Landor's trends forecast 2009

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Landor's 2009 trends forecast

Market trends and their impact on brands

The troubled economy is on everyone's minds these days. It's affecting companies and consumers around the globe—and, by extension, brands. How will brands fare next year? Which will stand strong? Which will fail? And how will this impact our lives? Will we eat healthier foods, travel to India for medical treatment, choose more sustainable products? To find out, we interviewed 12 of Landor's experts on topics from consumer spending to real estate development in Dubai.

In the financial services sector we found, surprisingly, that most brands fared far better than their respective stock prices would indicate. The challenge for financial institutions will be to regain customer trust and focus on the basics of banking.

Digital media will be a major asset for firms looking to cut costs or build relationships with consumers, and we'll see more companies investing in it. The campaign run by America's newly elected president, Barack Obama, provided a model for the effective use of digital media in building and engaging an action-oriented community.

And let's not forget China. The 2008 Beijing Olympics brought China squarely into the international spotlight, and there's no going back. What does this mean for post-Olympic China? We think Chinese brands will expand more successfully into foreign markets, and Chinese consumers will proudly choose domestic brands over global ones. The competition is on.

No one can predict the future, but 2009 is likely to be an eventful year in many ways. Here are a few of the trends we expect to see.

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Trevor Wade is director of digital marketing for Landor Associates and editor of Landor's trends forecast. Her most recent article, "Satisfying consumers' desire for green," is available on Landor.com.

Allen Adamson
on trends in digital media

If there's any doubt in your mind that digital technology is critical to brand building, just look at Barack Obama's campaign. The new president-elect used the web to engage the electorate and reach audiences where they were hanging out, whether on social media pages or Twitter, and so lowered the cost of building a brand. If 2008 saw an increase in the time and effort brands spent on digital technology, 2009 levels will be sky-high by comparison.

What can we expect to see in 2009?

Digital as a way to operate more efficiently
Stormy economic conditions are likely to prevail well into next year and beyond. Smart organizations looking to pare budgets will use digital tools to increase productivity and cement customer loyalty. Sophisticated data collection tools will allow precise targeting and more relevant messaging, creating better return for marketing spend. Customers' ability to communicate and collaborate with brand representatives via review sites, industry chat pages, and social media will enhance word-of-mouth marketing.

Survival of the fittest will intensify
We will see an increase in the consolidation of players and in co-branding initiatives. The competition to engage consumers has never been keener. Brands that can deliver tangible benefits, either alone or with a partner, will survive. Organizations that can successfully deploy digital technology to differentiate their offerings will be able to cut spending. Digital budgets will increase to the detriment of traditional media.

What are the implications of these trends for brands?

Smart organizations will focus on three things in the coming year. First, their story line: creating relevant dialogue with consumers and providing platforms for consumer expression. Brands will need to become more creative and provide rich content, and they will have to deliver truthfully and consistently on their promises.

Second, smart brands will use word of mouth to their advantage. Viral marketing, whether planned or spontaneous, is an efficient, powerful way to get the message out. There will be a renewed emphasis on creativity and the recognition that ingenuity trumps budget. Consumer engagement and collaboration will be critical, as will the ability to create immersive, sharable experiences.

Lastly, smart brands will play to win. Search tools—the primary means of moving consumers into the buying cycle—will become increasingly sophisticated. As digital mobility accelerates, the phone screen will become the "first" screen. The Internet will go everywhere, and the on-demand world will be ubiquitous.

Which brands will stand out in 2009?

Look for Google, Blyk, Skype, and Flickr to continue delivering services that make life more convenient. Dell has made excellent use of online applications to get consumer input about its products prior to launch. Nike and Apple will continue to lead in the digital co-branding arena, as will Netflix and TiVo. Ikea's immersive online shopping experiences will contribute to its growth as a smart-value player. Procter & Gamble, Johnson & Johnson, and Ameriprise will remain leaders in integrated marketing.

I also believe Barack Obama will continue using digital technology to monitor public attitudes, ask for feedback, and get people engaged in the legislative process.

Allen Adamson is managing director of the New York office of Landor Associates. He is the author of two books, *BrandDigital: Simple Ways Top Brands Succeed in the Digital World* and *BrandSimple: How the Best Brands Keep It Simple and Succeed.* Additionally, he writes a blog at brandsimple.com/blog.

Monica Au
on trends in post-Olympic China

What can we expect to see in 2009?

International limelight
China must maintain the momentum and goodwill generated by the 2008 Beijing Olympic Games. The next major international event on Chinese soil will be the 2010 World Expo. Shanghai, the host city, and other local governments are eager to outdo each other, relentlessly investing in infrastructure and architecture to signal progress and modernization to the outside world.

Marketing flurry for the 2010 World Expo
Expect a deluge of marketing activity leading up to the Expo. Local and global brands will seize the opportunity to boost their reputations among international audiences. The Expo's sponsors, including usual suspects Coca-Cola and China Mobile, will be spending big on advertising, and ambush marketers are sure to have something good up their sleeves.

Emphasis on quality
The global financial downturn will inevitably reduce China's exports. After years of double-digit growth, this may be a good time for Chinese brands to slow down and think seriously about the future. In hard times, people buy less but better; quality rules. To combat recent negative publicity from toxic toys and contaminated food, China will have to enforce more stringent quality standards and health and safety laws.

What are the implications of these trends for brands?

Chinese brands go global
Chinese brands are eager to stake their claim on international turf. Haier and Lenovo will continue to strengthen their global presence through effective marketing. Newcomers will follow Chery and Geely Auto in using Russia and the Middle East as a launchpad for overseas expansion. Expect Chinese brands to debut at international car shows, trade fairs, and fashion weeks.

From imitation to innovation
The most significant leap forward will be the transition from imitation to innovation as Chinese brands focus on research and development. Huawei Technologies devotes more than 10 percent of its revenue to R&D, twice the international norm. Haier is establishing innovation teams in Japan and the United States to create upmarket products.

Choosing Chinese
With growing confidence in their nation, affluent Chinese will take pride in smoking Chunghwa cigarettes, drinking Tsingtao beer, wearing Li Ning athletic apparel, and equipping their homes with TCL and Midea appliances. Choosing Chinese will be regarded as an expression of good taste and self-esteem. Reputable local brands will build distinctiveness in their own backyards and challenge the more expensive global brands in the Chinese market.

Which brands will stand out in 2009?

The obvious choices are Haier, Lenovo, Ping An Insurance, and Li Ning.

China's huge domestic economy provides the most promising market on earth, but it is also the most competitive and punishing. Behind the excitement of emerging world-class Chinese brands looms the big question of their staying power. Most Chinese companies, engaged in an eternal price war, do not fully grasp the significance of branding.

It took 20 years for Samsung and Hyundai to become household names. Just give China a little more time.

Monica Au is managing director of the Hong Kong office of Landor Associates. Her article, "The next billion-dollar business: A bright outlook for consumer brands in China's new markets," is available on landor.com.

Olivier Auroy
on real estate development trends in Dubai

What can we expect to see in 2009?

For years we in Dubai have heard, "Build, and they will come."

But this could change in 2009. When the worldwide financial crisis hit the real estate market, investors started to have doubts. Dubai, which sprang from the desert to become the fastest-growing city in the world, built its success on high return for investment, thanks to favorable loan terms and the demand for real estate. You could get a mortgage, buy a property, and blindly trust a developer to deliver on his master plan—and then resell for twice as much.

According to Morgan Stanley, speculators targeting quick gains drove the 79 percent rise in Dubai housing prices from the start of 2007 until recently. But now the cash tap is closed and banks are reining in lending. Property owners will take off their speculating caps and put on their renting caps while they wait for better times.

In addition, 35,000 new residential units will enter the market in 2009. Increased housing supply and external dynamics such as the transfer of liquidity from real estate to equity markets could lead to a 30 percent correction early in 2009. It may be the end of the era of extravagance.

What are the implications of these trends for brands?

Brand Dubai will be the first to be impacted. The city had already been rocked by corruption scandals before the financial crisis hit, and its credibility will diminish further as investors' dreams vanish beneath the sand.

Many real estate brands will disappear or merge with each other. The crisis will bring hoped-for market adjustments—however mercilessly. Only the brands that have delivered on their promises will still be trusted. Others will struggle to justify their presence in the market.

We may also see increased co-branding of real estate. Alternative Capital Invest recently linked its branded towers to tennis star Boris Becker and race driver Niki Lauda, while Trident International Holdings' Pentominium will feature suites designed by and bearing the name of Salvatore Ferragamo.

Which brands will stand out in 2009?

The "big three" Dubai real estate giants—Emaar, Nakheel, and Dubai Holding—will probably be the only ones to make it through. Emaar, one of the world's largest real estate companies, has a solid track record, having successfully completed Burj Dubai and allowed investors to realize heavy returns over the last five years. It walked the talk and therefore is highly regarded.

In uncertain times, you trust a big name. You buy IBM, and you buy Emaar.

Olivier Auroy is general manager of the Dubai office of Landor Associates. His article, "Sand castles: The challenges of real estate branding in the Middle East," was published in *Gulf Marketing Review* in November 2007.

Mich Bergesen
on trends in financial services

This year produced far more drama in the banking sector than we anticipated at the end of 2007, with the near collapse of the global financial system, the failure of several prominent firms, and the intervention of governments around the world, many of whom have become reluctant part-owners of banks and insurance companies. We believe—and fervently hope—that the worst surprises are behind us and the strongest financial brands will survive.

What can we expect to see in 2009?

It will be a sobering year of *R*'s: increased Regulation, widespread Risk Reduction, Retrenchment across all sectors of the economy, and a Return to basics—all hopefully leading to a gradual Rebuilding of the core of the financial sector.

Regulation
Much has been written about the expected backlash from regulators on both sides of the Atlantic. Even the heads of some the world's largest hedge funds seem receptive to greater regulation. We expect a measured approach from authorities, but no corner of the market will be allowed to continue self-regulating.

Risk reduction
Financial firms of every kind will work down their toxic assets and reduce their debt. Risk aversion will continue, despite government efforts to ease credit conditions and encourage banks to lend more readily.

Retrenchment
All this will magnify the banking sector's woes, accelerating reductions and forcing more mergers. The market will polarize. Midsize regional banks will disappear, though small savings banks are likely to continue serving their local client base. The major corporate and investment banks will consolidate assets and clients; boutique advisory firms and asset managers will be among the few small players to survive in this arena.

Return to basics
A return to traditional deposit and lending activities will be the key trend in 2009, with banks again acting as principals in their relationships with clients. Margins will be significantly lower. As financial stability becomes the most important driver of corporate reputation, black will become the new green. Banks will focus on restoring profitability.

Rebuilding
Much hope can be drawn from the banking sector's past resilience and capacity for reinvention. Government efforts to restore financial markets and recapitalize the major firms will eventually bear fruit, and the leading banks will grasp this unique moment in financial history to resume their essential role in the economy.

What are the implications of these trends for brands?

Financial firms must regain the trust of their customers and investors by exhibiting humility, compliance, and good citizenship. They also need to promote stability and solvency, as customers will look to banks that are able to conduct business as usual. Banks willing to restructure existing loans will enjoy a strong boost to their reputations.

The importance of the core customer base cannot be overstated. Leading bank brands have not lost nearly the perceptual strength with customers that stock prices suggest. These brands still embody traditional banking products and services, and must present them in clear and simple terms. Advisory services will need to pass the Warren Buffett test: "If you don't understand it, don't buy it." Firms that acquired customers during the crisis must deliver differentiated but authentic experiences to keep them.

Mich Bergesen is global director of financial services at Landor Associates. His most recent article, "Rebuilding financial brands: Is the foundation cracked?" was published in *American Banker* in December 2008.

Martin Bishop
on merger and acquisition trends

What can we expect to see in 2009?

Merger and acquisition activity dropped sharply in 2008 and is likely to continue declining in 2009. Mergers and acquisitions in 2007 totaled a record $4.4 trillion, according to Paul Parker of Barclays Capital. But the numbers for 2008 are expected to hit only $2.7 trillion—a drop of almost 40 percent—and some estimate no more than $2 trillion in M&A deals for 2009.

The continuing financial crisis is, of course, the driver of this downturn. The market is being slowed by volatility, lack of available credit, and record-low confidence levels.

The key to merger and acquisition activity next year will be access to capital. Those who have it will be in a great position to snap up companies that are in trouble or unable to finance growth. Earlier this year, Yahoo was confident enough to reject Microsoft's offer of $33 a share. Yet now Yahoo's "for sale" sign is up, and its stock is trading as low as $11 a share.

What are the implications of these trends for brands and brand architecture?

The big themes of 2009 are likely to be consolidation and efficiency as companies batten down the hatches to weather the recessionary storm. In such an environment, companies will focus their efforts on already strong brands and jettison or reduce investment in weaker brands.

Many companies have already been building more focused brand architectures, driven by a variety of factors—from wanting to facilitate cross-selling to establishing global brands. This trend is likely to continue in 2009 as companies search for significant marketing and organizational efficiencies.

Which brands will stand out in 2009?

The most interesting M&A activity is likely to occur in the sectors of financial services and consumer packaged goods.

Financial services
The fiscal crisis of 2008 has reshaped the financial services map. Some players are gone completely (Lehman Brothers), while many others have been acquired (Washington Mutual by JPMorgan Chase, Wachovia by Wells Fargo, Countrywide and Merrill Lynch by Bank of America).

In 2009, companies that made acquisitions will be busy absorbing them and constructing brand architectures to support them. Mergers and acquisitions have a dismal record when it comes to delivering value and increasing shareholder returns; companies will have to do the tough work of strategic integration and restructuring to succeed.

Companies with access to credit are likely to be on the prowl for good acquisition opportunities. The U.S. market is more consolidated than ever, and now is the time for the larger regional banks to make their move.

Consumer packaged goods
Of all sectors, consumer packaged goods tends to be the most recession-proof. Even when times are tough, people still need to eat, and a recession may turn consumers away from upscale items at Whole Foods and toward the more mainstream products found in supermarket aisles.

Medium to large packaged goods companies typically maintain good liquidity in tough economic times and have cash on hand to make strategic acquisitions. Expect to see them targeting smaller, high-growth companies that are finding it difficult to get credit.

Martin Bishop is director of brand strategy in the San Francisco office of Landor Associates. His acclaimed article, "Brand sliders: A new tool for aiding brand portfolio decisions," was published in the *Hub* in January 2008. He also writes a blog at brandmix.blogspot.com.

Richard Brandt and Patricia Verdolino
on trends in product and package design

The economy is bringing about a shift in consumer and market behavior that will drive packaging trends in 2009 and beyond. The consumer brands that are agile enough to adapt will be better equipped to weather this downturn.

What can we expect to see in 2009?

Luxury redefined
"Acceptable consumerism" is the new ethos, with conspicuous consumption a thing of the past. Compare the fortunes of Neiman Marcus and Walmart: The luxury icon has experienced a 30 percent decline in sales, while the big-box giant has posted gains. Luxury hotel, restaurant, and automobile categories are all reporting significant losses.

Staying in is the new going out, and a "staycation" is the new vacation. Many consider food on the table and a roof over their heads the new luxury paradigm. Consumers with more substantial means will be less interested in displays of wealth. Although their desire for luxury will remain keen, flaunting it will be considered bad taste. Instead of overt status symbols, we'll see discreet luxury designed for connoisseurs who value subtle expressions of wealth.

Multiple-solutions design
Companies are turning to design to address the economic reality as well as new consumer sensibilities. Innovative packaging is one means of combating the high cost of resources and delivering products more efficiently. Walmart's redesigned milk container has reduced shipping labor by 50 percent and water usage by 60 to 70 percent. The new packaging enables Walmart to stock 224 containers in a space that used to hold 80.

More and more companies are focusing on quality, value, and sustainability to help consumers feel good about their purchases. By satisfying both practical and emotional needs, consumer brands hope to encourage spending without guilt.

What are the implications of these trends for brands?

Consumers are seeking comfort and security rather than status. Brands that hearken back to simpler, better times will do well. Nostalgic branding that speaks to old-world sensibilities will encourage consumers to do more with less. Products that help consumers create experiences at home rather than spend on outside entertainment will also do well.

More brands will turn to downsizing. Consumers have a psychological price threshold for staples, and most companies would rather reduce product size than increase price. Kellogg's, Kraft, and Unilever have already adopted this strategy, and more consumer giants will certainly follow suit.

Which brands will stand out in 2009?

The home-care segment will be well positioned because these products foster a feeling of safety and security. Brands such as Method and Mrs. Meyer's deliver on both function and emotion, having led the way in environmental friendliness and beautiful package design. J.R. Watkins natural products rely on a classic and trusted design sensibility. Parents may revert to traditional wooden toys, such as Acorn, Automoblox, and Vitra, that are high in design and have withstood the test of time.

Products that bring pleasure to routine chores will be big. The Body Shop brought out a line of men's shaving essentials. Perego introduced a high-tech, lightweight version of the 1950s baby buggy. The Flip video recorder, rated one of the most significant products of the year, reproduces a nostalgic '70s feel in the digital age.

Richard Brandt is executive creative director and **Patricia Verdolino** is client director in the New York office of Landor Associates.

Luke Mansfield
on technology trends

What can we expect to see in 2009?

Expect 2009 to herald the next generation of user-friendly technology. After years of emphasis on increased functionality and power, the focus shifted in 2008 to making technology more intuitive. Nintendo's Wii, Apple's iPod Touch, Sky+, and TiVo are all good examples of this. Expect more tech companies to follow suit.

You won't see much innovation on the surface in 2009. Tough economic times will have companies looking for margin-enhancing marketing channels, ways to improve consumer perception of current products, and innovative means of connecting with audiences. Smart companies will also invest in new product development (NPD) and establish niche markets in readiness for future growth. But overall we'll see much less NPD activity than in 2008.

Perhaps the most exciting developments in technology will be in medicine. In 2008 we saw the first use of stem cells to grow new organs that weren't rejected by their hosts. Though still in its infancy, this technology could herald a new dawn in the treatment of serious health conditions.

What are the implications of these trends for brands?

Gone are the days when you could simply present a solid functional device to the market; today's consumers choose products they connect with on an emotional level. Brands that establish the best rapport with customers garner the most goodwill and are the most likely to survive a downturn.

On the innovation front, technology brands will need to get smart about how they operate. The best have always been dynamic innovators in communications, sustainability, and new value propositions. But mediocre brands have enjoyed 16 years of easy growth and become lazy in their approach to the market.

Customer experience will be everything. In difficult times your brand's value proposition is scrutinized much more closely, making it imperative that you deliver on it. Technology companies will struggle to reduce overhead costs while offering products and services that keep them ahead of the competition.

Which brands will stand out in 2009?

We'll continue to see Apple on the march, but I expect a robust response from Nokia, striking back hard against the iPhone and leveraging its distribution muscle.

BlackBerry will also challenge with its new Storm. Business users were quickly seduced by the iPhone, but turned off by its clunky connectivity and poor battery performance. My guess is that BlackBerry will win the battle for the corporate world.

We'll see a huge shift in television. On-demand channels such as YouTube and Hulu are effectively rendering TV advertising obsolete. The coming year may see YouTube and other brands develop terrestrial channels available through regular TV providers. It's only a matter of time before fully integrated communications content becomes standard.

Facebook could be doomed as a result of its exponential growth and subsequent loss of core values. It launched in 2004 as a way for Ivy League alumni to keep in touch. Only people with the right email addresses were allowed in, and this exclusivity was part of the appeal. Now, however, Facebook is open to anyone with an email address. As it further diverges from its core audience, customers will disengage and move on to the next big thing—whatever that turns out to be.

Luke Mansfield is head of innovation in the London office of Landor Associates. Two of his articles will be published in early 2009 in *Brand Strategy* and the *Hub*.

Russ Meyer
on sustainability trends

What can we expect to see in 2009?

As consumers look to curtail spending, intense interest in green products and services will soften. We saw hints of this in the United States when we conducted the 2008 ImagePower® Green Brands Survey.[1] I believe this trend will continue and even gain momentum globally as a consequence of the economic downturn.

Concurrently, President-elect Barack Obama's commitment to sustainable energy may finally ensure the support of the world's largest economy—and biggest consumer of energy—in the global shift toward green.

What are the implications of these trends for brands?

Brands will need to integrate their commitment to sustainability into a larger message of efficiency, effectiveness, and value.

Brands that can afford to take the long view through the economic downturn could emerge on the other side as green leaders. Although it may be a lower priority for consumers in 2009, green is a long-term megatrend that will continue through the next decade.

In 2008, consumers began to perceive brands such as Walmart and GE as green because of their early commitment to selling green products and services and making demands of their supply chains. First-mover advantage can still be gained in many categories, but those opportunities won't last long.

Which brands will stand out in 2009?

Consumer staples traditionally fare well in economic downturns, and green products in the categories of home health, cleanliness, and safety will likely do well next year. Brands such as Method, Seventh Generation, and Clorox's Green Works could make big gains as consumers continue to care about the basics despite their thinner wallets.

Major corporate brands with a known commitment to sustainability should continue to gain perceptual advantage—particularly if this becomes a top priority of the United States in the next few years. Because of their existing strength, these brands may find themselves winning out over smaller brands that have occupied the sustainability space longer.

Among certain customer segments, we'll see perceptual badge value or bragging rights for purchasing green products and services. In some parts of the world, the trendiest homes today are those achieving Leadership in Energy and Environmental Design (LEED) certification. Although greenness may not be the most important factor for consumers during the economic downturn, brands should consider how they can gain competitive advantage by being the best choice for trend-forward consumers.

Russ Meyer is chief strategy officer for Landor Associates. He has given many speeches on sustainability, and his article, "Brands in the balance," was published in the *Hub* in July 2007.

1 Trevor Wade, "Satisfying consumers' desire for green" (June 2008), www.landor.com/index.cfm?do=thinking.article&storyid=599 (accessed 12 December 2008).

Susan Nelson
on trends in consumer spending

The level of concern and nervousness around spending that has emerged in the past few months is rare. We've seen brand growth toward "masstige"—prestige for the masses—reversed. Formerly healthy luxury brands are experiencing declines, and Walmart is the only retailer forecasting a strong holiday season. Compounding this situation is a growing consumer rage toward corporate bailouts, encouraging people to cling even tighter to their wallets. The catharsis that many are experiencing around a new government in Washington isn't translating into a willingness to spend. Consumers are emotional about both the realities of our current economy and the total uncertainty surrounding 2009.

What can we expect to see in 2009?

There are no indications that this downward trend in spending will be reversed anytime soon—certainly not before second quarter 2009. Higher interest rates for credit cards and the reduction of lines of credit will spell trouble for categories such as automotive, appliances, and consumer electronics. Similarly, online retailing is expected to slow if not stumble as consumers cut back their use of credit cards.

What are the implications of these trends for brands?

Simplicity, honesty, and clarity—necessary traits for strong brands—will become even more important. Nonessential product features that encourage consumers to trade up will be even less successful than usual. Clear messages of compassion and connection will reach the troubled consumer, and right pricing will garner goodwill and customer loyalty.

Which brands will stand out in 2009?

True value innovators and iconic brands will continue to be desirable. On the innovation side, iPhones and Swiffers should do well. On the value side, don't be surprised to see Vizio triumph over Sony, Accord over Escalade, and community banks over direct banks. We expect "home and hearth" brands—Disney, Walmart, Johnson & Johnson, and Dove—to do well, while the me-too's and latecomers will likely suffer.

Energy brands will have to overcome consumer rage at last summer's price increases and convince people that they really do care about the environment. Automotive brands that can effectively balance quality with the assurance that they are here for the long haul should see an uptick in loyalty.

Retail brands that provide a gratifying shopping experience with surprising value will be the survivors. With online retail sputtering, the tried-and-true online brands that have been meeting consumers' needs for nearly a decade—eBay, Amazon, and Craigslist—should fare well, while riskier, newer, and copycat online brands will suffer.

Let's just hope I'm wrong with these dismal predictions. Or maybe, if we're lucky, the economic outlook will have changed by the time you read this.

Susan Nelson is executive director of consumer insights in the San Francisco office of Landor Associates. She writes a monthly column in MediaPost's *Marketing Daily* newsletter.

Lulu Raghavan
on tourism trends in India

Lulu Raghavan is client director in the Mumbai office of Landor Associates. Her most recent article, "Going green in India: Embracing the environmental imperative," is available on landor.com.

What can we expect to see in 2009?

More medical and spiritual tourists drawn to India
In spite of the recent attacks in Mumbai, we expect that India will continue to rise in esteem as a destination for medical tourism. People around the world will become increasingly aware of and drawn to India's top-notch doctors, personalized health care, and significantly lower costs for procedures from routine kidney transplants to in vitro fertilization. India's reputation as a spiritual hub and the home of highly revered philosophies such as Vedanta, ayurveda, and yoga will also lure more tourists looking for a little piece of heaven in this overstressed world.

Upscale Indian travelers expand their comfort zones
Move over, Eiffel Tower, Swiss Alps, and Statue of Liberty: Upscale Indian travelers are ready for more authentic, off-the-beaten-path experiences. Vacations such as white-water rafting in Sikkim, cycling holidays in the Lake District, and cooking adventures in Tuscany will be big draws in 2009. This thirst for the unusual will also apply to food, with Indians willing to taste gumbo in New Orleans, foie gras in Provence, or fugu in Tokyo. Expect to meet the new, open-minded Indian traveler in 2009.

Value for time as well as value for money
Indians are notorious for their value-for-money mindset, but they also place an increasingly high value on time—especially those climbing the stairs of success. In 2009, we'll see greater importance given to both me-time and family time, such as spa holidays and family bonding vacations. Indians will also become less tolerant of inefficiency—no more putting up with endless bureaucracy and shabby service.

What are the implications of these trends for brands?

The Indian Tourism Board should position Brand India as not just an exotic travel destination but one offering high-quality health care and holistic healing. Health care and hospitality brands will have lots of co-branding opportunities to create comprehensive packages for medical and spiritual tourists. There is great potential for spa resorts in pristine parts of the country.

Hospitality brands in India will have new opportunities to enhance the tourist experience—adventure sports, cultural events, food festivals, and other activities will attract and engage business travelers and vacationers alike. Brands in this industry should pay extra attention to making everything as simple and seamless as possible for customers. Areas ripe for process innovations include online ticketing, check-in and checkout procedures, billing, and loyalty programs.

Which brands will stand out in 2009?

Some brands that I expect to do exceedingly well in 2009:

- Ananda in the Himalayas, positioned to further cement its position as the world's number one destination spa.
- Apollo Hospitals Group, bringing a greater number of medical tourists to India.
- Ginger Hotels, addressing customers conscious of value for money and value for time.
- Women on Wanderlust and other companies offering unusual holidays for Indian travelers.

Luc Speisser
on trends in healthy eating

Obesity is, and will probably remain, a key health issue. Consumers are more determined than ever to improve their health, yet obesity rates continue to rise.

What can we expect to see in 2009?

Good for my health, good for my wallet
The global recession will push consumers to focus on essentials and reevaluate the purchase of peripheral products. Even with health a priority, consumers will primarily look for brands and products that satisfy their dual needs for high quality and good value. In a January 2008 Datamonitor survey, before the current financial crisis had reached its peak, consumers already stated that price had "some" or "great" impact on their food and beverage decisions.

Don't tell me, show me
The economic downturn will also increase consumers' demand for proven benefit from health and wellness food and drinks. They will be willing to pay higher prices only if they can identify, understand, and ultimately see the products' benefits for themselves.

Natural and tasty
Interest in natural solutions to health issues is expanding, and naturally healthy ingredients are becoming more popular, though research all around the globe confirms that consumers are not willing to give up taste for health. Addressing these desires, C'Zon preserves fresh vegetables to taste as if they were delivered directly from the farmer to the consumer. The French food brand Sojasun makes innovative use of soy, known for its health benefits, in a wide variety of recipes.

What are the implications of these trends for brands?

Brands need to get closer to consumers' needs and concerns.

Closer to concerns about good value and saving money.
Stop charging inflated prices for product attributes that don't add real value. Start solving the "more for the same" or even the "same for less" equations that will boost your relevance to consumers—and probably your esteem, too. This is where brands need to innovate.

Closer to the truth.
Honesty may not always pay, but in tough times dishonesty certainly kills brands. If you increase prices, make sure they are linked to perceptible benefits. Make soft promises you can keep rather than scientific claims you might not be able to live up to.

Closer to consumers' need for clarity.
In a time of speed shopping, clear nutrition labeling is crucial to communicate your products' benefits simply and directly, enabling consumers to make healthier choices.

Which brands will stand out in 2009?

Private labels are well positioned to address consumers' desire for high quality coupled with good value.

The old standby brands that have adapted to the times without compromising their identity should fare well now, provided they remain honest. Trust is a fragile thing; consumers shift quickly from love to hate if they feel betrayed. Danone, with its unshakable 20-year commitment to health, is well positioned in this context.

Tough times also provide an opportunity for newcomers, embodying change and hope for the future.

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