

Online consumer trends for 2009



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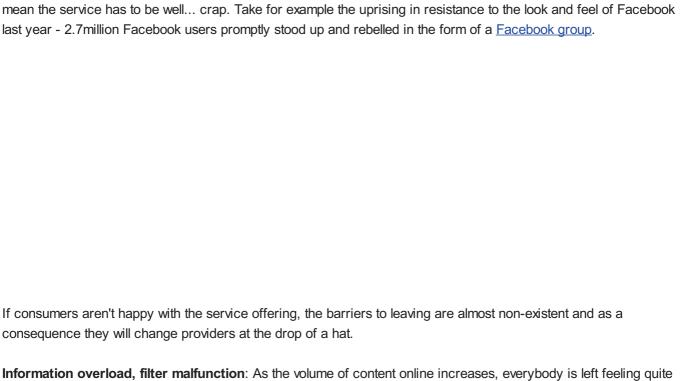
Never before has the consumer had so much power to influence corporate change. While this trend in itself isn't new and was discussed in great detail in the Cluetrain Maninfesto in 1999, as well as in 2006's Wikinomics, there is a great deal of significant to this power shift - as I'll share with you as I predict some online consumer trends for 2009.



Since the birth of the <u>four Ps</u> (product, placement, price, promotion), marketers have been scrambling to maximise profit while still fulfilling client needs.

But, in today's climate, the rules have changed. Consumers have access to an abundance of information (about you and your competitors). Furthermore, the highly connected *instant gratification* systems which exist because of the Internet ensure that each and every consumer has a network of trusted referrers from which purchasing experience is drawn and who help them make decisions. As a consequence, companies need to be far more careful in how they engage with their consumers and how the market need it met.

- 1. **Consumers are out partners are in**: By the definition of the word itself, a consumer is an individual who uses a particular product or service which a company provides. It's a one directional relationship the companies creates the product/service and the consumer uses the end product, nothing more. Clean and Simple.
 - Now consumers want something more they want the opportunity to collaborate, evolve and fine-tune the products/services to their specific needs. As this trend increases, they will move from the realm of traditional consumers to collaborative partners. As such, there exists a fantastic opportunity (as Obama did through his my Obama campaign) to elevate the status of your consumers to partners and empower them to become full stakeholders in the product offering.
- 2. If it's free, I'll have a double: No matter what you offering and how amazing or fresh the idea is, somebody else is already doing it and no doubt doing it better and for cheaper. Furthermore, with areas of business going online and with the decreasing cost of the three online staples (processing power, bandwidth and storage), it is becoming far more viable to run services at no charge to consumers and to find some other model to make it financially viable. Chris Anderson, editor of Wired, has presented four fascinating models (the notion of free) which I highly recommend reading up on.
 - The point is, consumers are able to find a cost-effective (read: free) solution for almost any need they have and unless it's something they really need, there is no chance they will pay a cent for it. It is therefore vital that your offering either fulfils some particular need or that you are being *remarkable* as <u>Seth Godin</u> (the definitive expert on marketing in the 21st century) puts it.
- 3. **Service expectation**: With the dramatic increase of free online tools such as Google Docs, Reader, Analytics etc. the expectation of consumers, in terms of quality of services, is increasing and fast. Just because it's free doesn't



4. Information overload, filter malfunction: As the volume of content online increases, everybody is left feeling quite overwhelmed. This is resulting in people putting up increased barriers to reduce distractions. Advert blindness is a well documented consequence, but in today's rapidly evolving information-driven world, it's getting far worse. Web content now has just 11 seconds to grab the attention of its users and to prove itself as valuable (<u>TravelMole</u>). Users are increasingly using <u>crowdsourced</u> consumer measures (such as Digg or Wikipedia), as well as network referrals, as a means of determining what is actually relevant to them.

It is therefore becoming vital to ensure that your content is good enough to get through the various consumer filters and receive their attention. Also, as the volume of content increases, consumers are looking to get more for less, so if you can say something in one sentence, do so. Reams of content take too long to read and nobody has the time.

5. Anti-trust: Yes, yes - it's nothing new but it's just gotten far worse. Last year, the Edelman Trust Barometer was released (for the fourth year) and the results were astounding. "People like me" have become the most respected spokespeople - that's ahead of any other form of company communications, including those from the CEO. This displays an increasing distrust in companies. In today's highly competitive environment ethical considerations are, unfortunately, often the last thing on the agenda. Thankfully companies are made up of individuals who are "like me". It's therefore a matter of refocusing how companies are communicating and replacing non-personal communication with direct one-to-one communication.

The other alternative is to apply "trend one" and empower your consumers to become the mouthpiece of your company. Provided the old school approach of "we are a non-personal company communicating to our non-personal consumers" is consciously steered away from, higher trust and engagement can be expected.

6. What's in it for me?

As a company, the notion of return on investment is something which is at the forefront of all activity. It is also important for consumers now days as they are doing their best to make the most of their time. Companies now need to compete for consumers' attention in a vast sea of distractions. As a consequence, consumers are much more conscious of what they will be getting out of a particular activity, be it financial, emotional, social etc. There must now be an instant gratification within your site, service or product to each and every action.

Companies can no longer think of just the financial elements and need to actively work to reduce the time required to achieve particular client payoffs while increasing the non-financial value exchanges which take place.

7. **You are the perceived**: As mentioned above, consumers have a higher access to information about you than ever before. As a consequence they have no need for your traditional company-centric communication as there is a veritable sea of 3rd party testimony to assist them in making decisions about your brand.

As the market continues to become saturated, the opportunity to differentiate oneself is becoming obsolete. Instead, companies are increasingly relying on their reputation as their identifying factor. Take the age-old example of <u>Dell Hell</u> or the more recent examples of <u>SAASucks</u> and <u>QVC vs. Blogger</u> for more insight into how reputation is becoming a central element to any brand's success.

8. Engage me!:

If you've paid careful attention to all of the above trends, you will have seen that they all point in one direction.

Consumers want to be engaged. Companies can no longer expect consumers to come to them - the power system just isn't the same. Instead, companies need to map conversations which are taking place around the Internet (online reputation management [ORM]) and engage with these individuals (as individuals - not as a company) within their personal spaces. This will drive word of mouth and provide other consumers with accurate 3rd party testimony which, as I have shown, is increasingly the only trustworthy source of content.

9. The counter trend:

In response to the overarching consumer trend of "Please engage with me", there will be a counter trend. For every action there is a reaction and with trends it's no different.

Some will embrace this new world while others will look to evade it or quite simply rebel against it. Over 2009, the concept of "personal spaces" will become obsolete as companies and individuals will be clamouring to engage with their market within their blogs and other social spaces.

As a consequence, portions of the market will shy away from such exposure and small walled communities will once again be created. While it may not be a mainline trend, it will certainly exist and breaking into these communities will become the new challenge of the years to come.

To me 2009 will be defined by the *battle between privacy and engagement*. Everybody will be choosing their comfort level and as their trust/distrust for the Internet changes, so too will their willingness to engage.

The year ahead will certainly be a fascinating time for consumers around the world. Finally, me and you - we - have the power to demand (en mass) certain minimums from our suppliers and with it the levelling of the ground for equality. It certainly is an interesting time to be plugged into the Internet and I wish you the best for 2009. May the conversation be with you!

ABOUT TIM SHIER

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