Reinier Evers

Trendwatching:
What they're doing out there to steal your customers, and how you can steal theirs instead

September 12, 2006

Session Summary

NEXT SESSION

October 17, 2006

Michael Raynor

The Innovator's Solution:
How to Create and Sustain Growth

Michael Raynor has studied the challenges of building new markets and profiting from existing ones, and he has a lot that's new to say about both. His book, *The Innovator's Solution*, which he co-authored with Clayton Christensen, topped *Business Week*'s list of the best business books of the year.

> "*The Innovator's Solution* is scintillating . . . full of powerful business ideas that continue spinning in the mind long after you put down the book." – George Gilder

REINIER EVERS — SESSION SUMMARY

Reinier Evers appeared at The Masters Forum on September 12, 2006. He's the founder of trendwatching.com, which is visited by over 100,000 people each month. Based in Amsterdam, he is provided with real-time trend-spotting information by over 9,000 sources in over 80 countries. His organization's website is www.trendwatching.com.

Some Key Points

Each person will take from this presentation what is most relevant to him or her. Some of the key points Evers made, which are discussed in more detail in the rest of this document, can be summarized as follows:

- Things that are new may reflect trends and they may not – but they can always be sources of ideas.
- Evers said, "We look for where you find the excitement, because excitement often points towards trends – or at least applying trends in such a fashion that consumers actually enjoy it."
- He described what trends are ("manifestations of something that has unlocked or newly serviced an existing consumer need, desire, want, or value,"), and discussed their importance by saying, among other things, "The top people are setting your customers' expectations." He said that effective trendwatching helps spur innovation, it can lead to a clearer or stronger vision, it can result in new products or services, and it can inform advertising and marketing approaches
- He said that ultimately consumers will seek "the cheapest of the cheapest" or "the best of the best," or some special attributes (such as the addition of great design to low prices, or "only of the only" items).
- He described many trends under the heading "online oxygen," including "context is the new content," the "docking lifestyle explosion," "infolust," and "twinsumers."
- He characterized "Generation C" as a very large group anxious for involvement in the creation and dissemination of content, and showed how companies are responding in many ways to that desire.
- He said the future of advertising and marketing seems to reside in trends that include "curated consumption," "tryvertising," "pop-up retail" and "customer-made" products and ads.

Considering the New

Note: Numbers in the text refer to the number of the slide Evers presented. There is also text provided by Evers beneath some of the slides, in the "Notes" section.

Links to many of the websites discussed by Evers are included on page 6 of this document.

Evers began his presentation by showing three new businesses – a top-of-the-line laundry service called Slate (slide 4), a Netherlands-based shrimp farming company (5), and a "tribal" vacation plan in Fiji called TribeWanted (7). With the Masters Forum participants, he discussed trends these ventures might represent (the Slate website, for example, reads "Time: Something that is better spent by Slate customers") and ways of capitalizing on those trends.

The Excitement

Within all that's new, it may be best to begin, Evers said, "where the excitement is." He showed how Stella McCartney clothing generates enough excitement that it is resold at a premium on eBay (21, 22). He discussed the buzz created by H&M Clothing, and its consistent creation of new lines (23). He mentioned how thousands of New Yorkers lined up for the first opening of a Trader Joe's grocery store (25), the long lines that still queue up at a typical Starbucks (26), and the huge following that Whole Foods has achieved.

Trend Essences

Defining a trend as "a manifestation of something that has unlocked or newly serviced an existing consumer need, desire, want, [or] value," (30), Evers made several points about trendwatching:

- "It's never or, it's always and" (31, 32). For example, we may love certain aspects of e-commerce, but that doesn't mean that great retail outlets won't also be successful.
- He said, "The top people are setting your customers' expectations. Apple's online store is setting your customers' e-commerce expectations. . . And it's not just competitors in your industry who are fighting for your dollar."
- It's more than the latest gimmicky things – such as cone pizza (33).
- Trendwatchers are not futurists who try to predict what's coming; they're observers who report on what they see.
- Effective trendwatching helps spur innovation (37), it can lead to a clearer or stronger vision, it can result in new products or services, and it can inform advertising and marketing approaches ("It will help you start speaking the language of your consumers better," he said.) (42).
- Consumers have "seen everything," he said; they live in a world of overabundance. He cited a Best Buy ad playing on that overabundance (47), saying "We love this ad."

He showed examples of extreme experience-based offerings, such as dinner in the sky (49), the bike bus (50), and unboxing.com (51).

Story-Telling

He said that while it may be important to tell customers the story of your business, new trends include giving customers a story to tell, which provides them with a form of "urban capital." He mentioned an Amsterdam restaurant, "The Greenhouse," which grows its own vegetables right in the center of the city, giving its customers something to talk about with others the next day (53, 54).

The Basics

Evers said, "For most consumers in the world, there's either 'cheapest of the cheapest' . . . or it's best of the best," he said. "Anything you do, it has to be cheap." As examples, he showed a pizza ad offering a free Blackberry (55), and mentioned the desire for low air fares (56).

"If you can add great design to low prices, you are ahead of the game," he said, mentioning Target as an example of "no-frills chic" (57), and showing Starflyer Airlines, an inexpensive carrier with excellent design (58).

He mentioned other core strategies, including "first of the first," saying for example that the most popular page at the website of a UK phone retailer is its "Coming Soon" page (67); "unavailable soon," emphasizing limited editions (68); and "only of the only," such as a private show put on by Prince at his home (70).

He said, "Let's not forget that the real business we're in is satisfying the need for status, the need for recognition" (73 - 83). He showed that satisfaction does not increase with prosperity (84, 85), and mentioned how some companies are providing the trappings of prosperity, such as fancy rental cars (82) and rentable fine jewelry (83), to those of more limited means.

Online Oxygen

Evers said that the place where there is most excitement these days is online. He said, "It really is about the addiction to online access. The online world. We call it 'online oxygen.'" The latest data show over a billion internet users worldwide (103), and the five fastest-growing brands in the world in a recent study were Apple, Blackberry, Google, Amazon, and Yahoo! (108).

"Context is the new content," he stated, saying that what young people are doing online is all about connecting with other people. The next wave of devices, he said, will principally facilitate chat, "being in touch 24/7". Dodgeball.com, for example, provides the sender's location to anyone s/he text messages (116), and Evers showed other devices by Sony, Sidekick, Nokia, and Helio that emphasize immediate communication and complete internet connectivity (117).

There's a related "docking lifestyle explosion" (118): Evers said every new car soon will have an iPod docking station (120); hotel rooms will have them (119); food stores will have

docking stations that permit customers to download recipes and related lists of ingredients (121). At the Netherlands' Schiphol Airport, a service called Fuel for Travel lets consumers download travel guides, music, audio books, tv shows, and movies to their MP3 players and other digital devices (122).

Online gaming is also a place where there is much excitement, and therefore many possible trends to observe. He showed (among other things) that pizza can be ordered from within a game (128); that Coca-Cola has created an online gaming world, "Coke Studios" (130); Disney offers a "Virtual Magic Kingdom" (131); and avatars can be dressed up in stylish brand-name clothing (133).

Then there's what Evers called "InfoLust." He said, "There is *no* such thing as 'information overload'; consumers are more infolusty than ever" (136). He cited a service that will tell you the name of a song you hear anywhere if you call into the service and hold up your cell phone to catch the tune you're listening to (137). He showed bargain-hunting services that will, for example, find the lowest price for a book or other product on all amazon.com sites throughout the world (139). He demonstrated how customer-review sites such as tripadvisor.com are flourishing, and how they can present not just the good side a seller wants to present, but the bad and ugly sides, too (143-152). On slide 154 he shows many other review sites.He said that with so much customer-submitted information online, it's important to consumers to avoid "WORM" – "Word of Irrelevant Mouth" (160) – and instead to seek their "Twinsumers" – others with similar likes and dislikes. Amazon's recommendations (161) try to serve this purpose, and some sites allow reviewers to post profiles so a user can see who's making particular recommendations (162).

"Forever" Trends

He mentioned but did not discuss two well-known trends: the "boomer generation" and the "ecoboom." Slides 176 – 202 show information related to those subjects.

Generation C

He said, "There is a changing, more empowered consumer. A consumer who, across demographics and geography, deserves if not demands a different relationship with you." He cited the book, *Cluetrain Manifesto*, which says that "markets are conversations." Overall, he said, "We're moving toward a creative society: Satisfaction and status are increasingly derived from creativity." (203). He asked, "If our economy is becoming more creative, does that mean that being creative as a consumer will also get you a certain status? We think we're seeing some interesting signs here. Increasingly, consumers can also be participants. . . You can also join this game."

He used the phrase "Generation C" (the "C" is for content), saying it "captures the avalanche of consumer-generated content that is building on the Web," and showing hardware and software that enable such content to be created and disseminated (205 – 210).He showed examples of such content, suggesting that it reveals "a massive gap between the highly-controlled world and the online world where anything goes" (212, 213), and he showed how people are putting their own expertise online, for example by filming interesting aspects of

their towns (215), or blogging about subjects that interest them (216 – 218), or contributing to Wikipedia (219). "Generation C can also stand for 'cash', too" he said: sometimes people can be paid for the content they provide, or for skills they evidence when making online contributions (220 – 224).

The Future of Advertising and Marketing

He said companies are now asking, "What can we market on?" He showed some answers: backsides (227), lips and teeth (228), stamps that taste good when licked (229), and eggs (230).

He described "curated consumption" as the way to reach "consumers who are more in control, who are more creative, but who also have a deep, deep need for more time." As examples of curated consumption, he cited retail outlets such as the Japanese company that stocks only the three or five top-rated items in each category, and vino100, which stocks only what it considers the top 100 wines under $25 (237), and online "curators" at sites like thecoolhunter.net (238 – 240).

"Tryvertising" – wherein consumers get to try out products "while doing something else" – is showing up in many places, including video cameras placed at zoos (244, 245) and cab drivers handing out condoms (246).

"Pop-up retail" is becoming more common – stores or other selling locations that appear for just brief periods of time: for example, a bar (251), a mobile Gap store (252), and a Target store open for just a short time (252,253).

"Customer-made" refers to "the phenomenon of corporations creating goods, services, and experiences in close cooperation with experienced and creative consumers, tapping in to their intellectual capital, and in exchange giving them a direct say in what actually gets produced, manufactured, developed, designed, serviced, or processed." In this regard, Evers cited, among other things, companies like Chevrolet and L'Oreal that use customer-created advertising (255 – 257). Also, there are general websites that solicit customers' input into advertising and product design (269); and companies that include Peugeot (270), Nokia (271), and Muji (274) are directly soliciting such input. (See also 276 – 279.) Companies also solicit feedback through websites (280) and by providing email addresses to customers (281). Other companies seek broader input and then respond publicly, such as the Brazilian bank that "plastered all over Sao Paolo" requests for input and then created television commercials responding to the input (282).

"Get going with this kind of thing," Evers urged. He concluded, "The firm is *not* the only place where creativity occurs or where content is being created." He said companies should plug in to the global brain, and "open up; let go of control."

Your Own Trend Unit

Evers did not discuss this topic at length, but it is covered in considerable depth and specificity at his website, here. He also recommended looking at the pages on his web covering "virtual anthropology," here.

Partial List of Websites Included in Reinier Evers' Presentation

www.slatenyc.com/
www.happyshrimp.nl
www.tribewanted.comwww.scion.com and
secondlife.com
www.dinnerinthesky.com
www.busbike.com.br
www.unboxing.com
www.carphonewarehouse.com
www.freecycle.org
www.millionairefair.com
www.bagborroworsteal.com
www.galleryoftheabsurd.com
www.dodgeball.com
www.mylo.com
www.nokia.com/770
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www.ifood.se
www.fuelfortravel.comhttp://everquest2.station.sony.com/pizza
www.neopets.com
www.cokestudios.com
www.vmk.com (Virtual Magic Kingdom)
www.shazam.com
www.pricenoia.com
www.laptop.media.mit.edu
www.tripadvisor.com
www.turnhere.com
www.buzzmachine.com
http://designsponge.blogspot.com
www.wikipedia.org
www.purevolume.com
www.celljournalist.com
www.spymedia.com
www.vino100.com
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