



# Post-recession Marketing: Addressing a New, More Mindful Consumer

As economies recover around the world, global marketers face new challenges in relating to consumers. A new post-recession era is dawning. Consumers have revised their priorities, and advertising needs to speak differently to these consumers in the years to come if brands are to survive and thrive.



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## New Times, New Attitudes, New Behavior

The global recession is just one of many events that have undermined people's sense of security in the past decade. Terrorism, political instability, global warming, and the degradation of the environment were all looming large as concerns even before financial markets and the government organizations meant to oversee them began to fail. As a result, a mood of mistrust and anxiety developed among many people around the world, and that mood sparked a reexamination of priorities and values.

In the face of all these concerns and fears, a new consumer attitude began to manifest itself. Many people stopped finding joy in excessive consumption and heedless spending, and a new trend, which I call "mindful consumption," emerged. Mindful consumption is demonstrated by consumers buying fewer products and fewer brands, and being more considered in their choices.

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Though it is most apparent in mature markets, I expect mindful consumption to eventually affect all global markets — even the emerging ones — because it represents more than just a response to the present crisis. It is a response to the idea that happiness can be purchased. As mindful consumers, people are increasingly challenging this assumption.

## Welcome to the World of Mindful Consumption

Some experts believe that when the recession is over, consumers will return to their spendthrift ways, but I believe that a new age is being born. The post-recession consumer is different. While they may have been forced by circumstances to reconsider their spending habits, many consumers have found that less really is more.



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Data from a variety of sources support this view. A recently released survey by the Pew Research Center in the United States reported that 71 percent of Americans said they have switched to less expensive brands as a result of the recession. Also in the United States, a study by Deloitte found that 84 percent of shoppers were examining their grocery purchases, looking for ways to save money. Seventy-nine percent said that they were “smarter” shoppers than they were two years earlier, and virtually the same proportion (75 percent) said that the need to reduce spending had made them understand which brands were really important to them. A Sanford C. Bernstein survey conducted last December found that half of consumers had not only traded down to less expensive products but found them to be “as good or better than” the costlier brands they replaced.

Key pan-European lifestyle trends identified by Millward Brown research also confirm this phenomenon. Many consumers are reclassifying what constitutes a luxury, avoiding impulse purchases, and screening their purchases more carefully for real value. A recent McKinsey report described the way this trend is playing out in Japan, where, according to McKinsey, consumers have long been willing to pay a premium for convenience. The article cited a MyVoice Internet survey from September 2009 that found 37 percent of Japanese consumers had cut overall spending, while 53 percent declared themselves more likely to “spend time to save money” rather than to “spend money to save time.”

### The Challenge for Advertisers

While consumer priorities have changed, the basic challenge for advertisers is the same: to deliver a relevant message in a creative way. But advertisers need to meet that old challenge using new approaches. They must make their communications relevant to the current concerns of the “new” consumers, who are now selecting brands for different reasons.

This changed consumer mindset is not really a new hurdle for brands; we have seen the roles that brands play in people’s lives evolve over time. In today’s developed markets, brand names were once used to differentiate basic commodity products and provide a promise of consistent formulation and quality, but over time they evolved to confer a whole range of other benefits, including status, emotional well-being, and a sense of belonging. Our current circumstances suggest that many consumers are now ready to ascribe an even higher level of meaning to their brand choices.

Of course people still need brands to address their basic needs and maintain their standards of living. They still want brands that allow them to indulge themselves occasionally. But in general people are relying less on brands for gratification or status and are now factoring other values into their choices. These include their own moral principles, their loyalties to their local communities, and their sense of responsibility for the environment.

Today brands need to craft strategies to address these new priorities. They need to position themselves against consumer needs as well as against competitive brands. The approaches will differ according to the product category and the market segment within that category, but a few highly successful global brands are already showing the way, and other marketers should learn from these examples.

### Breaking Through with Emotional Appeals

In categories where there is little discernible differentiation across brands — and in developed markets, this is the state of most FMCG/CPG categories — many of the most successful brands have crafted strong and effective emotional appeals. In the personal care category, Unilever’s Dove brand has accomplished this by taking aim at traditional standards of beauty. Through the “Campaign for Real Beauty,” as well as viral videos such as “Evolution” and “Onslaught,” Dove has redirected the debate on beauty and carved out a unique space for itself.



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places where we can go to truly relax and be ourselves. This campaign, which generated a great deal of attention, showed the different personalities of McDonald's consumers, adding an emotional layer to the functional benefits that they offer. You not only get good food at a reasonable price, but you can eat what you like, stay as long as you wish, and simply be yourself.

Another premium brand that is succeeding in the new age of mindful consumption is Nespresso. Consumers tend to define Nespresso as a "new luxury brand," and even in a time of relative austerity, people are not willing to live without a few luxuries. Many people have chosen to reduce their expenditure on gourmet coffee purchased at shops outside the home. Nespresso has tapped into people's desire to pamper and indulge themselves by offering them that same high-quality drink brewed at home. An advertising saga was developed a few years back to support the premium positioning of the brand. To demonstrate the attraction of Nespresso coffee, the ad agency created stories in which the actor George Clooney goes unrecognized and unnoticed in Nespresso stores. The coffee is what is important to the patrons, not the endorsement of a celebrity.

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Another example of a brand that has capitalized on people's need to find new and less costly ways to achieve gratification is McDonald's. The recent campaign in France, called "Come as You Are," is based on the idea that there are not enough

In a time when people feel insecure and at the mercy of forces outside of their control, another way for brands to distinguish themselves is to empower people. Pepsi has recently received a great deal of positive attention for its "Do Good for the Gulf" initiative. The company has invited the public to submit ideas that could help "refresh" the U.S. states affected by the BP oil disaster (Louisiana, Alabama, Mississippi, and Florida) and has pledged \$1.3 million in grants to support the winning ideas. Available for viewing on the site [refresheverything.com](http://refresheverything.com), the ideas (which will be voted on by the public during August 2010) include helping small businesses pay for accounting help to file damage claims, providing vocational training to displaced workers, and various fund-raising events in different parts of the country.

But for companies that are not so well established and well heeled as Unilever, McDonald's, and Pepsi, what is the starting point? How can companies that are scrambling for footholds in their markets relate to the new mindset of consumers?

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Most people won't be willing to trade off quality and efficacy for "feeling good," so those qualities must be well established. In his recent Point of View on emotion, Nigel Hollis made this point when commenting on the success of the Unilever campaign for Persil called "Dirt Is Good":

*The ads ... did not explicitly say that Persil (Omo) will get your kids' clothes clean no matter what they get into... Rather, it presented strong implicit communication that you can let your kids get dirty because you can trust Persil to do its job. But it is important to note that it is only because Persil spent many years establishing its functional credentials with explicit claims like "Persil Washes Whiter" that the brand can now communicate its functional message implicitly.*

One option for a brand that is not yet well known is to build a higher-level meaning into the brand as it grows. Method is an example of a brand that has succeeded in creating a new segment by combining good product performance and strong design with an ethos of sustainability. Critical to the company's success is its positioning as being not only good for the environment but also good for personal health. Founder Eric Ryan says that the company is "deep green" on the inside but "light green" on the outside. Thus it has broader appeal than many other environmentally oriented brands.

Some brands have unique new values built in from the start. The Veja brand of trainers (sneakers) was launched in 2005, featuring fair trade materials (organic cotton and Amazonian wild latex) and ethical labor practices. According to their Web site, [www.veja.fr](http://www.veja.fr), even though their fabrication costs are seven or eight times higher than those of the competition, Veja products are priced competitively. Their business model is one in which the brand does not advertise and production quantities are tightly controlled.

### Meaning Must Be Baked In, Not Painted On

The lesson to be drawn from these successful campaigns is that the concepts originated from a sense of brand purpose rather than an unrelated creative idea. Instead of simply investing in mere advertising, these brands chose to commit to causes that transcend a brand's functional purpose and capture their customers' hearts as well as their minds. The brands express this commitment in all they do and all they say in every consumer touch point. Going beyond entertainment, the campaigns depict a brand experience that inspires and resonates with the ideals people are choosing to live by.

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