

TOP 10 CONSUMER TRENDS FOR 2012: Consumer Vigilantes Speak Up!

Contributed by Euromonitor International
Wednesday, 04 April 2012

On and offline protest is in the spotlight, pressurising brands towards greater accountability and genuine innovative responses to these engaged consumers.

This piece is the second in a weekly series of consumer comments exploring each of the trends Euromonitor International identified in the recent Top 10 Consumer Trends for 2012 article .

As world events have shown in the last year, consumers are dissatisfied and ever more articulate in protests that extend from neighbourhoods, cities and countries to the internet. This trend sees consumers who are now less loyal to brands getting together to make demands from companies and state institutions. They are often fuelled by widening income inequalities as well as price rises. Consumer anger is not just an old animosity toward corporate power but has morphed into personal disdain toward firms we deal with daily according to the latest report from the Center for Services Leadership at Arizona State University.

Debates on internet freedom versus control and censorship - are grabbing consumer attention. Whether it's the recent concerns from the UK's Advertising Standards Authority about the damage caused by possible 'non-genuine' TripAdvisor reviews or extensive protest and controversy around the now postponed Stop Online Piracy Act and Google's controversial revised 'privacy' policy, or the fact that consumers are to gain the right to have their personal data erased via new European laws referred to as the 'Right to be Forgotten.'

In a thought-provoking Vanity Fair Article in January 2012: 'You Say You Want a Devolution?' cultural critic Kurt Anderson sees nostalgia in today's radical grass-roots political movements. He calls them cover versions of protests from the past, but the form is different. In 2012, consumer vigilantes will have a sustained high profile protesting both in the physical and now in the online worlds. The lines are becoming increasingly blurred. In addition, with (instant) access to information that was previously only available to brands, consumers will be less tolerant of people, brands or processes that can't respond or adapt when asked 'why?'

Internet reviews and the art of complaining

Consumers are increasingly tapping into their networks of friends, fans and followers to discover, discuss and purchase goods and services. New are the scale, speed and impact of word of mouth, now that social networks have made discovering and discussing potential purchases easy , while also throwing previously closed, small-scale conversations open to thousands. Changes made possible by Web 2.0 have put consumers at the centre of marketing with many brands left circling anxiously. For many onliners who spend less time going to the shops, information and delivery are more significant than the smiling face over the counter.

There are global examples of national and regional consumer vigilante 'victories' fuelled by a new consumer confidence and the people power of social networking, viral videos and actual protest. In Argentina, iPad fans, annoyed by the high tariffs making their tablets of choice costlier than in the USA, have launched the iPad2 index, a popular website for venting on the high price of imported gadgets. In Canada, in response to viewer complaints about loud ads, Canadian Radiott-television Telecommunications Commission is to limit the volume of advertising on TV from September 2012.

Meanwhile, in Saudi Arabia, a short YouTube video showing a man involved in a heated argument with supermarket staff over rotten produce has resonated with many locals. The two-minute video has sparked debate regarding a perceived lack of consumer protection in the Kingdom. Housing is a highly sensitive issue in Saudi Arabia too. Another recent short film, also a YouTube hit, highlighted the country's housing crisis. In some countries, consumers feel freer to voice an opinion online than they would offline.

Green /ethical trust

It is very significant that Euromonitor International's Annual Study 2011 found that consumer trust in green and ethical labels is lower than interest in them. This is a fundamental problem for brands because trust underlies the whole concept of green purchasing.

Although many consumers can't afford to buy green, they expect brands to be trailblazers and to clean up their act. Beyond pricing, the new focus on ethical trading and corporate transparency means the spotlight may fall on any and every stage in the supply chain. Consumers respect brands like outdoor gear Patagonia for taking back used products for rewards and recycling.

The consumer need to trust others is more than just green and broader ethical consumption . It is part and parcel of so-called collaborative consumption. Companies like AirBnB and Zimride, which allow people to open their homes or their cars to share or loan for a fee are examples of new ways of using and exchanging goods and services.

What's really interesting is that new forms of trust are being enabled by social networking technology now that it's been adopted en masse. People who have never met or transacted with each other are using social networks to validate each other. When you rent your home or car to someone, trust becomes critical. In 2012, this reputation-enhanced lending and trading will become more mainstream.

Brands fight back via crowdsourcing and a more 'human' touch

The web is full of brand responses to critical consumer feedback, even if some seem rather lame. Some companies are responding to the consumer trust in people they know. US-based site Cliq, for instance, which launched last autumn, helps consumers decide where to eat, what to buy and what to do based on the opinions of their social network.

GoodGuide, a US website that rates consumer products according to their safety, environmental sustainability and the ethics of the firms that make them has created a new 'purchase analyser' app telling consumers whether they are the virtuous shoppers they say they want to be. It is aiming to stimulate peer pressure to push consumers into greener purchasing based on insights from behavioural economics.

A number of brands adopt a vigilante tone to assist consumers. In places like Milan and London, new 'crime maps' offer ways of navigating cities based not on the places where you want to go but on the places to avoid. Google's homepage in late January 2012 featured the following: 'We're changing our privacy policy and terms. Not the usual yada yada'. Launched in September 2011, US-based UNTHINK is a social network focused on transparency and providing its users with control over their online activities.

Among myriad other commercial initiatives resonating with the consumer vigilante mood are Cantina da Estrela, a new Lisbon restaurant that allows diners to 'award' deserved prices, the Singapore-based retailer Zha Huo Dian (The Provision Shop) recently-launched initiative using social media 'likes' to decide on the items it sells within a US\$6-40 price range, and Estonian Bribespot, an app letting smartphone users anonymously report bribes. This promises to 'turn isolated users into a powerful movement against corrupt individuals and institutions'.

Look out for the third in the series: TOP 10 CONSUMER TRENDS FOR 2012: DIY Life

About Euromonitor International's Annual Study, Global Youth Survey and Quick Pulse Surveys

Euromonitor International's Annual Study surveyed 16,000 consumers of all ages (15-65+) in eight mature and developing markets in July and August 2011, questioning respondents on the following themes: health and wellness, food and drink, technology, shopping and leisure, personal traits and values.

Euromonitor International's Global Youth Survey reached out to young consumers living in 15 countries with the largest and fastest-growing youth populations. Fielded August-September 2011, the survey questioned 16-24 year olds on the following themes: financial expenditure, food and drink, technology, leisure activities, personal traits and values.

In Quick Pulse surveys, Passport Survey reaches out to Euromonitor's network of in-country analysts and in-house researchers around the world in order to find out more about current consumer attitudes and habits on a wide variety of topics, from economic outlook to daily activities.

Note: Euromonitor surveys are online surveys; all respondents are drawn from the online population in any given country, not its population as a whole. This means that in emerging markets, respondents tend to be more educated, affluent and urban.

Republished with permission from Euromonitor Market Research Blog, originally posted on 2 April 2012