Consumers will love brands that kill their pain with targeted discounts.
EMPATHETIC PRICING: In 2014 South & Central American consumers are refusing to face daily pain points alone. Instead they're turning to brands for relief: in the form of flexible (& imaginative) pricing and discounts, which target and relieve their pain.
DRIVING THIS TREND:

1. HUMAN VALUES
   Consumers expect more than a sense of humor.

2. FROM WE TO ME
   Individuals have individual needs.

3. THROUGH THICK & THIN
   There when it counts.

4. DISCOUNT FATIGUE
   Endless discounts have lost their (cheap) thrill.
HUMAN VALUES

Consumers expect more than a sense of humor.

As the expectation for **HUMAN BRANDS** spreads across the region, many businesses feel a sense of humor in their marketing is enough to show their ‘human’ side. But now consumers truly respect (and reward) brands that embrace the harder to adopt attributes: authenticity, compassion and sympathy.
FROM WE TO ME

Individuals have individual needs.

For some time, consumers have expected brands to be concerned about social, political and environmental issues. This won’t go away! Yet in 2014, they also expect brands to consider the issues they face as *individuals*. 
Many brands in Latin America are eager to be present in individuals' lives during happy moments (celebrations, sporting events, vacations etc.). But Latin Americans burdened with the demands of urban life, career pressure or family challenges, will welcome support that eases their struggles.
87% of Brazilian consumers value brands that help them achieve their goals.

- Edelman brandshare, October 2013
Endless discounts have lost their (cheap) thrill.

The once exciting phenomenon of ‘collective buying’ is now collectively boring. After 2012’s boom, many collective buying sites have closed or changed their business model. By attaching meaning to a deal or targeting it in a surprising (i.e. empathetic) way, brands can energize those suffering from discount fatigue.
8 out of 10 consumers reported they would be more likely to purchase a product from a company that supports good causes and has fair prices, than a company that simply offers discounts.

- Purpose, Edelman, January 2013
Latin Americans experience a wide variety of daily ‘pain points’. Each one provides an opportunity for an empathetic brand to demonstrate they care with a targeted discount PAINKILLER :)
PAIN POINT

To ease road congestion in São Paulo, certain license plates are prohibited from the central roads between 5pm and 8pm. This means, for example, that some workers must wait around after their shift ends.

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In December 2013, the movie theater PlayArte offered discounts to drivers affected by the traffic calming restriction between 5pm and 7pm: they paid BRL 16 for a ticket instead of BRL 20.
PAIN POINT

Time-starved Chileans are increasingly aware they don't exercise enough: 72% are trying to lose weight (GfK Adimark, July 2013). Yet they struggle to fit physical activities into their busy schedules.

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As part of the ‘Movimiento es Felicidad’ (Movement is Happiness) campaign, Coca Cola Chile equipped a taxi with bicycle pedals that passengers could use to earn a discount on their fare.
PAIN POINT

People who've had bariatric (weight loss) surgery experience a greatly reduced appetite. Therefore the portions at most restaurants are too big for them. As a result, they overpay and food is wasted.

PAINKILLER

In Brazil the cities of Curitiba, Campinas, Porto Alegre and the state of Mato Grosso do Sul, are passing laws that require restaurants to offer cheaper ‘half portions’ of menu items to customers who can prove (via medical report) that they underwent bariatric surgery.
PAIN POINT

Brazilians face the real threat of armed robbery while out at restaurants or bars: both frequent targets, as robbers expect patrons and the establishment to hold cash.

PAINKILLER

In October 2013, the Twister Pub in Rio started offering a discount of 5% to those who settled their bill via credit card. The owners believed that once robbers knew they carried less cash, everyone would be at less risk. The monthly revenue increased by 15% thanks to this policy.
In August 2013, the Venezuela-based optician Opticolor launched a three month promotion that gave a discount which increased relative to the age of the customer. For example: a 55 year old got 55% off, while a 70 year old got 70% off.
PAIN POINT

In June 2013, mass protests were triggered in São Paulo by the government’s proposal to increase fares for the city’s buses by BRL 0.20.

PAINKILLER

As a symbol of solidarity, the São Paulo-based café Coffee Lab lowered the price of its espresso from BRL 5 to BRL 0.20 during the protests.
In February 2014, Brazilian etailer Submarino offered discounts that matched the temperature outside. Summer items, such as swimwear or air conditioners, were reduced in percent by the Celsius equivalent of the highest temperature that day.

While the heat of a Brazilian summer has its upsides, when it’s too hot it can be a source of discomfort.
What opportunities are there for Latin American brands who wish to show a little empathy?
Brands across Latin America have community managers prepared to rush out a tweet or meme in response to current events. Why not go a step further and enact instant, same-day EMPATHETIC PRICING?

Once you get involved and help alleviate one specific pain point, don’t be surprised if consumers expect you to care about the next one that comes along.

Expect FLAWSOME brands to show their own pain points and maybe even ask for consumers’ help. In the right circumstances, people respond positively to vulnerability. It's all part of being a HUMAN BRAND.
EVERYBODY HURTS

Everyone has their own problems, so you won’t run out of new issues to cater to ;)
Just a few pain points waiting to be addressed by EMPATHETIC companies:

• Football team losses
• Strikes
• World Cup/Olympics inflated prices in Brazil - due to last till 2017!
• Divorce
• Even big noses!

BE PREPARED

Once you get involved and help alleviate one specific pain point, don’t be surprised if consumers expect you to care about the next one that comes along.
Think about what innovation opportunities the trend EMPATHETIC PRICING offers you. Use our free Consumer Trend Canvas tool to help structure your next brainstorm session.

Good luck!
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Nathalia Souto
Client Services Director - South & Central America
nathalia@trendwatching.com

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