

Restyling Treatment

Infusium 23, a P&G cast-off hair care brand, gets some marketing TLC from a new owner. **Page 6**

Refreshed Targeting

Pepsi goes after a somewhat overlooked demo—African-American moms. **Page 7**

New Apple Release

Stoli puts live dancing into the promo mix for its apple-flavored Applik vodka introduction. **Page 36**

BRANDWEEK

VOL. 1 NO. 33
SEPTEMBER 21, 2009
\$3.99

Brandweek.com
↑

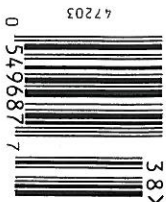


STAR PERFORMER

How did Subaru weather the recession so well? Maybe by targeting a recession-proof consumer.

See page 4

By Todd Wasserman



Who are these consumers?

A study looks at the 24 percent of the population that's least affected by the economic downturn and looks at their favorite brands.

Page 36

Research

Study Identifies the Least Price-Sensitive Consumers

By Becky Ebenkamp bebenkamp@brandweek.com

Is there such a thing as a recession-proof consumer?

A new study posits the idea that there is and identifies 59 million such U.S. adults who are a marketer's dream—especially during a recession.

Those consumers, called NEOs (for "New Economic Order"), are somewhat immune to financial fads because they value individuality and design over getting the lowest price.

They are even-keel spenders over time, thus less likely to shut their wallets during economic downturns.

Originally identified by Australia's Social Intelligence Lab in a segmentation study, NEOs contrast with mainstream consumers or "Traditionals"—the half of the adult population who are motivated by the value of the features they get and how low a sticker can go.

A consumer's "NEO-ness" is not defined by wealth, income or age per se—it is a measure of spending habits, attitudes and behavior.

In North America, marketing firm Fingerprint Strategies has used this research as the basis for tracking the attitudes and behaviors of 800,000 consumers in an ongoing survey to identify the best consumers to target in a down economy. The firm is releasing a white paper this month looking at the psychographic in detail.

"From country to country, half of the consumers behaved the same: When the economy was good, they spent, when it was down, they didn't," said Chris Norton, chief strategist of Fingerprint Strategies in Boulder Colo.

Of the remainder, roughly half had NEO traits, but didn't have the same amount of dis-

posable income. They are known as "Evolvers." But NEOs "were more consistent—they didn't fall apart when things were bad [because] they have a wider value structure: design, individual style, authenticity, providence. When NEOs find the things they want, they spend freely," he said.

Naturally, there are NEO-attractive brands, and Norton rattled off a few, including Apple, W (the boutique hotel chain), Anthropologie, Audi and Subaru [see related story on p. 4] as examples.

Apple's bustling retail environment and ability to sell products at significantly higher prices than competitors despite the economy underscores the company's understanding and targeting of NEOs, he said. Fingerprint Strategies' research also indicates that consumers intending to buy a new Subaru tend to be in this segment: 33 percent are NEOs and 41 percent are Evolvers.

The retailer Anthropologie is another NEO magnet. "It's very experiential, it doesn't lead with price and it connects on this sense of discovery," Norton said, referring to Urban Outfitter's high-end casual clothing chain. "They reduce the sense of, 'I can get this somewhere else.'"

For those interested in wooing NEOs, though,

Norton advised caution. Members of the group are easily turned off by too many marketing messages, price plays or a lack of authenticity.

"They have to know if they want the product first—you win them over with ideas and design," said Norton. "But whatever medium you use, understand the next medium they'll look at is your Web site." ■



NEOs in a Nutshell...

- The U.S. has roughly 59 million NEOs, which represent about 24 percent of the adult population. They value individuality and design over pricing and are less likely to pull back spending during economic downturns.
- NEOs can be in any income or age group: The classification is a measure of their spending habits, attitudes and behavior, not demographic data.
- 94 percent of these American NEOs are considered "Big Spenders." They are in the top third of discretionary spenders.
- NEOs are more likely to purchase things that have a personal meaning, are authentic and ultimately, are special.
- NEOs are generally the first to begin spending as the economy emerges out of recession. They rate 20 points higher than the rest of the population on measures of consumer confidence.
- NEOs measure in the top 40 percent of the 82 defining attitudes and values that motivate high spending.

Beverage Marketing

Stoli Takes New Step for Applik



Stolichnaya will add another form of media—dance—to its traditional print buy this month to launch its first red apple vodka, Stoli Gala Applik.

The brand, distributed by William Grant and Sons, is mixing with San Francisco-based cabaret dance troupe Vau de Vire Society for The Moskova Affair presented by Stolichnaya Vodka. This series of private nightclub events will visit 14 U.S. cities (San Francisco, Los Angeles, Denver, Houston, Chicago, New York and others) during a three-month tour.

While the tour was tested in a few markets in August, Gala Applik is just



launching this week. It is now being added to the dance repertoire and will play a large role in the tour. At

these club events with DJs and live music performances, subtitled "a night of intrigue," Vau de Vire Society dancers sporadically appear out of the crowd and perform short dance numbers. While the vignettes are all "inspired" by Stoli, Gala Applik is the only flavor that gets its own number—one based on the theme of temptation, said Lisa Pfenning, category director, Stolichnaya.

Stoli generally spends between \$5 million and \$10 million to market its brands each year, according to The Nielsen Co.

Stoli Gala Applik's ad campaign, created by Ogilvy & Mather, New York, plays on the theme, "Forbidden fruit no longer." Though this is the brand's 10th flavored vodka, Jack Robertiello, New York-based beverage writer and consultant for Drinks Ink, predicted that the new entry would be well received.

"I don't know of any red apple vodkas. This should be a good attention getter," he said. "[Stoli's] strength is in its flavors."

—Becky Ebenkamp