



# WHEN DOES A FAD BECOME A TREND—AND A TREND AN OPPORTUNITY?

by Phil Abrahamson

*first person*

Experts share experiences and insights about what makes marketing work.

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To tell a trend from a fad, you really have to understand the attitudes and motivations of a whole spectrum of consumers—not just early adopters in any given category. What drives trends are underlying consumer needs that are not being met—needs deeper than being the first to have something or buying what all the neighbors have. To move your product from niche to mainstream, you need to have a clear picture of the wishes and attitudes of a broad market.

So the key to interpreting trends versus fads is looking not at the symptom—which is the fact that people are now buying a certain kind of yogurt or cell phone or SUV—but at the underlying cultural, economic and personal forces behind these shifts. Also, it is essential to right-size your insights to understand their true significance; if we know that a niche play

has potential only with 5 percent of consumers, we can target them and make the product profitable and incremental to our corporate portfolio.

There are three common scenarios in which we can be fooled by fads masquerading as trends. First, you can have a product that meets a pent-up demand among a relatively small group of people, but mistake the demand for something bigger. Think of the Chrysler PT Cruiser; it took off like hotcakes—the other auto companies started to think they needed to do something eye-catching and a bit retro. But the craze settled down quickly; in the end, the PT seems to have met the needs of only a small segment of the population—even though that group was wildly enthusiastic.

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I see two problematic aspects here that apply to a lot of trend/fad situations. First, the key point on PTs was understanding not consumers who were buying it, but rather those who weren't. Here the caution is to conduct research that looks beyond your "buyers" in CRM data. Once the lead company had saturated the PT niche, there was just not much more market for it; the size of the opportunity was misread by virtually everyone.

What I also see here is companies recognizing a demand only when another company has become successful with a product. Using the auto example, there seems to have been no one at the competing car producers who had any advance knowledge about the pent-up demand for a cool-looking van. This represents a failure of ongoing research efforts to track what consumers want and will pay for.

An example of successfully recognizing the potential size of an opportunity—a trend in the making—can be seen in the in health insurance industry's adoption of alternative medicine coverage. If you go back ten to fifteen years, very few health insurance policies included alternative care, chiropractic, or acupuncture. At the time, I was doing market research on behalf of a health insurance company, and they had

an innovator segment that they assumed would be the main users of alternative care; what we discovered, however, was that interest in and acceptance of alternative care was broad across the whole marketplace.

In this case, interest in alternative treatments was one manifestation of consumers feeling the need to be in charge of their own healthcare—a deep-seated need.





In the automotive industry, we saw a successful movement toward luxury SUVs and pickup trucks. For years the automotive manufacturers had been doing market research in the sedan segment on use of luxury trim with leather seats and all sorts of accoutrements; but for a long time these were never studied in the context of other vehicles. Research eventually showed,

however, that there was a solid segment of SUV buyers who wanted upscale products—a huge potential opportunity. In the end, the trend took root, drawing people into SUVs who had not considered that kind of vehicle. While it was not for every SUV buyer, it did have broad appeal—definitely a trend, not a fad.



In my second scenario, a product meets the needs of early adopters—those who are passionate about being first to buy something—but has too many obstacles to survive in the mainstream. Early adopters are looking for revolutionary changes; they are willing to take risks, to buy products that are not proven. But, as with the evolution of the PT Cruiser, you would be mistaken to think that success among an enthusiastic niche is a sign of worthiness for mass success.

Think of TiVo; when it hit the market seven years ago, ad agencies and media companies and journalists were all saying that the death of TV advertising is right around the corner. Now, older and wiser, we see that buying into TiVo, subscribing to it, and learning how to use it are all barriers to entry for many in the mainstream. People generally get DVR functionality only with higher-end cable and satellite packages now; and even in its current form, actual use remains somewhat out of the mainstream.

This shows us that we need to remember just how different leading-edge consumers are from their mainstream counterparts; without proper study, we can too quickly assume that what works for early adopters is bound to succeed with mainstreamers and overestimate sales and profit contribution to our organizations.

#### FADS WITHIN COMPANIES

Another challenge, of course, is that fads can crop up *within* the companies producing consumer products—especially technology firms. Their engineers may be enamored of a brand-new technical capability, and the challenge is to make sure that what seems right internally makes sense in the marketplace. In these cases, we can see the internal contingent as being a form of early adopters; they know the products intimately, so learning curves that could stifle consumer acceptance are not even part of their thinking.

One final way that we can mistake fads for trends is to interpret PR-driven movements and social “me-too”-ism as

being more than temporary. Dieting itself is more than a trend; it is a social force, rooted in self-esteem and our focus on appearance. But we can see a clear distinction between diet fads and diet trends—with the primary distinguisher being whether they work and can be sustained. Heavy advertising and talk-show saturation—perhaps based on a celebrity endorsement—can create a movement; but a subsequent rush of bad word-of-mouth will kill the wave sooner rather than later.

Of course, one of the keys to telling trends from fads is not just doing research, but doing the right kinds of research. How do you find out whether a DVR like TiVo may be too complex for some consumers, or that many cell phone users who think mobile video is cool would still never pay extra for it, or that a certain new credit card offering will fail simply because its name has negative associations for some people? In each case, different research modes may

provide different aspects of your answer; and knowing when to combine quantitative surveys with ethnographic or qualitative research requires experience and care.

In the end, the secret to distinguishing trends from fads is keeping your eyes wide open at all times—for opportunities and pitfalls alike. If you're open-minded, you tell yourself that *everything* could be a fad on the way to a trend that must be verified through solid research, because then you're really preparing yourself to change and to keep meeting customer needs. Continually refreshing your understanding of your customers and prospects is always the core of staying well-balanced on the trend/fad border. ▀

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