

lingua business

Tendencies

By Paul Gibson



One of the most difficult and daunting tasks for any business these days is to identify consumer trends and market behaviour. In essence, their mission is to identify the tendency or direction an individual or business is going to take in the near future.

While market analysts and gurus sort through different kinds of raw data which they try to interpret, most use past behaviour as a reflection of future performance. But these models are fast becoming obsolete as the business environment has radically changed in the past year.

Companies in crisis are trying out new ways of promoting and selling their services which can most certainly be qualified as creative. New pricing strategies tend to group services and products to create effective cost structures to insure efficiency, while bringing on board new clients. (Take Telefonica for example with their new Family Duo package).

Others resort to the fast money solution: price wars. Here there is no better example than in the auto industry where dealers are willing to take their shirts off their backs to make a deal.

Consumers are spending less, but spending still outpaces savings by and large. Spanish consumers on average spend 33% above their current level of savings.

Truth be told, different businesses are affected more or less by the crisis. Automakers are going extinct, while new technologies are taking off at lightning speed.

Take mobile phones as a classic example. Sales of mobile phones continue to grow while actual models continue to develop more and more capabilities. Indeed, according to a report by Nokia, the number of mobile phone users who use their mobile to access the internet has more than tripled in the past year. Youngsters are looking for more sophisticated models and professionals are surfing the web for information and email.

But this tendency to make the mobile phone the center of attention makes sense. Mobility has allowed us to become more social, and communication has expanded beyond our wildest dreams as a consequence. But more importantly, mobile devices have allowed a number of businesses to save money on travel expenses and company visits. There is even an even greater tendency to use mobile and web advertising versus traditional methods.

So have consumers changed or have companies simply transformed? The answer to that question remains to be seen, but undoubtedly consumers have opted for clearly defining their preferences, while companies have discovered new ways to attract new business at lower costs and lower profits.

