

# "HYGIENIA"



Let's talk context this month. Some of the below may seem obvious, but at least it will provide you with a bit of a framework to see the cohesion between individual trends we've discussed over the last two and a half years, from GENERATION C and [NO FRILLS CHIC](#) to ONLINE OXYGEN and [MASSCLUSIVITY](#). Trends that have gone hand in hand with innovative new consumer goods, services and experiences from around the world. The one thing these innovations have had in common? They've raised consumer expectations that were already sky-high.

In earlier [newsletters](#) and in our [public seminars](#), we've referred to these exceedingly high expectations as [MASS CLASS STANDARDS](#). So we know YOU know this. Yet, these standards are about more than consumers simply expecting reliable quality or affordable prices. Slowly but certainly, on a global scale, consumer expectations now revolve around knowing about and wanting *superior* quality, often at rock-bottom prices, combined with cutting edge design and instantly availability. So who does the consumer turn to? A select group of brands, based anywhere from Spain to South Korea, who are meeting if not exceeding these expectations with such vigor, that even following their lead is now a hygiene factor in itself for their competitors. And not following or out-innovating them equals a certain death.



Want names? Consumers from Taiwan to Trinidad can rattle them off as fast as they're ditching non-performers. Fast Fashion? Spanish Zara and Swedish H&M. Usability and Celebration of Consumer Passions? American Apple and Finnish Nokia. Mobile phones that outdo all of your other gadgets? South Korean Samsung and LG. Superior lifestyle branding? American Nike. Well designed yet affordable furniture? Swedish IKEA. And then there's Dell, and ING Direct and JetBlue, and RIM, and Target, and W Hotels (joined by [XYZ](#) soon), and WalMart, and TESCO, and Starbucks, who are all upping the hygiene levels for their respective categories and for entire disciplines across the board (think customer service, ecommerce prowess, distribution).



So **welcome to HYGIENIA\***: a marketplace inhabited by mature consumers from South Korea to Brazil, from Australia to Canada, who can instantly and expertly point out the various hygiene factors for each and every good, service and experience on offer. They base their knowledge on many years of self-training in hyper-consumption, and on the now almost biblical flood of new-style, readily available information sources and filters helping them to track down the Best of the Best, the Cheapest of the Cheapest, the First of the First.

*\* And about the name: it might not be pretty, but it should be sticky.*

## Mature Consumers



We've all seen the numbers: by the time an American teen is 17 years old, she has received over 250,000 commercial messages through the media. Her parents devote many hours a week honing their 'Trading-Down in order to Trade-Up' strategies. Shopping beats every other category in 'favorite pastime' polls. And the situation isn't much different in Western Europe or Japan or Australia, while from the Dubai desert to Chinese megacities, millions are eager to join, for better and worse.

It doesn't hurt that all the stuff to be consumed keeps going down in price while quality goes up (thank economies of scale and scope, the tech revolution, and more brands than ever trying their best to impress consumers). According to Phillips, a typical 22-inch TV set cost GBP 248 (EUR 350/USD 440) in 1984, but today an equivalent 21-inch model is 49 per cent less at GBP 126 (EUR 178/USD 225). Abundance, experience and thus **HYGIENIA** define today's consumer society, with mature consumers taking their duties very seriously, cutting through most corporate/marketing BS without too much trouble, and demanding performance instead.



## Instant knowledge, instant gratification



Picture courtesy of Australian GamePro Magazine

The consumer society has been around for a while, and **HYGIENIA** has been slowly building in the background. The biggest difference with five to ten years ago? Word of mouth now travels the world instantly, making every new product launch globally in a flash, and turning every new brand into a potential global player. Thanks to the WWW, the information gap has already closed, and it won't be much longer before the distribution gap is history too. Sony still (but only just) gets away with a phased introduction of its PSP. There is no such escape for anything that can be digitized: it needs to be rolled out around the world in one go, as consumers anywhere may hear about it within hours, then want to watch it, listen to it, read it, and won't hesitate to download pirated versions if you make them wait too long.

## Download Ricky Gervais's New BBC2 Show, *Extras*



*Extras*, the new show from Ricky Gervais, premiered on BBC2 last Thursday, and pirated versions of the first episode have already landed online. The series will eventually be broadcast on HBO, but you can watch the premiere right now by BitTorrenting the file. There are two different .torrents of the *Extras* premiere

Blockbuster movies, for one, have already—albeit reluctantly—caved in to **HYGIENIA** and now almost always launch on a global scale. Movie distributor UIP even canceled the gala world premiere screening of "War of the Worlds" (scheduled for June 13th) in Japan because of fears that illegal copies of the film would be made and circulated on the Net ahead of the June 29th worldwide simultaneous release (source: Japan Today). Who's next? How about globally popular TV shows, which still depend on archaic distribution models? It's no wonder that Ricky Gervais' new show, *Extras*, is already being BitTorrented around the world; the same is happening to the latest episodes of *Desperate Housewives*, aired in the US. Why wait if you can read the episode review in Antwerp and Sydney, while downloading an illegal copy? Sure, even in **HYGIENIA**, you can still create excitement by launching something geographically exclusive. But only if you openly market it as such, and only if your customers actually enjoy this game of discovery and yearning. We're talking **UBER PREMIUM** or **UBER OBSCURE** here. In reality, not so many brands are that 'UBER'. Which brings us to...

## No excuses



Besides experience, consumers can now rely on thousands of new sources that disseminate **HYGIENIA** standards at the blink of an eye. Think price comparison sites, cool hunting blogs, review and recommendation portals, industry expert newsletters and more, all operating on a de facto global scale.

- The Expedias and Hotels.com inform consumers on what the Internet Price (read: Cheapest of the Cheapest) is for the Hudson hotel in NY, and then thanks to Gridskipper.com and sister-site Gawker.com, and Superfuture.com, out-of-towners will effortlessly track down the hottest local bars in Manhattan, too.
- Consumers know exactly where to get their Durkl t-shirts, whether they live in Miami or Manaus, thanks to coolhunting.com and thecoolhunter.net.
- They're acquainted with every detail and feature of new phones being sold ahead of time in South Korea, thanks to gizmodo.com.
- They know where to score the best eco-friendly yet well-designed alternatives to polluting old-school products, thanks to treehugger.com.

And if there *is* a distribution gap, if they for any reason cannot buy the Best of the Best straight away, then they may just postpone their purchase: foregoing that 2MP Siemens cameraphone in Europe until the 5MP Samsung cameraphone reaches their shores, too.

The real catch? If they know, so should you. Best of breed, best practices, it's nothing new, but never before has everything been so in the open, and never before have consumers done their homework so much more diligently than corporations. In fact, armed with all this information, consumers will increasingly be confident enough to try out completely unknown brands, bypassing 'trusted' incumbents.

All in all, it leaves no excuses for brands not to know the new **HYGIENIA** standards.



## You know it when you see it

Spotting and understanding **HYGIENIA** is not a science, in fact it's a nice mix of experience and intuition. You kind of know it when you see it (or buy it). Check out these random **HYGIENIA** spottings from China, Iceland, The Netherlands, and Australia:



Chery QQ



Zhonghua

Automotive **HYGIENIA**: these Chinese cars look the part, at prices up to 40% lower than their rivals from abroad. **Chery** is actively eyeing the US market and the **Zhonghua** will soon be sold in Germany. High quality, nice design, much lower prices.



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## Supermarkets and hospitals



**HYGIENIA** and groceries: after shopping in a Tesco store, or in this supermarket in Reykjavik, Iceland, what consumer would like to go back to yesteryear's stores?



**HYGIENIA** in hospitals: coffee on a MASS CLASS scale is now synonymous with Starbucks. In fact, the availability of drinkable coffee in public spaces is now a minimum requirement. Next? Even more modern design, even more refined choice. Even hospitals (like the **OLVG** in The Netherlands, above) are starting to offer tasty macchiatos in stylish surroundings.

## Entertainment

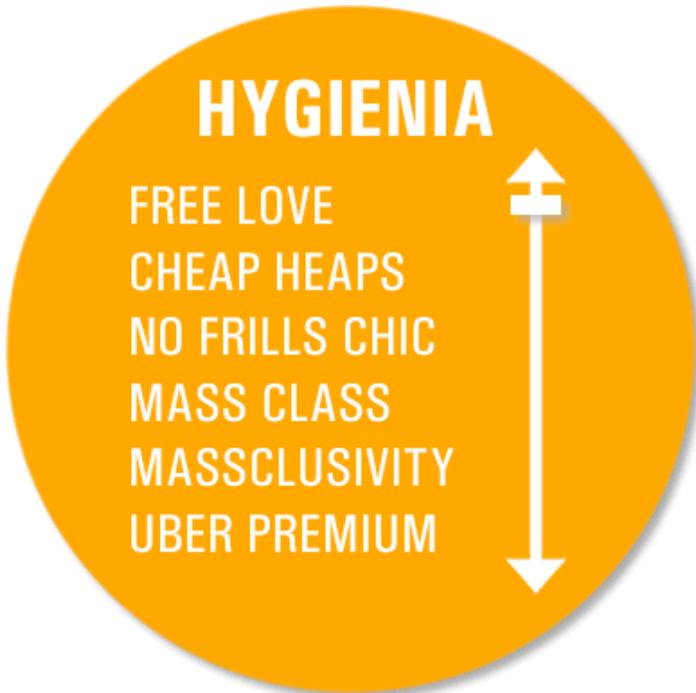


If you're Blockbuster, your offline **HYGIENIA** benchmark should be **redroomdvd** in Sydney (until you really become obsolete, thanks to Netflix and BitTorrent). Broadband-challenged customers can browse redroomdvd's selection in 24/7 interactive movie stations, watch trailers, access stills and read reviews of their selected movie before deciding to rent it (for as little as 6 hours). The DVDs of choice are then ejected from a dispensing podium. Not hard to see how this will become the minimum in service and choice levels if you *insist* on doing things offline.



## Sliding up and down the **HYGIENIA** Scale

What it all comes down to is Creative Destruction. Your company will have to innovate even faster and in even more imaginative ways. Your customers demand the now global basics to be covered *and* they expect to be pleasantly surprised, if not have a direct say in what gets produced and created. (See our recent [CUSTOMER MADE special](#).) In a nutshell: what you invent today will be copied tomorrow, improved next week, and made redundant next month. Or lose its value in another, **HYGIENIA**-related way. And so you will find yourself forever sliding up and down our (not very academic but hands-on) **HYGIENIA** scale:



Think of the **HYGIENIA** scale as a quick way to determine where you stand and where you could or should go when it comes to positioning and serving your customers. It's a work in progress, but for now, we've included:

**FREE LOVE:** Nice stuff that comes for free, gratis, nada; from Metro and The London Business Daily (to launch later this year) to Smart Car rentals plastered with advertising (as featured in the upcoming issue of [Springwise](#)'s newsletter) to (one day) Ryanair tickets, to Wikipedia to, well, most of the Net's content. **FREE LOVE** can obviously be devastating as it moves consumers' expectations towards a total unwillingness to pay for alternatives. Your alternative?

**CHEAP HEAPS:** Cheapest of the cheapest. Rock bottom prices. No frills. Costco. easyGroup. Can kill one's painstakingly constructed customer relationships overnight, as they leave you for discounts that are just too good to be true.

**NO FRILLS CHIC:** Cheap yet well designed, with a la carte luxury options. It's where consumers go when they've had it with **CHEAP HEAPS'** lack of fun and sophistication. Song. Target. H&M.

**MASS CLASS:** The global standard for what used to be the middle markets, though it mirrors or surpasses the standards that were thought of as 'luxury' only a few years ago. Häagen-Dazs, Samsung, Starbucks. Many brands think they're **MASS CLASS**. Yet if they do their **HYGIENIA** homework, it will reveal that they're not, or—even worse—they're not anything else on the scale, either.

**MASSCLUSIVITY:** New luxury and status for the masses. An ever tougher act to deliver as **MASS CLASS** standards are already so high. The premium to be had here requires hard work. Think, for now, Coach, Lufthansa, Bulgari Hotels, but also limited edition goods by Adidas and Nike, as well as many [GRAVANITY](#) services.

**UBER PREMIUM:** Luxury accessible only to the elite. Which is where many previous **MASSCLUSIVITY** players are now battling it out, as **MASS CLASS** is starting to overlap their old territory. Maybach Exelero. NetJets. And everything you read about in FT's Perfect Weekend column ;-)

### The scale in action

As a consumer or business professional, **HYGIENIA** surrounds you everywhere you go. Take, for example, airports: global meeting points par excellence. Imagine a few modern, **HYGIENIA**-type airports (top of our head: Singapore's Changi, Copenhagen's Kastrup, Hong Kong Intl, Amsterdam's Schiphol, Munich...), and picture their public waiting spaces. Well designed. Airy. Leather seats. Espresso bar within reach. Sushi and fresh sandwich bar at arm's length. WiFi. A kiosk selling 100 international magazines. Very **MASS CLASS**, yet all those amenities were, in a not so distant past, exclusively reserved for business class lounges. So business lounges have a hard time remaining on the scale, as yesterday's **MASSCLUSIVITY** standards now equals today's **MASS CLASS** standards.



*UBER PREMIUM hang out or Schiphol Airport MASS CLASS bar?*

Painful, for sure. But it gets worse: most business lounges now actually look and feel worse than the new MASS CLASS. They're stuck in a pre-HYGIENIA world, not even part of the scale anymore. No wonder that airlines like British Airways (First Class terminal at Heathrow) and Lufthansa (an entire business class [terminal](#), not just a lounge) are fighting back with UBER PREMIUM offerings. And for all those airports not yet offering the new MASS CLASS levels of comfort... Their visitors, who literally get around, and know exactly what is offered elsewhere, will vote with their wallet, and, whenever possible, with their feet.



*Business Lounge or Schiphol Airport public waiting space?*

Sticking with air travel: not only have low-fare airlines like Southwest and Independent Air given less-than-exciting national carriers a run for their money, some of them are taking the game to the next level by moving from CHEAP HEAPS towards NO FRILLS CHIC, offering the same low fares with a touch of class. JetBlue and Song not only shove many established full fare carriers right off the scale, they also make low fare pioneers like easyJet and Ryanair look tired. Which is why the latter is contemplating going for FREE LOVE: free air trips, paid for by hotels, rental car companies, advertisers and municipalities.

The Singapore Airlines, Virgin Atlantic and Emirates of this world did see this coming, and are moving towards newly-defined MASSCLUSIVITY and UBER PREMIUM service (first class pods with doors, anyone?) currently untouched by the low fare/NO FRILLS CHIC carriers. (Well, for now; just for fun, check out [Fly Zoom](#), [Maxjet](#) and [Air Madrid](#)!) Add to this the many business class-only carriers which are now [entering the market](#), and it seems safe to keep seatbelts fastened for a while to come.



*BA's First Class Lounge – UBER PREMIUM*

Conclusion? The bar continues to be raised, creative destruction is a given, and while keeping up with (let alone setting) the trends can be tiring, the alternative is even less appealing. To broaden your HYGIENIA thinking, make sure you also check out:

**BRANDED BRANDS:** Co-invent with other brands to stay on top in HYGIENIA.

**INSPIRENCES:** When HYGIENIA takes over consumers' homes. We'll leave this one for the next update, but as luxury has been democratized and is invading people's cocoons, more often than not consumers will notice that what's being offered outside their homes is no match for their own domestic HYGIENIA standards.

**NOUVEAU NICHE:** Will HYGIENIA make everything bland and predictable? Not if you take the niche players into account...

**TWINSUMER:** Adding relevance to word of mouth ensures even faster proliferation of HYGIENIA standards.

**CUSTOMER MADE:** What if consumers eventually demand to co-create their own HYGIENIA standards?

# Opportunities

## From ignorance to irritation to irrelevance



Let's face it, in the past you could get away with not performing at your industry's global peak, as consumers didn't enjoy full transparency of the best, the cheapest, the first, the most original, the most relevant. Chances are, even your own business didn't! Today, there is no excuse. They know, you know. And thousands of new blogs, newsletters and ventures dedicated to increasing **HYGIENIA** awareness will see to it that the last remaining virtual and geographical barriers to information will soon be eradicated. Which means any kind of willingness amongst consumers to be patient, to be forgiving, even to be cooperative and give you some feedback on how to be more like other, better performing competitors, is dwindling fast. Their already massive irritation will eventually turn into indifference towards laggards, rendering them utterly irrelevant.



## The good news

How hard can it be to at least start listing all the **HYGIENIA** factors for your own industry? Or your own discipline? If consumers can do it, surely so can you. And how would you rate the stuff *you* sell on the **HYGIENIA** scale? Are you MASS CLASS? NO FRILLS

CHIC? Trend setter, follower, or not even in the game? Who's working hard, seen and unseen, to wipe you off the scale all together? Get your camera phone, your Moleskine or your PDA, and start taking **HYGIENIA** notes and pictures. Online. Offline. Roaming the streets. Wherever you are, whatever you do or experience. As a consumer, and as a business professional. Find the sources that list the best of the best. Big and small. Across all industries. Worldwide, from Tokyo's Omotesando to Sao Paulo's Jardins. Find competitors who are setting consumer expectations much higher than you've ever been able to. They're more fun. They have better design. Their stuff tastes, looks, feels better. They're cheaper. Then compile what *you* think are now the global standards for whatever it is you do, and from there start thinking about new goods, services and experiences. More on **HYGIENIA** in future newsletters, including the role of new niche brands setting global standards. In the meantime, happy spotting!