

KRC RESEARCH

Our Insight Your Breakthrough

NEW FINDINGS FROM KRC RESEARCH Insights for a New Year

In 2010, consumers will be looking to spend more time with families without spending more money. Younger consumers, African Americans and Hispanics are most likely to feel optimistic—presenting opportunities for marketers who can tap this energy to help them jump-start their futures.

- **Digging in for a long recovery.** Nearly half of American consumers expect little change next year in their financial situation (46%) or disposable income (43%). Most also expect their overall mood to stay about the same (54%). At the same time, one in three expect their disposable income to go *down* (32%), making the overall mood one of continued caution.
- **Pockets of optimism.** Three segments of Americans are noticeably more optimistic than others—young adults, African Americans, and Hispanics. These segments may be looking for ways to start having fun again and ways to feel good about the future.

	% who think their financial situation will improve in 2010	% who think they'll have more disposable income for non-essential purchases in 2010	% who expect to be in a better mood in 2009
Age 18-34	49%	39%	45%
Age 35-54	35%	18%	38%
Age 55+	23%	11%	29%
White	29%	17%	31%
African American	54%	34%	59%
Hispanic	57%	40%	53%

- **A return to the nest.** Settling in for a long recovery means that Americans' number one New Year's resolution is spending more time with their families (37%). Fewer are focused on saving money (25%), losing weight (14%) or taking a vacation (11%). The exception? Young consumers, who are as likely to resolve to save money in the New Year as they are to want to spend more time with family.

What does this mean for you?

- Consumers' purchase decisions will remain value-driven in the New Year.
- Re-introduce light-hearted and optimistic themes into marketing efforts.
- Products and services that facilitate group get-togethers will get noticed.

© KRC RESEARCH 2009

700 Thirteenth Street, NW
Washington, DC 20005
www.krcresearch.com

T +1 202 628 1118
F +1 202 585 2779

919 Third Avenue
New York, NY 10022

101 Main Street, 8th floor
Cambridge, MA 02142

Fox Court
14 Gray's Inn Road
London WC1X 8WS U.K.

In 2010, digital communications will continue to grow in reach, but for older consumers, they don't yet substitute for traditional channels. Mobile phones are now a key channel for reaching nearly all consumers.

- **Phones still reach more Americans than digital communications.** Two in three Americans can be reached by telephone, and mobile phones now have as much penetration (64%) as landlines (69%). In contrast, fewer than half can be reached by email (42%), and just one in five say they can be reached through a social media network such as Facebook or Twitter (18%).
- **Digital media continues to mainly reach younger consumers.** Facebook, for example, reaches one in four Americans between the ages of 18 and 35 (28%), but fewer than one in five middle-aged consumers (16%) and fewer than one in ten older adults (9%). Moreover, one in four young consumers say they trust social media for news and information (29%), and nearly as many trust corporate web sites for news and information (23%). Keep in mind, however, fewer older Americans (ages 35+) currently trust corporate web sites (12%) and social media sites (14%) for news and information.

In 2010, smart employers will look for ways to strengthen workers' loyalty—especially among younger workers.

- **Beware of talent drains.** One in three working Americans (30%) say they will look for a new job in 2010. Younger Americans (under 35) are much more likely to jump ship (46%) than middle-aged (24%) or older (16%) consumers.
- **Workers are looking for greener grass.** Those Americans currently employed who expect to look for new jobs in 2010 are more likely to be looking for better jobs with better benefits (33%) than reacting to economic uncertainty and the absence of job security (17%).

Critical questions for you:

- Does your employee relations program and/or strategy rest on solid ground?
- Is your external communications and marketing mix maximizing your reach?
- How much are you trusted as a corporation?

For more information, or for ways to generate new insights or test new ideas for your clients, please contact Jennifer Doyle at 617-520-7280 or jdoyle@krcresearch.com