2014

THE ALWAYS-ON CONSUMER

Vivaldi Partners | Group

Vivaldi Always-On Consumer Study 2014 • Research Partner: respondi

EXECUTIVE SUMMARY

As Niels Bohr said: *Prediction is always difficult, especially about the future*. While it may be difficult to look into the future and predict how consumers will evolve, we will dare to try by looking at some consumers in today's digital world.

In our research, we found consumers that we call the Always-On Consumers: they use three connected devices everyday, get online multiple times a day and do so from at least three different locations. Our study shows that 48% of consumers today are Always-On Consumers. Our analyses identified five different types of Always-On Consumers.

There are significant differences in how these consumers use (or consume) new technologies, why they use various new technologies, why they engage, how they connect with brands and how they shop.

There are enormous implications for how to build brands with these consumers and how to connect with them. Understanding these consumers will help us to see a bit of the future consumer. We hope that our work and this study serves to shed some new light on these issues.

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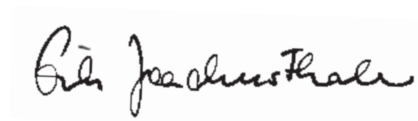
ACKNOWLEDGEMENT

I have the pleasure to write a few words of acknowledgement. This report is the product of thoughts, work and insights from a large group of people at Vivaldi Partners Group and our partners in related firms.

I have been fortunate to be able to draw on the enormous talents in our firm. Vivaldi Partners is our consulting business and is led by numerous partners and senior partners who work with clients on strategy focused on branding, marketing and innovation. Several partners contributed with their expertise. Thank you to Roland Bernhard, Andrea Wolf, Nick Hahn, Tammy Tan and Anne Olderog.

Our experience agency, Fifth Season, led by Agathe Blanchon-Ehrsam, does some great design and digital work. Inga Folta, one of the best graphic designers I know, expertly led the design in this report. From E-Edge's organizational change and leadership practice, Gaurav Bhatnagar helped in seeing that the changes companies make are not just about technology but about mindset. I also owe thanks to Christopher Morasch for handling with great care the sampling field research work with the Respondi panel.

I join my co-authors Markus, Agathe and Tobias in thanking all the contributors to this report.



ERICH JOACHIMSTHALER, PH.D

CEO and Founder, Vivaldi Partners Group

VIVALDI: ALWAYS-ON CONSUMER STUDY 2014

Our study focused on a new and emerging consumer: the always-on, always-present, and always-connected consumer that we simply refer to as the **Always-On Consumer** (or **AOC**). This consumer is now a significant part of the overall U.S. consumer population.

This new study explores the implications of the emergence of this consumer on building strong brands and businesses.

"THE CUSTOMER TODAY IS MORE CONNECTED, EMPOWERED AND DEMANDING THAN EVER."

MICHAEL BRENNER
/Vice President of SAP Marketing & Content Strategy/

AOC

01 ALWAYS-ON CONSUMER

THIS CONSUMER HAS MANY NAMES

- PERPETUALLY CONNECTED CONSUMER
- NEW ULTRA-CONNECTED CONSUMER
- ALWAYS-ADDRESSABLE CONSUMER
- MOBILE CONSUMER
- CONNECTED CONSUMER
- SMART NATIVES
- GENERATION D
- iCONSUMER
- GEN C

ALWAYS-ON CONSUMER (AOC)

01 THE RISE OF THE AOC

A NEW CONSUMER HAS EMERGED IN TODAY'S DIGITAL, SOCIAL AND MOBILE WORLD.

"In a survey by a major global consulting firm, about 7% of U.S. consumers said they would forgo showering for a year to maintain Internet access, 21% said they would give up sex, and 73% said they would sacrifice alcohol."

"The total numbers of mobile subscriptions globally will exceed the world population in 2014."

Ericsson Mobility Report, June 2013

"Mobile devices have reached critical mass ranging from 99% (Korea), 97% (U.K.) and 94% (U.S.) to 84%(Brazil), 89% (China) and 81% (India) in developing markets."

Nielsen Mobile Consumer, February 2013

"Tablets are already used by 48 M U.S. owners, a level it took smartphones nearly 10 years to reach."

comScore, March 2013

"1.1 B + active Facebook users...68% on mobiles... 60% log in daily... with average 200+ friends... 350 M photos uploaded daily."

Facebook, May 2013

"Internet penetrations range from the U.S. (78%) with a total of 244 M users, China (42%) and 564 M users to India (11%) and 137 M users with the highest growth driven by Emerging Markets."

Mary Meeker, Liang Wu, Internet Trends D11 Conference, May 2013

"On average, U.S. consumers spend 4.4 hours in front of screens including smartphones, laptop/PC, tablet, or TV."

Google: The New Multi-Screen World, August 2012

01 MOST POWERFUL PEOPLE IN 2013

THIS CONSUMER IS POWERFUL AND INFLUENTIAL

theguardian

THE GUARDIAN'S ANNUAL GUIDE TO THE MOST POWERFUL PEOPLE IN TELEVISION, RADIO, NEWSPAPERS, MAGAZINES, DIGITAL MEDIA, MEDIA BUSINESS, ADVERTISING, MARKETING & PR

1. **YOU**
   Digital Consumer
2. **Larry Page**
   Google Co-Founder
3. **Lord Hall**
   BBC Director General
4. **Dick Costolo**
   Twitter Chief
5. **Sheryl Sandberg**
   Facebook Executive
6. **Tim Cook**
   Apple Chief
7. **Jeff Bezos**
   Amazon Chief
8. **Rupert Murdoch**
   Media Mogul
9. **Sir Martin Sorrell**
   WPP Ad Group
10. **Paul Dacre**
    Daily Mail Editor

01

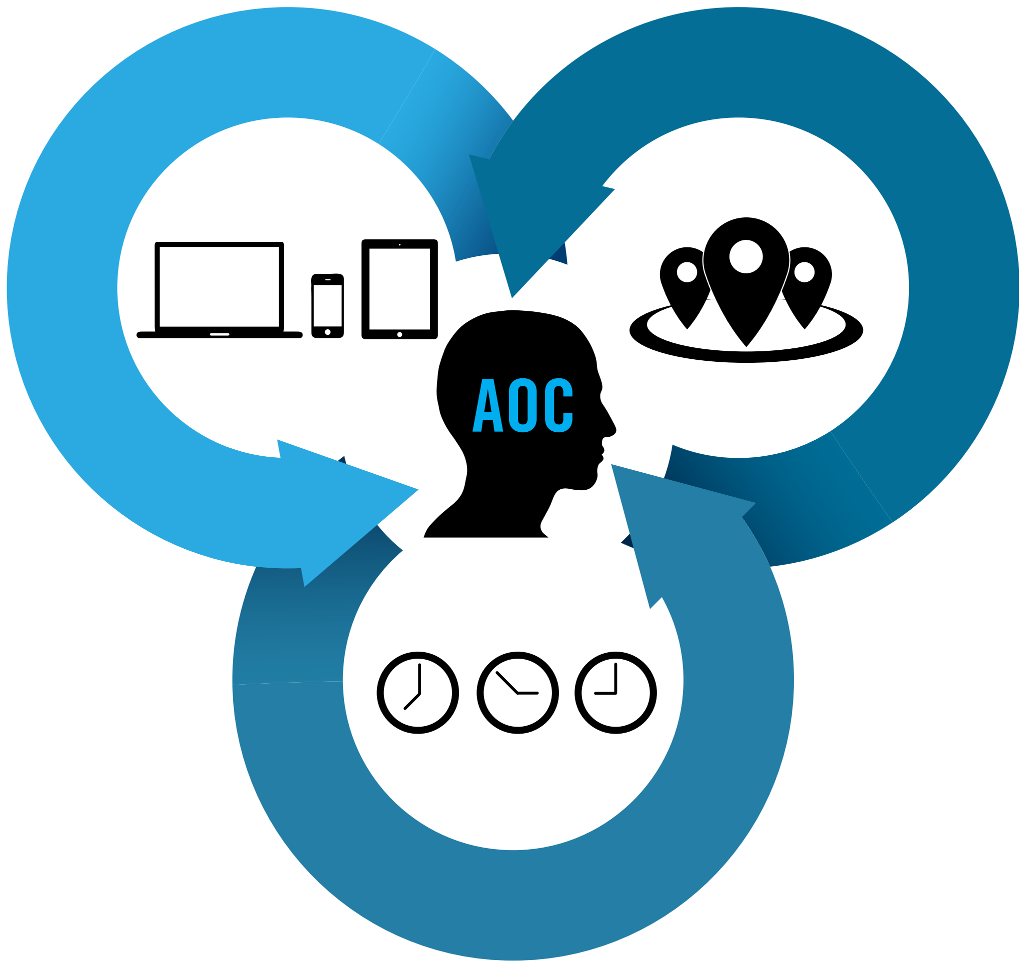
THE AOC IS INTENSELY DIGITAL

FORRESTER AND MANY OTHERS HAVE STUDIED TECHNOLOGY ADOPTION, OWNERSHIP AND USAGE

FORRESTER

MULTIPLE DEVICES

Own and personally use at least 3 connected devices



MULTIPLE LOCATIONS

Go online from at least 3 physical locations (e.g. home, work, car)

FREQUENT ACCESS

Go online multiple times a day

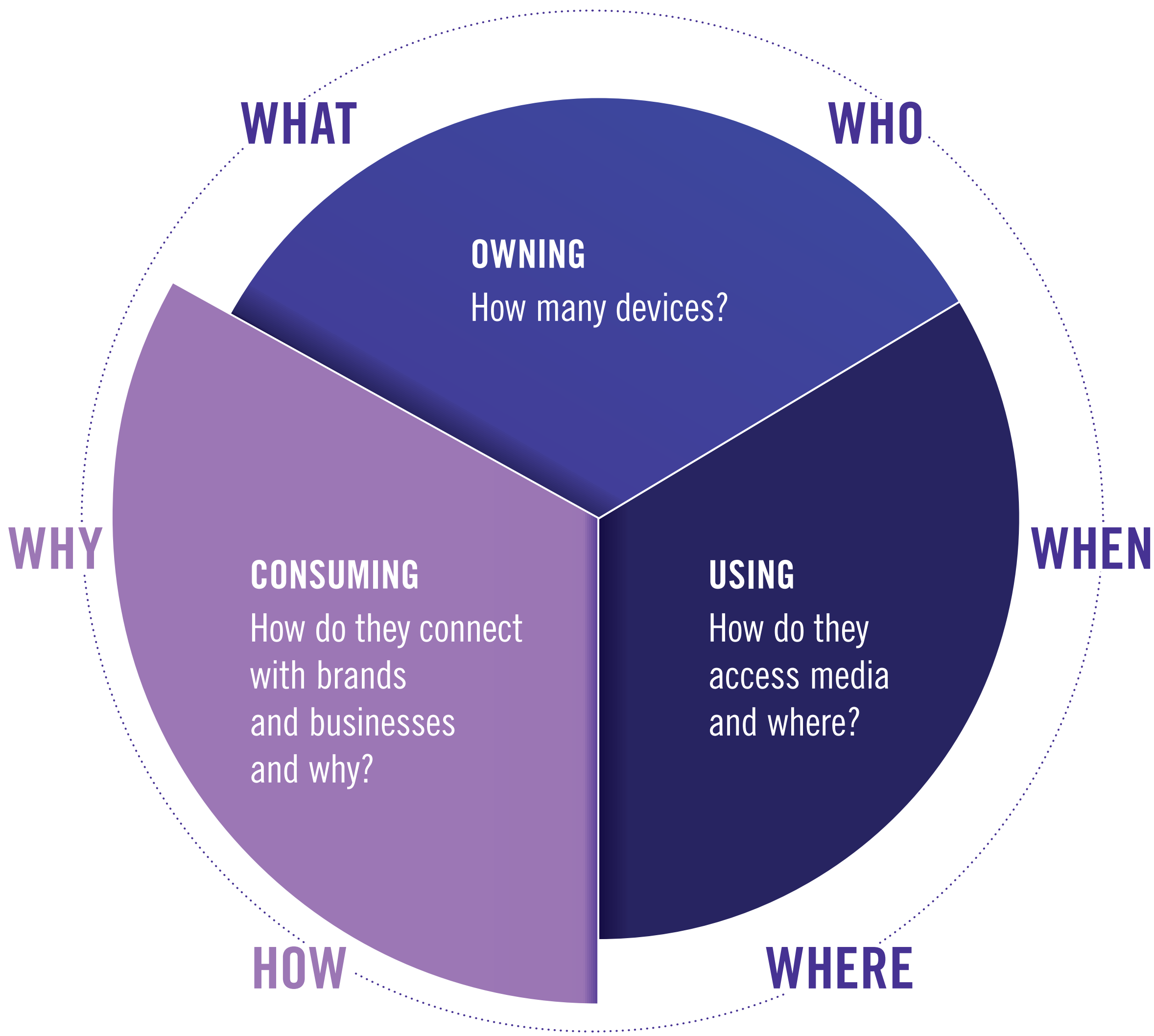
“CONSUMERS CAN TELL US WHAT THEY LIKE BUT NOT WHY.”

ERICH JOACHIMSTHALER
/Founder and Chief Executive Officer of Vivaldi Partners Group/

WHY

UNDERSTANDING THE WHY AND HOW

WE SET OUT TO STUDY THIS NEW CONSUMER. IN CONTRAST TO PREVIOUS STUDIES THAT FOCUSED ON TECHNOLOGY ADOPTION, OWNERSHIP AND USAGE, WE FOCUSED ON CONSUMPTION AND HOW CONSUMERS CONNECT WITH BRANDS AND BUSINESS AND WHY.



02 ABOUT THE STUDY

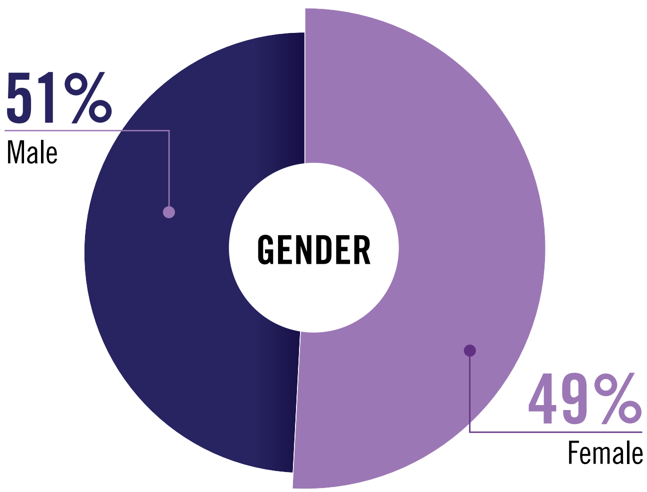
METHODOLOGY & RESEARCH DESIGN

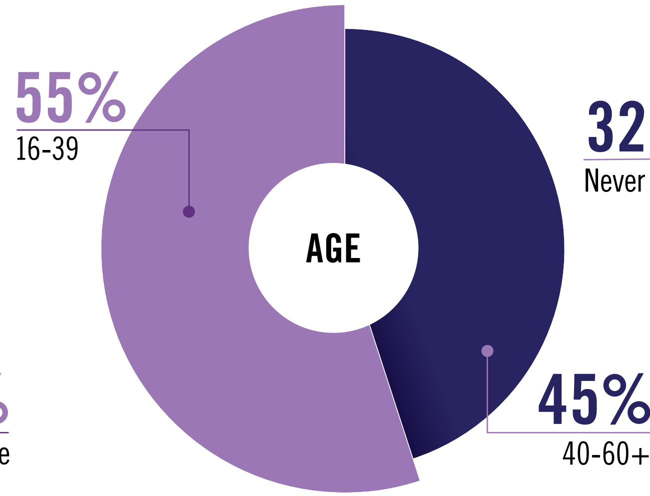
- CAWI online survey with US consumers
- Survey period: 7 days
- Sample: Total sample size: n=574
  U.S. representative (age, gender, working status)
- Screening criteria AOC
  » use at least 3 connected devices
  » go online multiple times a day
  » go online from at least 3 physical locations

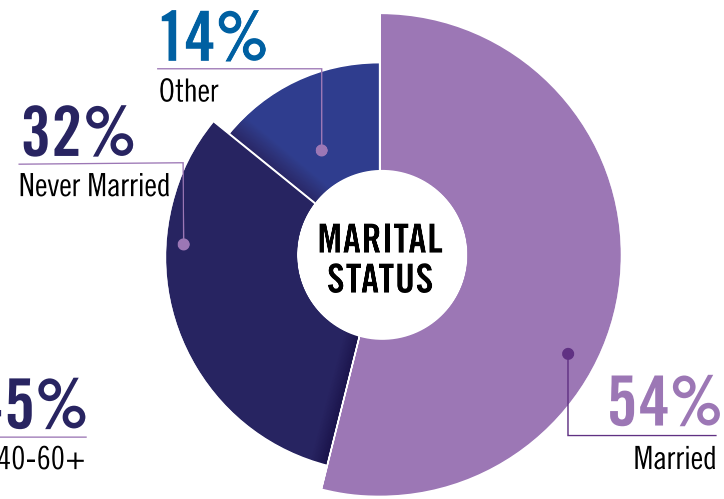
SURVEY TOPICS

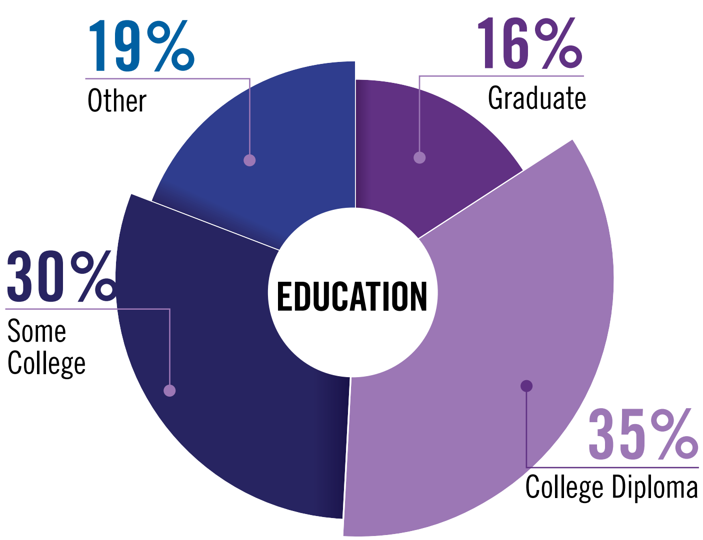
- Internet & Device Usage
- Online Behavior & Activities
- Values & Attitudes
- Purchase Decision
- Social Currency
- Socio-Demographics

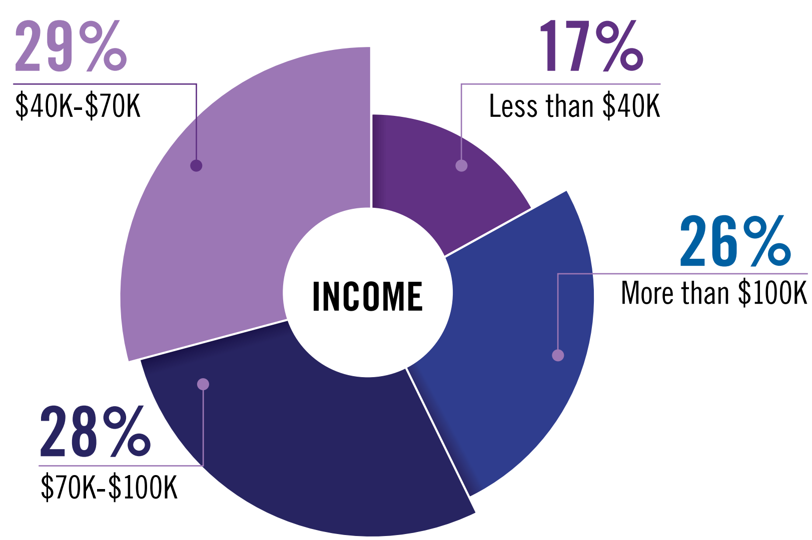
02 DEMOGRAPHICS









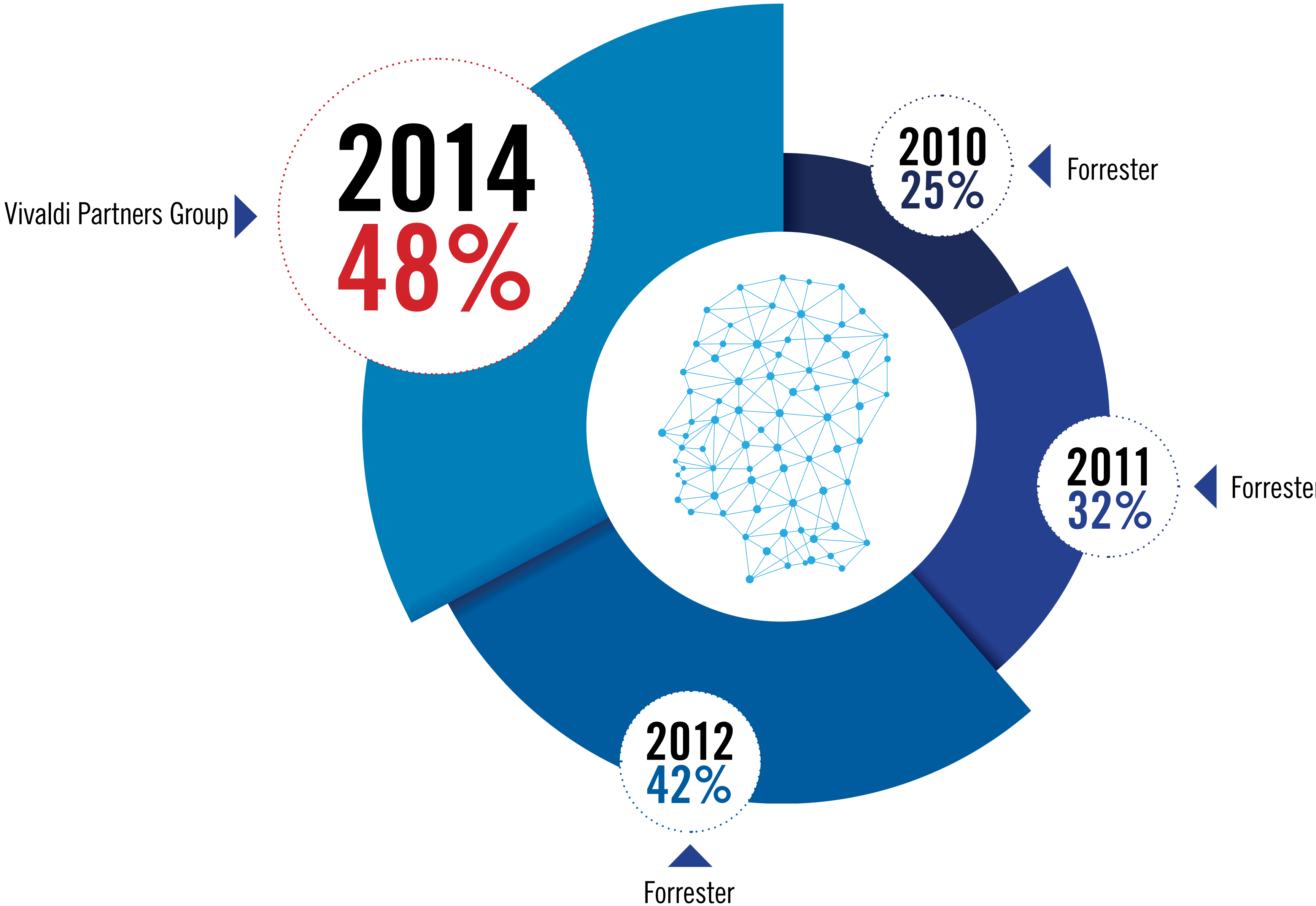


“THE INTERNET IS THE VIAGRA OF (SMALL AND) BIG BUSINESS”

JACK WELCH
/Former Chief Executive Officer of GE/

THE ALWAYS-ON CONSUMER

THESE CONSUMERS ACCOUNT FOR NEARLY HALF OF THE U.S. ADULT POPULATION TODAY.



03 WHO IS THE ALWAYS-ON CONSUMER?

AOC | U.S. AVERAGE

THEY ARE WELL EDUCATED & HAVE AN ABOVE-AVERAGE INCOME

% OWN A BACHELORS OR MASTERS DEGREE • HOUSEHOLD INCOME (*ANNUAL HOUSEHOLD INCOME BEFORE TAXES) US$ 40,000+

	AOC	U.S. AVERAGE
Bachelors or masters degree	51%	36%
Household income US$ 40,000+	80%	66%

THEY EMBRACE THE VARIETY OF INTERNET DEVICES & GADGETS AVAILABLE TODAY

% FIGURES REPRESENT SHARE OF U.S. CONSUMERS THAT OWN THE RESPECTIVE INTERNET-ENABLED DEVICE

	AOC	U.S. AVERAGE
Smartphone	92%	66%
Tablet	78%	61%
Game console	60%	43%

DIGITAL & SOCIAL CHANNELS ARE EMBEDDED INTO THEIR DAILY LIVES

% FIGURES REPRESENT SHARE OF U.S. CONSUMERS THAT USE RESPECTIVE DIGITAL PLATFORMS DAILY

	AOC	U.S. AVERAGE
Social networks	33%	21%
Photo/cloud upload & download	78%	17%
Blogs	31%	20%

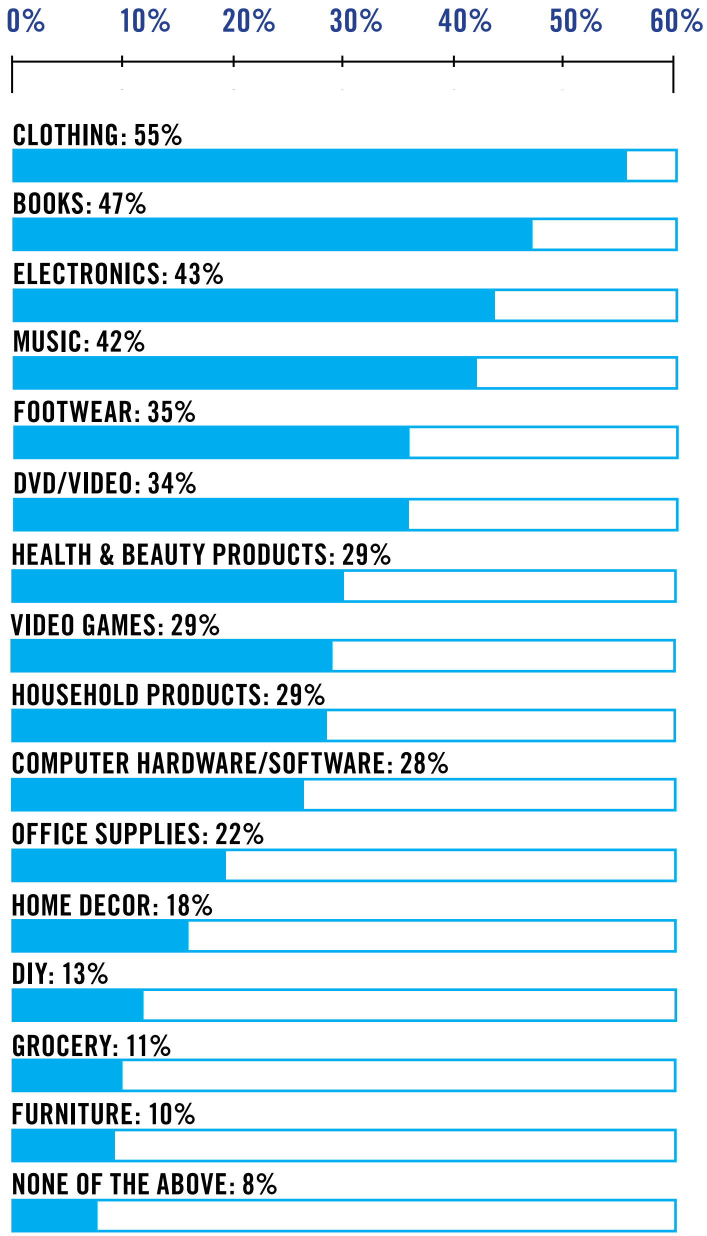
THEY ARE ALSO MORE CONNECTED & ACTIVE ON SOCIAL PLATFORMS

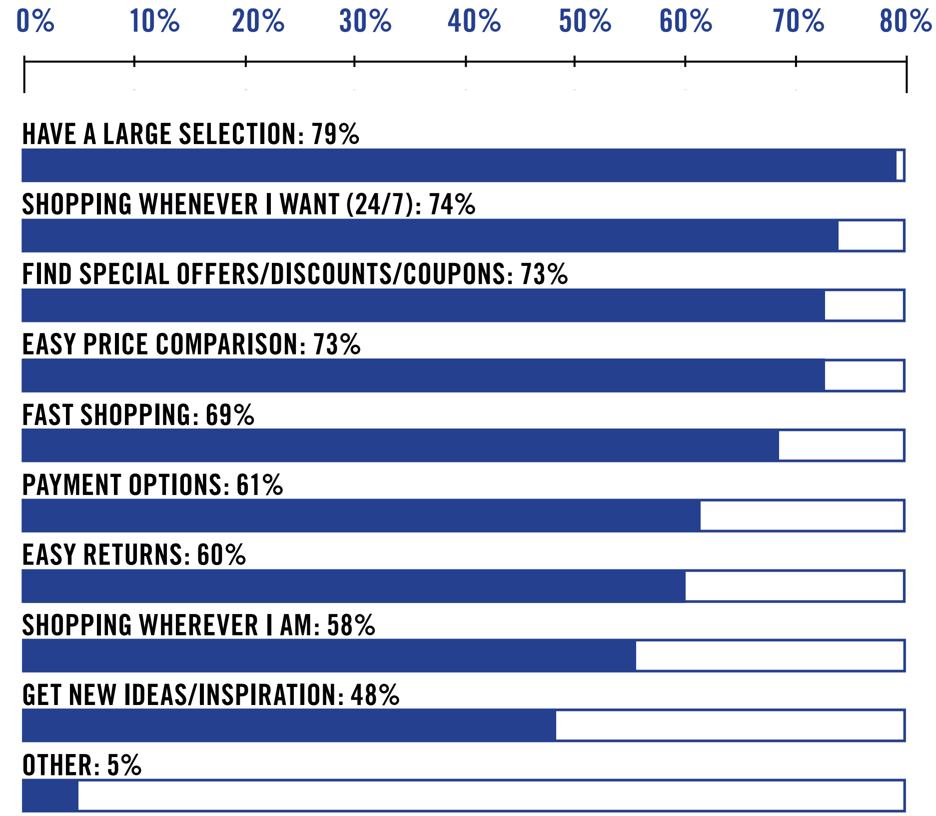
71% USE SOCIAL NETWORKS EVERYDAY

43% HAVE 200+ FRIENDS ON THEIR FAVORITE NETWORK

56% SHARE & UPLOAD CONTENT EVERY WEEK

03 WHAT DO AOCs BUY ONLINE AND WHAT BENEFITS DO THEY SEEK?

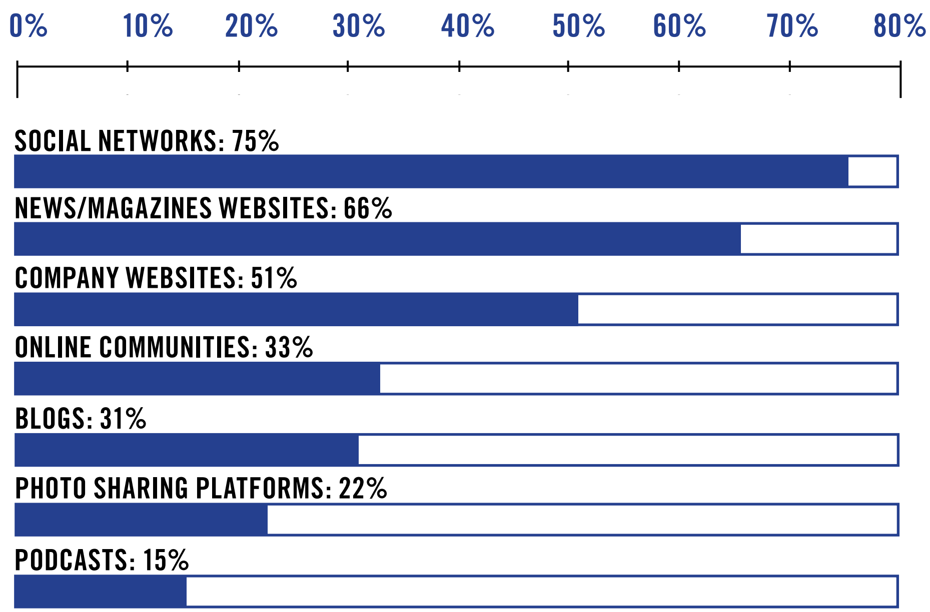


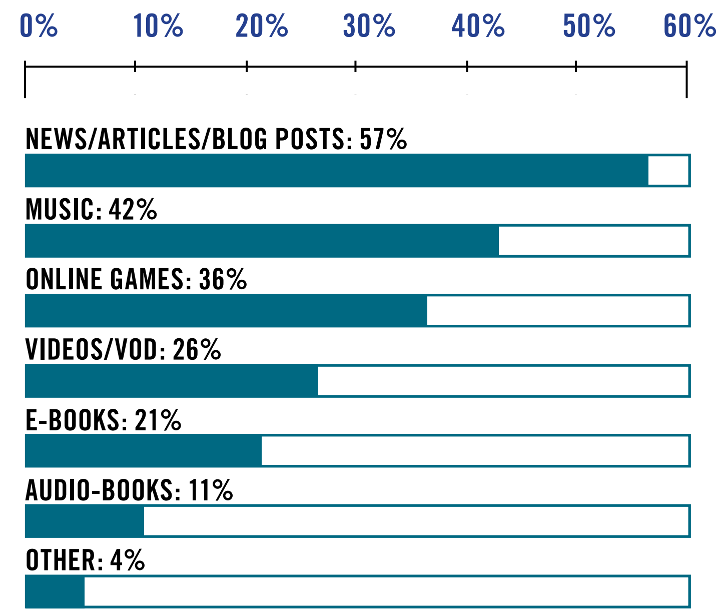


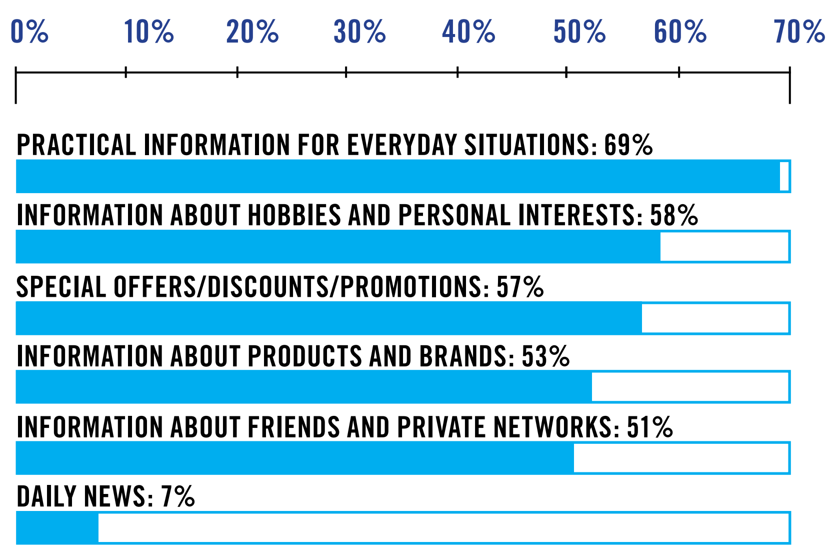
A PRODUCTS BOUGHT ONLINE

B IMPORTANCE OF ONLINE SHOPPING BENEFITS

03 WHERE DO AOCs GO ONLINE?







A USAGE OF CHANNELS

B NATURE OF INFORMATION

C FORMAT OF CONTENT

04 FIVE TYPES OF ALWAYS-ON CONSUMERS

"THE BEST PREDICTOR OF FUTURE BEHAVIOR IS PAST BEHAVIOR"

MARK TWAIN
/American Author and Humorist/

Vivaldi advisory board member and the E. B. Osborn Professor of Marketing at Tuck School of Business at Dartmouth, Kevin Lane Keller defines segmentation as dividing the market into distinct groups of homogeneous consumers who have similar needs and consumer behavior.

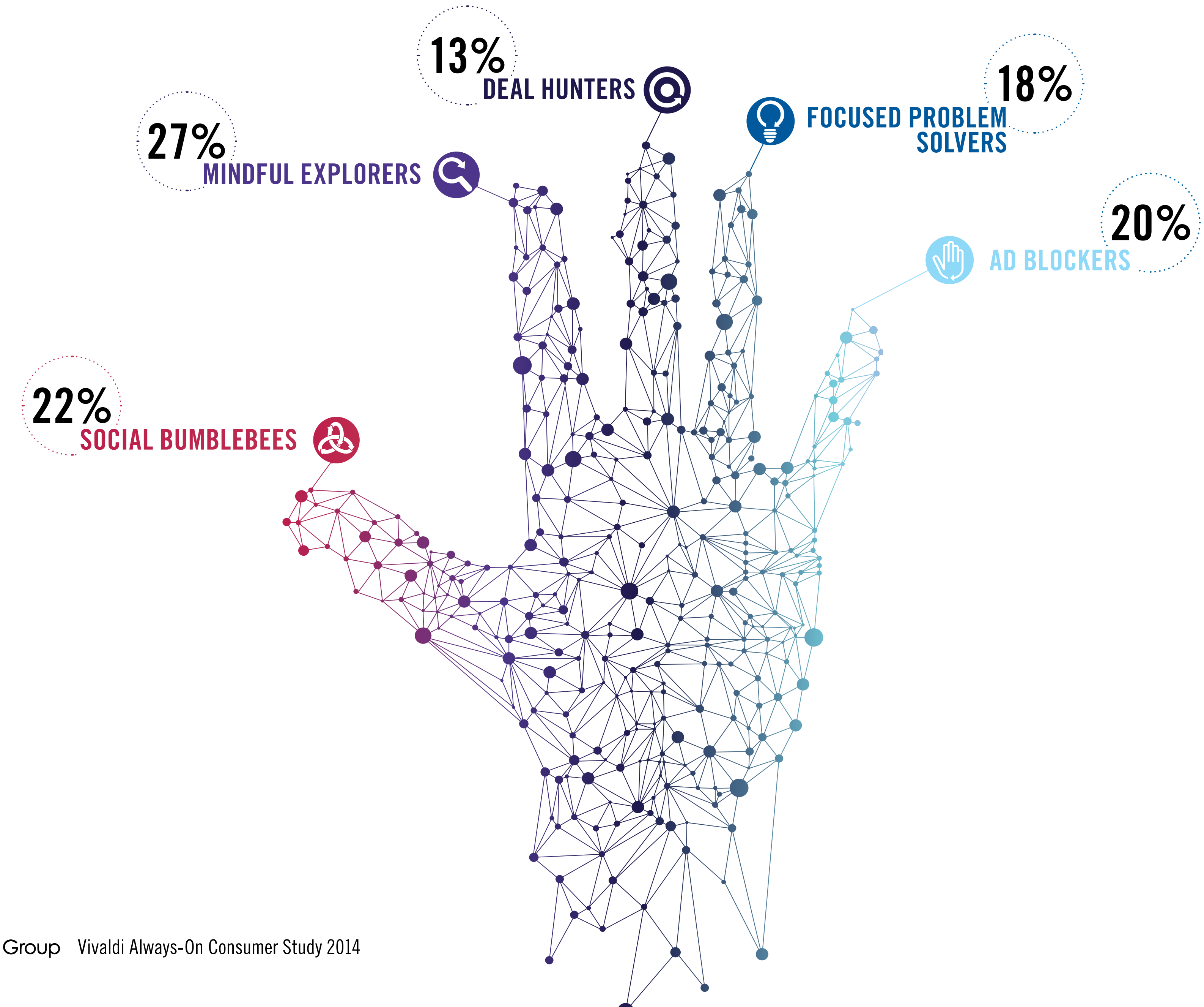
In this section, we segment consumers based on their behaviors – how they behave online and the extent to which they connect with brands and businesses during their everyday lives.

We applied various analyses, including regression analysis, factor analysis, cluster analysis and discriminant analysis, to define meaningful and substantially different segments.

WHY DOES THE AOC CONNECT WITH BRANDS AND BUSINESSES?

04

OUR ANALYSES IDENTIFIED FIVE DISTINCT SEGMENTS – EACH SEGMENT DIFFERS GREATLY AS TO WHY THEY ARE ONLINE AND WHY THEY CONNECT WITH BRANDS AND BUSINESSES.



SOCIAL BUMBLEBEE - SIMON

- EXTROVERT WHO BROADCASTS OPINIONS ONLINE
- SPONTANEOUS SHOPPER
- SHARES BRANDED AND NON-BRANDED CONTENT ALIKE
- MAKES AN ONLINE PURCHASE 3-4 TIMES PER WEEK
- SPENDS 7 PERSONAL HOURS ONLINE PER DAY

Simon is a constant presence in the newsfeed of his 400+ Facebook friends. He usually posts 3 or 4 status updates per day, including links to his favorite songs and funny Youtube videos and brief, lighthearted posts about his daily activities.

- **Extroverted**: Simon isn't shy about broadcasting his opinions. A busy professional, he knows that his work clients can see his status updates, but is not concerned about the lack of privacy. He figures, "What have I got to hide?"
- **Shopping On The Go**: Simon's iPad makes it convenient for him to shop online while he's out and about.

SOCIAL STYLE

While Simon uses email mainly for work purposes, Facebook is where he keeps in contact with friends and family through daily, casual interactions. He thinks that funny is funny, no matter the source. He's just as likely to share branded content (like Geico's "Humpday" video) as he is to share a viral video uploaded by another user.

SHOPPING STYLE

If a product catches Simon's attention, he might just buy it on the spot, even if it isn't on his shopping "list." When shopping for pricier items, he'll Google the brand/product, read a handful of online reviews and usually make a decision within a day or two.

THE LAST THING HE BOUGHT

An avid cyclist, Simon recently posted: "Looking to buy a new navigation system for my bike. Any recommendations?" and received 17 comments from his Facebook friends. The next day while he was reading one of his favorite cycling blogs, a banner ad for a nav system caught his eye. After mulling his options for two days, Simon used his laptop to make the purchase. After a week of using the new system, he posted a photo from his iPhone while he was biking, showing off his new gadget and encouraging his cycling buddies to get their hands on one.

MINDFUL EXPLORER - MARK

- EARLY ADOPTER OF NEW BRANDS/PRODUCTS
- SHOPS ONLY FOR WHAT S/HE NEEDS
- LOYAL BRAND ADVOCATE
- MAKES AN ONLINE PURCHASE ONCE A MONTH
- SPENDS 5 PERSONAL HOURS ONLINE PER DAY

Mark keeps a low profile online, safeguarding his personal data and his reputation. A news junkie and an avid gamer, the internet is a great source of information and entertainment for him.

- **Early Adopter:** of New Brands and Products
- **Loyal Evangelist**: Mark buys his favorite products repeatedly and praises them to his friends, family and coworkers.
- **Open and Engaged**: Mark is more likely than any other AOC to take a brand survey or join a brand's online community because he sees this as an opportunity to offer valuable feedback to brands he cares about.

SOCIAL STYLE

Compared to other Always-On Consumers, Mark spends less time on social networks and posts less frequently. While he is concerned about privacy and does not like to be the center of attention, he has many online friends in the gaming community, whom he has never met in person.

SHOPPING STYLE

Mark does not spend spontaneously and only shops for items he needs. When making a purchase decision, he considers many sources of information: recommendations from his family and friends, online customer reviews, expert opinions, advertisements and other info directly from the brand or retailer.

THE LAST THING HE BOUGHT

For the past few months, Mark had wanted a new pair of headphones. But he held off on making the purchase since he already had a perfectly good pair. When he lost them, his girlfriend convinced him that it was time to invest in a new pair.

On Monday, Mark began to research his options and over the next few days, he read reviews on tech blogs and in men's magazines. He also tested 8 different types of headphones in stores. By Friday, Mark had decided on a pair of Beats by Dr. Dre headphones and used his iPhone to make the purchase.

A few weeks later, he saw a tweet from his friend complaining about Beats' poor sound quality. While Mark is unlikely to broadcast his opinions online, he is quick to defend his favorite brands and products to his friends. The next time he saw Mike in person, Mark told him about all the research he had done before deciding to buy a pair of Beats, and how happy he was with his decision.

DEAL HUNTER - DEREK

- DEALS AND DISCOUNT DRIVEN
- MAXIMIZES VALUE FOR DOLLAR IN PURCHASES
- LISTENS MORE THAN BROADCAST ON SOCIAL MEDIA
- MAKES AN ONLINE PURCHASE ONCE A WEEK
- SPENDS 7 PERSONAL HOURS ONLINE PER DAY

Derek spends more personal time online and has more online friends than other Always-On Consumers.

- **Purchase Drivers**: Discount offers, editorial reviews, recommendations from trusted friends.
- **A loyal customer**, but not a vocal advocate.

SOCIAL STYLE

Derek has over 500 Facebook friends, but tends to listen rather than broadcast his own updates. Much of his online time is spent on relatively private and solitary activities, such as streaming music on his smartphone, exchanging emails with his family members and, of course, keeping his eyes open for discounts.

SHOPPING STYLE

Derek always makes sure to get the most value for his dollar. If he finds a great sale online, he might make a spontaneous purchase to take advantage of the discount. But for the most part, he spends lots of time gathering information and comparing prices before making a purchase. When considering a purchase, Derek may visit a brand or company website to research the product. Beyond that, he is not overly engaged with brands and branded content.

THE LAST THING HE BOUGHT

While browsing Groupon.com recently, Derek came across a 70% discounted rate for children's piano lessons. He thought it would be a great activity for his 9-year-old daughter, Danielle. He Googled "piano lessons for kids" to get a sense of the range of prices out there. Then he emailed his wife to make sure she was on-board. Finally, convinced that the Groupon offer was a real steal, he made sure to purchase before the deal expired.

FOCUSED PROBLEM SOLVER - FELICIA

- STICKS TO TRIED AND TESTED BRANDS
- PREFERS EMAIL TO SOCIAL MEDIA
- PREFERS BRICK-AND-MORTAR SHOPPING EXPERIENCE
- MAKES 1 ONLINE PURCHASE EVERY 3 WEEKS
- SPENDS 3 PERSONAL HOURS ONLINE PER DAY

A successful lawyer and a mother of two, Felicia is purposeful in her online activities. During this time, you're likely to find her managing her finances through online banking, making restaurant reservations or booking flights for an upcoming trip.

- **Efficient**: Shuts out the "noise" of social media and online advertising in order to make the best use of her online time.
- **Tried and Tested**: Though she tends to stick with familiar brands and products, online customer reviews and recommendations from friends and family will sometimes convince her to branch out.

SOCIAL STYLE

Felicia typically logs into LinkedIn 2-3 times per week for professional networking. She also checks Facebook regularly to see photos and updates from friends and family. As for sharing her own updates, she prefers email to social media.

SHOPPING STYLE

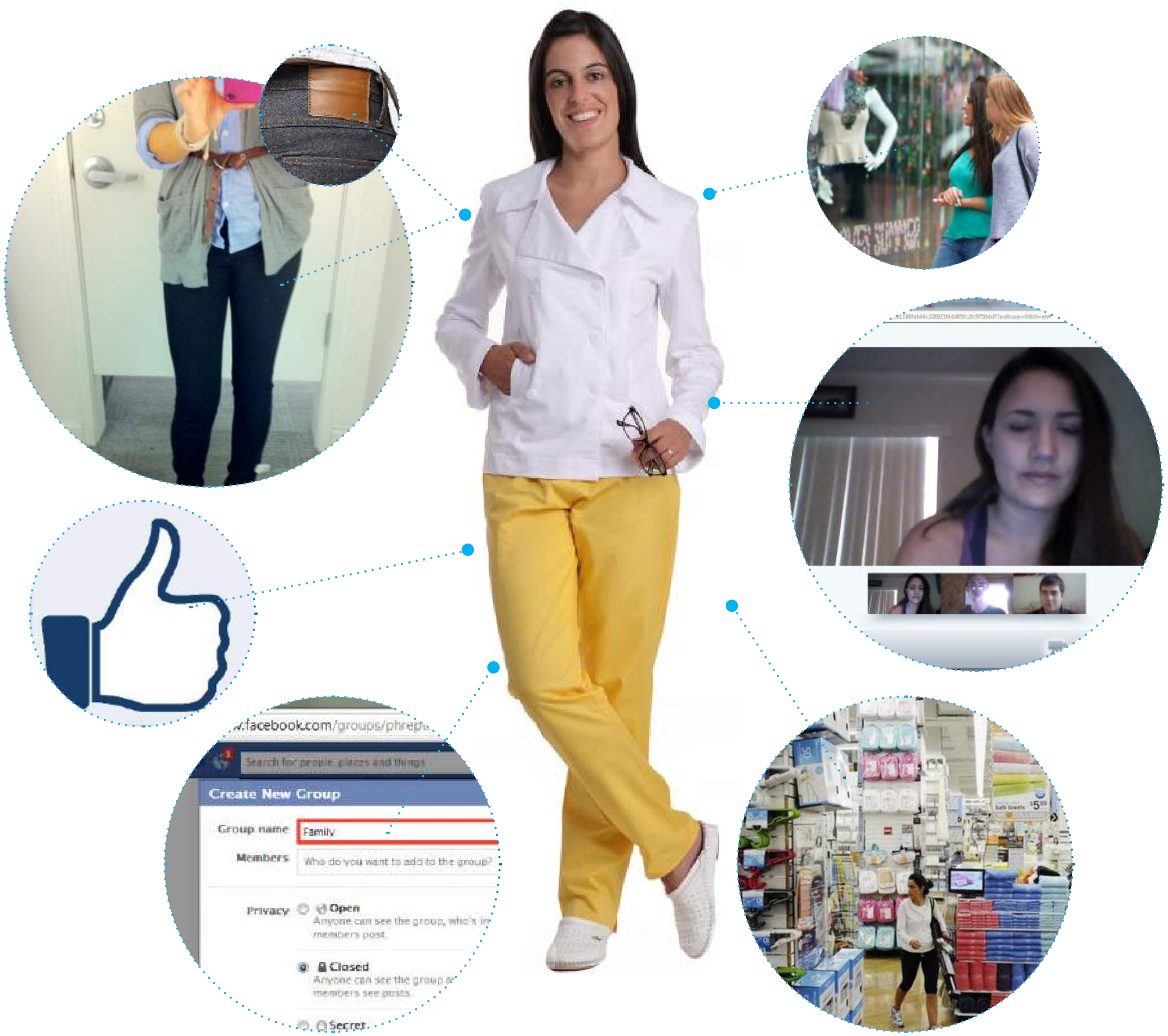
Felicia's online shopping mainly consists of restocking her staple household and personal care products. When it comes time to make a bigger purchase, she prefers to go the brick-and-mortar route so that she can see the product in person before making a decision.

THE LAST THING HE BOUGHT

Recently, Felicia was searching for a dress that she could wear to a black-tie event. Her 22-year-old daughter, Fiona, sent her several links to dresses that were available online. Felicia liked them enough, but decided against buying an expensive dress based on just a photo. Instead, Felicia decided to visit a department store so that she could have a more hands-on browsing experience and make sure she chose a dress that fit her well. She ended up selecting a dress from Donna Karan, a designer she's been wearing for years.

AD BLOCKER - ANNA

- NOT PROTECTIVE ABOUT ONLINE PRIVACY
- IGNORES ADVERTISING AND BRANDED CONTENT ONLINE
- SHOPS ONLINE MOSTLY FOR HOUSEHOLD STAPLES
- MAKES AN ONLINE PURCHASE 2-3 TIMES PER MONTH
- SPENDS 4 PERSONAL HOURS ONLINE PER DAY



Though Anna has less than 100 Facebook friends, she logs into Facebook daily to chat and share updates with this relatively small, but active, circle. Anna doesn't pay much notice to any online content unless it's a message from someone she knows personally. All the rest (including banner ads, branded content, news articles and blog posts) is not of much consequence to her.

- **Open to sharing**: Anna is not particularly protective of her online privacy.
- **Closed to branding**: She's not likely to engage with branded content or advertising.
- **Nurturing relationships**: For Anna, the internet is a tool to facilitate the close personal relationships that are important to her in "real life."

SOCIAL STYLE

Anna has a tight-knit family and circle of friends. Much of her online time is spent emailing with her sisters and cousins and browsing her loved ones' latest Facebook photos. Though she isn't an extrovert, she does love to have a bit of fun and doesn't mind being the center of attention once in a while.

SHOPPING STYLE

Anna spends less money shopping than other Always-On Consumers, both online and offline. When she does shop online, it's usually for cooking and cleaning supplies and other household staples.

THE LAST THING HE BOUGHT

While Anna was walking home from work on a Monday evening, a pair of jeans in a boutique window caught her eye. By Thursday, the jeans were still on her mind, so she popped in to the shop and tried them on. She loved the color and the fit, and at just $50, the price was right. She bought them on the spot and had the cashier put her old pants in a shopping bag so that she could wear her new jeans out of the store. It didn't even occur to her to check the brand label on her new jeans and it wouldn't have influenced her decision anyway.

WHAT DOES THE AOC THINK?





ATTITUDES	SOCIAL BUMBLEBEES	MINDFUL EXPLORERS	DEAL HUNTERS	FOCUSED PROBLEM SOLVERS	AD BLOCKERS
CARE ABOUT OTHER OPINIONS	48%	68%	19%	65%	43%
SEEK CENTER OF ATTENTION	43%	38%	34%	31%	36%
PROTECTIVE OF OWN DATA	52%	90%	67%	86%	68%
BRAND ORIENTATION	58%	72%	59%	66%	59%
OPEN TO ADVERTISING	51%	48%	35%	33%	31%

04 HOW DOES THE AOC SHOP?





SHOPPING STYLE	SOCIAL BUMBLEBEES	MINDFUL EXPLORERS	DEAL HUNTERS	FOCUSED PROBLEM SOLVERS	AD BLOCKERS
NOVELTY SHOPPER	44%	48%	41%	41%	27%
HEDONISTIC SHOPPER	51%	63%	58%	37%	43%
NEED-BASED SHOPPER	47%	51%	35%	48%	50%
QUALITY SEEKING SHOPPER	54%	64%	67%	63%	56%
VALUE FOR MONEY	65%	77%	68%	91%	82%
SOCIAL SHOPPER	36%	36%	24%	27%	28%

04

SIX KEY RESEARCH INSIGHTS

THERE ARE SEVERAL MAJOR FINDINGS

- Consumers that own and extensively use mobile devices or hang out online are far less likely to connect with brands and businesses
- It is not only marketers who leverage the new technological possibilities, it is also consumers who proactively use technology to manage their lives
- Brands don't have a right to get the attention from consumers or to connect with them. Marketers need to "earn" the privilege of connecting with consumers
- Consumers differ greatly in terms of their willingness to engage with brands and businesses and they have very different reasons to do so
- Consumers use multiple paths to purchase along the consumer journey. Traditional brand-building efforts such as integrated marketing communications efforts are unlikely to be effective
- Collaboration, commerce and communications converge to create a new paradigm for building strong brands

"THE PURPOSE OF BUSINESS IS TO CREATE A CUSTOMER"

PETER DRUCKER
/Austrian-born American Management Consultant, Educator, and Author/

As we further investigated the idea of the Always-On Consumer, we not only revealed a new consumer that segments into five different types, but we also uncovered ways that these consumers connect with brand and make purchase decisions.

Through our research, we also discovered an entirely new paradigm of building brands and businesses, in short, a new way of "creating a customer." We will now show some examples of brands and businesses that have experimented with new ways of building brands to AOCs.

IMPLICATIONS – MARKETING, BRANDING, AND INNOVATION

05

THE NEW PARADIGM CAN BE DESCRIBED ALONG THREE DIMENSIONS

A HOW TO UNDERSTAND THE ALWAYS-ON CONSUMERS

- Traditionally, market research provided a static data set of information about customers, their characteristics, needs and wants, and their perceptions of brands. Today, consumers' preferences shift daily and even hourly, marketers utilize new methods, tools and data to gain insights into consumers and what matters to them.

B HOW TO DEFINE A BRAND STRATEGY

- Over the past several decades, brands have created value through shaping the attitudes or perceptions of consumers. This is changing now. In order to be successful with the Always-On Consumers, it will be necessary to evolve branding from attitude shaping toward behavior influencing and real problem solving.

C HOW TO CONNECT WITH THE ALWAYS-ON CONSUMERS

- Brands used to be built through on-brand communications consistently executed across touchpoints. That's the past. Today, brands are built through experience, commerce, 365 days of connections that drive social currency.

"BETWEEN SOCIAL MEDIA, ONLINE FORUMS, PURCHASE HISTORIES, AND MOBILE DATA – CUSTOMERS ARE PRACTICALLY (AND LITERALLY) DRAWING A MAP TO THEIR DOORS."

MARK HEID
/IBM Program Director for Social Analytics Solutions/

The traditional means of understanding consumers and their relationship to brands was to ask them, typically via a quantitative survey or focus group. A popular qualitative method was to observe consumers in specific contexts through anthropological methods such as ethnography.

Today, we realize that surveys or focus groups are merely static snapshots of consumers' perceptions or preferences. They are backward-looking and quickly dated. An ethnography provides rich and deep exploration, but a set of a dozen ethnographies is not data, it is still just a collection of anecdotes.

Forward-looking marketers replace or supplement these "asking" or "observing" efforts with "listening" efforts. They track signals as a by-product of how people use the internet. They track behavior in the physical world through sensors and match social, mobile, browsing or location data sets. This enables marketers to access data in real-time and convert them into insights, action and evaluation/feedback against KPIs.

A. HOW TO UNDERSTAND THE ALWAYS-ON CONSUMER

1. BUILDING THE CONSUMER JOURNEY THROUGH MOBILE LOCATION TRACKING AND TARGETING DATA

TRACKING JOURNEY BEHAVIOR

The traditional approach to understanding the consumer journey is through conducting a survey. The new approach uses location data such as photos, place data, event data, digital and social data, etc. and extracts patterns, trends, intelligence, contextual information and, ultimately, the information where consumers are along the consumer journey.

MAZDA

Mazda enhances its existing surveying of consumers with mobile location tracking and targeting data from PlaceIQ. It reveals the movements of consumers in the physical world, what other dealers they visited, when they visited, how far they traveled and why they visited a store. Audiences are built at scale (400,000 Mazda dealer visitors) delivering consumer insights and the ability to connect with them.

AOC AND MAZDA

Mazda can build segment profiles for each of the five AOC segments. Their journeys can reveal actions that drive conversion KPIs focusing at each critical stage of the journey – consideration, purchase and loyalty. Behaviors appear to reveal more insights about the AOC than surveys of attitudes, opinions and interest in today's new world of mobile, sensor, cloud and big data that enables predictive modeling.

A. HOW TO UNDERSTAND THE ALWAYS-ON CONSUMER

2. BRAND TRACKING THROUGH LISTENING TO SOCIAL CONVERSATIONS

TRACKING THE BRAND

Nearly all marketers have a tradition of tracking brand equity, brand health or customer experiences. It is an annual or bi-annual activity that often includes syndicated services such as BrandZ, BAV, Meaningful Brands or others. Some also conduct quantification of the value of the brand through brand valuation. Most of these efforts are extremely costly, time-consuming and data are often not available to make decisions when necessary or where necessary (across countries or product categories).

SOCIAL MONITORING

Social listening data platforms by firms such as Crimson Hexagon, Radion6, or Visible Technologies supplement tracking data for the brand. Dashboards abound that deliver the results of algorithms that convert conversations and social musings into brand metrics and statistics, albeit imperfect ones. The power of these dashboards doesn't lie in the metrics or statistics, but the timely and context-specific consumer insights. Few companies today have effective tools in place to effectively mine these data for consumer insights.

AOC SEGMENTS

Effective brand tracking can be achieved by merging behavioral AOC segments with a brand's existing segmentation. Vivaldi uses social conversation data and merges them with PeekYou profiles to match with an existing brand's segmentation typology. It then deploys a social insights generation tool which consists of an iterative process known as qualitative heuristics for the systematic exploration and deep discovery of consumer insights that drive social currency and conversion along the consumer journey.

A. HOW TO UNDERSTAND THE ALWAYS-ON CONSUMER

05

3. MEASURING CONSUMPTION BEHAVIORS IN CONTEXT

TRACKING CONSUMPTION

In many situations, good real-time consumption data doesn't not exist. Where they do exist, consumption data often doesn't match purchase data or retail data.

Effective decision-making in real-time is impossible because of the time delays when data are available. This leads to a disconnect between brand marketing, distribution, merchandising and sales.

HEINEKEN

Heineken equipped retailers, including roadside merchants, with mobile devices to record when a bottle was sold and to whom. It tracked key business metrics (volume, packaging, prices, promotions, branding) in geographic areas as remote as the countryside in Nigeria.
The data was available hourly and permitted quick decisions on logistics, sales routing, branding and merchandising.

AOC AND HEINEKEN

The seamless integration of brand management, merchandising, sales and service delivers enormous benefits to companies. By decentralizing brand management along sales territories, go-to-market strategies can be focused on targeting and converting specific consumer segments defined in a similar fashion to this AOC segmentation. Brand decisions are effectively pushed to front-line sales and service people, enhancing commerce, experience and brand-building.

"INSTEAD OF TRYING TO BE AMAZING, TRY TO BE USEFUL."

JAY BAER
/American Marketing Consultant, Speaker, & The Author of Youtility/

Until today, the goal and value of branding was in shaping people's attitudes by creating differentiation for a company or its products. Communications was the great lever to help shape brand perceptions in a category or industry.

Now, the value of branding lies in actively influencing search, purchase and consumption behaviors, and less in shaping perceptions based on features of a product, service or a company's capabilities. The value of a brand lies in the relationships, connections and connectivity with other products and services it fosters within a larger system that solves customers' important problems in their lives.

05 B. HOW TO DEFINE A STRATEGY

1. FROM ATTITUDE SHAPING TO BEHAVIOR INFLUENCING AND SOLVING REAL PROBLEMS FOR CUSTOMERS

TRADITIONAL BRAND BUILDING

Intuit built the Quicken, TurboTax and QuickBooks brands for consumers and small to medium businesses on the back of its business software capabilities and expertise in financial applications. It evolved with technology from DOS to Windows to the Web. Its brand strategy focused on presenting these product subbrands and the masterbrand, Intuit, as a software company known as one of the best places to work and whose brand values included trusted, smart, honest, spirited and committed.

INTUIT BRAND PLATFORM

In the last three years, Intuit evolved its strategy beyond branding its capabilities or company values. The new strategy is built on a connected services, multi-platform, multi-device model with data in the cloud. It no longer brands the shrink-wrapped products as subbrands alone, but the focus is on the platform, third-party developers, an app store, partners (AMEX, for example).

AOC AND INTUIT

With over 60 million customers of Intuit, more than 45 million use the platform today. The platform appeals to various AOC segments. Social Butterflies can share advice with friends and family; Deal Hunters and Focused Problem Solvers can prepare a tax return in less than 10 minutes.

05

B. HOW TO DEFINE A STRATEGY

2. FROM A PROVIDER OF PREMIUM PRODUCTS TO A SOLVER OF INDIVIDUAL MOBILITY CHALLENGES

TRADITIONAL BRAND BUILDING

BMW has taught us how to build the Ultimate Driving Machine brand by combining brand elements such as luxury, technology, performance and German engineering capabilities into a world-class product. When BMW launched the electric car, the desicion could have been made to focus on relevant attributes such as sustainability, environmental friendliness and the carbon footprint. However, this would not have been part of the overall brand story.

BMW I3 BRANDING

For the i3 and the i8, it did not just brand the product, it branded the solution. With the car, it launched a set of services (e.g., ParkNow, ParkatmyHouse, Chargepoint, Drivenow) that is part Zipcar, part Google, part AirBnB, part FourSquare and more. The services solve everyday challenges of urban drivers, such as finding a parking spot, driving long distances with an electric car, etc.

AOC AND BMW

The new i3 and i8 appeals to the AOC who prefers the collaborative consumption model over ownership, and particularly the Mindful Explorer and the Focused Problem Solver. The brand is built through the experience of using the i3 or i8. BMW benefits through better data about its drivers and a direct and continuous relationship beyond sales and service.

“CONSUMERS ARE THE CHANNEL.”

ERICH JOACHIMSTHALER
/Founder and Chief Executive Officer of Vivaldi Partners Group/

The first step of building brands used to be creating awareness. This required cutting through the clutter. Creativity was the big enabler to come up with an ad or message that was noticed, something that was remarkable to get people's attention.

Today, with the empowered Always-On Consumer, there is no USP, no positioning, no message that does cut through the clutter. Consumers have already turned off and tuned out. What is left is rarely enjoyed, and often considered an annoyance.

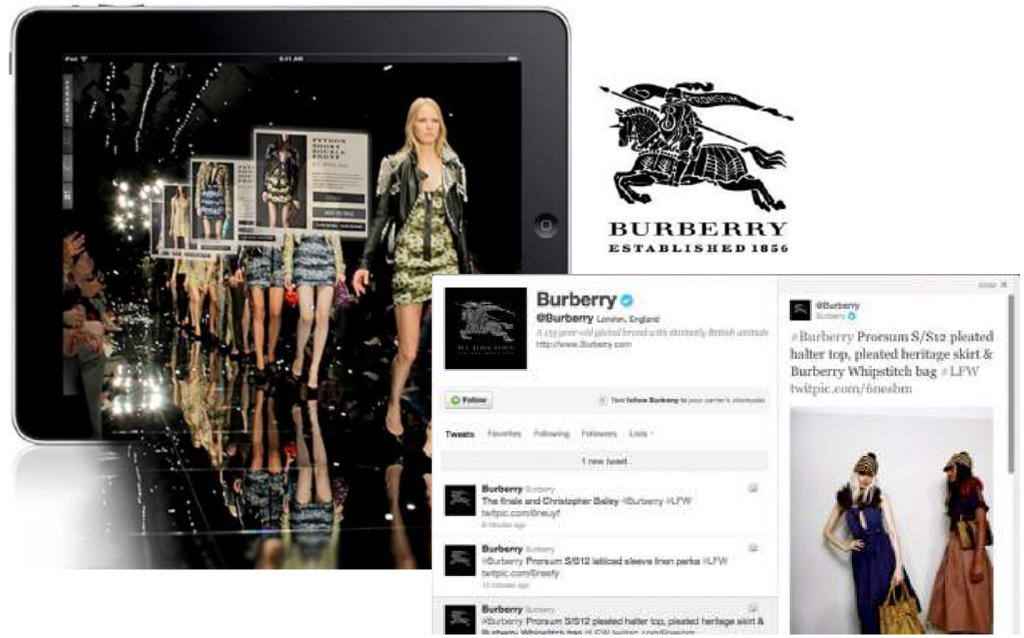
In order to build brands and communicate with Always-On Consumer, marketers need to move from a 360-degree campaign-centric communications model to a model that drives connections through 365 days of conversations, and deliver content in context – anytime, anywhere to anyone.

C. HOW TO CONNECT WITH THE AOC

1. COMMERCE, CONNECTION AND COMMUNICATIONS BUILDS SOCIAL CURRENCY AND BRAND EQUITY

TRADITIONAL BRAND BUILDING

New collections are shown in fashion shows around the world, advertised in major fashion or lifestyle magazines and featured in branded retail stores. The problem is that today's AOC shoppers often don't find time to go to the store and the influence of traditional fashion PR and fashion show reporting has been waning.



BURBERRY

Burberry has made its fashion shows available online, which allows fans to participate from the desktop or mobile phone and engage - opining, following, retweeting. Runway to Reality even lets you order the merchandise off the show, even before it is manufactured and then delivered directly to your home or to one of its stores. MyBurberry tracks your orders and allows merging of other offline and online data to predict future purchases. If there is a store visit, store personnel can recognize you upon entering any store which allows personalization.

AOC AND BURBERRY

Over 20 million have signed up on social networks with Burberry enabling the Always-On Consumer to affiliate with Burberry, to advocate for the brand, and to engage in conversation. At Burberry, commerce creates communications and builds the brand.

05

C. HOW TO CONNECT WITH THE AOC

2. BUILDING A LARGE GLOBAL COMMUNITY OF PEOPLE FOR WHOM FITNESS, SPORTS AND HEALTH MATTERS

TRADITIONAL BRAND BUILDING

Nike has invented the brand-building playbook featuring athletes bigger than life and heroes to worship. This created aspirations for the weekend athlete wannabes and everyone else. All advertising and athletic sponsorship communicated the key attributes of the brand of authentic athletic performance through technology.

NIKE FUELBAND

Nike's Fuelband was an early entry into the next dimension of internet, namely the wearables category. It changed the brand-building game. Nike offers the device for $150 which allows the wearer to track daily activity, Nike links to Nike Plus website and gives every consumer a chance to engage in fitness. Wearers of the Fuelband don't need to wear Nike shoes. In fact, millions who sign on to Nike Plus don't run in Nike shoes, yet conversion rates toward Nike products are excellent and Nike has become a daily companion for millions to do a little extra every day, anywhere, anytime, anyhow – on the fitness trail or the gym.

AOC AND NIKE

Nike does not make any outsized promises of athletic performance achievement due to Nike technology. It merely offers consumers a way to track their activities, help monitor performance, compare performance to others, invite and engage with others or have a fun competition with colleagues or friends. Nike builds community and translates it into collaboration, connection and commerce.

01 INTRODUCTION

02 THE STUDY

03 THE ALWAYS-ON CONSUMER

04 FIVE TYPES OF ALWAYS-ON CONSUMERS

05 IMPERATIVES FOR MARKETING TO THE AOC

06 CONCLUSIONS

"THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT."

PETER DRUCKER
/Austrian-born American Management Consultant, Educator, and Author/

Ambitiously, we set out to study the Always-On Consumer and to provide an in-depth look at what motivates this consumer to connect with brands and businesses in today's social and digital world.

We also sought to explore the implications of the emergence of this powerful new consumer for marketing, innovation and building of strong brands.

While we labored many months to complete this work, we believe that we have only scratched the surface.

We welcome your participation in this discovery and our journey and we ecourage you to contact us.

06 CONCLUSIONS

THIS REPORT SHEDS LIGHT ON THE ALWAYS-ON CONSUMER THROUGH A NEW SURVEY AND AN EXPLORATION OF ITS IMPLICATIONS FOR MARKETING, INNOVATION AND BUILDING STRONG BRANDS. SEVERAL KEY CONSIDERATIONS AND THOUGHTS ARE WORTHY TO RAISE.

- The Always-On Consumer is a powerful and highly influential segment that has grown to become a substantial portion of the total U.S. consumer population.
- The Always-On Consumer does not define itself through traditional demographic or socio-economic characteristics, but through five distinct types of behaviors – why they connect with brands and businesses
- Our work shows that this new consumer changes the way marketers build brands and businesses:
    - » It requires new ways, methods and approaches to understand consumers, what matters to them and how they view brands through always-on tracking, leveraging mobile, social, location-based technologies and sensors.
    - » It requires new strategies of building strong brands integrating entirely new business models into brand leadership and marketing efforts.
    - » It involves new ways of connecting with consumers emphasizing collaboration, commerce and customer experiences.

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