* marketing. Are you offering them a truly immersive experience?
- 10. Delighting Consumers with Hidden Surprises.** Consumers will embrace brands that bring them moments of happiness, but will grow increasingly skeptical of brands offering "manic happiness."

Keep an eye on [theawesomeblog.net](http://theawesomeblog.net) for an ongoing analysis of what each trend means for the marketing world throughout 2010.

# 1 X UBIQUITOUS CONNOISSEURSHIP

BOLD, UNIQUE BRANDS WILL BENEFIT FROM FURTHER EDUCATING THEIR CONSUMERS.

## Background

2009's **New Austerity** taught "recovering consumers" a number of valuable lessons. We witnessed the emergence of "**discretionary thrift**" across the board, from affluent individuals reigning in spending to everyday consumers comparing prices on items under five bucks. We saw significant "trading down," especially in categories that lacked meaningful brand differentiation (hello private label!). Yet, some brands continued to thrive in categories as diverse as high-end spirits and consumer electronics. The secret to their successes? **Educated consumers understood that there was "something special" about these brands.**

## Implications

As recession-shock begins to recede, consumers will still be guarded about their spending. But, on the occasions where they're willing to spend, they'll want to get a lot for their money. **If there is a meaningful distinction between your brand and the rest of your category, consumers will want to know.** It behooves you to authentically educate your consumers.

Tapping **Micro Communities** (Trend #4) is a logical place to start. Is there a network of enthusiastic individuals who consume more information about your category?

## Examples

**The transition of "green" from a trend to a lifestyle** speaks to consumer connoisseurship, since greening one's behavior requires a significant investment in information. The fact the public is comfortable using amorphous terms like "carbon footprint" demonstrates a surprising willingness to learn about the environmental consequences of their behavior.

The benefits of exceptionally high-quality audio are lost on most consumers, but there's a rabid niche of audiophiles for whom the ubiquitous, standard-issue iPod earbuds are tantamount to sacrilege. These are the folks who are willing to spend heavily for the **Beats by Dr. Dre** line of headphones, which intend to replicate the sound quality originally achieved by artists in the recording studio. (Of course, these consumers comprise a **Micro Community.**)

## Subtrend

**From Fringe to Fridge.** Food connoisseurship is becoming so prevalent that emerging trends are reaching critical mass at an ever-faster pace. Previously unfamiliar flavors (hibiscus and rose water), trends (simple ingredients, slow food) and combinations (bacon everything) are becoming mainstream at a shockingly fast pace. What does a **tweeting Korean BBQ truck** mean for Kraft?

## 2X DOWN-TO-EARTH-ISM

THIS IS NO TIME FOR PIE-IN-THE-SKY PROMISES; ADDRESS CONSUMERS' REAL PRIORITIES WITH REAL SOLUTIONS.

### Background

The biggest question for 2010: As economic indicators trickle in the right direction, **will consumers continue to practice the New Austerity?** If hype-free simplicity and exceedingly practical restraint are the dominant values of the day, **how can a marketer earn the consumer's trust?**

### Implications

We've been here before; it's branded utility, silly! (And **branded utility's** all-encompassing cousin, **Concierge Culture**.) The best way to build trust with consumers in this environment is **an aggregate of small promises that are consistently achieved**.

Keep an eye on **The Good Enough Revolution**. Going back to **Ubiquitous Connoisseurship**, consumers have found that many trade-downs are "good enough," and spending more for an upgrade can't be justified (hello private label, again!). If your brand exists in an undifferentiated category, or a category undergoing **assortment rationalization**, you should consider **Delighting Consumers with Hidden Surprises** (Trend #10).

**Traditional luxury will continue to suffer, but consumers' definition of luxury will become flexible** enough to encompass anything that's scarce, exclusive or an **Immersive Sensory Experience** (Trend #9). As **Trendwatching.com** so effectively puts it, "...don't worry about missing out on the next big thing in luxury, focus on defining it."

### Examples

If luxury chocolatier Godiva is focusing on morsels of happiness, you know it's time for the rest of us to follow. Just look at the copy for their new **Golden Moment** campaign: "a brief respite to indulge oneself—'the golden moment,' as it were—is as desirable now as it was when the Dow was at 14,000. Maybe even more so."

After a year in which banks became America's biggest villains, Bank of America has resorted to "'**simple, clear and direct**' messaging" as a first step toward regaining consumer trust.

### Subtrend

**Staycations & Nearcations Give Way to Frugalcatations & Localcations**. While luxury travel will continue to suffer, the lingering demand for non-luxury travel will be met. Expect to see "frugalcatations" that take advantage of inexpensive alternatives to traditional vacations, and "localcations" that highlight the unique, differentiating elements of local communities. The latter trend has roots in **Hometown's Hero** (Trend #3) and **Ubiquitous Connoisseurship**, and is reflected in Chicago's **Airport Music Program**, which features local musicians on the terminals' soundtracks.

### 3) HOMETOWN'S HERO

REGIONAL DIFFERENCES WILL BE MORE PRONOUNCED AS AMERICANS EXPERIENCE A PERIOD OF EXTREME ROOTEDNESS.

#### Background

Americans are already **becoming less nomadic** for a variety of reasons: Boomers are foregoing retirement communities for familiar surroundings, college grads are moving back in with their parents and technology has enabled telecommuters to work from the same home even when their jobs move. Now, this **mobility has been further restrained by the housing crash and poor job market. Americans are reestablishing deep roots in their communities**, affecting their values, identities and behaviors.

#### Implications

When we talk about "regional marketing" (not coincidentally **one of Upshot's five areas of expertise**), we are talking about the **ever-increasing importance of community and neighborhood dynamics**. For instance, why did most city-dwelling Chicagoans support the 2016 Olympics bid while many of the immediate suburbs adamantly campaigned against the effort?

In 2010 specifically, **economic recovery will affect different regions in distinct ways**, depending on the dominant local industries and demographic factors. Your marketing and messaging must reflect these differences to succeed.

As location-based services like **Foursquare** emerge, **the definition of "local" may continue to narrow**, from towns to neighborhoods, streets, buildings or even more precise units.

#### Examples

Traditional media powerhouses are unveiling brand extensions to make them relevant to specific communities, such as **ESPNChicago** or the *New York Times'* **Chicago Report**.

You can never go wrong helping people get to better know their neighborhoods. Passengers on the Copenhagen subway can now **download podcasts** that correspond to stations along the trip, while American Express and AT&T are helping consumers get to know New York neighborhoods as part of the **NYC Extreme Local campaign**.

In the context of the **Reputation Economy** (Trend #6), the best way for brands to build relationships at the local level is to make authentic contributions to the common (or uncommon?) good. Apple's upgrade of **Chicago's Clybourn subway station** is an especially brilliant example.

## 4X NICHE NETWORKS AND MICRO COMMUNITIES

CONSUMERS WILL SEEK OUT SMALLER COMMUNITIES (BOTH ONLINE AND IN REAL LIFE) THAT ARE BUILT AROUND THEIR SHARED PASSION POINTS.

### Background

Moms aren't the only consumers who are "multifaceted" in today's world. Rather than being defined by an overarching membership (such as the civic organizations and social clubs of yesteryear) or a vague generational trait (as in the slacker generation), we increasingly face **a consumer environment composed of countless "micro communities."** Freed from the restraints of geography and physical contact that defined traditional communities, **individuals can easily engage with many micro communities at once.**

### Implications

Creating indistinguishable products for "average" consumers is increasingly misguided (especially in the context of **Radical Demography**—Trend #8). Seek out relevant micro communities and interact with them in order to better target the associated niche. If you can offer a valuable product or service to these communities, they will be **exceptionally loyal consumers.**

**Can micro communities be facilitated by brands?** Sure, if the brand (a) is an authentic fit, (b) keeps the focus on the passion point rather than the brand, and (c) is providing a legitimately new and unique service to the community.

Massive online social networks (read: Facebook) are here to stay, but when consumers have a real passion point (the environment, a health issue, an all-consuming hobby), **they are increasingly seeking out others just like them in smaller "niche networks."** Smart marketers in 2009 tracked public conversations on sites like Twitter; **brilliant marketers in 2010 will dive into the comment sections on niche blogs and discussion forums** to discover nuanced insights, unexpected experts and de facto focus groups.

### Examples

The groundbreaking **Nike+** effort fights the stereotype of running as a solitary endeavor. Recognizing the sport's social element demonstrates a truly nuanced understanding of this community.

If **MySpace** can effectively corral their enormous collection of streaming music and other entertainment properties, expect the site to re-emerge as a (gigantic) player in the entertainment niche.

## 5X AFTER THE APP

IF YOU'RE NOT BREAKING THROUGH THE CLUTTER WITH A SMARTPHONE APP, FOCUS ON THE MOBILE WEB INSTEAD.

### Background

Yes, we know there's an app for that. There's an app for everything! While Apple brags about their **100,000th app in the app store**, **the rest of us are on app overload**. And it's not just smartphones; analysts are already recognizing that **Facebook has become oversaturated with apps** as well.

### Implications

Smartphone users will realize that **their app menu is valuable (read: limited) real estate**, and will prune accordingly. Only the most useful, most entertaining apps will survive the purge.

If you haven't created an app already, your offering will have to be especially groundbreaking. If your app isn't more entertaining than the **Barclaycard's waterslide** or an app that **can blow out candles on a birthday cake** then **consider ways that your brand can provide utility or efficiency for the user**.

If you're still getting lost in the app clutter, **focus instead on the burgeoning mobile web**. What does your brand look like when a consumer accesses it from a mobile browser? Can you improve the user's mobile web experience in other ways? What about creating a (mobile) browser **add-on?**

### Examples

Benjamin Moore taps **the power of the camera phone** to recommend paint colors inspired by your surroundings.

Normally, we'd advise against an app that's only good for a once-a-year event (going back to the point about "limited real estate" on the app menu). But, we're willing to make an exception when the **U.S. Open enhances their tournament app** by streaming the matches, providing score updates and offering video profiles of the players. The app itself was cosponsored by American Express and IBM.

Virgin Atlantic's app helps passengers overcome **the fear of flying**. Only a Branson-backed product could help his company sell flights and improve someone's life at the same time.

## 6X REPUTATION ECONOMY

THE COMPANY *BEHIND* THE BRAND IS NOW A BRAND ASSET—OR A LIABILITY

### Background

2009 saw an explosion of “corporate social responsibility” efforts and consumer-facing mission statements, as companies increasingly recognized that **their overall reputation is now an integral part of their brand**. Everything from employee behavior to corporate policies is considered when consumers are making purchase decisions, and this composite reputation has **direct implications on sales, brand strength and the bottom line**.

### Implications

It’s more important than ever to produce truly **integrated marketing**. Your brand should be **consistent across every touchpoint**, large or small, since the consumer absorbs all of these messages **as a single entity**.

With the internet documenting everything, **your employees are on display** 24/7 and are the living, breathing faces of the brand.

In the Reputation Economy, a house of brands now faces the **same level of scrutiny as a branded house**. Remember, Dove’s Campaign for Real Beauty took a huge credibility hit when consumers learned that Axe was part of the same Unilever family.

**Actively monitor** the conversation about your brand: even free services like **Google Alerts** will assure that you’re aware of any impending PR issues before they become full blown disasters.

**Prepare for these disasters** the same way you plan for other emergencies. With consumers demanding immediate responses, your brand needs a comprehensive plan for addressing these unexpected crises.

### Examples

While most companies cautiously monitor and restrain their employees’ public communications, Zappos turns employee transparency into an asset. The company encourages their **gleefully tweeting employees** and compiles employee contributions in an annual **Culture Book**, all of which contribute to Zappos’ core brand asset: exceptional, enthusiastic service.

Of course, this only works in companies with an unusually pervasive employee culture. Just ask Domino’s, who awoke to a PR nightmare when a couple of **kitchen workers went rogue**. Wisely, the company responded with a heartfelt video response within two days.

Your owner’s personal political philosophies are fair game; witness the **backlash of Whole Foods’ shoppers** when they learned that CEO John Mackey doesn’t share their views on healthcare.

**The Good Guide** is...well, a good guide to understanding what’s on the modern consumer’s mind. The **guide derives a score** based on a company’s environmental impact, corporate policies and health/safety issues, and that score is now accessible when consumers scan your product’s barcode (at shelf!) with the Good Guide smartphone app. First Moment of Truth, indeed!

## 7) CONSUMER CONTROLLED CONVERSATIONS

CONSUMERS DON'T NEED YOUR HELP TO "EXPRESS THEMSELVES" ONLINE. NOW, THEY WANT TO TALK ABOUT YOU.

### Background

Not only is your brand's reputation under scrutiny; it's also up for debate. And guess who's controlling that conversation? Consumers are demanding **accountability, immediate assistance, flawless customer service** and **honest dialogue**. And when consumers demand action, they want it on *their* terms.

### Implications

A fifth of consumers have **lashed out at companies online**, and **they will continue to flock to where their voices are being heard**. If you ignore them, who knows where that destination will be? A Facebook group? A Twitter hashtag? Consumerist's "**Worst Company in America**" list? A site declaring **your company must die**?

Accept the fact that you cannot stop consumers from talking about your brand. The good news: **engage authentically with consumers and they will tell you exactly what they want from your brand and your marketing**, giving you an opportunity to meet their needs more effectively.

### Examples

Best Buy has 2,200 employees actively participating in their **Twelpforce**, a Twitter-based customer service program that answers any consumer electronics question (service, sales or otherwise) in real time. In addition to establishing one-on-one relationships with each consumer who asks a question, the publicly posted conversations allow Best Buy to turn customer service into a brand-building opportunity.

A number of brands have partnered with influential bloggers in order to build a more targeted, engaging community with their consumers. Walmart's **Elevenmoms** are perhaps the best-known example.

## 8) RADICAL DEMOGRAPHY

DEMOGRAPHIC CHANGES WILL BE FRONT AND CENTER AS THE 2010 CENSUS GETS UNDERWAY, BUT YOU CAN ALREADY START PREPARING FOR THE STUDY'S MOST SHOCKING REVELATIONS.

### Background

Even if the results of the upcoming Census won't be out until 2011, smart marketers will use 2010 to get a jump on the radical demographic changes that analysts expect the Census to reveal. We know this for sure: **the "average American consumer" has become an increasingly useless category**, as a number of demographic groups are changing in noticeably distinct ways.

### Implications

American women's household and professional dynamics continue to change dramatically. Considering that **women control 73% of household spending** in the U.S., you'd better be paying attention to how their **shifting experiences are impacting their values, shopping habits and individual needs**.

The most prevalent type of household in the 2010 Census is **expected to be married couples without kids**, followed by **single-person households**. How much of your marketing is based on the assumption that you're talking to parents?

For years, we've been preparing for an avalanche of **Boomer post-retirement spending**. Unfortunately, no one expected the housing crisis and stock market tumble to obliterate Boomers' most valued assets, significantly delaying (if not canceling) this shopping spree. Where's your Plan B?

### Examples

A **2009 report** from the Center for Economic and Policy Research found that Boomers aged 55–64 have lost 38% of their median net worth. The circumstances were even worse for Boomers 45–54, who lost 45% of their net worth.

The **Census Bureau** has been calling attention to the U.S.'s impending "minority-majority," and the two most populous states in the country (California and Texas) are already there (along with Hawaii and New Mexico). With a number of other states rapidly approaching the tipping point, ¿está lista tu marca?

## 9X IMMERSIVE SENSORY EXPERIENCES

CONSUMERS ARE INCREASINGLY EXPECTING SENSORY *INDULGENCE* FROM THEIR ENTERTAINMENT AND MARKETING. ARE YOU OFFERING THEM A TRULY IMMERSIVE EXPERIENCE?

### Background

Following the logic of **Ubiquitous Connoisseurship**, consumers are encountering ever more immersive sensory experiences in all forms of media, and their expectations have gone through the roof. If 3-D is “breaking through the clutter” when it comes to sight, what is the equivalent for sound, smell, taste and touch?

### Implications

3-D isn't just a gimmick this time. It's an **immersive sensory experience**, which we've been tracking for a while on [The Awesome Blog](#). **Is your brand ready for a world where 3-D is the standard for television, YouTube videos and photographs?**

As interactive technologies like augmented reality reach critical mass, smart brands will use them to create **sophisticated branding opportunities** rather than gimmicky applications.

Sure, it's engaging, but it's also fun! How can you bring your consumer **a moment of sensory-indulgent joy?**

And of course, always remember that these executions must be **easy to use** and **instantly gratifying**.

### Examples

You don't necessarily need to go high-tech to compete with 3-D visuals. Virgin America's onboard **mood lighting** is an excellent example of simple sensory indulgence.

That being said, advances in digital billboards and interactive outdoor advertising have produced exceptional engagement in out-of-home advertising. For instance, companies like **Monster Media** and LM3Labs' **Ubiq'window** have created gesture-based, reactive store windows that allow consumers to shop, get information, be entertained and more, all through a uniquely interactive medium.

Tap multiple senses at once to create a truly resonant experience. Atlanta's Hartsfield-Jackson airport now features **customized scents and sounds** intended to relax and inform passing travelers.

# 10X DELIGHTING CONSUMERS WITH HIDDEN SURPRISES

CONSUMERS WILL EMBRACE BRANDS THAT BRING THEM MOMENTS OF HAPPINESS, BUT WILL GROW INCREASINGLY SKEPTICAL OF BRANDS OFFERING “MANIC HAPPINESS.”

## Background

As we moved from 2007's **Pinpointing** to 2008's **Passion for Precision** to 2009's **Online-Offline Convergence**, the broader message was loud and clear: consumers can find anything they want, anywhere they want, anytime they want. Still, we know that “happiness” continues to be a priority for consumers, especially in times of economic uncertainty. If value is a cost of entry for highly educated consumers, brands must offer unexpected surprises in order to delight their customers.

## Implications

Making grandiose promises about life-changing happiness might be reassuring when your staring “The Next Great Depression” in the face, but as panic subsides, so will these overblown claims. **Consumers are skeptical that your brand can deliver “big” happiness**, but you can offer unexpected moments of happiness and appeal to simple values.

When facing a **lack of brand differentiation at shelf**, a delightful surprise will make all the difference.

## Examples

Many hotels delight their most loyal guests with surprises ranging from **personalized music compilations to recommended reading**.

**Innocent Drinks** hides clever messages on the bottom of their smoothie cartons, while other brands are getting **playful with their barcodes**.

It doesn't necessarily require a guy in a banana suit, but if you're **surprising consumers with free Twilight tickets** as part of Jamba Juice's “Sharing the Good” campaign, it might just come with the territory.

Brands like Volkswagen are **inserting games into everyday life**, and bringing consumers moments of joy in the process.

*Liz Aviles is the Vice President of Upshot's Market Intelligence Team. Brian Asner is the team's Innovation Strategist. Upshot's Market Intelligence team—dubbed The Source—continually monitors marketplace and cultural trends, providing actionable insights and a variety of other research based services for the agency's clients.*

*Upshot strives to engage consumers through simple ideas brilliantly activated with a focus on brand, promotion, retail, regional and interactive marketing. Clients include Procter & Gamble, Crown Imports, Tremor, Wild Turkey and Kraft Foods to name a few. For more information, visit [www.upshot.net](http://www.upshot.net).*