

May 2010 | Whatever industry you're in, in the end, everything is about status. And since what constitutes status in consumer societies is fragmenting rapidly, here's a (modest) framework to help you start exploring new status symbols and stories with your customers.

"STATUSPHERE"

Consumers are finding increasingly diverse ways to get their status fix. Are you ready?



Like it or not, the **need for recognition and status is at the heart of every consumer trend***. Status is the ultimate (hidden) motive, a subconscious but ever-present force.

Now, in a traditional consumer society, where consumption is one of the leading (if not the leading) indicators of success, those who consume the most (and especially those who consume the rarest and most expensive), will typically also attain the highest status. This is why brands have, for decades, gladly provided people with goods, services and experiences that help them (boldly or subtly) impress their peers and help alleviate their anxieties about how they're perceived by others.

However, mature consumer societies are changing, and so is the 'STATUSPHERE': an increasing number of consumers are no longer (solely) obsessed with owning or experiencing the most and/or the most expensive. Our definition:

STATUSPHERE | As consumers are starting to recognize and respect fellow consumers who stray off the beaten consuming-more-than-thou-path, 'new' status can be about acquired skills, about eco-credentials, about generosity, about connectivity... All of this makes for a far more diversified 'STATUSPHERE' than most brands and organizations have traditionally catered to. Time to really figure out how and where your customers are now finding their status fix.

**The other constant need is of course (romantic) love...*

In other words, traditional status symbols (BMW's X6! Marc Jacob's latest eyewear! Emirates' Airbus 380 Suites!) are no longer every consumer's wet dream. So, in this Trend Briefing, we're exploring five realms in which consumers can now get their status fix. These realms closely align with the current directions consumer societies are headed in. In that sense, **status follows culture**: what is important to societies is reflected in existing and emerging status symbols and stories.

Now, while none of this should be (very) new to you, and we obviously had to work hard to prevent this briefing from turning into a 200 page report, this framework *will* hopefully help you to take an even more integrated approach to this **'trend of all trends'**:

1. BIGGER, BETTER, HARDER

(consuming the most, and the most expensive)

2. GENEROSITY

(giving instead of taking)

3. GREEN CREDENTIALS & UNCONSUMPTION

(greener or less consumption)

4. IN THE KNOW & SKILLS

(knowing and doing versus consuming)

5. CONNECTIVITY

(social status, especially online)

However, before you dive into the STATUSPHERE:

Status is just an agreement



What if a watch is just a way to tell the time?

One reminder: not a single status symbol or story is ever safe from devaluation, as these symbols and stories are mere **agreements** between groups of people. For example, the moment 'society' agrees that a car is just a method to safely move from A to B (or a nuisance that needs to be avoided due to environmental worries and space constraints), and not one of the dominant indicators of one's financial standing (as it is now), luxury car manufacturers will have a problem. Feel free to apply this exercise to your own industry ;-)

Status-less consumption?



Oh, and think our obsession with status as the driver of, well, everything is somewhat far-fetched? Then consider the following: in mature consumer societies, is there really any kind of consumption or behavior that is entirely devoid of status considerations?

An extreme (consumption) example: would installing a top-of-the-range home spa, solely for one's own pleasure and comfort, not to be seen or to be used by anyone but the owner, be free of status considerations? Or will the owner (let's assume he/she is single) at some point tell peers about the fact he or she had this spa installed, and is using and enjoying it? What if the owner was not allowed to tell anyone about these assets ever? Or how about this one: when going on an exotic, carbon-neutral voyage to remote islands that other tourists haven't set foot on before, is the ultimate value the experience itself, or is it to be found in the im-

pressive eco-travel-stories a traveler can tell his or her peers on return? And here too, what if the traveler was not allowed to ever share his or her stories with anyone?

Consumption and behavior-wise, everything contains a status component, however tiny or indirect it may seem.

5 WAYS FOR CONSUMERS TO GET THEIR STATUS FIX:

1. BIGGER, BETTER, HARDER



Traditional LUXURY LUST is here to stay

Traditional consumption is about buying (and enjoying and showing off) more and/or better stuff than fellow consumers. We've dubbed this the BIGGER, BETTER, HARDER realm. Which is by no means dead. The recession is just a blip on the radar when it comes to some consumers' appetite for expensive, in-your-face brands and products that feed off status anxiety (to all marketers: it's never a bad idea to re-read [Allain de Botton](#)'s excellent book on status, meritocracy and anxiety).

And even if (a big if) conspicuous consumption were ever to sub-

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side significantly in mature consumer societies, then **count on the emerging middle classes** in China, India, Russia, South Africa, Turkey, Nigeria, Vietnam, Indonesia, Mexico and Brazil to pick up the slack.



Audi's A8 is sold in China only in "L" long-wheelbase form, as "anyone who is anyone gets chauffeured around in China."

Just some telling stats, from the New York Times (29 April 2010) about that most traditional of traditional status symbols: big, luxury cars:

- Sales of Mercedes-Benz cars in China soared 112% in the first quarter of 2010, to 23,600 vehicles.
- Rolls Royce says that sales in China, its third-largest market after the US and Britain, rose 200% in the first quarter of 2010.
- And how about this? SUV sales in China are expected to double, from 847,000 units per year to 1.54 million in 2015. (Source: TruckTrend.com, March 2010.)
- Before you think this is only about China or Asia: the Austrian Traffic Club (VCÖ) said the number of registrations of SUVs showed a 22.5% year-on-year increase in 2009.



Australian wallet brand [Status Anxiety](#)

And some more numbers:

- The World Bank estimates that the global middle class is likely to grow from 430 million in 2000 to 1.2 billion in 2030. China and India will account for two-thirds of the expansion. (Source: Euromonitor. March 2010)
- Want more? Check out Deutsche Bank's reports on [Emerging Asia's Middle Class](#) and [The Middle Class in India](#).
- For reports on the future of luxury, check out [The Luxury Institute](#), [FT's Business of Luxury](#) and [Reuters Global Luxury Summit](#).

This is not to say there is no change *within* the traditional BIGGER, BETTER, HARDER realm:

From products and symbols to experiences and stories



Picture courtesy of the FT

The main effect of decades of individualization? **Consumers no longer all want to be like the Joneses, the Mullers or the Li's.** When individuality is the new religion, owning or *experiencing* something no one else has* is the ultimate status fix.



Wanting to be **unlike** the Joneses, and that goes for the entire **STATUSPHERE**, really.

In fact, experiences are lusted after. They are not only inherently more unique, they also do a better job of providing instant gratification: they're often more affordable, and thus more plentiful than old-world, tangible status symbols.

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* The 'mass' that consumers are willing to put up with is either the stuff they don't really care about—and can get on the cheap at the Wal-Marts and Aldis of this world—and some remaining objects of mass desire like the iPad or the Mini Cooper. However, even these are either 'tools' for individuality, or are likely to be customized the moment they leave the warehouse.

STATUS STORIES versus STATUS SYMBOLS

However, when it comes to experiences, status can only be derived from being seen by others—while experiencing the experience, which may be a relatively brief moment—or by **telling others** about the experiences **afterwards** (which can go on for years ;-).

Hence STATUS STORIES becoming more attractive and prevalent: as more brands (have to) go niche and therefore tell stories that aren't common knowledge for the masses. So as experiences and non-consumption-related expenditures take over from physical (and more visible) status symbols, consumers will increasingly have to tell *each other* stories to achieve a status dividend from their purchases. Expect a shift from brands telling a story, to brands helping consumers tell their own status-yielding stories to other consumers.



Scotch whiskey brand **Laphroaig** offers lifetime leases for a square foot of land on the island of Islay (where the distillery is located) to each consumer who buys a bottle.

For more insights and examples, please see our **STATUS STORIES** briefing. And for those of you who are deeply interested in the future of luxury, re-read our **(F)LUXURY** trend description.

Let's move on from BIGGER, BETTER, HARDER to the second status realm, which couldn't be more different:

2. GENEROSITY



Owning is no longer the only way for consumers to get their status fix: the act of *giving* reflects well (if not better) on individuals, too.

As we stated in our **GENERATION G** briefing, last year:

"GENERATION G captures the growing importance of 'generosity' as a **leading societal and business mindset**. As consumers are disgusted with greed and its current dire consequences for the economy—and while that same upheaval has them longing more than ever for institutions that care—the need for more generosity beautifully coincides with the ongoing (and pre-recession) emergence of an online-fueled culture of individuals who share, give, engage, create and collaborate in large numbers."

Now, one of the most important drivers behind GENEROSITY is the **collaborative/free /creation/crowdsourced/gift/ sharing movement** that—especially online—has unlocked in entirely new ways the perennial need of individuals to feel part of the greater good, to contribute, to help. But the online world of course also makes it easy to *showcase* and *share* one's acts of altruism.

The status-implications for non-profit organizations, and B2C brands big on giving initiatives? Work harder on helping your consumer-donors *show and tell* others about their donations and contributions!

On to the third realm:

3. GREEN CREDENTIALS & UNCONSUMPTION



Foldable wind turbine concept by [Coroflot](#)

As entire societies have embraced sustainability in everything as the (only) way forward, and as millions of consumers are now actively trying to greenify their lives, green credentials are an endless source of status. Just witness a substantial subset of consumers already bestowing recognition and praise on Prius and Insight owners while scorning SUV owners.

Consumers' interest in green credentials will lead to even more **eco-friendly goods and services sporting bold, iconic markers and design, that help their eco-conscious owners show off their eco-credentials to their peers.**

Also count on a massive increase in **green stories** (as told by consumers): detailed information on (eco-friendly) sourcing, production, ingredients and distribution all represents a potential benefit to consumers who are keen on sharing their green status stories. And the concept is extra attractive for service providers, who often don't have physical products with which to convey their eco credentials.

By the way, what will make green stories even more powerful is the fact that while each individual can 'do their bit' on the environmental issues, their actions are going to be wasted unless everybody else does the same. This gives individuals a great excuse to share their stories and to enjoy a status boost from occupying the moral high ground.

For tons of green innovations that bestow eco-status and credentials on their owners, check out the ongoing coverage of **eco innovations** from our sister-site Springwise, and re-read our **ECO-BOUNTY** briefing.

UNCONSUMPTION



Also, let's not forget about UNCONSUMPTION: For an increasing number of consumers, the mere act of consuming less*, is the **greenest status fix of all**.

Needless to say that practitioners of UNCONSUMPTION will heavily depend on STATUS STORIES to make their low or no impact on the environment known to others.

For stats on who's joining the UNCONSUMPTION movement, the [LOHAS](#) (Lifestyles of Health and Sustainability) site is always a good starting point.

* Whether it's fuelled by recession-induced frugality, unease with the social and ecological consequences, or just fatigue with having to keep up with the consumption rat-race.

Ready for real number four?

4. IN THE KNOW & SKILLS

Growing pockets of consumers find pleasure (and STATUS STORIES) in mastering skills and acquiring knowledge. They attain status from finding an **appreciative audience** that's impressed with what they know, and can create, instead of what they consume.

IN THE KNOW



To be on the inside, to be in the know, to have access, to be knowledgeable, but also, to be able to lead the way to the unique, the avant-garde, the cool, the latest, the cutting-edge... This is now an established source of status, from consumers-turned-experts, to younger audiences obsessed with coolhunting. Anything you as a brand can do to **assist the pursuit of deep or trivial knowledge** will be appreciated. As long as the content is of superior quality, of course. A few fun examples from our recent [BRAND BUTLERS](#) briefing:

- Nike's [True City](#) is an iPhone app that aims to give consumers 'insider' information on six European cities, while also allowing users to share their own tips and delivering exclusive Nike offers and information.
- The [Adidas Urban Art Guide](#) is a free iPhone travel guide listing Berlin and Hamburg's best graffiti. Users can click on each marked location to retrieve images and information about the piece and the artist.
- Beck's [Gig Finder](#) app helps users to find local music gigs. The app's map and GPS interface allow users to see where they are in relation to the gigs.

SKILLS



[stitchduchess on Etsy](#)

Closely related to status and knowledge: status and *skills*. Especially for younger (and younger-at-heart) consumers, **participation is the new consumption**. Brands that help consumers develop skills and create professional-grade output will gain an appreciative audience. Some more examples from our BRAND BUTLERS briefing:

- Tesco's [Wine Finder](#) app is capable of recognizing any wine in the retailer's database from a photo of the bottle. The app also recommends wines based on price, country of origin and accompanying cuisine.
- Swedish food brand Santa Maria offers an [iPhone app](#) that offers grilling tips and advice. The application features recipes, a BBQ handbook and a grilling timer.

Do re-read our [STATUS SKILLS](#) briefing: it's from September 2006 (ages ago!) but it's still relevant. Other related trends to explore: [SELLSUMERS](#) and [CUSTOMER-MADE](#).

5. CONNECTIVITY



One's status updates are one's status fix. Picture courtesy of [Alex Hawkinson](#)

No, we're not forgetting the online world, which is truly an endless source of new status fixes.

First and foremost, when it comes to online status*, it's all about who you connect to, and who connects to you, tribal style. It still is about being unique, but it's about belonging, too: belonging to tribes whose membership renders status to its members. Unlike in the 'offline world', these connections (in numbers and in profiles) are visible: friends and acquaintances are no longer the subject of awkward name-dropping, but are visible to all.

We're talking friends on Facebook, Twitter followers and retweets, the number of views for a photo on Flickr or a video on YouTube. These are all symbols and numbers that are associated with one's social status and that can be shared instantly and on a potentially large scale in the CONNECTIVITY realm.

This will then lead to an even-bigger need for consumers to **'feed', maintain, and improve their online presence** with a steady stream of content: thoughts, photos, videos, songs, opinions, stories and so on.

And then we haven't even addressed virtual possessions ([Farmville](#), anyone?) or gaming skills, all begging to be showcased and communicated, too ;-)

In fact, we'll dedicate an entire Trend Briefing to connectivity and online status in the near future; for now, make sure you help your customers collect, communicate and display online badges of honor in every way possible.

** Yes, the difference between status as a source of recognition, and status as in 'update' or 'whereabouts' is confusing in the online world. We're sticking with the following: **one's online status updates are an integral part of one's overall social status.***

Opportunities



We all want to be Monkey Kings or Queens ;-)

Does the above cover the entire STATUSPHERE? Of course not. Because man's vanity, ego, his yearning to be recognized, seen, admired, heard, envied and lusted after knows no boundaries, there will always be new ways to help him/her stand out from the herd, as long as you keep a close eye on societal changes that lead to shifts in what constitutes status.

Here's what:

- Develop a better understanding of who (and how) your customers are trying to impress. If you find your brand is still mainly focusing on BIGGER, BETTER, HARDER, but your customers aren't, then you obviously and urgently need to start exploring the rest of the STATUSPHERE.
- If you already actively serve a diverse crowd of status seekers, figure out how you can help them to better show off their new status symbols or better tell their status stories. While they're used extensively in the BIGGER, BETTER, HARDER realm, elements like show-casing, visibility, and story ingredients are still often overlooked in the GENEROSITY, GREEN, IN THE KNOW & SKILLS, and CONNECTIVITY realms.

No doubt a topic to keep you busy for a while to come. Meanwhile, we're working on our June briefing, diving deeper into the MASS MINGLING phenomenon. No rest for the wicked!

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