

# THE STATE OF THE U.S. CONSUMER 2002

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### 1.1 INTRODUCTION

When someone is sick, you take their temperature. The more anxious you are about their condition, the more often you do so.

Since the events of 9/11, that's what's been happening to the American consumer. Almost immediately after the attacks, pollsters, research companies and social trend analysts started surveying public reactions. Roper ASW began weekly telephone surveys; Yankelovich issued *Thinking Ahead* position papers; Harris and Gallup polled the public regularly, often weekly. The Arnold agency in Boston issued a weekly "Mood and Mind-Set Study," typical of the efforts of many corporations and advertising agencies. In addition, magazines, newspapers and TV reported on the public's responses to what was happening as much as they covered the events themselves.

In fact, the one product that has done gloriously well since the tragedy has been information! The public's desire to understand and discuss what has been happening sent Internet use soaring. Interest in news on TV was so strong that stations began to develop ribbons of text so that the screen could provide two or three different streams of information. In fact, the "Crawl" —the moving text on the bottom of the screen, first used for game scores and after the Gulf War —may be a permanent legacy of 9/11. The public's desire to follow what was happening was matched only by the desire of marketers and advertisers to understand what consumers were feeling about what was happening. Never has the state of the consumer been so studied.



It's not hard to understand the reasons for this obsessive interest. Through modern communications, the events of 9/11 were observed by almost everyone in real time, intensifying the impact of the events.

Further, nothing like 9/11 has ever happened to America before. In fact, historical analogies to Pearl Harbor and other such events are of limited value. Since we really have nothing to guide us, understanding what happened and its effects becomes all the more difficult.

In addition, since Americans have suffered a trauma and are going through the stages of grief that follow a loss, their condition changes and needs to be closely monitored. The situation is volatile, as well as changeable —anthrax, a war, other terrorist incidents —and demands to be closely followed.

Underlying all of these reasons is the undeniable fact that America was already heading into recession before the attacks and, since two-thirds of the nation's economy depends on consumer spending, anyone connected with marketing is obsessively interested in consumer reactions and their effects on consumer confidence.



## 2.1 TRENDS AND CONTRADICTIONS

In all of these analyses of the consumer's condition, the same themes are sounded over and over again —often in the very same words. Americans are "reprioritizing;" they are "reaffirming family values." Materialism and "stuff" are shrinking in importance as Americans turn to what's really important — "home, community, country." We are seeking a better balance between work and family. There has been an intensification of the shift to spirituality already taking place in the country, as well as a "resurgence of patriotism" and a new appreciation of "core American values."

Not that any of this is wrong, but reading about the same trends over and over again can blind us to the many contradictions and divisions among consumers. For example, there is growing evidence of a new seriousness on the part of consumers since 9/11: interest in poetry is up, the public's desire for information is strong; a process of introspection is clearly taking place in the country. Yet condom sales are way up, as are lipstick sales (up 500%, would you believe?) and liquor sales. The trend of Fun and Games that the *State of the Consumer* examined last year continues unabated.

In another example of seeming contradictions, clearly people are reaching out to others, are seeking to connect: sales of cell phones, engagement rings, matchmakers and personal ads are all increasing. However, so are many evidences of a do-it-yourself individualism: sales of sewing machines and crafts in general, as well as bottled water and flashlights are up. We want to connect but prepare to go it alone.

And while the country is recommitting to family values, we are also fascinated by stories about dysfunctional families, such as *The Sopranos*; Jonathan Franzen's best seller, *The Corrections*; and the movie, *The Royal Tenenbaums*, as Barbara Lippert pointed out in *Adweek*.

To understand the state of the consumer as the year begins, then, we need to ask not so much what is happening as why. What patterns can we see in consumer trends? What do these patterns, these shifts in attitudes and values, do for consumers? And equally important, what divisions and contradictions lie beneath the surface unity? Only then can we see in consumer trends and values, directions of help to marketers.

### 3.1 WHIPLASH

There's a lecture course being offered these days whose title sums up the whiplash effect consumers are feeling: "How We Went From the Best of Times to the Worst of Times."

Not very long ago we were in the midst of the longest economic expansion in history; the stock market was riding high, unemployment was low, jobs were easy to come by. Technology seemed to have created an engine of growth, a kick-start to the economy like the automobile or electricity in the early 20<sup>th</sup> century. We were talking about the "upscaling of America" and "luxury fever." The theme of the *Yankelovich Monitor* of last year was the "affluent attitude" of the country. The consumer mindset was solidly optimistic.

We got used to the good times of the '90s. And suddenly the bubble of complacency and invulnerability we were living in, the feeling that we were riding high, was smashed. Whiplash in automobile accidents occurs when the neck is suddenly and violently jerked forward and back by a crash. It's a sudden, severe jolting caused by the impact of a collision. Whiplash is a metaphor for what's happened to the American consumer since 9/11.

It's a feeling of "Hey, wait a minute. Where did it all go?" It's a collapse of great expectations, brought about by the double whammy of the recession and terrorism. It's as though someone has pulled the rug out from under us or let the air out or taken the wind out of our sails. Take your pick of metaphors; they all capture this feeling of everything changing suddenly.

The dot.com bubble is, of course, the clearest example of whiplash: people and companies riding high one minute and a generation out of work the next. The collapse of Enron is another example. So is what's happened to the city of San Francisco. The daily layoffs serve to keep this feeling of whiplash alive, AT&T announces it's cutting 10,000 jobs, Ford 35,000— as do the

daily news stories of the Enron scandal.

Futurists were predicting that the color du jour would be blue; overnight it became red, white and blue. Before September 11, fashion was flirting with camouflage and ripped garments. Both changed their meaning once the Marines went into Afghanistan and the news carried pictures of soldiers in camouflage and Afghans in ripped clothing.

It is true, as the social trend companies Roper and Yankelovich have been saying, that many of the directions consumers had been moving in throughout the '90s did not change after 9/11, but were instead heightened and accelerated: the desire to simplify and find balance in life, the emphasis on the home, the search for connections. But these continuing trends should not blind us to the fact that the consumer experience of the last few months has been one of whiplash. Life has changed. What people took for granted they can no longer take for granted.

### 3.2 DIRECTIONS

Any reading of the consumer in 2002 has to start with whiplash. Brands need to acknowledge it and help consumers cope with it. Doctors put neck braces on people suffering from whiplash to help stabilize the bones and aid in healing. The brand as neck brace is a 2002 role; brands are seen as a familiar and comforting part of normal life. What does Tylenol say? "Take comfort in our strength." It's a positioning for 2002.

## 4.1 THE CONSUMER IN A TIME OF UNCERTAINTY

What consumers are living with post-whiplash is uncertainty. Will there be more acts of terrorism? Will the recession be short or prolonged? Do the economic indicators suggest we are coming out of it already? Closer to home, will I/my spouse/my child keep/find a job? And the biggest uncertainty of all: will life return to what it was before?

Uncertainty is not a clear or comfortable place to live in, and it's not surprising that there are deep divisions among consumers — as well as within the individual consumer herself — about how to cope with it.

### 4.2 CONSUMER MOOD

The most basic division involves consumer mood. From the many quantitative surveys of the consumer mood, there seem to be two different mindsets Americans are adopting in the face of uncertainty. Saatchi & Saatchi's Collaborative Marketing Division and the Strategic Planning Department have recently completed a study of the female shopper, which brought these mindsets into relief.

- One is a **defiant optimism**. People with this mindset are more likely to feel that "you can't live your life controlled by fear." America will be all right, they say. They focus on the good things that have come out of this tragedy: the resilience and strength people have shown; the heroism of ordinary people; the way the country has pulled together; the renewed emphasis on home and family; the outpouring of altruism.

Optimists believe that "life — and shopping" must go on. They put 9/11 out of their minds when they shop and focus on what they need or want. In fact, shopping to them is often elevated into an act of patriotic support for the economy.

- The other attitude is a kind of **reactive anxiety**. Reactors are people who have changed their normal behavior in response to the uncertainties of 2002. They may avoid flying, postpone travel, spend more time at home, avoid large crowds and big public events, stay close to home when kids are in school.

Reactors tend to shop locally and shop primarily for what they need. The pleasure that comes from shopping for what they want can seem inappropriate. Reactors say things like, "shopping seems frivolous, now." They approach it, as they approach many other things in their lives, with caution.

It does appear from the quantitative surveys, such as the one by Leo Burnett and some recent Gallup and Roper studies, that the Defiant Optimists represent a larger group of consumers. The most recent reading by Roper, for example, suggests that anxiety in the country is diminishing and that consumers are beginning to believe in recovery. A recent Roper *Public Pulse* sees rising consumer expectations for the coming year.

But the Reactors can't be overlooked. A caution: Answers to quantitative surveys often reflect what consumers want to believe about themselves, how they want to see themselves. All surveys, for example, suggest that women are more likely to be in the group of Reactors than men, but it could be that they are just more willing than men to admit feeling anxious.



#### 4.3 VIEWS OF THE FUTURE

These mindsets are echoed in the attitudes towards the future that consumers are adopting in a time when the future is so uncertain. Dr. Steve Barnett, a cultural anthropologist, has used the phrase "Memories of the Future" to refer to the scenarios we create for ourselves that embody our hopes about the future.

There are two such "Memories of the Future" in the country today:

1. Things Will Get Back to Normal
2. Everything's Changed, Nothing Will Ever Be the Same as Before

And then of course there are those who try to create a bridge between the two views of the future by talking about the "New Normal."

Certainly America has a long history of trying to get on with life in the face of horrendous events. Gore Vidal, the writer and social commentator, was referring to this quality when he spoke about the "United States of Amnesia." And it is true that people crave normalcy in the face of the uncertain and the anxiety-producing. It's hard to live at fever pitch for very long. Normalcy is comforting.

It is probable that consumers do not divide neatly into one camp or the other but that both attitudes co-exist and are called into being when appropriate. When days go by without any bad news, we feel ourselves lulled into the Back to Normal school; however, when we are reminded by outside events of what has happened, the Nothing Will Ever Be the Same school surfaces.

In fact, it is probably somewhat naïve to segment consumers based on these mindsets because they may reflect divisions within the individual consumer. Americans now have a Pre-9/11 Self and a Post-9/11 Self. They yearn to get back to their Pre-self, but it does seem that when they move too far in that direction, their Post-self reacts with guilt.

So the state of the consumer is complicated this year. On the one hand, there is certainly a clear set of trends that seem to be characteristic of most consumers. But below this surface unity, there are divisions and contradictions. In fact, Roper's annual presentation for this year has as one of its themes the presence of "tension" in consumer lives. Roper points to the consumer desire for economic recovery versus the reality of layoffs and unemployment and the desire to get 9/11 behind us versus the reality that terrorism could be a continuing feature of life in an era of globalization.

#### 4.4 DIRECTIONS

Brands not only need readings on the state of the consumer, they need sensitive and frequent readings. In a time of uncertainty, brands must be like barometers, monitoring changes not in the weather, but in the consumer. So while the stable, familiar, part-of-normalcy aspect of brands is important, so is their responsiveness to the consumer mindset.



There are three major patterns underlying consumer trends this year:

- **GETTING SERIOUS**
- **ASSERTING CONTROL**
- **SEEKING COMFORT**

## 5.2 GETTING SERIOUS

Whiplash and uncertainty are sobering experiences. When people go through traumatic experiences — a brush with cancer, an accident, a loss, a divorce, a death — their impulse is to re-examine their lives. The experience can act as a wake-up call, prompting people to reflect on how they live and often to change their lives.

One pattern that links many trends this year is a new seriousness. It's as though the consumer is asking, "What really matters? What do I really care about?" That's what's behind "reprioritization" and "resurgent patriotism," and the "reaffirmation of family, home and community," as well as the need for balance in work and home lives. In the face of threats to our safety, our way of life and our economic stability, Americans have pulled back from many of the things that seemed to matter in the '90s —materialism, career, the celebrity culture, the affluent attitude — and are rethinking how they want to live and work. Daniel Pink, author of *Free Agent Nation*, calls this new seriousness "the flight to meaning." "In turbulent times," he says, "people get serious about finding meaning" (*American Way*).

## 5.3 SIGN OF THE NEW SERIOUSNESS

Some of the signs of this new seriousness are the rising interest in poetry and the classics, as reported by publishers and booksellers. There is also evidence of a new emphasis on politeness and civility. The casualization trend may have peaked; businesses are indicating that "casual Friday" has gone far enough when the style invades the whole week (*Research Alert*). *Roper Reports* states that for formal social occasions, the share of consumers seeking comfort in footwear has fallen 17%, a very dramatic change indicative of the new interest in civility and order. *Roper Reports* also cites a rise in the number of parents who agree that good manners in kids are very important.

*The Wall Street Journal* recently called "the new formality" a leading home furnishing trend. The paper noted the rise in sales of homes with formal dining rooms, a 30% increase in sales of formal china and the popularity of crystal chandeliers and fabrics. Even sit-down dinners may be coming back, according to Yankelovich. And look at the popularity of school uniforms. The renewed interest in tradition and order goes along with the general shift in the country to more conservative, less experimental attitudes.

But most important is the new mood of reflection and introspection among consumers that underlies the new priorities and the concern with balancing. Consumers are thinking about values, about what they believe in and what really matters to them. The major theme of the *Yankelovich Monitor* presentation this year is the desire of consumers to "get it right" — "from what I buy, to how I live my life, the experiences I have." Yankelovich's Ann

Clurman notes, "the events of 9/11 surely intensified... consumers' desire to refigure lifestyle approaches." These are indications of cultural changes that have shifted how consumers see the self and its relation to others.

## 5.4 THE BIG SHIFT BEHIND GETTING SERIOUS

Before we experienced whiplash, Americans took prosperity, globalization and peace for granted. We were in the midst of the longest economic boom in American history, in spite of the dark clouds of the dot.com bubble and the weakening economy. Globalization meant the inevitable spread of American capitalism and popular culture. Peace was the result of being the world's only superpower, still flush from winning the cold war.

These cultural conditions resulted in an optimistic and confident consumer. What Yankelovich called the "affluent attitude" prevailed, resulting in hyper-consumption. The key value for consumers was Self-actualization — achieving personal growth through experiences and consumption choices.

After 9/11, we were suddenly faced with war and terrorism, shocked into recognizing the reality of the recession and the attack on core American values. It was a coming-of-age experience for the country.

How could it not affect the consumer's sense of self? Feelings of anxiety and vulnerability, as well as anger and fear, surfaced along with the optimism Americans defiantly asserted. The affluent attitude retreated and was succeeded by cautious, restricted consumption. Characteristics of the late '90s — the celebrity culture of entertainment and sports heroes, the materialistic, acquisitive drive — seemed frivolous and not insubstantial.

The ethic of Self-actualization was succeeded by one of **Self-transcendence** — a recognition that the self does not exist alone and that we must seek beyond the self for security, meaning and comfort.

One aspect of this shift was the emergence of the Citizen-Consumer. Before whiplash, citizenship was a relatively small part of the consumer's sense of identity. But after 9/11, the recognition that we are not only part of a larger community, but that we have responsibilities toward it has become a larger, more meaningful part of how the consumer sees herself. The flags and the lapel buttons people are wearing, the popularity of tattoos of flags and eagles reported by tattoo shops signal this shift. There is a new recognition of and a new dialogue about core American values — freedom, choice and our open society.

This shift from Self-actualization to Self-transcendence is the basic attitudinal change that underlies the new emphasis on family, home, community and country. These trends are all outcomes of moving beyond the self to reach out to others.

## 5.5 QUALITY-OF-LIFE TRENDS: CONNECTEDNESS, SPIRITUALITY, BALANCE AND SIMPLICITY


Now make no mistake, these trends are not merely reactions to the changed circumstances in this country. As Yankelovich has been emphasizing in its *Thinking Ahead* white papers, many Americans have been engaged in a process of reprioritization all through the '90s. Saatchi & Saatchi's annual *State of the Consumer* has been tracing the growing concern with quality-of-life values since 1996 – spirituality, simplicity, balance, home and family, community.

But 9/11 acted as a catalyst accelerating the movement of these values into the mainstream. An article in *The New York Times*, for example, cites a University of Michigan survey done before and after 9/11 that shows a marked increase after that date in the number of people describing themselves as kinder, more loving, more grateful, more spiritual. A *Washington Post* poll found that two-thirds of Americans believe that the country has changed for the better.

The search for connections is just such a quality-of-life trend that has been building throughout the past decade. First it took the form of an interest in roots and heritage; then the growth of cyber-communities; last year, turning toward pets as life companions. The "resurgent patriotism" and the importance of the citizenship component of the consumer's identity are new evidences of this trend.

Another such trend is the growth of spirituality. While the impulse that sent religious attendance higher in the weeks after 9/11 may be transitory, the growth of spirituality marked the '90s. Consumers have been asking questions about the meaning of life and how it should be lived for over a decade. Popular culture is saturated with this issue.

The spirituality trend has also manifested itself in business. The '90s saw increasing concern about the role of business in society, a growing belief that businesses must be responsible corporate citizens, acting ethically and with integrity. There has been a new emphasis on the values companies stand for.

 The Voluntary Simplicity trend is another example. While it has been growing throughout the last two decades, interest in the movement has spiked since the search for meaning went mainstream. The dialogue about balance — the time we give to work versus home, family and friends — has also moved mainstream. In fact, the prevalence of these trends and values indicates that they are not just reactions to 9/11 born of fear, but rather deep-seated trends that were thrust into prominence by the new cultural conditions in the country.

We know that eras marked by light-hearted attitudes, such as the '20s, are often followed by periods of greater seriousness and sobriety, the '30s and '40s for example. We seem to be in such a time of sobriety and seriousness now.

## 5.6 DIRECTIONS

- The process of re-examining one's life, of introspection and reprioritizing, that consumers are undergoing offers directions for brands.

Dr. Robbie Blinkoff, an anthropologist at Context-Based Research, is quoted by Debra Goldman in *Adweek*, as saying:

"Brands are having identity crises, too. They need to be reassessed, so that as I re-establish my identity, my brand will reflect that."

As important as price-value is in recessionary times, it's clear that consumers are trying to re-connect with meaning in all areas of their lives, including their consumption. This reassessment necessarily focuses on the values the brand stands for. Are they relevant to the new seriousness of the country? Do they reflect the shift to home and family and community? To balance and spirituality?

- Americans have been increasingly accepting of the involvement of business in important social issues. A major finding of *The 2001 Cone/Roper Corporate Citizen Study* conducted before and after 9/11, is that four of five Americans believe that business has a responsibility to support causes —up from 65% in March. Almost nine in ten Americans believe that it is especially important to do so during an economic downturn.

One of the most pressing social issues of the day crying out for help is education. Education has moved to center stage nationally: failing schools, school violence, home schooling, the President's signing of the standards and accountability bill.

One specific issue is the 28 million children whose parents both work outside the home. According to the U.S. Census Bureau, both men and women are working increasingly long hours. The country sorely lacks quality, affordable after-school care. It is a critical issue for parents that comes up again and again in focus groups that the Saatchi and Saatchi Strategic Planning Department conducts around the country. It is an example of the kind of problem in which consumers would welcome corporate involvement.



## 5.7 ASSERTING CONTROL

All the trends we've been examining stem from this basic consumer shift of Self-actualization to Self-transcendence. One of the Yankelovich *Thinking Ahead* papers heralds the emergence of "empathy" in America, feelings of connection with and compassion for others. Yet it would be a mistake to think that this shift signals a retreat from the core American value of individualism.

It is true that in America periods of social connectedness and civic involvement such as the '40s and '50s alternate with periods during which the focus shifts to the individual. From the late '60s through the '90s, the country has been dominated by beliefs in self-expression, self-aggrandizement and self-fulfillment. If empathy or Self-transcendence is not just a short-term reaction to extreme contradictions, it may signal a cultural shift away from values like materialism, consumerism and forms of rampant individualism, such as free agency —the values of Self-actualization — that have held sway

for the last three decades.

But whether the shift is short-term or long-term, it does not mean that the value of individuality is disappearing or going underground. Rather it is now being balanced by a recognition of the importance of others and one's responsibilities to them.

## 5.8 THE FORMS OF INDIVIDUALITY

Throughout the '90s the value of individuality took two forms:

- Self-reliance, as expressed, for example, in the Do-It-Yourself movement
- Empowerment

Both these forms have been showing strength in the last few months.

There's a new magazine called *ReadyMade* that's a Do-It-Yourself publication targeted to echo boomers who are "too cool for Martha." Across age segments, interest in all sorts of sewing and crafts has been rising. In health, new self-diagnosis kits appear daily. Data from stores support the strength of DIYing in the home improvement area. Sales of power tools, for instance, are rising. An article by the *PR Newswire Association* quotes psychologists who claim that in difficult times, people "turn to projects they can do themselves to seek comfort, familiarity and a sense of control." Procter & Gamble's *Reflect.com* and General Mill's *Cereal.com* are brands designed to give consumers control.

Art Siemering's *Trend Wire* notes that:

"This year's uncertainties are turning our persistent urge for self-sufficiency into what may even become obsession. Think of it as a new freedom movement as in doctor-free medicine agent-free travel, church-free spirituality and broker-free trading."

It's not hard to understand why self-reliance, as in Doing-It-Yourself would have appeal. At a time when consumers feel so vulnerable and out of control, they naturally turn to areas of their lives over which they can exert control.



## 5.9 EMPOWERMENT

The other form of individuality is empowerment. The key theme of this year's *Yankelovich Monitor* is that consumers are recognizing that empowerment is a "mixed blessing." What looks like power, the presentation states, can be overwhelming, as for example the amount of information on the Web. Yankelovich finds consumers sorting through their choices and options to find "what works for them personally."

While this attitude toward empowerment is certainly true of consumers, the inexorable progress of technology is placing power in consumers' hands in all areas of their lives. An article in *The London Times* notes that innovation "is

now moving faster than at any time since the industrial revolution," and quotes Michio Kaku, a professor of physics at City University in New York, as saying "The 21<sup>st</sup> century will be the age of mastery, when we begin to choreograph the dance of nature, to mould matter, life and intelligence almost at will."

Look at what's already happening in automobile travel. This year has seen the spread of sophisticated navigation systems in upscale cars and rental cars, a clear example of technology empowering the consumer.

In the home, "smart packaging" — a computer chip contained in the product or packaging that gives instructions to a microwave or washing machine --is being developed by a consortium of universities and businesses including Procter & Gamble. Robot vacuum cleaners are about to appear on the market in Great Britain. Sophisticated remote control devices are being developed to enable consumers to control their homes and keep them secure from afar.

Medicine is in the forefront of the technological advances empowering consumers. This past year, a woman in Strasbourg was operated on by surgeons who were in New York, 5000 miles away! "Smart bandages," which signal the presence of infection and allow patients to treat their own infections, are being developed.

In the area of communications, innovations that empower consumers are arriving daily in mobile communications, language translations, hand-held computers. In many parts of the country, the spread of DSL lines, which bring speeds of up to 100 times that of ordinary Internet providers and bypass having to dial up, is this year's empowerment communication advance. On the Web, there is a new kind of site, Wiki Wiki Webs, that lets consumers interact with the site and actually change the content (*The New York Times Magazine*).

Given these technological innovations in every area of life, the shift of power to the consumer is very real. The rapid progress of technology has been the major trend affecting consumers' lives during the last decade – and will continue to be. And the end benefit to consumers is empowerment. It would be foolish to overlook this reality, which is happening along with the shift to quality-of-life trends.

## 5.10 DIRECTIONS

- Control is and will remain a key consumer drive. Anything that brands can do to give consumers a sense of control will have an emotional effect at this time far beyond the strategy itself.

Brands can:

enter into a dialogue, seeking ways to start conversations

be responsive – service is a particularly important component of control

focus on price-value. In an economic downturn, feeling some measure of control over one's financial life assumes even

greater importance.

- One key issue of recent years that the events of 9/11 pushed off the consumer's radar is time pressure, one of the main trends of last year's *State of the Consumer*. After 9/11 consumers were willing to tolerate delays and lines in the interest of safety. Further, in pursuit of balance, they say they want to slow down, spend more time with family and retreat from overwork.

But the underlying pressures of the lack of time remain and are a source of consumers' feeling out of control. Roper predicts that as security issues lessen, time pressures will reactivate. Anything brands can do to help consumers slow time down or speed it up will give them a sense of control over their lives.



## 5.11 SEEKING COMFORT

Another pattern that underlies the home/family/community/country/spirituality/balance trends is the consumer's search for comfort in the face of the experience of whiplash and the current environment of uncertainty.

### 5.12 THE COMFORT OF SAFETY

Of course, looking for safety and protection is the most obvious manifestation. Some consumer behaviors are to be expected: the number of people who have made or revised wills and bought insurance has risen dramatically; airline travel is down, as is tourism in general; visits to museums, theme parks and other large public gatherings are estimated to have dropped by 15-20%. Purchases of second homes in remote places are up. *Roper Reports* notes the rise in the number of Americans for whom home security systems are very important.

### 5.13 COMFORT FOODS

Seeking comfort through food is another way consumers are reacting to whiplash and uncertainty. Weight Watchers has reported considerable weight gains among its members as people turn to the most primal comfort of all.

Comfort food – the food of one's childhood – has shown particular strength. Ice cream and peanut butter sales are up 30% over last year according to *Newsweek*. So are sales of lasagna pans and meatloaf pans. Homemade soup is making a comeback.

Saatchi & Saatchi's food consultant, The Food Channel's Art Siemering, notes that attendance at cooking schools has risen. He also points to the return of cupcakes, iceberg lettuce, meatballs and short ribs and of hearty, down-home "Mamma" cooking in general. Is marshmallow fluff next? After all, Rice Krispie treats are popular sweets at Starbucks.

## 5.14 COMFORT IN NOSTALGIA

Seeking comfort in the past, particularly in childhood when we felt protected, is a trend that grew in strength all through the '90s as technological change confronted consumers. No wonder, then, that it has taken on added importance since 9/11. Last year's *State of the Consumer* highlighted the design trend. This year the trend is being expressed through retrographics and packaging, as in Ivory Soap's revival of its old packaging.

An article in *The New York Times* discusses TVLand, a 5-year-old channel owned by Viacom whose programming consists of old shows like *I Love Lucy*, *The Monsters*, *The Beverly Hillbillies* and *The Andy Griffith Show*. Viewership has grown 76% in recent months. Turntables are a best-selling item at Restoration Hardware.

Nostalgia, which usually runs in twenty-year cycles, has now centered on the '80s; witness *That '80s Show* on Fox and the popularity of '80s music (*The Omaha World Herald*).

## 5.15 THE COMFORT OF INDULGENCE

Another trend is summed up by the phrase, *carpe diem*, live for the day. It's the eat-drink-and-be-merry-for-tomorrow-we-may-die philosophy that is also an understandable result of whiplash and uncertainty. People use food, cigarettes, and liquor as tensional outlets, forms of self-medication.

Gambling and sex always rise in wartime and, predictably, condom sales are up. However these sales may not reduce the mini-baby boom of "terror sex" or "end-of-the-world sex" births next summer.



## 5.16 THE COMFORT OF ESCAPE

One of the trends last year's *State of the Consumer* highlighted was Fun and Games. It has been given fresh impetus this year through the consumer's seeking comfort in escapism.

The popularity of familiar and lighthearted TV shows like *Friends* and *The Carol Burnett Show* retrospective is a case in point. Home theatre sales have become characteristic of the middle class as well as more upscale consumers since prices for equipment have dropped by as much as 70%. Home theater furniture sales are also doing well while the rest of the furniture market is soft. Video and DVD rentals and sales are up dramatically, according to *The Wall Street Journal*. The search for Osama Bin Ladin and

the emergence of Special Forces Operatives into public consciousness have given computer games a new focus (*The New York Times*).

## 5.17 THE COMFORT OF OTHERS

Consumers are also seeking comfort through other people. Robert Putnam whose *Bowling Alone* was a study of Americans' decreasing civic involvement, writes about the possibility of "a new kind of America in which we pay attention to each other, we communicate, we hug each other" (*Newsweek*). Certainly the growing interest in volunteerism supports rising civic involvement. Whether or not this shift comes to pass, the growth of this trend throughout the '90s suggests that it will continue to be an important impulse in consumer life.

The surge in Internet contact such as e-mail, chat rooms and instant messaging which Forrester Research and the Pew Research Center have been tracing since 9/11 is another sign of people seeking the comfort of others. Note too that pet adoptions have risen.

The rising interest in spending time with family that every survey and poll supports and the continuing strength of spirituality are also reflections of people turning to others for comfort.

## 5.18 THE HOME AS A COMFORT ZONE

The growing importance of the home has been one of the strongest trends of the '90s. By the early '90s, as Saatchi & Saatchi's proprietary study, *The Meaning of the Home* made clear, it was apparent that the home had taken on enlarged roles: as nest, safe haven, refuge, place to relax and recharge, home office, home theater. Homes were getting larger and more elaborate; home decorating and home improvement sales rose dramatically throughout the decade: a whole industry of retail stores like Home Depot and Bed, Bath and Beyond sprang up to address this need. In fact, Home Depot reported record third quarter earnings (*Time*). Consumers are now rediscovering the last frontier of the home to develop--the garage! The consumer need to retreat to a safe haven from what was increasingly being perceived as a threatening world was evident well before the events of the fall.

Since 9/11 and the recession, however, the importance of the home as safe haven and retreat has grown. A new language of highly emotional terms such as the "Office of Homeland Security" and "the home front" reveals the emotional investment consumers have in this symbol of comfort.

The year's design trends in the home are in the direction of the soft, comforting and cozy and the more traditional. We may even see homes with porches make a comeback. Another strong home design trend calls for reducing clutter and simplifying, what Martha Stewart calls "editing" and Yankelovich, "eliminating."



But the emphasis on the home has to be put in perspective against the consumer's desire to connect with others, the civic engagement and volunteerism that have risen so dramatically. The Peace Corps, for example, has seen the highest level of interest since 1974 (*USA Today*). According to *Forbes*, hits on the web site of the U.S. Marines as well as other branches of the services, the CIA and the Red Cross have soared. It seems wrong, therefore to see this as "cocooning" or "nesting" since it doesn't seem to be a retreat to the home at the expense of the outside world, just the consumer's need for a safe haven and a place to relax and recharge.

The occurrence of both these trends is another example of the search for balance, the desire to spend more time on the things that give comfort—family, friends, acts of service.

### 5.19 A COMFORTING VALUE: AUTHENTICITY

The value that has moved front and center in this time of uncertainty is authenticity. Consumers seek the comfort of the real, something they can count on. Art Siemering of The Food Channel's *Trend Wire* predicts the emergence of American Roots Cuisine, which is grounded in authentic American heritage foods.

The same impulse is behind the spurt in organic food in the last few months. The first issue of the new magazine *Organic Style*, subtitled "The Art of Living in Balance," appeared in September/October. An article in *USA Today* traces the organic impulse in sports (biodegradable golf tees by Eco Golf) or packaging (Big Mac cartons made of natural limestone, reclaimed potato starch and recycled paper).

*The Baltimore Sun* sees this value behind the appearance in menus of precise regional names – Tuscan or Sicilian Cuisine, not just Italian; Oaxacan, not just Mexican. The article predicts that we may see fusion foods, a major trend of the last decade, giving way to anti-fusion as consumers seek the authentic.

But this value has importance well beyond cuisine. In a Yankelovich *Thinking Ahead* white paper, Walker Smith writes that authenticity has two meanings: the original and the substantive. There is no doubt that consumers in a time of whiplash and uncertainty are seeking things that are substantive, things that are honest, things that are what they say they are. The disasters of 9/11 and the collapse of Enron have strengthened the importance of this value. In fact, in *The New York Times*, Paul Krugman writes that "in the years ahead Enron, not September 11, will come to be seen as the greater turning point in U.S. society."



In a sense, brands are like comfort foods, so interwoven into the fabric of our daily lives that they are uniquely poised to offer consumers the comfort they seek.

1. In an uncertain time, brands stand for stability, familiarity and the comfort of normalcy. This may, therefore, be a time when innovation is less important than heritage. Brands with history can speak to consumers through nostalgia packaging, graphics, and advertising messages.
2. A survey by Wunderman Worldwide found significant increases in the number of people placing higher priority on trustworthy companies and reliable brands and less importance on innovative and high-tech companies and brands.
3. Brands with a tradition of integrity and authenticity carry an emotional fund of goodwill, powerful messages in a time of whiplash. For a consumer searching for substance, for something they can believe in and trust, this is a time when the real attributes of a brand will convey integrity and comfort.
4. Comfort comes in many forms, some more suitable for certain brands than others. Brands must decide where on the comfort spectrum they fall: security, indulgence, and escapism?
5. Key questions for brands to consider: How can the brand foster community? How can it talk to the home-as-sacred-ground belief of consumers? How can it convey authenticity?

Getting serious, asserting control, seeking comfort—these are the directions to follow this year.

**Myra Stark**



## 6.1 AND DON'T FORGET THESE TRENDS TOO . . .

The most important international trend of the day: economic globalization occurring along with political fragmentation. (In 1946 the world had 74 countries; in 1995 there were 195.)

The key trend underscored by the 2000 U.S. Census: diversity. (Not that anyone was surprised, but the speed of growth, particularly among Hispanic-Americans, was a shocker.)

The major American demographic trends: the aging population, the growing gap between Haves and Have-Nots, the increasing multiculturalism of America, the fragmentation of the traditional family (along with growing acceptance of more diverse forms of family).

The overriding economic trend of the day: the recession. Education and health care are also major consumer concerns.

The continuing American obsession with slowing down or speeding up time: the growing popularity of the Slow Food movement, super-slow exercise, speed (7-minute) dating.

The booming Fun and Games trend: Americans spent \$574 billion dollars on Fun and Games in 2000, more than on education, food and home, all clothing, accessories and jewelry (U.S. Bureau of Economic Analysis).

## 6.2 AND SOME SIGNS ON THE TREND HORIZON . . .

The rise in crime rates after years of decline, particularly homicides, considered by police the bellweather crime

For the first time in 2001 Internet start declined. One-third of adults are still offline. PC ownership is also down. Is growth in the high tech sector beginning to slowdown? (*Research Alert*)