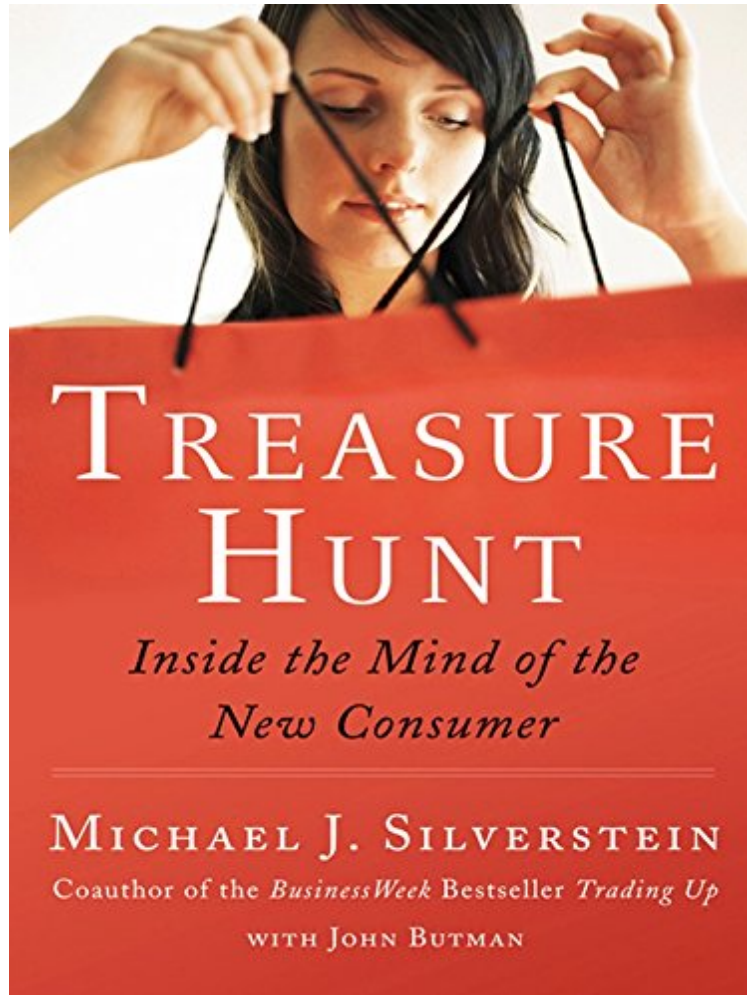


(Download free ebook) Treasure Hunt: Inside the Mind of the New Consumer

Treasure Hunt: Inside the Mind of the New Consumer

Michael J. Silverstein, John Butman

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Michael J. Silverstein, John Butman : Treasure Hunt: Inside the Mind of the New Consumer before purchasing it in order to gauge whether or not it would be worth my time, and all praised Treasure Hunt: Inside the Mind of the New Consumer:

0 of 0 people found the following review helpful. You won't have to hunt for treasure in Treasure HuntBy LaceyTreasure Hunt is a very informative and interesting book about the new consumer mindset. It is essentially the second half to Trading Up, but it is not essential to read Trading Up first. The book focuses on the bifurcation of the consumer market: consumers are "trading up" and buying more expensive products in some areas (such as electronics) and "trading down" and buying low-cost products in other areas (such as groceries). This leaves the mid-priced goods with a steadily shrinking market share. The "middle" consists of average products that offer no better value than lower-priced alternatives and are not as emotionally appealing as the higher-priced alternatives. Businesses whose products are in the middle must adapt or die. The book offers a lot of insight in explaining this phenomenon. The authors use their experience in the field, surveys and consumer research data, real-life examples, and personal interviews to back

up their claims. The book seems to run out of steam towards the end and starts to become a bit redundant, but it is still worth a read. I would recommend this book to anyone interested in marketing or consumer purchasing behavior. 1 of 1 people found the following review helpful. Interesting reading!

By Sahra Badou Michael Silverstein explores the story of how people around the world are reshaping the consumer goods market by trading down to low-price products and services; trading up to premium ones; and avoiding the boredom and low value that increasingly characterize the middle. The author says that the consumers driving this change are mostly women, who have a sense of purpose and power when they buy and use goods and services. According to the author, there are two rapidly growing pools of spending. At the high end, consumers are trading up, willing to pay a premium for top quality, emotionally rich, high margin products and services. At the low end, consumers are relentlessly trading down to spend the least amount possible on basic, low-cost goods that still deliver quality, reliability and, increasingly, an element of style. In between these spending poles lies a vast expanse of mediocre, often low-margin goods that lack distinctive emotional appeal or better value than their cheaper competitors. Companies selling these mid-priced products to middle-class consumers suddenly find themselves facing "death in the middle." Companies that succeed in this bifurcated market are those who understand the attitudes, behaviors and values of middle-market consumers and constantly alter and reinvent their product to satisfy the consumer. The author says that today's consumers are highly skilled shopping experts. For them, consuming has become a treasure hunt--a constant search through the world's vast and ever-changing store of goods and services to find the perfect value every time. Such consumers spend their money with individuality---trading up in some categories, trading down in most and mixing upscale with downscale products--to create a customized lifestyle and standard of living suited to their own taste. For example, a \$150,000 professional who buys \$19 jeans at Target, flies Air Tran, and pays \$100 for her dog to be groomed, as well as a \$50,000 plumber who leases a \$27,000 BMW and buys clothes at Kohls. Trading-down companies have created 10 times plus the market value that trading up companies have created. Big winners include Target, Costco, Lowe's and Dollar General. Whereas those at the top of the income ladder are rarely forced to make substantial trade-offs, and people at the bottom have few options, those in the middle constantly face difficult choices. In the United States, the middle class is defined as the 48 million households that earn between \$50,000 and \$150,000 per year. These people control 75% of discretionary spending, which means they control the market. They are not going into debt to trade up, nor is debt driving them to trade down. They do both because they can and want to. The purpose is not to just find the lowest price (if you are trading down) or highest quality (if you are trading up). It's to determine the right price for the right product at the right time and place. Every middle-class consumer has a "want list" of things she wants to buy that is constantly revised. If you understand the want list of your consumers, says the author, you may discover that you are competing not only against other companies in your category, but also against completely different categories. For instance, if you make watches, your toughest competitor could be a handbag seller. If you sell flat-screen TVs, your toughest competitor might be a Caribbean cruise or a high-performance mountain bike. Cheap used to mean bad. The cheap product was, by definition, of low quality. If you bought your clothes at K-Mart, it wasn't something you talked about. But the author correctly says that today, everyone loves a bargain and they brag about the low prices they get. It's a victory to spend the smallest amount you can, no matter how wealthy you are. In 2004, 66 percent of households report having shopped at a dollar store, and higher-income households are the fastest-growing segment of customers. Retailers are looking for ways to fight back. Wal-Mart has been testing concepts for its own in-store version of the dollar store. One is called the "Hey Buck" section where food and soft goods sell for an average of 98 cents per item. Target has tested a concept called "One Spot" with merchandise priced at \$1. The author says that the low-cost revolution will continue. Best Value Inns (BVI), the fastest growing hotel company in the U.S., has become the preferred choice for business and leisure travelers who are seeking a clean room, free cable TV, swimming pool, mini-fridge and free morning coffee, and can only afford around \$65 a night. A stay at a BVI is a smart use of money, according to the author. Marriott seems to have mastered the difficult trick of succeeding at both poles of the market. Long known as a middle-market hotelier, they purchased the premium Ritz-Carlton hotels. They have also aggressively expanded in the trading-down market with Courtyard by Marriott properties for business travelers and low-price Fairfield Inns for leisure travelers. Marriott's biggest growth in rooms and revenue has come from its trading down brands. All hotel owners are looking for ways to differentiate and respond to the bifurcation of the market. According to the author, the worst place to be is in the middle where average returns are below the cost of capital. The best place to be is at the bottom of the market. LG, the \$50 billion South Korean worldwide manufacturer of electronics, chemicals and industrial products, has accomplished what few companies in the world have done: transformed itself from a supplier of low-cost, poor-quality goods to a leading producer of home electronics and appliances that serve both trading-down and trading-up consumers. Today, their appliance division is possibly the fastest-growing and most profitable in the industry. They offer a \$550 top-freezer refrigerator that competes with Frigidaire and Kenmore on the low end and a \$3,100 model that competes with Sub-Zero at the high end. For LG, spanning the poles is about participating across the whole range of price segments in its market. Then along came eBay. As more than 135 million registered users in 32 markets have learned, eBay offers the thrill of discovery every day. After just seven years of operation, eBay had created a market value of \$42 billion--greater than the entire value of the department store industry of the United States which has been

operating for a century. What eBay offers is a fantastic business model: an online community that brings 336,000 registered stores worldwide, many small or geographically isolated, into one global marketplace. The estimated average selling price is \$36, so the population for buyers represents all income levels. Most users come from middle-income households who shop there for treasure. People are looking for emotional highs. Winning companies invent new products that capture the consumer's imagination. The author says that taking action means innovating, not just more of the same, or considering acquisitions or increasing your advertising spending; but rather think about innovation as a series of waves of reinvention and change, each lasting three to five years and no longer. 0 of 0 people found the following review helpful. Brilliant! By Robert W. As a professional copywriter, who lives and breathes branding every day, this book is a brilliant encapsulation of the last 10 years of consumer trends. The "Death in the Middle" concept as consumers reach more and more for either high or low end products and completely sidestep and ignore the midpoint is likely to be even more apparent in the current recession atmosphere. In a very real sense this book might be seen as a companion piece to the Millionaire Next Door by Stanely. The behaviors described by Stanely are being presented by a growing community of savvy shoppers. As the economy tanks, but people still opt for Apple computers, William Sonoma cooking wear and other high priced brands, this is the book that explains it. Given the current economic environment, marketing executives have a clear choice. They can either read this book or wish they had.

The essential follow-up to *BusinessWeek*'s bestseller *Trading Up*: A BMW in a Costco parking lot? A working class family with a 50-inch plasma TV? What's going on in the mind of the new consumer? Today's consumers can seem impossible to understand, and even harder to please. For instance, the average mall shopper will spend about \$100, then leave when she hits that limit. She'll probably buy shoes rather than clothing, because she doesn't want to think about her dress size. And the store most likely to get her money isn't the one with the nicest display or the deepest discounts—it's the one closest to her parking spot. In his consulting with dozens of leading companies, Michael J. Silverstein has interviewed thousands of customers, extracting fascinating patterns about what really drives their purchase decisions. His first book, the acclaimed bestseller *Trading Up*, has taught a generation of marketers about the "new luxury" phenomenon, and why consumers will happily pay a steep premium for goods and services that are emotionally satisfying, from golf clubs to bathroom fixtures to beauty products. But *Trading Up* revealed only part of the story of the new consumer. The same middle-class people who are happily trading up at Victoria's Secret and Panera are going on treasure hunts at Costco and Home Depot. And they are often getting as much emotional satisfaction in the discount stores as in the luxury stores. *TREASURE HUNT* shows how even the most mundane shopping—for things like paper towels and pet food—has become an adventure rather than a tedious chore. In just about every category, both the high end and the low end are growing and innovation-rich. Many middle-class consumers gladly spend \$5 a day for a Starbucks venti latte; others spend forty cents a day on home-brewed coffee, feel good about their frugality, and save up the difference to buy Apple's newest Nano. *TREASURE HUNT* explains the success of companies as diverse as Dollar General, H. E. Butt, eBay, Commerce Bank, and Tchibo. But beware: in our bifurcated global market, businesses need a clear strategy for aiming high or low, while avoiding the treacherous middle, where so many have recently stumbled. If your offering isn't exciting enough to inspire trading up, but not enough of a bargain to satisfy the treasure hunters, you'll have no emotional connection with your target audience. And then, as many fallen companies have discovered, your tried-and-true marketing strategies will go into a severe stall. *TREASURE HUNT* takes us into the homes of real people making real decisions, and into the CEO's offices of innovative companies finding new ways to accommodate them. Written with the same flair, empathy, and intelligence that made *Trading Up* an instant classic, this is an essential guide to the moods and habits of the constantly changing consumer.

From Publishers Weekly In their bestselling *Trading Up*, Silverstein and Neil Fiske explained why people are willing to spend beyond their means for certain premium goods. But that's only half the story: as middle-class customers splurge on lingerie and appliances, they're bargain-hunting for everything else. Companies will thrive, Silverstein argues, by catering to the penny-pinching impulses of consumers, or by "spanning the poles" and appealing to both the high and low ends while avoiding anything else—there's only "death in the middle." The book's profiles of individuals who splurge-and-scrimp and case studies of companies that have successfully adapted to the polarization of the marketplace show the key to survival is to offer the perception of good value for money and an emotionally satisfying experience. This is where the book becomes a tad creepy: Silverstein analyzes female consumers' relationships with their mothers and attributes an advertising executive's "lack of a father's love, a social-climbing mother and several failed relationships" as causes of her binge-spending and scrimping. Silverstein's guide to cashing in on the top and the bottom is intelligent without becoming mercenary; business owners will take notice. Copyright copy; Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. From Booklist Today's consumer is on a continuous treasure hunt with the goal of finding the perfect value, every time. As a follow-up to *Trading Up* (2003), these authors explore the phenomenon of how average consumers make everyday thrifty buying decisions while mixing in lots of

upscale purchases. Costco parking lots across the country are filled with BMWs as middle-market consumers search for bargains where they can, all the while indulging in emotionally rich, expensive goods. With more choices of where and how to buy goods, shopping has become a 24/7 activity as consumers cruise eBay, discount houses, dollar stores, and premium outlet malls. The companies that have always provided goods for middle America--General Motors, Kraft, United Airlines, Kroger, and other traditional stores are struggling and, in some cases, failing. Citing numerous case studies, Silverstein and his coauthor lay out in detail what companies must do today to appeal to the "treasure hunt" and examine this paradigm with not only anecdotal evidence but also a considerable amount of data that you would expect from a veteran from the Boston Consulting Group. Gail Whitcomb Copyright copy; American Library Association. All rights reserved ...As a merchant, I recommend this book. -- Jack Covert Selects...a fun, savvy book. -- Bloomberg News...businesses need to steel themselves...The companies that win will have displayed a clear treasure map at the front door. -- Financial Times Essential reading for those who currently work in marketing... -- Library Journal The real treasure here is the thinking of Michael Silverstein...Powerfully insightful and approachable. -- Douglas R. Conant, President and CEO, Campbell Soup Company There is a treasure trove of premium advice and valuable information in "Treasure Hunt" for anyone in any business... -- Knight Ridder This book is about real people who are making day-to-day decisions on purchases that impact their lives and their wallets... -- Robert L. Nardelli, Chairman and CEO, Home Depot Treasure Hunt has a strong sense of the shopping zeitgeist. -- Wall Street Journal Treasure Hunt is very well written and ultimately convincing in its thesis... -- HBS Working Knowledge Treasure Hunt...is not just about saving money-it's about gaining control, achieving goals, and attaining the things that matter... -- Harvard Business