

Consumers: The New Normal

| Text/Patricia J. Fiske |

A journalist in Slovenia recently wrote to me to ask for our input for an article she was writing. My colleague who is a voracious student of our industry, Damon Gitelman, and I enjoyed some quality time thinking about her questions. At first it seemed the topic of her article was how companies and advertising agencies create effective advertising during a recession. The way she worded her questions was highly intriguing, because they probed deeply into the very general issue of what constitutes good advertising, whether in good times or bad.

She began by asking how the current social, political and economic conditions will influence the advertising strategies of global businesses, and what companies and agencies should do in response to disturbing times. She was concerned by declining economies, dangerous international conflicts and fears about terrorism, and growing mistrust about whether corporations can be trusted in their financial reporting.

In the past year, Worldwide

Partners have conducted a number of global studies, which were helpful in considering my responses. One study, *The New Normal: Portrait of Today's Consumer* was recently published by Context-Based Research Group, the research division of Carton Donofrio/Worldwide Partners, Maryland, USA. Context employs 2,400 anthropologists in countries around the world who conduct in-depth ethnographic research with consumers from all backgrounds, professions, and economic groups. Just after 9/11, local anthropologists conducted research in cities where terrorism is a known part of life: Jerusalem, Israel; Northern Pakistan; Jakarta, Indonesia; Bogota, Colombia; Beijing and Nanning, China; and Paris, France. They also conducted research in the cities across the USA. Carton Donofrio's goal was to put the events of 9/11 into a global perspective by interviewing and observing people around the world, and then use these collected stories to develop scenarios of consumer behavior based on the

research.

The New Normal is a sequel to that landmark study. It is an excellent resource for both local and global businesses that focus on the consumer, how to communicate with them, and how to meet their needs.

The study shows that while changes in the political, social, and economic environments have been shocking and painful for many consumers, most have accepted the fact that they are living in a new era, in which a higher degree of uncertainty than ever before is now a permanent fact of life. What does this imply for businesses? Study authors Chuck Donofrio, Dr. Robbie Blinkoff, and Ellen Moore suggest that businesses can develop products, services, and programs-along with messages about them-that emphasize the personal dimension of marketing communications.

To download the study, visit the Carton Donofrio Partners website at <http://www.cartondonofrio.com>

Brands are, among other things, promises, and consumers need

reassurance that companies and manufacturers have their interests in mind. Briefly put, customer-centered advertising is required now more than ever. This has always been a prime component of marketing communications that works - no matter what the discipline. As one of our public relations professionals says, "Our main goal is to serve the public interest, and not merely position the company."

My correspondent in Slovenia also wanted to know if marketers would choose to optimize budgets using approaches other than classical advertising and alternative communication channels that are less expensive than mass media. We know that the consumer considers everything as advertising - including promotions, catalogs, brochures, direct marketing, product placements in movies, sidewalk writing and internet pop-ups! That has given us tremendous freedom to study the consumer, understand the most effective way to reach him or her, and use whatever media will best do the job. Mass media has its rightful place in the media mix as does highly targeted direct mail. Understanding the consumer is what allows the brilliant choices of where to best spend the budget.

Let's look at some examples where alternative methods work quite well.

The internet: Valentine-Radford/Worldwide Partners in Missouri, USA, has conducted the

longest running, consistent study of internet shoppers in the USA. The study, called *i-Customer Observer*, has tracked 50,000 U.S. consumers over the past 2 1/2 years and delivers a benchmark for understanding consumer Internet usage and customer satisfaction. We know that, in general, banner advertising is not very effective and that no one likes pop-ups. Yet banner ads and pop-ups can be effective if they are relevant to the site. For example, a banner ad for golf balls on a golfers' chat site can work quite well.

Guerilla marketing: Guerilla campaigns include unusual, unorthodox, and surprising methods to send marketing messages to consumers. The objective here is to create "word-of-mouth" endorsement, undoubtedly one of the best forms of advertising any client can hope for. One of my favorites comes from Kirshenbaum Bond/Worldwide Partners, New York City, USA. They helped popularize the concept of guerilla marketing in their book *Under the Radar*. One unforgettable example is the work the agency did for client Bamboo, maker of women's lingerie. The medium was a busy New York City sidewalk on which was written in chalk, "FROM HERE IT LOOKS LIKE YOU COULD USE SOME NEW UNDERWEAR-BAMBOO LINGERIE."

Imageneering Worldwide Partners, Finland, created a kind of guerilla

advertising for itself. Most of the time we see case studies in the form of ordinary documents. Imageneering condensed their client case studies to fit the size of table protecting coffee coasters. Each morning when a prospective client puts down his hot cup, it is on an attractive and colorful description of an Imageneering marketing communications success.

Integrated communications: In a serious economic slowdown like the present one, multinational clients look harder than ever to achieve the highest return on their advertising investment. Practically speaking, this means focusing on brand consistency across multiple media avenues, and integrating messages as closely as possible. For example, The Tombras Group/Worldwide Partners Tennessee, USA has made a mouse a highly recognized component of The Eastman Chemical Company's brand.

For its Brazilian business-to-business web site, Group Comunicacao/Worldwide Partners, Brazil caringly gives The Eastman Chemical mouse a soccer ball to make him a Brazilian mouse. The site, <<http://www.eastman.com.br>>, has been an enormous success for the company, according to Eastman's regional marketing manager.

What should companies and agencies do when spending cutbacks are seen as the cure for difficult economic circumstances? Borut Socan, Owner of IMAGO

Worldwide Partners/Slovenia, makes it clear, "Although a full-service agency is very different than it was 10 or 15 years ago, the agency must still focus on fundamental communication needs, and the key values are still good ideas: strategy, creativity, and innovation."

For decades, clients have attempted to save money during recessions by curtailing their advertising budgets. In its campaign for its media client, METRO, Banc/Worldwide Partners, England made clear that cutting spending on advertising may mean losing an important opportunity. The cases are based on the results of research conducted by the venerable Institute of Practitioners in Advertising (IPA) and the World Advertising Research Center (WARC). For details beyond the ads visit <http://www.ipa.co.uk> and <http://www.warc.com> and <http://www.metro.co.uk/advertising>

Case 1: Barclaycard (a credit card) was faced with this question in the early 1990s. Because Britain's economy was in a recession, consumers were not making as many credit-card purchases. Barclaycard's main competitor cut its ad spending in half, but Barclaycard added new features to the service it provided, then DOUBLED its ad spending. The result was that Barclaycard increased its share of new credit card holders by 50%.

Case 2: The automobile manufacturer Renault launched a new car,

the Clio, in 1991, a time of recession. Renault launched an aggressive TV, newspaper, and magazine campaign that positioned the Clio as the car for older, more sophisticated drivers, rather than younger car buyers. The result was that the Clio was discovered to be appealing to this older market.

Case 3: Nescafe's Gold Blend coffee beverage was launched in 1987, during strong economic times in Britain. But a few years later, recession had overtaken the strong economy. Nescafe Gold Blend cost approximately 25% more than its main competitors, and some believed that sales would fall as consumers had less to spend on the beverage.

The company continued to invest in the campaign, which had already proven successful. The result was additional sales worth £ 50,000 annually. Loyal customers did not change to a less expensive brand, and new customers were reached.


Another question from Slovenia that invited reflection was: Which is more important during a recession—corporate advertising or product advertising?

There is no clear or simple answer to this question. So much of current advertising closely ties the product and corporate message together. Successful campaigns that we are all familiar with come easily to mind: Nike, Apple Computer, and Starbucks Coffee.

Tying product and corporate values

together becomes more difficult for a corporation with many products such as Nestle and Proctor & Gamble. The consumer does not seem to care that Nestle makes her candy bar and P&G makes the drug he takes for his cold. In this case they want to know more about how attributes of the product satisfy their need.

Whichever approach is taken, the Context research shows that to effectively communicate with consumers, both product and corporate advertising must show the value of products and services in a way that attends to the real needs of its customers.

In November 2001, we asked Worldwide Partners owners, researchers, and creatives how they are rethinking strategy for uncertain and frightening times. The words they used are 'honest', 'forthcoming', 'real', 'genuine', 'straightforward', 'responsible', and 'practical'. This time in our lives is one in which good taste, humility, and thoughtful humor can prevail as a special style of advertising, with messages that are simple, clear, touching, and memorable—the features of all good advertising. 

Worldwide Partners is a corporation equally owned by entrepreneurial marketing communications firms located in 55 countries. Its mission is to multiply the power of the idea by extending the reach of the lead agency. Its commitment is to create customers with marketing communications that respect and honor the consumer. With US\$4.1 billion dollars in billings and employing more than 5,000 people, Worldwide Partners is the 10th largest marketing communications firm on the planet.