

## **Changing Times: The New Consumers**

Beer Packaging  
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Through the Loop Consulting



## Beer Packaging- Facing Up To Current Issues

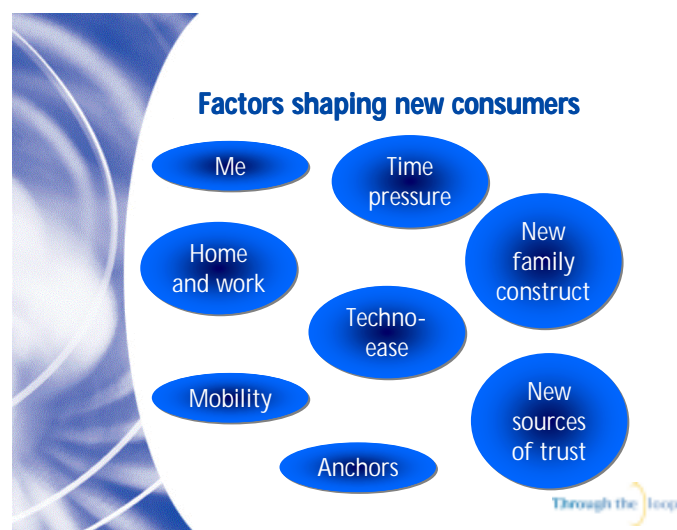
Institute of Packaging Conference

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The Bass Museum, Burton Upon Trent

### Changing Times: The New Consumers

Good afternoon ladies and gentlemen. At the end of the day it is time to look at why we are all here and consider the consumer. The consumer landscape is constantly changing and marketers have to evolve their product and service offers to reflect this.



Change is happening in many areas and these areas often overlap. However, for this brief overview I have categorised them under these eight headings to help us understand what is happening.

First we are going to cover the consumer as an individual. Consumers have always been individuals not segments but they are increasingly asserting themselves as individuals and marketers now have the tools to treat them as such.



One of the key aspects is the wish to be in control of one's life. This results from a number of reasons such as the way in which the working environment is changing where jobs are less secure than they used to be as well as areas such as healthcare and pensions provision where the individual is having to take more control as the State changes its role. In addition, greater pressure on time and the resulting stress makes many consumers wish to take more control.



- ( Recognition of individuality and self-reliance.  
 ( "I am in control of my life"
- Control at home.
  - Control of my health.
    - The State will no longer be the provider.
  - Control of the changing work environment.
    - Following era of downsizing consumers know *they* have to organise their own working lives.
    - Reflects greater demands and sources of stress.

Furthermore, consumers have greater knowledge than ever before. This gives them more opportunities to do what they want. They become

empowered to a greater degree. This also means that it is more appropriate to reach them with specific marketing messages that address their individual needs not “one size fits all” broadcast messages of the past.



**Me**

- ( Greater knowledge means greater self-empowerment.
- ( Looking for ways in which they can help themselves.
- ( Not content with untargeted messages:
  - Need for personalisation and individualisation.

Through the loop

The second area is time pressure. I'll try not to spend too long on this one!



**Time pressure**



Through the loop

Time is playing a greater role in consumers' lives. Our own research has shown that consumers are looking for ways to better manage time. This goes back to their need for control over their lives. Working hours seem to be getting longer while there are more demands on leisure time. Against this, technological innovations such as the Internet are able to

collapse time and space and radically alter the construct of time for many consumers.



**Time pressure**

- ( Consumers under greater time pressure:
  - Lengthening working hours (in some countries).
  - More demands on leisure time.
- ( Three types of target group emerge:
  - Time-poor.
  - Time-rich.
  - Time “slippers.”

Through the loop

The time-poor and time-rich groups are well-known but we have now identified a group called time slippers. Let’s now look at these groups in more detail.



**Time pressure**

- ( Distance between work and home:
  - More time spent travelling.
  - More congestion, more stress.
- ( Leads to 24-hour economy.
  - “I choose when to go shopping.”
  - Puts the consumer back in control.

Through the loop

The time-poor may have come about through difficult working patterns. Often they are involved in the 24-hour economy and will be contactable

anytime and anywhere. These are the people who are increasingly looking for more control over their hectic schedules.

The time-rich are not only the longer-term unemployed but changing working patterns and the need for flexibility in the workplace mean that people may become time-rich for short periods of time, such as between contract assignments.

The time slippers are looking for experiences. They want extra layers of excitement in everything they consume. A cup of coffee is savoured and not gulped down. These are consumers who try new products and services and it is important to appeal to their senses. They are often early adopters.

Also to be considered under time pressure is the fact that consumers are spending more time travelling to work whether it is by car or train. More congestion means more stress and the rise of road rage where there is a distinct loss of control. However, the move towards a 24 hour seven day a week economy helps consumers to gain time and to gain control. They have more choice about what they do and when and therefore have more opportunities to manage their time more efficiently.



#### Home and work



Shifting home and work patterns are having a profound impact. This flows from issues such as the decline of traditional manufacturing industry that tended to employ males as well as the rise of women as a part of the workforce.

Women account for a growing proportion of the workforce. While they have tended to occupy many part-time positions they are moving into higher-level management positions gradually. More women claim that it is important to be independent and have a job, 73% believe that if children can be looked after then it is good for a woman to work. This impacts in many areas but one is the rise of home care services such as cleaning or even dog walking. A report by the Norwich Union estimated that the domestic service industry is worth some £9 billion annually in the UK with 2.7 million households employing some form of domestic help.



### Home and work

- ( More working women (and moving towards higher-paid jobs)
- Some women earning more than husbands.
- More outsourcing of domestic tasks:
  - Cleaning.
  - Childcare.
  - Dog-walking.
  - [www.myhome.com](http://www.myhome.com). (Unilever moving into services)
  - Cooking.

Through the loop

But the workplace itself is changing. The move from manufacturing industry to the service sector has been happening for some time. However, the very nature of work means that hours are becoming more irregular, weekend working is often commonplace and there is more casual, temporary or freelance work. Flexibility is key for today's worker.



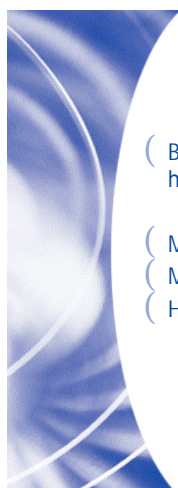
**Home and work**

( Changing working hours (reflecting travel difficulties and wished for flexibility of household tasks.)

- Hours remain long.
- Weekend working.
- Irregular hours.
- More casual and temporary work.

Through the loop

Teleworking is becoming more popular. This is not necessarily working at home every day but maybe once a week. This saves travelling time and can often be more productive. A government survey showed that it is fathers not mothers that are looking to work more flexibly in this way. It is not only mothers that are looking to fit their work around the family. 38% of men compared with 29% of women are looking to work from home. The desire for greater efficiency is the principal driver of home working.



**Home and work**

( Blur between home and work due to working at home (evenings and weekends), teleworking.

- Impact of teleworking on the home and family.

( More short-term working.

( Move from manufacturing to service economy.

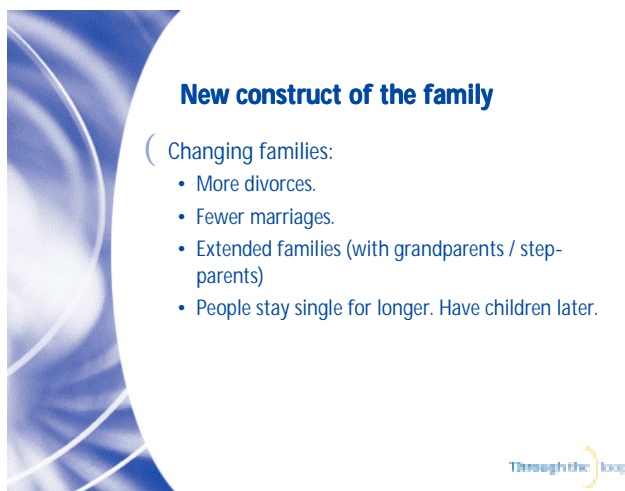
( Home remains a "castle."

- Increased interest in cooking, gardening, home decorating- "lining the nest."
- Note the plethora of DIY, cooking and gardening programmes.

Through the loop



The home is still the castle and the centre of family life. Products and services that are focused on the home are growth areas. Look at the success of TV programmes that are based around the home and their associated spin-offs.



The construct of the family appears to be in a constant state of flux. The traditional family of two adults with 2.4 children is a myth.

There are more divorces and many children nowadays grow up with step-parents and thus extended families, maybe three sets of grandparents. In addition, grandparents may live with the family. People stay single for

longer before marriage or co-habitation. This often means that they remain longer at home or they move out and live as a single-person household.



### **New construct of the family**

- ( Role of women changing as more work.
- ( Who is responsible for childcare within the new construct?
- ( Lifestage becomes an important discriminator.

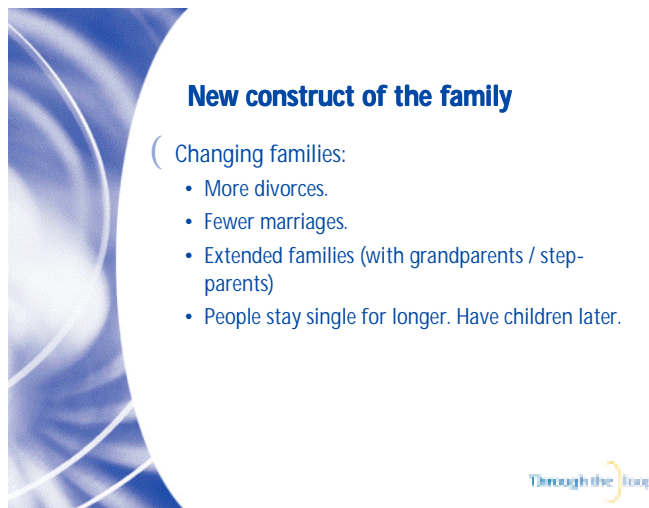


There is also a tendency to have children later. This reflects the rise of working women and more desire to enjoy your life before having children. Consequently there are more two-person, no children households. These have been referred to as “Dinkies” (dual income, no kids).

While I have already stressed the importance of the home, the fact that more women are working can mean changing roles within the home. For example, who becomes responsible for childcare when both parents are working?

At this stage I would like to introduce lifestages. With all these changes taking place, it can be useful to consider our target markets in terms of their lifestages. This is based on more than simple demographics.

The first of these that is relevant to the brewing industry is what we refer to as the “rites of passage years”. These are 15-19 year olds. This is the group that is drinking alcohol for the first time, probably. They are experimenting with their choices, are probably still living at home but socialise a lot, meeting new friends. Importantly, they are moving from school into university or first jobs. There are almost four million in this group in the UK.



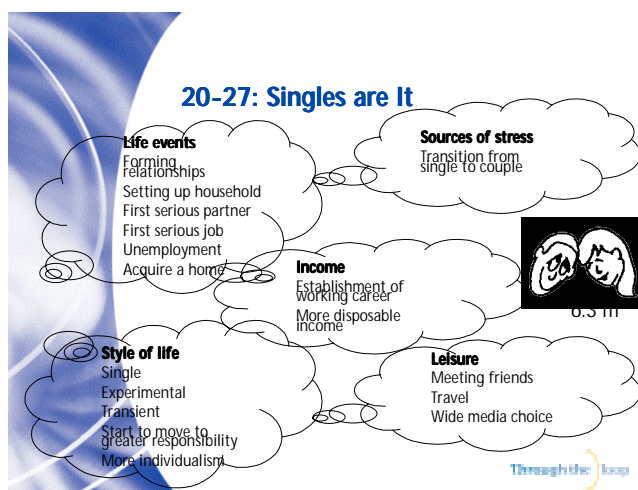
**New construct of the family**

( Changing families:

- More divorces.
- Fewer marriages.
- Extended families (with grandparents / step-parents)
- People stay single for longer. Have children later.

Through the Loop

As they move into their twenties they become more established at work and may be setting up their first household, meeting a partner and they cease being single. They are still experimenting but have to become more responsible in how they choose to run their lives.

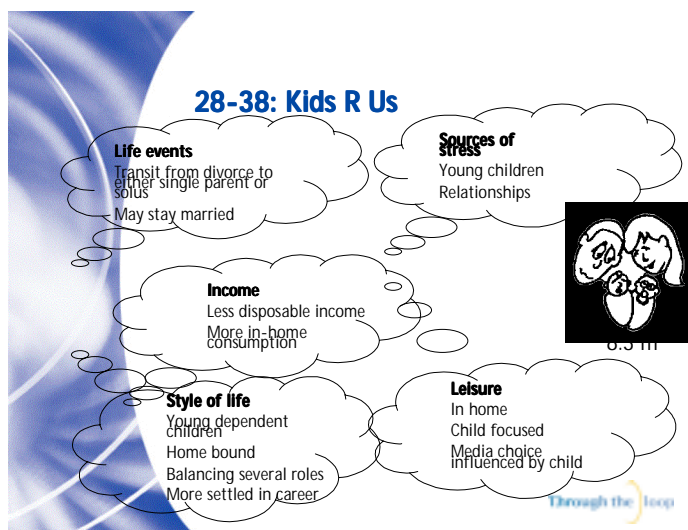


**20-27: Singles are It**

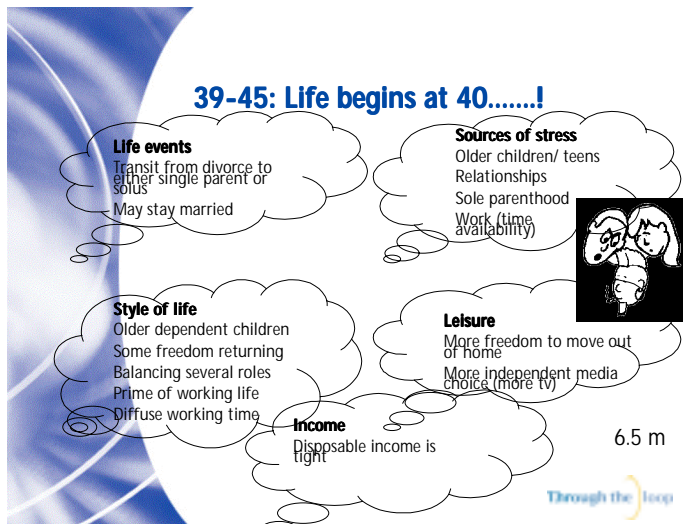
- Life events**
  - Forming relationships
  - Setting up household
  - First serious partner
  - First serious job
  - Unemployment
  - Acquire a home
- Sources of stress**
  - Transition from single to couple
- Income**
  - Establishment of working career
  - More disposable income
- Style of life**
  - Single
  - Experimental
  - Transient
  - Start to move to greater responsibility
  - More individualism
- Leisure**
  - Meeting friends
  - Travel
  - Wide media choice

Through the Loop

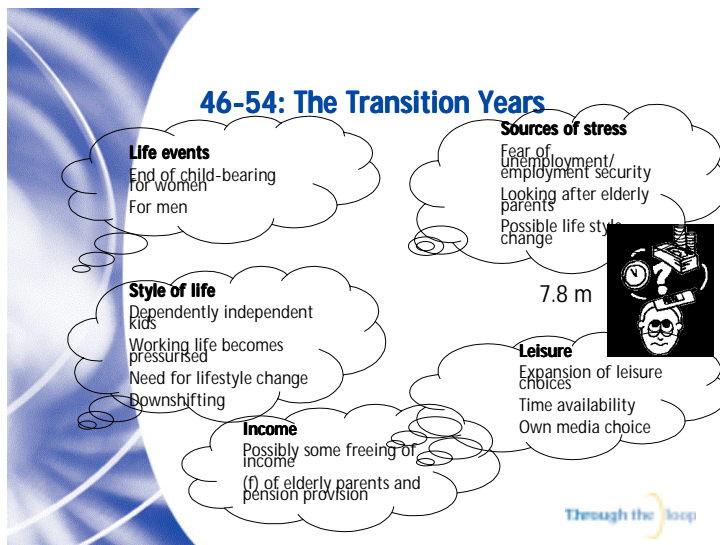
Between 28 and 38 the children arrive. At the same time, many couples divorce so there may be a number of single parents within this group. Disposable income may be lower. While they are progressing in their careers, they have to care for the children. Consumption moves into the home from out-of-home. Decisions have to revolve around the family more.



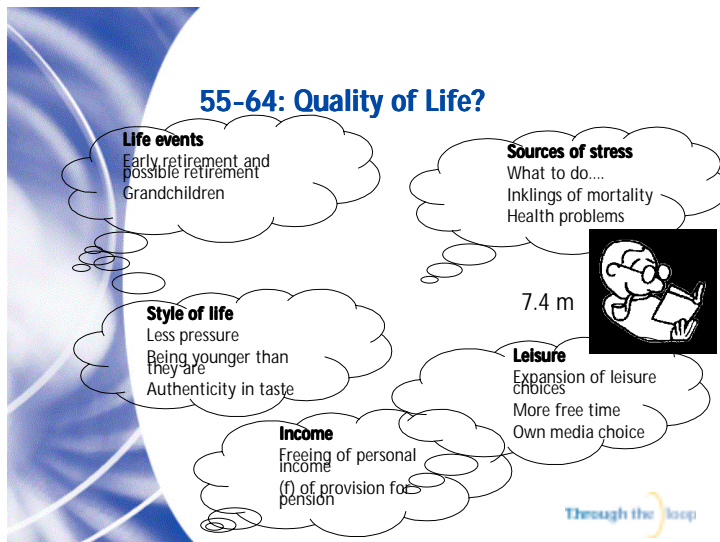
As consumers enter their forties the children are growing up and some may be leaving home. However, dependent children at home may still mean that disposable income is tight. However, the fact that children are older and some are moving out can give the parents more freedom to do what they want and socialise more out-of-home.



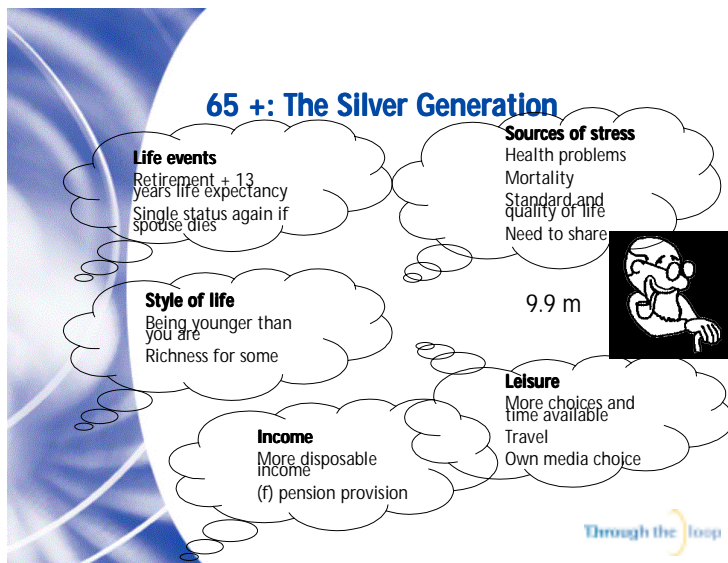
The transition years represent the beginning of a major expansion in leisure time. The career is established to the extent that downshifting and even early retirement may become a possibility. There may also be some freeing of income as children are no longer at home. Leisure options expand and they may have more time.



After 55 there is more possibility of early retirement and the pressure starts to ease. There is certainly more free time and more leisure choices. Health problems may start to become more acute.



After 65 most consumers are retired. They have more disposable income and this will increasingly be the case as more consumers make provision for their retirement. There may be a shift towards single person households if one partner dies or they may move in with children. In any case, their lives may be built around leisure rather than work.



Mobility is becoming a key issues as consumers, or more particularly employees, are having to become more flexible.



## Mobility



Through the loop

At the core of this is the fact that people are travelling further to reach their place of work. This often results from a need to live where housing is more affordable and this can result in longer commuting times. For example, living in Central London may be unaffordable for many although it represents a workplace for a large number of people.




## Mobility

- ( Greater distances travelled to work.
  - Moving jobs more often but not moving home.
  - Need to find affordable housing.
    - May live greater distance from work in order to find affordable or higher quality housing.
  - Employers more multi-national.
    - May require employees to move.

Through the loop


In addition, multi-national companies may expect their employees to be flexible and move to where the job is rather than recruiting local managers.

As a result, consumers are spending more time in the car, if they drive to work. This is made worse by the increasing congestion on the roads. The car then becomes important as an office and even a leisure centre.



### Mobility

- ( Car becomes a place where consumers spend increasing amounts of time.
  - Longer journeys.
  - More congestion.
- ( Car becomes a high-tech "castle."
  - Will become "networked."



The next move is the development of the Smart Car that is "networked." Just imagine the garage finding out what is going wrong with the car before you do!


Techno-ease refers to consumers becoming more and more familiar with new technology. Don Tapscott said in *Growing Up Digital* that "technology is not technology if it was invented before you were born."



### Techno-ease



This means that the television is not really viewed as high technology and to children the computer and Internet are perceived as normal not high-tech.



**Techno-ease**

( Technology playing greater part in consumers' lives.


- Internet, mobile phones becoming ubiquitous.
- Home and car are high-tech. (Net-enabled)
- The Smart Home- home is networked.
  - Automatic ordering.
  - Streamed video.
  - Entertainment, education.

Through the loop

Importantly what we view as high technology is playing a greater part on consumers' lives and is changing fast so it will be necessary to adapt continually to changes in technology. The Internet became a mass market very quickly once the Web had been developed, mobile phones are everywhere and are likely to play a greater role as they are able to offer more services.

I've already mentioned the car but we are also seeing the start of what I will call the Smart Home. If you imagine the impact of computer networks on the office environment, think what will happen when computer networks move into the home. There are already moves in this area and the Smart Home has the potential to revolutionise home-based communications with major impacts on the leisure industry, retail and education, for example.

What is important is that technology becomes a tool that enables consumers to do things differently, more efficiently, quicker or at greater distances.




**Techno-ease**

- Household becomes multi-PC.
- Technology becomes an enabling tool for consumers:
  - Enables distance working.
  - Growth of worldwide communities of interest.


Through the Loop

Working at home becomes possible or easier if they are able to link to the office as if they were there.

Another interesting development is the growth of worldwide communities of interest. These could be related to leisure interests, work or issues such as health.



**Anchors**



Through the Loop

These communities become important when we consider the anchors that people have in their lives.

On one hand we can see the disappearance of old communities that tend to be based around location, where you live, where you work, where you worship or even where you drink. In place of these we can observe the rise of new communities that are based less on location and more on interests and the ability to communicate. These new communities are often global in nature as the underlying communications are global. As a result it becomes possible to have close friends all over the world with whom you have more in common than your neighbour.



**Anchors**

- ( Emergence of new communities- move from old to new communities:
  - Out: town/village, workplace, church, pub (UK).
  - In: interest groups, hobbies, work-related communities,
- ( Consumers have a need to belong, they need an anchor when life is increasingly hectic and stressful.
- ( Something or someone to believe in.
- ( New forms of spirituality (not necessarily religion).

Through the loop

Consumers have a need to belong and it is these communities that can form the new anchors for them in the future more than the old communities.

On a similar theme we should consider the sources of trust and authority. Which messages are consumers going to believe and relate to?

### New sources of trust



Through the loop

Research has shown that institutional messages are seen to be less credible. This includes politicians and the church. Advertising does not have a high credibility factor but there are opportunities for brands to become sources of authority and trust. As the previous point stated, consumers are looking for some sort of anchor and even guidance in their lives.

### New sources of trust

- ( Declining trust in traditional leaders and institutions.
  - Politicians.
  - Church leaders.
- ( New sources of trust and authority.
  - "New communities."
  - Media figures.
  - Brands?

Through the loop

Finally I would like to show a few charts that illustrate some possible impacts on the brewing industry. These should be viewed as items for discussion rather than defined statements.

Demographic changes may make the target group less attractive in terms of numbers. For example, is it relevant to target the youth market if it is declining in numbers? This is where lifestage comes in and possibly



**Impact on the brewing industry**

- ( Demographic changes may make traditional target groups "less attractive."
- ( Importance of marketing by lifestage.
  - Where do brands and packaging types fit against lifestage?

Through the Loop

marketing should be focused more on lifestage than age.



**Impact on the brewing industry**


- ( The importance of developing brand experience.
  - Shifting experience in pubs:
    - New types of pubs and bars.
    - Importance of at-home drinking.
- ( Importance of innovation.
  - Constantly evolving brands to stay ahead of the competition and provide interest and engagement for the consumer.

Through the Loop

Brand experience is becoming more important. There are so many products and brands out there that it is essential to add value and

differentiate. Is it possible to transfer pub or bar experiences into a take home product? Can this be achieved through packaging or communications or by developing events for consumers?

Furthermore, brand evolution is vital in an environment where it is important to remain one step ahead of the competition all the time. Most innovations and product developments can be copied very quickly so view product launch as the start of the product development process, not the end.



**Impact on the brewing industry**

- ( Recognise consumer time perceptions.
  - Impacts of types of distribution channel used.
  - Chore versus experience shopping.
- ( Investigate evolving distribution channels such as direct.
  - Does direct delivery have particular packaging implications?

Through the lens

Time is also an important issue as it becomes even more of a scarce resource. Is it possible to link brands and product or packaging formats to time? Can formats be developed that address chore and experience shopping? What is the role of packaging for direct delivery compared with in-store shopping.



**It's over to you....**



I have covered as much as possible in a short time. This is essentially a summary of some of the key consumer issues today. However, the whole environment is fluid and needs to be constantly reviewed and revised. The companies and brands that are most successful will be those who are closer to the changing consumers.



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