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A look at the trends and behaviors for the year ahead by  
eleven of Edelman's consumer marketing experts

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# Consumer and Their Connections: Engagement at the Speed of Life

Christina Smedley, Global Consumer Marketing Chair

I'm lucky enough to travel in the role I play at Edelman, although that can also mean hours in airports, arriving late and leaving early, and frustratingly never having the right power cords at hand. It was during a London snowstorm when I realized I never have felt more connected than I have this year, no matter where I was in the world. From the runway I had five conversations going on; by text, on Facebook, through BlackBerry, via e-mail and with the FedEx pilot sitting next me. It was a long delay so I also participated in a couple of conference calls and Skyped with my children, but perhaps most importantly I did all my Christmas shopping online from the U.K., the packages to be delivered to my home in the U.S. And all the time I was sharing what I was pondering and purchasing with my network -and my network was giving me real-time feedback, and I was getting ideas for gifts and travel information faster than I could type.

All this information led to decisions I made, which I suppose could be articulated as measurable actions. This combined with the ever-increasing number of colleagues, clients and strangers sitting in meetings with three or more mobile devices front of them on the table - the trifecta of smart phone, laptop and iPad - and that they were using them to add real-time insights and observations at the moment of decision. This made me decide to ask some of my global peers about their perspectives on Consumers and Connections and what they think it means for them as marketing professionals and their brand stewardship. But as my conversations with six globally focused marketers and media buyers from Brazil, China, India, France, U.K. and U.S. unfolded, it became clear that the real change here is a significant behavior shift from consumers toward brands, with ribbons of integrated networks moving faster than before. My informal focus group agreed that the opportunity we have is to craft brand campaigns that people will influence, respond to, participate with and share. I'd like to think of it as Engagement at the Speed of Life and here are some of the new opportunities:

## **Brand Stories are more important than ever**

We connect through the stories we tell, share through the magic of a great tale and form communities around a collective narrative. Brands need to create stories for our times to be absorbed in fragments and in multiple places at varying times. But those stories should ladder to a macro idea that enables people to relate to the character and personality of the product. These new brand stories need to be relevant across the entire universe of stakeholders and not sit isolated, especially as consumers move to the center and bring with their demands to governments, NGOs, established organizations and new transformational entities.

## **Campaigns need to be Always On**

We've seen major advertisers make changes to their marketing departments, a trend that Forrester had predicted in April 2010, suggesting that 75 percent of CMOs expected to restructure marketing organizations now or by the end of 2011. These moves come with a critical change in marketing spend - and it's happening in all markets worldwide. From paid to social to earned, there is a shift underway. We've helped some of our largest clients work out what those percentage switches could look like. Why? Because brand stories and narratives need to be consistently available for consumers or, in other words, the brand needs to be always on, campaign or no. It's a different type of mentality with different rules. Edelman's 8095™ study of global millennials showed that before they make a brand purchase twenty-eight percent look at over seven sources of information. Your brand could be hard to find if you

just have a short paid for burst on television. For those of us who have lived in the earned media space, it's clear we are able to build the type of narrative that enables a story to ebb and flow, catching consumers as they decide on a purchase.

### Participation – or Marketing with Real People

At Edelman, we've long said that brands need to be their own media channels. We'd challenge you to also think about real people as a media channel of their own, with their own network reach, editorial intention and impact. Brands need to enable consumers to adopt, own and share their perspective of what a brand is doing or enabling. Brands have to live connected to their consumers, managing inputs and outputs and outcomes by decentralizing while retaining the central equity of what the brand stands for. This means building participation platforms that are very different from traditional advertising campaigns. It's all about conversation starters and enabling people to have dialogue for, and about, your brand. Campaigns need ideas that galvanize and enable real people to activate on your behalf.

### Social Shopping Will Rise

When my mother starts talking about her social network, it's clear that the movie was a success, and that Facebook is in her life. It's never been so apparent that there is a new consumer who can and will influence others, and, if engaged by marketers, can build brands. At Edelman, we call them Action Consumers™ and know exactly how to reach them. But the insight here is that shopping is social now in a way it's never been before. Look at the rise of Groupon and think about how many of your purchase decisions are influenced by someone you know. This isn't just online but through "real" world interactions too. Edelman's 8095™ study also showed that on average globally, sixty-six percent go grocery shopping with a friend. Marketers who enable action consumers to engage for their brand will win at the register.

### True Integration

Galvanizing ideas can come from any of the marketing disciplines sitting in meeting rooms at brand HQs (around tables loaded with smart phones) and these integrated campaigns are the way forward. Integration is not just all parts of the marketing mix supporting a tag line or offer, but rather it's about creating content that is truly cross-channel and is developed and delivered at all points of the narrative we want to tell. Also that those points relate to the needs, desires and wants of consumers in their purchase arc and enables them to collaborate. Critically, they must include a mobile narrative to counter consumer research at the store shelf as transparent pricing, via a multitude of apps, comes to the fore.

Nimble, content and conversational curators and marketers will build the communities that will drive brands forward in 2011. New skill sets, planning capabilities and measurement will be demanded to enable new communities to be created to drive content and innovation. Communications professionals will need to adapt to Engagement at the Speed of Life. ■

# How Will We Measure 2011?

Ruth Warder, United Kingdom

2011 is the year that I have vowed not to start any piece of work without ensuring a clear and robust measurement framework in place first. What, I hear you say? Surely that's Communications 101 – what fool embarks on work nowadays without measurement? And that is exactly the point – judging by today's standards and today's methods, how many campaigns actually start with a measurement methodology as strong and as motivating as the creative idea?

Everyone knows that Public Relations measurement is yearning for a renaissance. Established and old ways don't make sense anymore – this gets more obvious month on month as the media landscape dramatically changes, and the rise and constant evolution of social and digital media changes the way brands talk to consumers every day.

2010 was seen as somewhat of a milestone in measurement terms. Signified by the AMEC Barcelona Principles, there is a general and much heralded consensus that things must change. There is also a general consensus that the industry is awash with 'new' measurement tools and this seems to be especially prolific in attempting to quantify social media influence and the word of the moment: Engagement.

Set against this change of tide, there is an increasingly urgent need for greater and more proactive accountability. This is not just to continue to win against the 30 second spot, nor to purely prove the value of communications programs, nor to retrospectively justify spend. Rather, this is for brands to grow and change to meet the consumer expectation adaptation, to constantly listen and learn, to consistently understand and predict the ever changing consumer and to be able to craft brand communications that respond, develop and evolve in real time based on this understanding. This need has never been greater.

Whilst it is clear we know that AVE is dead, outcomes are not outputs and page impressions don't mean much, actually this is all hot air if we cannot show how brand communication can affect the commercial bottom line. We know that we need to measure effect, scale, trust, influence, advocacy and, critically, sales volumes but it is equally clear that we don't exactly know the best way to do it.

At the heart of the reason for measurement and evaluation is the opportunity to demonstrate and communicate the value of what we do. That much is obvious. But if we take this as a given, what else could innovative measurement have the potential to bring to the party?

We were recently challenged by a Global client to develop an incredibly robust and very specific global measurement tool set within a specific timeframe for a specific product communication. Of course our initial reaction to measurement of this complexity was not exactly one of delight! But as the tool was developed and successfully implemented it rapidly became clear that this is the single most valuable piece of measurement work that we have ever undertaken. Not only for the reasons that we take as a given i.e. proof of value and demonstration of worth, but because out of this very unique challenge came a number of unexpected consequences and benefits. This bespoke model was built hand-in-hand and gave the client and agency a focus, energy and tenacity critical not only to powerful delivery, but to agency development and immediate campaign adaptation.

Real-time reaction meant we could shape huge parts of the campaign in short timeframes based on listening, engaging and knowing that we were making the right decisions to evolve and achieve the clear common goal that we developed together.

The goal cleared the decks for each bit of energy to be totally focused with no distractions, no diversions, no pontification or hesitation, no lack of clarity over which campaign element would deliver which ambition, or how each idea would land with which channel, or which audience segment would be targeted with which strategy. And the weirdest thing? The measurement framework brought a genuine enjoyment and mobilization. This is a revelation. Measurement – no longer the stick to beat us with but very much the juicy carrot.

This is why old ways must not just be replaced by new ways that quickly date as social and digital media continues to evolve, and why old formulas should not just be replaced by new formulas that soon become irrelevant. What we need is not another new singular approach but a totally radical overhaul that puts measurement at the heart of campaign development and execution, linked to insight and seeking to deliver individual brand commercial imperatives, not common industry solutions.

In 2011, I intend to treat the creation of a measurement framework like I would treat a creative solution – with the rigor and intelligence that we would apply to cracking a game-changing idea. It is not just about bespoke solutions for individual brands; it is about measurement becoming a central and 'always on' part of campaign execution. ■

# Millennials in Asia: A Strawberry Generation\*?

Fenix Wong, Singapore and Vincent Lee, China

"It really depends on who you're talking to," she said.

Our friend was right, of course, because when it comes to defining a Millennial in Asia, the characteristics are as broad or as narrow as one's experience. This is really our only disclaimer; there are no absolute truths about Millennials, and that instead of reading about the stereotypes and characteristics of this generation, explore and understand our diversity first.

Globally, we are more than 1.7 billion strong and range from ages 15 to 30. Talk to your son and his friends, or your sister and her class of budding rocket scientists, and you'll find enlightening conversations (we did and we're both Millennials!). From our experience in Asia, and the findings of our Edelman 8095™ white paper released three months ago, we are far from a monolithic bloc. However, we do want to point out a few key particular trends.

## Optimism

As a whole, Millennials in Asia have more to look forward to and be optimistic about than their counterparts in North America or Europe. For one, Asia's heralded economic and cultural rise over the past decade has gained immense currency globally. Borders are opening and the fastest-growing economies are to be found in Asia. Singapore, for example, was forecasted to outstrip even China's 10 percent growth in 2010! Reading the news and talking to fresh graduates from each region, the contrast could not be clearer. Real or exaggerated, you have on one hand, high unemployment rates and civil unrests in the U.S. and Europe, and on the other, the brighter career prospects of many graduates in Asia.

Many of our friends who studied in Western universities have actually made a conscious decision to return to Asia – not just because of the increased opportunities, but also because culturally, the region is transforming. In the second half of this decade, Millennials witnessed (and were involved in) the 2009 Beijing Olympics, the Shanghai Expo, the 2010 Commonwealth Games in Delhi and Seoul's World Design Capital initiative. At the same time, young artists and designers are returning to their homeland. At a grassroots level, this means that artistic communities are blooming across Asian cities, from Taipei's Treasure Hill to Beijing's 798 Art District.

This new creative population and sense of consumer optimism presents clear opportunities for brands. Brands will need to understand the individual sentiments of each culture and to connect locally with their consumers, including the Millennials who form a large and highly influential part of that audience. Increasingly, we're also seeing brands tap into the creative energy of Millennials, by encouraging the co-creation of content. This two-way approach builds cultural understanding and exchange, brand and product loyalty, and when cause-related, can generate a deep pool of goodwill. Levi's (an Edelman client) used this to great effect with the launch of its dENiZEN brand in China. Other brands that have utilized this approach include HP (another Edelman client) for its laptops and Nike.

The positive story of "Asia rising" is slightly different for each country, which means that campaigns will need to be customised to local communities within Asia. In Japan, for example, older members of Millennials (a.k.a. 'Yutori-sedai') are sometimes characterised as a 'Lost Generation'. This includes young Japanese who have grown up in a time of high economic anxiety, marked by the waves of job losses in the 1990s and in 2008, and who are also products of

an education system that is known for its emphasis on discipline and rote learning. Part of this trend is the growing number of so-called 'freeters', young, educated Japanese who are unemployed or working in low-income jobs. Yet, our conversations with Japanese Millennials indicate that this is only part of the story and not necessarily representative of the whole. The challenge for brands is to engage with an audience with such diverse interests and characteristics.

### Integration And Fragmentation

It is widely known that Asia is the world's largest and most populous continent. It is also home to a diverse number of languages, cultures and customs. Take language for example; most Asian countries have more than one language that is natively spoken. More than 600 languages are spoken in Indonesia, 800 languages in India and more than 100 are spoken in the Philippines.

However, globalisation and education are increasingly alleviating the "Lost in Translation" challenge. As more and more young consumers in Asia have access to education in their home countries and higher education opportunities overseas, Asian Millennial consumers have developed a new "global citizen" view and embrace ideas, lifestyles and values beyond their nationality.

The adoption of the Internet, especially social media and mobile phone applications, speeds up the trend and opens the doors wider for Asian Millennials to learn and be connected with the outside world. Tiffany Su, 26, is one such example. She watches the Gossip Girl TV series on Youku.com, a video sharing website, to discover new fashion trends. She then searches Google and Sina Weibo for more information about the clothes, and then places the orders on Taobao.

Our 8095™ study shows that about half of Chinese and Indian Millennials rely on brands to learn about new trends. 88 percent of Chinese Millennials and 83 percent of Indian Millennials have joined one or more brand sponsored online groups. For any brand planning to reach and engage with the young consumers in the region, the Internet and social media is not only a tool to bring you closer to Asian Millennials but also a strategic platform. Social media engagement helps communicate brand values and enhance brand loyalty by developing useful, valued-added and shareable content that help the target audience learn about new trends and realise their personal goals.

### Cross-Influence

Chances are high that when you walk into a restaurant in Malaysia, you will find Bollywood music from India playing. By the same token, South Korean fashion is one of the hottest style trends in Shanghai. Similarly, Bangkok has one of the largest Japanese populations in Asia outside of Japan.

Economic cooperation, propelled by rapid globalisation and new technologies, has helped narrow the cultural gap between different countries in Asia and create the opportunity for young Asian consumers to learn and embrace each other's pop cultures, fashion trends and lifestyles.

In China, the online hot word 'Geili' (literally means cool and fantastic) originates from Japanese comics. In Korea, a political meme originating from China "Sue me if you dare, my dad is Li Gang" is also a hot buzzword online. The trend is more obvious when it comes to social media. One example is Sina Weibo, a Chinese language version of Twitter, which has gained popularity in Hong Kong, Taiwan and Chinese speaking groups in Asia.

This poses a wealth of opportunities for brands to reach Asia's Millennials. While it does not necessarily mean that a successful online campaign will succeed when transplanted to other countries with cultural ties, it does mean

that brands who deliver consistent messages and values, and who plan with this cross-influence in mind will see an impact beyond the intended audiences.

### A Mobile Future

This cross-influence is only going to become more apparent as the adoption of mobile computing devices increase. To say this trend is big is an understatement. Asia had 2.1 billion mobile phone subscriptions in 2009, the highest of all world regions. Where this becomes even more interesting is when mobile internet use increases and becomes more sophisticated. Mobile Internet users in Asia are projected to increase 233 percent to more than 1.4 billion in 2015, and the majority of these users are and will be Millennials.

But there is also another less measurable, broader 'mobile' trend – and that is the Millennial's ability (and in some cases, desire) to be geographically, culturally and even ideologically mobile. International schools in Asia are booming, and have nurtured their own sub-generation, that of the Third Culture Kid. In more developed Asian countries, Millennials often have affluent parents and are more well-travelled, hence the desire of many Millennials to travel the world, to experience new cultures, and to absorb new ideas.

The truth is that there isn't an "Asian Millennial", at least not in the archetypal sense. The region is so diverse from every context – cultural, ideological, and economical. On top of that, 8095ers grew up in the media age and continue to be influenced by the multiple forces of globalisation and the Digital Age. To put this another way, we're both 8095ers and we've spoken to our peers about our thoughts and findings from the Edelman 8095™ white paper and from our own personal experience. At almost every turn, they've questioned, engaged, challenged and built on the conversation. Strawberry Generation? We think not. ■

(\* ) 'Strawberry Generation' refers to youths who, like the strawberry, "bruise easily", meaning that they are unable to withstand social pressure or hard work. The term is often used in Mandarin as a negative to denote a generation who has grown up overprotected and spoiled by their parents and in an environment of economic prosperity.

# The Action Consumer™ Takes Root

Caroline Dettman, United States

The Action Consumer™ – an influential subset of consumers who trigger the most actions from others on behalf of brands – plays a large role in controlling the destiny of a brand, never more so than we've seen this past year.

It has never been more important to focus on how to meaningfully engage with action consumers on their terms. Especially because the control is shifting from brands to consumers as people use a growing number of digital channels to make their voices heard.

Action consumers wield staggering power when brands upset them. Look at Toyota, LeBron James, and the introduction of Gap's new logo – all cautionary tales in 2010. Even the most Teflon of brands, Apple, experienced its first real headache from action consumers with their rollout of the Apple iPhone 4G when the launch was overwhelmed by consumers' complaints of antenna issues.

Brands spend a lot of time, energy and money mitigating and addressing consumers' concerns. Edelman's action consumer approach recognizes this and appropriately raises the stakes: for brands to succeed today, consumers must be motivated to take positive actions – from recommending a product to attending a branded event to, of course, ultimately making a purchase.

The Action Consumer™ has been busy working organically this past year and has had a big impact on everything from pop culture to politics to brands. A few examples of action consumers at work:

**This was the year of Betty White:** Much of her resurgence can be attributed to a particularly strong action consumer. In January, David Matthews, of San Antonio, launched the Facebook page "Betty White to Host SNL (please?)" By mid-March, several hundred thousand Facebookers had signed on to Matthew's petition, and it was announced that the former Golden Girl would host a special Mother's Day episode on May 8, the first time SNL – a powerhouse brand that has established zeitgeist for 30 years – relinquished control to action consumers to select a guest. The payoff: White's gig delivered SNL its biggest audience of the year.

**"Glee" becomes a global, cultural phenomenon:** While it ranked 42nd last year in the ratings, you couldn't help understanding how big this was going to become when thousands of spontaneous tribute videos flooded YouTube starring kids in their bedrooms using Lego characters, Barbie dolls and Ben 10 action figures – or just themselves. These self-described "gleeks" have quickly made Glee a dominant topic on Facebook and Twitter, crushing much of its competition. The impact of action consumers loving "Glee" translates to a major impact on the music industry. These fictional McKinley High Schoolers now rank higher than the Fab Four in terms of number of songs placed on the Billboard Hot 100 and have achieved 13 million digital downloads in just a year and a half. Now with nearly 13 million viewers weekly in its second season, chart-topping albums, a sold-out tour and 19 Emmy nominations, even Glee's co-creator Ryan Murphy has admitted to media that the show "is huge. The thing that is crazy for me is the appetite for it internationally has become big as well." The cast will stage its blockbuster tour next summer in London, Manchester and Dublin.

**The Meteoric Rise of the Tea Party:** No matter your political affiliation, the popularity of the tea party is another demonstration of the powerful action consumer. For many who support the party, they have done so out of a sense that the people weren't being heard in traditional politics. Over the past year, polls have shown that about a third of Americans self-identify with the tea party and after a year and a half of stirring up politics, the tea party and its followers won about 35 percent of the seats they targeted. Most of these "wins" were at the state and local levels rather than with national seats, and the future strength of the party is undetermined. But no matter what you think about it, it has certainly been fascinating to watch its dramatic impact on the traditional political landscape.

**The craze that is (was?) Silly Bandz:** Without any advertising, Silly Bandz might be the product of the year in terms of action consumers (in this case, kids) creating the phenomenon (and utter annoyance – remember I'm a mom of three young boys) that it has become. Through word of mouth (offline mainly for the kids/online mainly for the parents), these bands are gaining friends minute by minute. Some stores in Alabama, where it all began, reported 2009 sales of about 20 packs a month. Fast forward almost to the end of 2010 and sales have increased in the same stores to more than 1 million packages sold in a month. Unlike the days before technology – when similar fad items like Beanie Babies or Cabbage Patch Dolls were pushed out by the companies that made them, Silly Bandz creator seems to be taking a different approach by directly engaging with the kids that love them. Taking suggestions from Twitter and the Silly Bandz's online fan page—options brands of the past didn't have – is the reason for most of the colors and designs being developed today. It will be interesting to see if turning control over to the action consumers can sustain this trend longer than would normally be accepted. Regardless, the power of friends advocating for Silly Bandz is a case study that will be fascinating to watch in 2011.

**A Shout Out to Time's Person of the Year:** I can't complete this thought piece without mentioning Mark Zuckerberg. Consider that without Facebook, the action consumer might not exist – at least not as powerfully as they are today. Time credited Zuckerberg with "connecting more than half a billion people through Facebook and mapping the social relations among them". And because Facebook's 26-year-old CEO also is credited with creating a new system of exchanging information that is changing how people live their lives, (and Edelman would add to that how people advocate on behalf or against brands to followers) he was named Person of the Year.

Some other honorable mentions in 2010 for powerful action consumer campaigns include "Save Coco," the support for Conan O'Brien during the Tonight Show debacle, Jon Stewart's "Rally to Restore Sanity" that garnered 200,000 plus people to attend in Washington D.C., as well as director Kevin Smith's ability to fuel the debate around obesity when Southwest escorted him off a plane for only having one seat.

In summary, every brand has untapped action consumers. Our path forward in 2011 and beyond is to identify them and create meaningful ways for them to participate with a brand. As we enter this new year, which brands will embrace the action consumer – and which ones will alienate the action consumer? I'm willing to bet that the ones who engage with the action consumer will come out on top. ■



# The Rise of Brazil

Osmar Maduro, Brazil

There are some questions circulating around Brazil these days that focus on a myriad of mundane topics, rather than whether the country will put its act together for the 2014 World Cup and the 2016 Olympics. Mostly they have to do with the force behind the rise of Brazil: consumer power. The newly emerged middle class is forcing companies to reshape the way they think, function and sell. Who is this "strange human being" who is now shopping, traveling, complaining, demanding and choosing in places where only "privileged demigods" used to stroll? And how come they are so numerous? How can we cope with this "fiere" demand?

Brazil is experiencing strong growth of industrial production and the retail market. That reflects the growth of the middle class and the reduction of social and economic disparity: 23.5 million Brazilians ascended from low class to middle class from 2003 to 2008 and researchers indicate that this growth is sustainable, mainly because of the rise in the percentage of officially registered job positions (up 5.3 percent), as opposed to informal work. Trust levels are high in the industry (according to the National Confederation of Industries) and among consumers (according to Fundação Getúlio Vargas, one of the most respected and prominent business schools in Brazil). Unemployment rates are the lowest in Brazilian history: from 11.4 percent to 10.8 percent year to date – and probably will hit single digits soon. Fundação Getúlio Vargas declared that if all these trends are really sustainable, from 2010 to 2014, another 14.5 million Brazilians will rise from low class to middle class, while 36 million will rise to middle and upper classes.

Understanding this new consumer power and how it affects retail market in general is high on the agenda of Brazilian and foreign companies that want to adapt to this new reality and gain market share. This shows that the sustainable growth in Brazil will come, first and foremost, from this new-gained strength of the internal market. Some side effects of this opulence, on the other hand, include the pressure upon inflation, the growth of credit offers to the population and the resulted growth on the level of indebtedness. Nevertheless, the retail market has been breaking sales records during holidays like Mother's Day, Valentine's Day, Father's Day, Children's Day and Christmas.

According to Nielsen, when these new consumers go shopping, are looking for an intuitive environment (to save time), convenience (smaller packages, healthy products), the latest trends (aspiration for what is already a success) and sophistication (according to Bain & Company, the luxury market in Brazil will grow 20 percent this year, to 1.5 billion). Nielsen also says that 71 percent of the retail market growth was generated by outlet activation like package promotions, distribution and price measures.

Let's take a look at how client Iberostar handled these newly emerged consumers in its two resorts located in the Brazilian state of Bahia. First, the brand thought its properties would be mainly occupied by foreigners – but with the world economic crisis and the strength of the Brazilian economy, these numbers were reversed to around 70 percent Brazilians and 30 percent foreigners. Second, with the success of its "all-inclusive model," the Spanish-based hospitality company realized that operating in Brazil required some adaptations. This new consumer likes the all-inclusive-model, but also likes to be served and doesn't adapt well to the "help yourself model." So to accommodate, Iberostar had to hire more waiters than its other properties worldwide. Additionally, Iberostar did not initially plan

to adapt to the local cuisine, but after many complaints, the two resorts in Bahia now have kiosks especially for the local flavors. Today when these new consumers go to Bahia, most of them traveling for the first time, and they expect to drink coconut milk and eat acaraje (an Afro-Brazilian delicacy), two of the region's icons, Iberostar is prepared.

*Brazil Political Observer*, a political analysis prepared by Edelman Brazil's Public Affairs team, reports that the 4.5 percent growth of the Brazilian economy might force the government to raise interest rates in order to better balance production and consumption. Workers' income grew by 7.6 percent in 2010 and according to the government, it will grow another 5.5 percent in 2011. However, unless Brazil manages to contain the appreciation of the real against the U.S. dollar, the government might try to interrupt the current growth rate of the economy, when a strong real threatens exported goods, local industries and the number of job positions in the country. To understand the challenges faced by president-elect Dilma Rousseff, the team interviewed political scientist Riordan Roett. Roett says that Rousseff will have to reaffirm to the world that Brazil is a new force to be reckoned with and that the country is here to stay for the foreseeable future. It would be safe to say that the newly emerged consumers, the power behind the rise of Brazil, are also looking forward to that. ■

# It's a New Technology Playing Field

*How will marketing organizations adapt?*

Robyn Adelson, Canada and Jay Porter, United States...(and our Technology Practice gurus)

It's hard to believe that a little more than a decade ago, Apple had yet to unveil the iPod, Google was headquartered in a garage, and GPS was an acronym known only to military commandos. Fast forward to today, and these technologies are lifestyle mainstays for hundreds of millions of consumers.

While the pace of innovation is remarkable, the real story in consumer technology is consumers themselves. Consumers now pick the winners and the losers, voting with their wallets, their comments on Engadget, and their insatiable demand for ease of use without sacrificing performance, durability and interoperability. Blissfully unaware of the very real engineering, regulatory and sometimes even political challenges to creating their technology, consumers today expect their digital "stuff" to be accessible any time and from any device. Moreover, they expect these devices to work together without adapters, dongles or installation headaches.

So while the tech industry debates standards, argues over content-protection schemes and negotiates patent licenses, consumers are the ones catapulting the tech industry forward one purchase at a time. That's not to say that battles over formats and standards won't continue to obsess tech industry strategists. But the margin of victory increasingly comes not in terms of speeds-and-feeds or giant marketing budgets, but from the ground up in terms of consumer reviews on Amazon and rapturous Tweets. Consumers always have known what they like - and now thanks to social media we can all know more or less instantly what they "like."

## A case study in consumer love: the iPod

Consumer love, far more than industry acclaim or mere technical superiority, has been the benchmark for tech success this past decade. The juggernaut known as iPod, though backed by Apple's substantial marketing muscle, was almost entirely written off by the digerati when it launched in October 2001. Too expensive, at double what comparable players cost in per-megabyte terms. Not compatible with Windows machines. A strange, wheel-based interface. Some pundits predicted it would be as dead on arrival as Apple's infamous Newton. But consumers embraced Apple's now-iconic device with abandon because the marriage of iPod plus iTunes made everything simple. You would really think we would have learned something from this, but apparently not. Flash forward almost a decade to the recent launch of the iPad. Despite Apple's incredible track record stoking consumer desire, the more tech-obsessed pundits inveighed about what it lacks. Where is the all-important USB port? Why no 12-megapixel camera? No user-serviceable battery. Obviously, consumers didn't much listen, or care. With 3 million iPads shipping in just the first three months, it is clear that tech-curious consumers believed it would offer a simple, fun and engaging experience - techie reviews notwithstanding.

## Terminating the tech talk, or building a new lexicon side by side

The reality is that as tech developers and marketers we love our jargon and seem to thrive on obscure, over-branded geekery that is increasingly meaningless to consumers. The millennial generation in particular seems to take all the tech-speak for granted, and leaps instinctively to an understanding of the features with enough lifestyle investment to justify spending time and money, transferring files and adapting to a new technology. But sometimes the everyday language of consumers is sadly still foreign to the culture of too many R&D labs and PhDs.

There's an inkling of change. Take summer 2010's App World 2.0 press event for BlackBerry (disclosure: Edelman client). On BlackBerryCool, the company's official voice for the BlackBerry Community, blogger Matt Cameron wrote, "Something that stuck with me from the press event was the shift in focus from the other app world showcases that feature mostly utilities, towards entertainment and personalization. It's like they've realized a glass ceiling of how many utilities and enterprise applications can be sold and have shifted their attention on growing the consumer culture for themes, accessories and personalized content. That's not to say that enterprise won't be eventually catered to with App World, but rather consumer focus is a short term priority as we've said countless times on BlackBerryCool..."

Matt observes the shift in how smartphones are marketed. At first, it was big news when manufacturers introduced a new hardware feature. Now, as most smartphones possess similar capabilities, an arms race has emerged. Instead of focusing on building in new functionality and features into mobile devices, the new battleground is over apps – the ultimate consumer experience.

### Embracing change from the inside out

There are still billion-dollar segments of the industry that consumers never see, where the uber-rational criteria of IT managers hold sway. But even within the enterprise, where every worker is also a consumer in their off-hours, everyday expectations for ease-of-use and effortless customization are swamping the old assumptions.

We're now seeing a level of IT democracy that would have been unthinkable a decade ago. To wit: the profusion of "bring your own laptop" plans where employers such as Citrix (disclosure: Edelman client) offer a flat stipend and empower workers to select the hardware that fits their needs – and their sense of style.

Many employers in the U.S. have given up enforcing a smartphone standard, as employee demands to use the device of their preference win out. Earlier this year, the Aberdeen Group released a survey ("Enterprise Mobility Strategies 2010: More Mobility, Same Budget") that showed nearly 73 percent of companies today allow some or all employees to use personal mobile devices for work.

### And building a narrative from the outside in

It's clear consumers are now feeding directly into the technology design process, think about Dell Idea Storm and Windows 7 which had the most beta testers in the history of software. Technology companies are turning to consumers for opinion, support and comment as products are brought to market often in very meaningful ways. There's also a new democratization of development with many free and widely-available tools to make app/game/content development accessible to the masses. Although you aren't going to find every mom creating a new app for their iPhone, they will embrace, share and opine on the apps they need, want and like. Consumers are also starting to really embrace (and understand) the cloud for storage and services. Smart companies like Cisco are taking deep networking expertise and applying it to the consumer market with products like Valet routers. Autodesk's Sketchbook app for iPhone is one of the most popular in the app store (and voted best app in 2009). Traditional tech companies have acknowledged the consumer marketplace and are taking it seriously.

*So if the consumer reigns supreme when it comes to marketing technology, how must companies – and their agencies – adapt?*

Being flexible and nimble is key. Brands need to listen better – building out consumer insights as core capabilities –

and be ready to evolve their plans quickly as the landscape changes. Long development cycles and cumbersome internal bureaucracies are the enemies of success. External partners who can bring fresh points of view should be welcomed to the table earlier, the better to avoid those tragic agency briefs that essentially ask us to market a grab-bag of features on a product that's a year late to market and agonizingly out-of-sync with consumer expectations. Likewise, we on the agency side must get ever closer to consumers and more fluent in the emerging experiences that they crave. (In 2011, that will mean continuing to "check in" on the state of play in location-based experiences and shopping innovations like group discounts.)

Further, companies must embrace convergence across the board. No longer is it "a tech thing" or "a consumer launch." Everyone must understand all facets of a product's lifecycle and how each step impacts the consumer from conception to launch and even redesign. For companies or agencies with rigid silos demarcating tech, consumer marketing and digital, it will be increasingly tough to break through with consumers. As we hear from many clients, marketing organizations are reorganizing to meet these challenges.

We're living in the era of the Action Consumer™, as we at Edelman call the citizens of this brave new world. They want brands to come off the pedestal, speak in their language and invest in them daily - not just when there's a new SKU with a handful of dubiously helpful feature updates. Brands that fail to find, engage and delight the consumers who can advocate for them will increasingly find themselves falling behind.

PR alone certainly doesn't have all the answers, and we have to get smarter about integrating at speed with a multiplicity of other disciplines. But the more we stick to our roots of bringing consumer experiences to vivid life and engaging in two-way discussion, we can help anticipate the questions consumers will ask themselves about new technology. Whether pitching traditional media or engaging consumers directly through social media, it's our job to help clients filter out the jargon and cut the marketing-speak. Only then can we hear the magic word every tech brand wants to hear people shouting: "Wow!" ■

(\*) [http://news.cnet.com/8301-30686\\_3-20020818-266.html](http://news.cnet.com/8301-30686_3-20020818-266.html)

# A Path to Brand Relevance in 2020?

Howard Pulchin, United States

In ten years time, we'll be ringing in the year 2020 (while many of us will be trying to foggily remember where we were when the clock struck midnight December 31, 1999, ushering in the new century). Scary thought about how time passes so quickly. While it seems like yesterday that we were worrying about Y2K, a seemingly lifetime of events, innovations, ideas and people emerged during the last 10 years. Our culture and world have been unfalteringly transformed and, as a result, we've seen the ushering in of new ways of communicating, sharing and participating. New icons have emerged and some have faded away. As hard as it is for many of us to recognize, some of the most popular brands and products today weren't even around on Jan. 1, 2000. Many brands that were once popular then, are no longer relevant or even around today.

Ten years is a long time. Predictions are often wrong. But scrutinizing facts, trends and observations today with an eye to the future lets us ponder the actions brands should take today to best ensure that they keep their relevance throughout the second decade of the 21st century, or, in the spirit of looking forward, here are 10 thoughts on how brands can evoke timeliness in the New Year and throughout the decade:

01. *Recognize that people change.* And not just their hairstyles, fashion choices and home décor. It is common to say that we seem younger than our parents did at our current age, but over the last 10 years, we've witnessed an extraordinary series of changes that will be more rooted in our culture in 2020. Roles at work and home between men and women will blur. Millennials will feel some of the same pangs that distressed Gen X. Multiculturalism will not be the future, but today's reality.

02. *Give people a chance to participate more.* The actions a person can take can help influence and/or affect success or failure of a brand. The good news is that companies have been open to inviting people to do more with their brands – from voting on new flavors to creating content. The bad news is that we still try to label people as “consumers,” casting them merely as agents of consumption (and yes, consumption is good). If we shift from thinking about consumers to thinking about people (or sets of people), we'll naturally think about more ways in which people can participate with a brand. Participation fosters a greater sense of ownership. This greater sense means that people will help brands thrive.

03. *Create new definitions.* Will the concept of family be as tightly defined in 2020 as it was in 1920? Will retirement mean the same thing in 2020 as it did in 1990? Transportation no longer means just “planes, trains and automobiles”; it now must include bicycles, scooters, Segways, etc. Consider how quickly the concept of community expanded from your hometown to the many communities you are part of in the online and offline worlds.

04. *Understand the world is global, but remember to think local.* Think about the restaurants that are becoming popular. Think about how their menus more commonly are listing where ingredients come from. People feel great about buying locally. A new tradition was started this holiday shopping season. It was “Small Business Saturday.” Small businesses start locally. Yet, it's not just about local origin; it's also about recognizing local needs, issues and interests. Start with the individual, expand to his or her community and then tackle the world view.

05. *Remember how much craftsmanship counts.* In cities across the U.S., there's a growing ethos of working with one's hands to create goods of enduring value. From Brooklyn, N.Y., to Portland, Ore., individuals are conceiving ways to produce new "handcrafted" products ranging from pickles to chocolate, shoes to furniture. Even for large manufacturers, the individual scientist, scent creator, recipe maker or designer puts his or her personal imprint on every product they are involved with. Showcase the craftsmanship of the craftsmen and craftswomen.

06. *Watch how traditions will re-emerge.* Two years ago, it was popular to think that TV was dead. Untrue today. There's more quality fare on television today than ever before. People are skipping cinemas and watching movies together at home. We're seeing a re-emergence of meal times around the table. The notion of community groups are being recreated in meetups. Older brands like Woolrich and Red Wing have re-emerged. Activities our grandparents used to do, like knitting, mahjonn, bridge and gardening are becoming new status activities. As the speed of information and technology accelerates, so will the nostalgia for traditions.

07. *Don't let information overwhelm emotion.* We crave information. We search. We share. We search again. Information is at our fingertips. Yet, we are also overwhelmed by the information pushed toward us. Tapping emotion is a way to break through the overload. Rational needs (based on facts and research) are true door openers; filling someone's emotional desires keeps that door wide open.

08. *Return to adventure.* People are escaping the bunker mentality of the past couple of years. A strong sense of adventure will return. From Bear Grylls of "Man vs. Wild" to the drivers of "Ice Road Truckers," new adventure seekers are becoming cult heroes. Celebrities like Hugh Jackman are doing daring things like ziplining onto the Oprah set in Sydney (marred only by a slight crash). Brands that can be bold and take their audiences on an adventure—be it physical, mental or emotional—will be the ones reaping the benefit of the desire we all have to go out and capture a piece of the world.

09. *Nothing beats a damn good story.* Steig Larsson's trilogy captured readers and movie goers' attention throughout the world in 2010. Vampire stories – from Eclipse to True Blood – combine an old-fashioned protagonist with today's thematics. While short form videos gain increasing play, telling a strong narrative reclaims people's hearts, minds and wallets. The burgeoning of e-readers tells us this. People are buying them in droves. Like TV, books are re-emerging. Brands have a lot of great stories to tell. We may not want to hear a message, but we'll sit for a good story. We need to find those great brand stories and tell them, again and again.

10. *Don't chase after every shiny new thing.* I'm glad I didn't buy a Betamax machine. I didn't "own" property in Second Life. If anything, we are going to see more and more shiny new objects. Some like Facebook will defy every expectation and prediction. Others like Friendster will fade away. While brands have to try new things, they can't be everywhere. It's all about balancing the known with the unknown. It's about taking risks, but only calculated ones. ■



# Consumer Marketing and Public Policy

Beth Engelmann, United States

Though integrated marketing has become more complex in the digital age, it's also become a more effective, essential and valuable investment in consumer communication. The real evolution is not how we link consumers with public policy objectives on behalf of clients, but how we market for brands, companies and commodities overall. Today's 24/7 world emphasizes immediate public interaction and rising expectations from multiple audiences. That calls for new perspectives, smarter processes and nimble operations that match precise expertise with the current situation. The new environment creates opportunities to build deeper client-agency partnerships unimagined 10 years ago. Our counsel centers around the idea that companies no longer can focus exclusively on the end users of their products or services, so we must be active listeners who consistently think big and propose innovative service.

For example, about four years ago, client executives for a long-time food commodity client told us things like, "We aren't going to do PR anymore," and "We need to focus our attention elsewhere beyond the consumer, in order to protect and promote demand." The client began to examine other avenues for increasing and protecting demand, such as working with processors and brands in the industry along with a new way of educating policy influencers and regulators, rather than directly reaching consumers to increase awareness and perceptions of their products. True to our entrepreneurial spirit, Edelman accepted the challenge and assessed the client's organizational landscape to find a new solution.

What emerged was a strongly integrated, multi-stakeholder marketing and communication initiative. The Edelman team has been involved from strategic direction to creative conceptualization all the way to execution. Our work transformed from direct-to-consumer media relations and promotions to integrated marketing communications involving corporate, public affairs, digital and creative, along with maintaining media relations and consumer work. Rather than executing marketing plans directed by the organization, our client relationship has evolved into a partnership, where we join the client in discussing business plans and then determine marketing initiatives, communications plans, program development and more.

What many of us used to think of when we heard "consumer marketing and public policy" was probably a direct-to-consumer education campaign to combat smoking, get Americans to buckle up or prevent drunk driving. But in today's world, when I hear consumer marketing and public policy, my thoughts go elsewhere: As marketers to the public, we must rethink "policies" on how we meet clients' objectives along with how we service and counsel them. We should evaluate every client opportunity holistically and, if relevant, execute strategies that meet both marketing and policy objectives.

Abraham Lincoln was both a policy and public engagement pioneer. "No policy," Lincoln said, "that does not rest upon some philosophical public opinion can be permanently maintained." Today's meaning is that public policy and consumer marketing are inherently intertwined. It is essential to gain the support of consumers and all important stakeholders, through powerfully integrated marketing, if you wish to impact the broader environment and the policy decisions surrounding your brand. ■

# Purpose as the 5th P in the Marketing Mix:

A New Consumer Demand

Anja Guckenberger, Germany

Flip open any magazine today and you see the increasing space dedicated to "ethical shopping," "do good gifts," "brands with a cause" or "green products." More special-interest magazines and online platforms are dedicated to sustainable lifestyle, targeting the now 30 percent\* of German households that are considered in pursuit of a Lifestyle of Health and Sustainability (LOHAS).

## Not a 'marketing trend' or a seasonal topic that will quickly fade

The rise of purpose reflects a new consumer demand. Having fielded the Edelman goodpurpose™ survey for four consecutive years, we have learned that consumers not only want to do good themselves, but also expect societal or ecological commitment and efforts from companies and brands. For instance:

- 86 percent of global consumers believe that business needs to place at least equal weight on society's interests as on business interests.

- When choosing between two brands of equal quality and price, social purpose ranks as the No. 1 deciding factor for global consumers with 42 percent, above design and innovation (31 percent) and brand loyalty (27 percent).

- 62 percent of global consumers would switch brands if a different brand of similar quality supported a good cause.

- And 66 percent would recommend its products or services.

Time to officially add "purpose" to the age-old marketing mix of product, price, place and promotion.

## Many brands and companies have already done so

Many companies already have matched their actions with their messages, whether it is Procter & Gamble's brand Pampers that supports the fight against tetanus with every pack of diapers consumers buy (1 pack = 1 vaccination); Unilever's ice cream Ben & Jerry (disclosure: Edelman client) that actively engages young people in its climate-change college or supports gay marriage with its "Hubby-Hubby" product; Pepsi's "Refresh Project" (disclosure: an Edelman client) awarding a total of 1.3 million USD to consumer ideas that change the world for the better; or Brita with its "Filters for Good Campaign" that saved an estimated 230 million bottles by engaging people to sign the "Filters for Good Pledge." (disclosure: Edelman client)

These days, the question doesn't seem to be: "Does a company have to commit to its societal responsibility?" More than nine of every 10 CEOs – 96 percent – say that sustainability issues should be fully integrated into strategy and operations, according to recent Accenture CEO study\*\*.


## Three core questions remain

Businesses that commit to "purpose" must do so with a process. For instance, they should ask:

1. How to identify a purpose that remains truly authentic to the core of the business in order to be credible and to avoid a charge of "green-washing"?
2. How to integrate a purpose that is beneficial to the business at the same time and consequently links classical CSR with brand marketing tactics?
3. How to engage consumers and all other stakeholder groups to exploit the full power of "Mutual Social Responsibility" – of brands and consumers acting together for a joint cause?

Some inspirational replies rest in the new array of brands with built-in purpose. Examples include TOM's shoes in the U.S., Innocent smoothies in the U.K. or Bionade in Germany. And a new phenomenon is emerging: The one of "good purpose" movements that also brings "good products" to life. One of these examples is the German "social water network" Viva con Agua – founded by an ex-soccer player – using the power of social media and social networks to raise money for the building of wells, wherever needed. So-called Viva con Agua "cells" organize and then, for example, hitchhike for good. And with 3,000 active supporters today and € 700,000 raised within five years time, Viva con Agua has now launched its first product – bottled water that supports the fight against thirst around the globe.

Certainly, not all of these examples represent a 100 percent fit for any brand or any corporation. But what is uncontested is that there is a huge potential in consumers' drive to be active and support "doing good" – jointly with brands and companies. So, make purpose your call for your brands – not only as a part of your New Year's Resolution.

Or as Mahatma Ghandi once put it: "Be the change you wish to see in the world." 

(\*) GfK/Gesellschaft für Konsumforschung research published in 2009

(\*\*) UN Global Compact–Accenture CEO Study 2010 – A New Era of Sustainability

# Russian Consumers: Learn to Thrive

Ekaterina Kvasova and Svetlana Plotniskaya, Russia

Russia remains mysterious for many people around the world. And the same holds true for the country's consumer market. Over the past few years, media have detailed Russian spending habits, and large companies have moved into the country to take advantage of a surprising consumerism trend. As the Iron Curtain fell, Russian consumers deprived of access to consumer goods let alone luxury goods during Soviet times, went on a buying spree. What follows are intriguing traits about Russian consumers linked to the country's national character.

## Disposable Incomes

There is a huge disparity in income levels in Russia. In 2004, nearly 88,000 millionaires called Russia home at a time when the average income was \$300 a month. At the same time, a flat tax rate and government subsidies on housing and utilities produced a disposable income rate of 70 percent. With that much money, people can easily buy the brands and products they want.

During the economic crisis, Russians, like others globally, reduced spending and saved more. With the crisis subsiding, Russian consumers are reverting to their old spending habits. In contrast, the crisis of 1998 made many switch to generic, local and cheaper brands. Brand loyalty, though, increased during the more recent turmoil.

Whether it's the typical Russian belief that things somehow sort themselves out – Russians are known for being fatalists – there might also be another explanation deeply rooted in the continuous uncertainty so typical for Russia throughout the history that propels short-term outlooks. Many Russian households fail to budget and save. Instead, people focus on today's needs and wants.

## Image is Everything

A popular Sprite TV ad in Russia says "Image is nothing. Thirst is everything". The ad was well-received since it spoke to the soft spot of the Russian society.

The luxury segment of the Russian clothing and footwear market, for example, is one of the most dynamic in the world. Many global luxury brands already have established a strong Russian presence.

Throughout Russia's many social and political changes one thing has remained constant: People with influence have looked the part. If you have influence and money, you are expected to show it off. As Russian nouveau riche experience more exposure to the Western world, they borrowed a more Westernized style: The rich don't have to be all done up.

At the same time, the growing middle class has started to admire those who have money. Status is everything and even if you don't have the status you at least need to look as if you have it. With this cultural backdrop, politicians and business leaders flaunt their wealth – perfectly acceptable behavior by the masses.

Prime Minister Putin became famous for his Blancpain watches after he gave away the one he was wearing to a young boy who gave him a tour of a Siberian village. While other countries may have applauded the Prime Minister

for his generous gift or condemned him for spending so much on personal items when so many need money, Russians complimented his choice of the stainless steel finish.

### Peers not Ads

According to the latest Nielsen global research on trust in advertising, Russians are skeptical consumers, less trusting of advertising than consumers in other markets. Edelman Trust Barometer 2010 findings show that trust in "a person like yourself" has been increasing in Russia. Russians rely on what peers, friends and family have to say about products and make their decisions based on that input. Among all information channels surveyed, online search engines also scored high in terms of consumers' trust.

### Quality not Causes

Quality of products and services remain on top of the list of key reputation drivers, according to the Edelman Trust Barometer 2010. Russians willingly pay more for items not only for their status but for their quality. Take the food industry. In order to ensure safe eating, Russians spend more on environmentally friendly products, locally grown goods or international brands that guarantee food freshness.

This willingness to spend more hasn't translated yet to the CSR initiatives popular throughout the rest of the world. Cause marketing still has a long way to go. Russian consumers are skeptical and not inclined to spend more at a supermarket just because their bags are made of recycled materials. When it comes to good causes and CSR initiatives, social initiatives resonate much more than environmental ones in resource-rich Russia. For example, some might buy a locally sourced product, not because of carbon miles saved but because the company is investing in the local market, providing jobs and training Russians.

The Russian government has recently embarked on a new campaign to promote healthier lifestyles, driven by a population decrease over the years (contributing factors include falling birth rates and rising death rates due to heart disease, alcoholism, smoking, violence, traffic accidents and poor dietary habits). Anti-smoking social ads with Russian celebrities are on TV and foreign companies are trying to acquire stakeholder's attention by investing in health-related programs. For the majority of Russian consumers though, this has failed to propel a widespread desire for healthier products.

Common trends in the West, buying organic food and searching for ethically sourced products and natural cosmetics without parabens, are far from becoming significant in Russia. The market remains relatively young, and many people are still looking to satisfy their basic needs. This presents businesses with opportunities to be first-movers. As the middle class grows, the importance of these trends also will increase.

### Russia online

Russia is much more accessible than it was before. Thanks to rapid globalization and huge advances in technology, companies can make massive headway in the country with just a website. According to the results of a study conducted by the "Public Opinion" Fund, in autumn 2010 the number of Internet users reached 46 million (40 percent of population), growing 6.4 percent only since summer. Nearly 32 million of these users are characterized as active users who use the Internet at least once a day.

Online shopping is quickly gaining popularity in Russia. The recent PricewaterhouseCoopers study of online trade in Russia indicates that 80 percent of Russians have made a purchase online at least once. Women in boutiques often try on clothes and write down item information so they can go home and buy online from the retailer. Further, some people are placing online orders as a group so that they can share the delivery cost and save more.

While online shopping is becoming more common, there are still a number of concerns that need to be addressed before it is fully embraced by consumers. The inability to see the actual item before buying, the uncertainty of the product condition upon arrival and problems with the return process all prevent more Russians from shopping online. Social media is becoming increasingly popular and influential in Russia. Even Twitter's popularity is growing, especially now that President Medvedev set up an account. There are already 15 million blogs registered in the .RU domain. The social media landscape in Russia is dominated by Russian players. The three top social networks are Russian. However, depending on campaign objectives and target audiences, Facebook can be more relevant, especially in reaching younger audiences who are more likely to have had exposure to Western lifestyles and values.

#### **Bear in mind**

Companies aiming for success in the Russian market are trying to master the art of being locally relevant. For example, Coca-Cola and PepsiCo introduced new brands like the Russian national drink Kvas. In December 2010 PepsiCo (disclosure: Edelman client) acquired 66 percent of the Russian dairy giant Wimm-Bill-Dann for \$3.8 billion, a deal that makes Russia PepsiCo's biggest market after the U.S.

The Russian GDP forecasts 4 percent growth for 2011, despite the recent crisis and the fact that Russian consumption levels still have the space to grow. This clearly indicates that there is an opportunity for businesses in this market to thrive – at least for those who understand what drives the Russian consumer. ■

# Fast-growing Mobile Market Connects India's Common Man

Bhavna Jagtiani, India

Ten years ago, if you wanted a phone connection in India, you had to wait for six months to get one. Fast forward to 2010, and India is the fastest-growing telecom market with more than 700 million subscribers, adding nearly 18 million a month. Mobile's entry in India in the late '90s has changed the way this country communicates, connects and interacts. Mobile devices are now THE communication tools for India's common man.

Today in India, mobile phones have become an integral part of our lives and are surpassing all other media in terms of penetration while connecting with consumers – be it television, radio, Internet, newspapers, magazines and landlines. Mobile platforms are becoming the natural choice for extending essential and innovative digital campaigns to the broadest section of the population.

From basic voice to SMS and other data on smartphones, mobile is now the choice for new content and services. From cricket news and music ringtones to agricultural price information, stock market updates and weather alerts, mobiles have become the "first screen" for millions. Disney's popular shows like "Phineas and Ferb," "The Suite Life on Deck," "Wizards of Waverly Place" and "Mickey Mouse Clubhouse" are now available for viewing on mobile handsets. And as broadband and 3G become more widely available in the region, Internet usage on mobile is only moving upward.

According to a study released by the Internet & Mobile Association of India (IAMAI) and IMRB, there are more than 2 million users accessing Internet with their mobile phones and the number is fast growing. From booking tickets for travel or movies, consumers are making it happen on the move. Online travel companies like Cleartrip.com have started offering their services on Internet-enabled mobile phones to allow customers book air and rail tickets right through their handsets. Indian Railways, one of the world's largest rail networks, also allows passengers to book tickets through mobile phones.

Mobile social networking is the latest and the fastest growing trend. The IAMA report says that nearly 70 percent of mobile Internet users are college students and consumers in the age group of 18-35 years and their main activities on mobiles include chatting, accessing social networking sites and micro blogging.

And it looks like mobiles are, and will be, the best device to connect to people for some time to come. According to a report by Analysys Mason, the number of mobile social network users in India is expected to reach around 72 million by 2014, driven by the reduced cost of smartphones and the launch of 3G services.

User generated content on blogging, imagery, mobile video and music are evolving and will lead to brand engagement like never before. The growth of mobile consumer base is increasingly coming from semi-urban areas and a huge number of these new consumers will embrace mobile social networking applications as their predominant means of staying in touch with friends and peers.

Popular online platforms like Facebook, Twitter and LinkedIn have seen exponential growth in their subscriber base and engagement in India due to their mobile platforms. Their user interface and product offerings are becoming more mobile friendly.

Mobile phones are not just convenient and fashionable, but liberating and empowering for hundreds of millions of Indians previously locked out of the digital movement. The mobile phone is improving the marketing reach of consumer brands – while also providing vital connectivity to “bottom of the pyramid” users in remote parts of India.

Nokia launched its Nokia Life Tools for rural India, especially farmers. Leading service provider Tata Teleservices also is testing a very unique technology, which is developed for Indian farmers. With the help of this wireless technology, farmers would be able to control irrigation to their farm lands using mobile phones. This is a very different and innovative step by Tata Teleservices to help farmers who suffer the inconsistent supply of electricity in India. Tata Teleservices will provide the farmer with a mobile phone. A wireless device that goes with the pump at nominal monthly charges. The wireless device will be attached to the irrigation pump and, by dialing a code from the mobile phone, farmers can remotely monitor their farm’s irrigation schedule. The phone can also be used for day-to-day communications. This technology when implemented will be really helpful for farmers as they would be saving on cost as well as money.

In 2011, we will see a continued reduction in costs of mobile phones and connectivity options giving users added incentives to connect and communicate, regardless of location. As interfaces evolve on mobile platforms to enhance user experiences, mobiles will define how we communicate, engage and interact over the next decade. ■