

Fact or fiction: on the trail of the global consumer

As choice continues to increase and behaviour aligns, could a truly global consumer emerge?
Nick Hughes investigates

There's a famous scene in *Pulp Fiction* in which Samuel L Jackson's character embarks on a monologue about how, in France, a McDonald's Quarter Pounder with Cheese is called a "Royale with Cheese". The point is to highlight the cultural differences between nations, but it could just as easily have been a comment on their commonalities. These days, French consumers are just as likely to tuck into a McDonald's meal as Americans, not to mention Israelis, Chinese and consumers in the 115 other countries in which the fast-food chain operates.

But as the relentless march towards a global economy continues to accelerate – driven in recent years by further market liberalisation and giant leaps in digital connectivity – the question of whether there is truly a global consumer remains complex. Teenagers in China may be tapping away on the same iPhone as their equivalents in the UK, yet the way in which they purchased that phone, how they use it and their expectations of its performance may vary dramatically.

Cultural differences

"There's no doubt that globalisation has made the world a smaller place," says Andrew Gilboy, vice-president EMEA at cloud ecommerce provider Demandware. "However, in terms of a global consumer, we've found that subtle cultural differences continue to exist around the world."

Kate Waddell, managing director of consumer brands at design and innovation business Dragon Rouge London, believes that the term 'global consumer' has more relevance to the capacity for today's consumer to have



a more global than local view of the world and their choice within it, than it does to the idea of homogeneous consumer type with behaviour, attitudes and usage in common.

She explains: "With the cultural diversity of the world, it's hard to envisage a truly global consumer even in the middle term, but more that there will be global consumer behavioural segments and clusters in common."

Consumer preferences are unquestionably more globally aligned in

"YOU HAVE TO TAKE A GLOBALLY CONSISTENT APPROACH TO THE BRAND"

Susanne Given, Superdry

some sectors than in others. "There is internationalisation in young fashion," says Richard Perks, director of retail research at market analysts Mintel. "Young people seem to want to wear more or less the same things wherever they are, but as they get older, local differences become more important. There is also internationalisation in electricals because the products are the same."

Gilboy agrees that there is more alignment in electricals and technology,



as consumers strive to have the latest mobile device or HD television.

“The geographical barriers have been broken down there to a certain extent with launches from the likes of Apple and Samsung becoming truly global events,” he says

In categories such as food, fashion and cosmetics, however, Gilboy says there is much more regional variation.

“There’s more cross-pollination of influences and ideas in these sectors than ever before, though still a wonderful array of diversity, which is incredibly important,” he says. “It’s one thing for a smartphone to be identical in London and Hong Kong, but I don’t think anyone would want or expect the food or the fashion to be exactly the same,” he says.

Food is perhaps the best example of a category in which cultural differences continue to drive local demand – although even here there are noticeable shifts towards a more homogenous global diet. “The westernisation of consumer diets in regions like China, South America and Southeast Asia has been relatively rapid, with everything from M&M-topped pizzas being served in rural Brazil to domestic energy drink businesses multiplying in number in Southeast Asia,” says Mintel global food and drink analyst Alex Beckett.

The pizza oven problem

Some consumer needs are universal, and convenience and affordability are recurring themes in businesses’ attempts to engage with a global consumer. But Beckett is keen to point out that beyond the influences of marketers, daily food choices of consumers from one geography to the next are shaped by everything from domestic food crop production to religion, dietary preferences based on ethnicity and even ownership of kitchen equipment. “For example, the retail pizza market in China is limited owing to low ownership of ovens,” he notes.

The practice of testing new food launches in undeveloped markets ahead of more mature ones is a means by which businesses are gradually whittling away at cultural food differences, according to Beckett. He offers as an example Nestlé’s peelable Peel-a-Pop ice cream, which arrived in the US only this summer yet has been available in Thailand since 2010.

For retailers interested in selling their products in international markets there is no one-size-fits-all approach. Even within sectors, retailers adopt different approaches to selling to globally dispersed consumers.



Superdry’s website showcases the brand’s global reach

Superdry chief operating officer Susanne Given told this year’s Retail Week Live audience that the fashion retailer’s offer across its territories is broadly similar because shoppers in most countries want the same thing. “The global consumer has amalgamated into more of a consistent consumer,” she said. “You have to take a globally consistent approach to the brand.”

Given noted that although marketing can change between markets to account

for different seasons or calendar events, ultimately the stores give the same experience. She added that because Superdry’s distinctive branded apparel is not determined by trends, the retailer is able to appeal to shoppers across the world with the same products.

Etailing and understanding

Fast-fashion retailer Asos takes a very different approach to its global markets. Chief information officer Pete Marsden told Retail Week Live how the etailer starts almost afresh in each country, with sites tightly tailored to appeal to local consumers. Asos’s Chinese site, for example, has a home page almost twice as long as any other home page.

“Chinese consumers really love to understand the product,” said Marsden. “There are five times more images on products and more customer reviews.” He also highlighted how Chinese consumers use online live chat services a lot, but are very particular about the advice they are seeking.

“They don’t want any ‘hello, how are you?’ – they want yes or no answers. They want to get rid of all that rubbish. They’re quite clinical in that way,” he said.

As global preferences align but cultural differences persist, the challenge for retailers operating globally is how to segment consumers. Is geography still the most appropriate demographic, or are other means of segmentation becoming increasingly important?

Geography is still a key factor, according to Gilboy, but it can’t be viewed in isolation. “Age is important – we know different age groups will shop and interact in different ways and on different devices. If older people are migrating away from the desktop, for example, we know it’s more likely to be to a tablet rather than to a smartphone.”

Waddell believes geography is still relevant but increasingly it is regions or cities, rather than countries or continents, that are likely to share more in common. “The inhabitants of Sydney, São Paulo and Tokyo, ‘alpha cities’, might have more consumer behaviours and views in common than those within a continent,” she suggests. “The global patterns align now more with an affluence, education, choice and exposure pattern – only then do more global consumer behaviours seem to emerge.”

Where shopping is concerned, what unites also divides. But as choice continues to increase and behaviours begin to align, perhaps a future where a global consumer really does exist is emerging, although some way off.

“GLOBAL PATTERNS ALIGN WITH AFFLUENCE, EDUCATION, CHOICE AND EXPOSURE”

Kate Waddell,
Dragon Rouge London