Building the brands of the future

BRANDING
Time to rethink your messaging tactics?

PURPOSE
How to use media to drive positive change

INNOVATION
Why it’s sometimes good to fail

E-COMMERCE
Build your brand while you make the sale
Building the brands of the future

Brands are facing a challenging future. Some marketers are unsure how they fit into a world powered by algorithms, data and fast sales. Others are worried about connecting with consumers in the age of voice control. All want to know how to build brands of the future, not relics of the past. It’s key to financial success in any consumer-facing business.

In this edition of BLINK, we address these issues and more as we explore how brands are evolving in the digital age, and share advice for those looking to stay relevant in this ever-changing world.

Changing consumer behaviour is at the heart of these new challenges. Voice assistants such as Siri, Cortana and Alexa are shortening the traditional path to purchase (p.22), and the increasing number of connected devices in our homes are merging the points of engagement and transaction (p.12). But to overcome these challenges, brands need to focus on three key areas as part of their broader response plan: data, purpose and innovation.

First, it’s often said that data is the new oil, and the brands that have it are most likely to be able to adapt and thrive. But, as Zohar Plan explains, getting data right is a complex task – which is why some brands in Latin America are finding new ways to target consumers more precisely (p.36).

Second, purpose gives people a reason to believe in a brand. Consumers are increasingly expecting brands to give something back to society, and, as Camilo Plazas writes, there are many ways of doing this (p.40). Shell is certainly one company committed to making a difference, and, as senior marketer Chris Hayek tells us, it is working this message into its campaigns in a number of interesting ways (p.42).

Finally, while brands have always had to innovate to keep pace with changing trends, that skill is becoming even more essential in the digital age – especially for large organisations. That’s why it pays to have a formalised innovation programme. It can help you negate risk and leave you free to experiment with new technologies.

One company already on this journey is Mars. As Gary Arora tells us, its Launchpad initiative is helping the business form new relationships with startups and develop innovative marketing solutions quickly and successfully (p.14).

Building brands for the future won’t be easy, of course. It will require marketers to learn new skills, and in some cases, restructure their businesses for the digital world. But while that might sound like a daunting task, it’s a wholly necessary one.

I hope you find our thoughts useful and inspiring.

Regards,

Stephen Allan
Brands WTF?!
Why you need to rethink your approach to brand building

Where do brands fit into a digital world running on algorithms, data and fast sales? Do consumers even care about brands anymore? Matt Mee muses how brands need to rethink their messaging tactics to keep connecting with consumers.

By Matt Mee, Global CSO, MediaCom
Left brain, meet right brain
Everyone knows data is powerful but, as Jasmine Presson explains, the best ideas are fuelled by a combination of analysis and empathy. Brands of the future will employ such left brain, right brain thinking.
By Jasmine Presson, Managing Partner, Strategic Group Account Lead, MediaCom US

Lessons from China: Why e-commerce is the future of engagement
In the digital world, engagement and e-commerce are becoming increasingly intertwined. Nowhere more so than in China.
By Peter Petermann, CSO, MediaCom China

Balancing Purpose with Profit
Today, more than ever, consumers want to be associated with brands that share their beliefs. But when, where and how should brands ‘take a stand’? MediaCom’s Alastair Bannerman asks Shell’s Chris Hayek how his company is working to balance purpose with profit.
By Alastair Bannerman, Global Director, MediaCom / Chris Hayek, Head of Media, Shell
You talking to me?
5 ways voice is changing how consumers discover brands
Listen up, marketers: fingers, pencils and keyboards are no longer the all-mighty power, to connect with consumers in the future, you’re going to have to find your voice – literally – because voice control assistants like Siri, Cortana and Alexa are reshaping customer digital interactions and the path to purchase.
By Gemma Hunter, Head of MBA Australia, MediaCom

Mars + Tech partnerships: A Launchpad for brand success
Mars has kicked off a partnership programme with technology startups to bring innovation and agility to the organisation during these increasingly digital, ever-changing times. Gary Arora, Global Lead on Mars Launchpad, explains how Launchpad is helping the company experiment with innovative partners.
By Gary Arora, Global Lead, Launchpad, Mars

Dream on... The Marketer’s Internet of Things
The Internet of Things lets brands provide enhanced services for consumers. But its potential will only be achieved if marketers build trust with their audiences, argues Norman Wagner.
By Norman Wagner, MD, Dusseldorf / Head of MBA, MediaCom
Marketers have always had a hard life. Their teams are under constant pressure to deliver immediate sales while simultaneously building their brands to create value for the future. They’re taught to chase sales now, margin for the long term. But while that ask has been the same since the dawn of time, it’s becoming harder to find the right balance.

Traditionally, the right balance between brand and response was thought to be around 60:40. In their 2011 report, The Long and the Short of It, advertising gurus Les Binet and Peter Field argued that the bulk should be assigned to boosting the brand in order to drive conversion in the last stages of the purchase journey. Instead, brand thinking, econometric research and, quite frankly, human desire (and irrational behaviour) all indicate there will still be a huge space for brands to thrive in – but only if marketers can find the right balance between brand and response, and the right triggers that encourage consumers to ask for them by name. To understand what that balance looks like, marketers first need to assess the challenges happening around them right now.

**Challenges of the present**

In recent years, many brands (at least those born in the non-digital world) have experienced slow growth due to macroeconomic factors in the biggest CPG markets (from the US to Europe). Meanwhile, the short tenure of brand marketing roles (currently just 42 months in the US), coupled with constant pressure on costs and a focus on short-term tactics, have also reduced marketers’ focus on longer-term brand building.

Below: Digital gurus. While many traditional brands are facing new challenges, not everyone is struggling. As WPP’s brand ranking study BrandZ tells us, the combined value of the world’s top 100 global brands actually increased by 152% between 2005 and 2017. But there’s a sharp trend here: Seven of the 10 most valuable brands in the world are now technology and digital companies. Many of the top 100 weren’t even on the list 10 years ago.
But there’s an even more worrying problem at play: changing technologies, which are impacting how brands communicate. As J Walker Smith, Executive Chairman of Kantar Futures, writes in *The Pivot to Passive*, new technologies, such as AI-driven assistants, beacons and (smart) buttons, are taking decision-making away from consumers and prompting more passive purchases.

We need only look at Amazon’s voice-activated Alexa device to see how new tech is pushing brands to the periphery. The prospect of people saying “Alexa, add AA batteries to my Prime order”, rather than calling out a specific brand name, is enough to make any brand owner fearful (especially if they are in a low attention, high frequency or functional category).

And it’s not just new interfaces driving this new behaviour. Traditional desktop e-commerce is also contributing. If you look at the UK, where 73% of grocery sales now happen online, many consumers are already transitioning to ‘passive selection’. Without the serendipity and promotional power of the physical store experience to influence their choices, many shoppers are sticking with what they know. The majority of brands in their online basket remain unchanged from week to week.

Such passive selection is the first step to oblivion for many brands, and what makes matters worse is that for some consumers – and, in some moments – it’s welcome. Lots of us are happy handing decision-making responsibilities to algorithms in many areas of our lives; from playlists to news filters. So, how should brands respond?

**Visions of the future**

Ultimately, these challenges leave brand building at a juncture and create two possible visions for the future. One, where brands – especially those in low-interest categories – just give up and let the robot overlords take over. This is a world where brands forget about building long-tail brand value and focus squarely on optimising their keywords, visuals and search terms for algorithms.

The alternative is a world where brands look for new ways to build on the subjective value consumers project onto their products and services – and even prompt it. But in a data-driven world, is such an emotionally-driven approach even possible? Rory Sutherland, Founder of Ogilvy Change, and Vice Chairman of Ogilvy & Mather, certainly thinks so.

His exploration of behavioural economics in marketing argues that consumers aren’t just rational economic beings but are constantly using simple rules of thumb and emotions to navigate thousands of complex decisions.

In Sutherland’s vision, brands will continue to play an essential role in the decision-making process for satisfied consumers. That’s because, he argues, it is often the intangible, subjective aspects of a brand that give people pleasure. These are the things that drive the answers to questions like, does Coke taste better than Pepsi? Well, it will do if that’s what you believe. Or is a Mars bar tastier than a Snickers? In the eyes of some consumers, you can count on it.

Algorithms or not, Sutherland suggests, people will always have preferences; the challenge will be working out how to trigger them.

**Building brand icons (in the digital age)**

Marketing theorist Douglas B Holt believes he knows how brands can get consumers to demand them. It’s not price; it’s not algorithmic; it’s cultural. In his 2004 book, *How Brands Become Icons*, Douglas B Holt argues that the most valuable brands are those which aim higher than just promoting their products. Brands, he infers, transform themselves into “cultural leaders” by “successfully responding to historical changes that matter to category consumers.”

Holt cites Coca-Cola, Starbucks and Ben & Jerry’s as brands that, at their peak, were operating at a level far beyond the intrinsic power of their products/services, and more in terms of cultural leverage. Coke, for instance, has long associated itself with sharing and happiness. Its key product isn’t just a sweet, cola-flavoured beverage, it’s a way of bringing people together, exemplified by its tagline “Share a Coke”. That’s a powerful message in any culture.

Of course, promoting such messages at scale and speed is more difficult than it once was. In the digital world, a number of factors have made it harder for brands to reach mass audiences. Media is now fragmented and personalised; it’s dominated by subcultural celebrities, not brands (gamer Dan TDM, for example, has twice as many followers to his YouTube channel as Red Bull); and consumers are generally savvier and more sceptical than they used to be.
Many brands have sought to address this challenge by standing for something and initiating change: by having a purpose. This is the new glue that makes a brand both worthy of cognitive effort and sticky for algorithms. If a brand or service is not just providing functional benefits but also doing something we support (for example, Pedigree dog food supporting a dog adoption campaign), it adds an important counterbalance to the passive command: “Alexa, add 15 kilos of dog food to my order”.

Consumers will also reach for brands they feel are culturally relevant. Dove’s global ‘Real Beauty’ work, for example, encouraged people to rethink their definitions of beauty; while Ariel’s ‘Share the Load’ initiative in India encouraged men to challenge traditional gender roles in the home. Both campaigns successfully drove sales while building long-term differentiation in (in Ariel’s case, at least) low attention categories.

Both purpose and cultural relevance point to a new role for brands, one that combines both empathy and data (to provide insights and target the message). Tomorrow’s marketing decision makers will look to combine the two to create more modern brands that can cut through the media clutter.

So, what’s the split?

Understanding the new marketing landscape is one thing. Working out its practical implications is another. All marketers need to seriously rethink how they allocate their budgets between driving short-term sales and long-term loyalty.

So, we come back to Binet and Field’s simple 60:40 split, with the bulk assigned to boosting the brand in order to make sure it comes to mind in the last mile. It’s a refreshingly simple formula but the truth is more nuanced.

In reality, the split will depend on which sector a marketer’s brands are in, how much they’ve previously invested in both brand and response, their rivals’ positions, and the way their category is evolving the digitisation of the purchase experience. MediaCom’s research, in conjunction with human behaviour analysts Sandtable, for example, found that for FMCG brands at least, the amount of response-driven activity should be lower than many currently model (although it depends on the category). Using amalgamated data from GroupM, we found that only 13% of adults will respond to seeing weekly adverts from razor Brand X; the other 87% are either already customers or don’t use razors. That leaves the segment that can be effectively targeted as 13% (although, as perfect targeting is not possible, the optimal budget split might be closer to 80:20 than 87:13).

Other sectors, even within FMCG, will be different, but the analysis demonstrates that ultimately, there is no ‘one size fits all’ model of brand value and brand building. The simple fact is brands must stop see-sawing between short-term fixes and long-term gains and focus on balancing the equation again. The brands of the future will be able to manage both – and at the same time.
The Internet of Things is growing fast. IoT devices are building hundreds, thousands and even millions of potential new pathways between businesses and consumers. Research from International Data Corporation (IDC) has found that the installed base of IoT endpoints will grow to more than 30bn by 2020, up from 12.1bn in 2015. Market spend could be as high as $1.3trn.

Some of these devices are being placed in industrial settings, like sensors that help manufacturers manage their factories, for example. But the success of the emerging smart speaker market – an estimated 30m had been sold by June 2017, according to Morning Consult – shows how quickly consumers are taking to this tech.

From Fitbits to thermostats and TVs to connected cars, connected devices are finally providing real benefits to consumers – like helping us get fit and control our music easily. But this is just the start. In a few years, the IoT will transform every aspect of our lives. In many cases, we probably won’t even notice, but we will appreciate the convenience it brings.

As consumers, our new connected lifestyles will ensure we are surrounded by devices that try to make our lives better. And they will be powered by (often very personal) data. They will need to know, or be able to predict, when we are hungry, when we are looking for a parking place, when we want to (or should) go to bed, when our vitamin levels are too low, and what music will set the right mood in whatever environment we are in.

Such granular real-time consumer information will provide marketers with better insight than ever before, but uptake and adoption will require hugely sensitive data handling. And I doubt marketers will ever be able to – or even should – use IoT devices as touchpoints for brand messages.

Dream on... The Marketer’s Internet of Things
Consumer reactions to Burger King’s attempt to hack Google Home speakers, for example – when the brand inserted the line ‘OK Google’ into one of its TV ads to intentionally set off devices – shows how sensitive this area can be. Consumers were equally frustrated when Google built a Beauty and the Beast ad into the speaker.

Building trust

In order to succeed with IoT, marketers must focus on winning trust from consumers. That means creating relevant messages and being transparent about how they are using data.

There are a number of tactics brands can follow:

**IoT buttons** let brands enter consumers’ lives in a physical way. These simple, connected buttons let consumers order products just by tapping them. Several brands now own Amazon Dash buttons, while we’ve also seen order buttons attached to Gillette razor boxes and ‘Flic buttons’ on Domino’s pizza boxes.

Brands can also use IoT devices to provide real-time benefits to consumers. A destination retail store, for example, could use connected tech to reach a nearby consumer’s mobile phone or connected car to let her know how many free parking spots are left.

Brands can also use IoT technology to make ‘dumb’ products smart. Diageo connected 100,000 whisky bottles to the internet so it could send a personalised video message to fathers. The result was outstanding. Diageo saw a 72% sales uplift during the Father’s Day period with a five-fold return on investment.

Brands might also think about combining their devices or services with others. Uber and Spotify, for example, have already done this. You can now link your Spotify account to your Uber app to control the music playing in your taxi. Two apps talking to each other and a car? That’s IoT at its best.

Ultimately, to win with the Internet of Things, brands need to offer relevant services to consumers and adopt a holistic, customer-centric and integrated approach to data. Do that and they’ll be more likely to fulfil their dreams of becoming a relevant part of people’s lives.

**Making IoT work for your marketing requires a new way of thinking. You need to...**

**Be early.**
Just like apps, consumers will only be able to fit a limited number of IoT devices into their lives. So it’s important to get their attention early while they are still experimenting and getting used to these new behaviours.

**Be respectful.**
Data is powerful but be careful how you use it. If you start overusing behavioural data to personalise messages or target people in certain places, consumers will think you’re spying on them and react negatively.

**Be promotional.**
You need to launch and promote your IoT services before they can achieve what you want them to. Like apps, consumers will want to know how your IoT services will benefit them before they consider giving them a try.

**Be consumer-centric.**
Don’t make the mistake of thinking IoT is all about your brand – it’s not. It’s about making life more convenient for people. Think how you can use the IoT to help consumers solve a problem, not just make yourself heard.

**Be brave.**
IoT is still in its early stages. To stay ahead of the game, you need to be brave and try new things. Rather than investing heavily in a single IoT service or device, you might be better off launching several smaller services first, and learning what works for your brand and what doesn’t.

Making IoT work for your marketing requires a new way of thinking. You need to...
Mars+Tech partnerships: A Launchpad for brand success
At Mars, we’ve been stepping up our efforts in digital significantly, with quite a few early successes, like our Cannes-winning ‘Hungerithm’ campaign, which changed the price of Snickers in real time depending on the mood of the internet.

In a bid to make these successes a habit, we sat down in 2016 and asked ourselves a few questions: How do we create more Hungerithms? How do we bring some of our iconic brands into the digital world? How do we take great work occurring in pockets and provide structure to scale?

Our solution was to create Launchpad, a global programme to deliver marketing and sales innovation through partnerships with startups and other technology companies. Our goal is to help our brands harness and leverage the power of technology, to stay relevant and best placed to reach, engage and convert consumers in a fast-changing, digitally-influenced, world.

Launchpad works by asking Mars associates from the markets to submit a business challenge or identify an opportunity for business growth leveraging data and technology. The challenges and ideas we are looking to solve come from associates at the front line of the business – those witnessing the changes in the marketplace first hand in their daily business.

Three times a year, we pick briefs endorsed by our Chief Marketing Officers and Chief Customer Officers, identify suitable start-ups to work with, and execute live pilots. From there on, we review each of the pilots, scale those that have been successful and learn from those that weren’t.

Our first call for ideas went out in April 2017, and we have been pleasantly surprised with the quantity and quality of briefs submitted from around the world. In fact, we’ve received more than twice the number we expected. Currently,
we are running multiple simultaneous pilots in areas of performance marketing, new conversation platforms, social and big data analytics.

MediaCom, our media agency partners, who helped design and build the programme, support us in this process. MediaCom’s participation ensures we stay fresh in our approach. Because they work in many sectors beyond FMCG, they add an important, broader perspective to our selection process, as well as an understanding of how to best apply technology to our challenges.

**Staying agile and learning on the fly with Launchpad**

*Launchpad* is helping Mars take advantage of the new routes to markets and new routes to consumer engagement that are being developed almost every day. The programme is also a key pillar of our overall digital transformation strategy.

In today’s world, there is so much change that even a company as big as Mars can’t find the smartest solutions as quickly as we need them. That’s another good thing about *Launchpad*: it lets us bring the outside in. By working with start-ups, we are letting our Associates benefit from the strength of our existing culture, alongside outside expertise.

To increase our chances of success, we are working with rigour, breaking down opinions into facts and putting hypotheses to the test within small pockets. But while we are aiming for success on every pilot, we are also realistic. We know not all new ideas work as expected and the key is for us to capture learnings and share across our brands and geographies.

And because *Launchpad* has its own funding and support structure within our business, it gives us the freedom to take risks. The most important thing is that we are constantly analysing and assessing our performance, to ensure we improve our innovation playbook for next time.

**Did you know...**

68% of the top 100 companies from the Forbes Global 500 are already engaging with start-ups.


More than 80% of large companies consider interactions with startups to be as important as other partners.


52% of accelerators are at least part-funded by a corporation.

So what does that look like in practice?

Digital has revolutionised the consumer path to purchase; it’s dramatically impacted the behaviours of our consumers as well as retailers. And because this space is ever-changing, there’s no right or wrong answer. With Launchpad, it’s about discovering what’s possible, connecting the dots, and turning hypotheses into facts and knowledge rapidly and inexpensively.

Some of the challenges which should sound familiar to all of us are:

1. **The store of the future will be different.** There is heavy impact of digital inside and outside physical retail stores. Stores will move to no-checkout, there will be far more experiential stores, and e-commerce will continue to become a bigger percentage of retail sales. We need to ensure our brands stay relevant and present in this changing eco-system.

2. **The Internet of Things will change how our brands appear to consumers.** By 2020 there will be 24 billion connected devices, so we need to know how our brands can still be selected in a world of algorithms driven by new technologies such as voice.

3. **Big data is only going to get bigger.** Every day we get more data about consumers and our brands but we need to find better ways to understand, process and apply it.

4. **Digital conversations are increasingly powerful.** Every dollar spent by consumers will be influenced by digital by 2020. Our brands need to ensure they are in the right conversations on the right channels, even as the landscape changes dramatically.

**What happens next?**

Who knows? That’s the beauty of Launchpad...we keep learning new things every day. And there certainly isn’t a shortage of challenges we can tackle through it.

But at the same time, Launchpad is helping us raise our own digital IQ in the organisation, discover what’s possible with new and different ways of working, and learn from others and with others. And that’s an exciting process in itself.
Failure is welcome
(as long as you learn from it)

Change is constant and today, all brands need to innovate. It’s the only way of staying fresh, relevant and useful. But when, where and how to innovate? Nick Burcher looks to the past to find innovation lessons for the future.

Innovation isn’t easy. It’s a venture into the unknown, and trying new ideas can be risky. New products, new processes, new approaches. Some might work, but some might not. What’s important, though, is that you learn from past failures to improve your chances of succeeding next time. Real winners don’t give up, they build on lessons learnt and push forward stronger.

This summer I saw decades of innovation presented when I visited the Museum of Failure in Helsingborg in Sweden. The exhibition is now on a global tour and it is a homage to innovation and all of those products that didn’t quite work out.

Some things I’d seen before, some I hadn’t, but there was a much wider narrative than just ‘these products failed’. There were innovation lessons throughout the museum and pointers for brands thinking about the future. Indeed, the battle cry of the museum is “let’s take meaningful risks. Let’s embrace failure”. But how?

Three ways to innovate

There are different types of innovation (business model, organisational, product, marketing, etc.), and designing, managing and developing innovation is a strategic challenge. There is also a big difference between ‘new to the organisation’ and ‘new to the world’. But the best way of mapping innovation is to think about it on three different levels: core, adjacent and transformative.

**Core innovation** is based around incrementally improving familiar areas (e.g. product development like improvements in digital in-car displays or new ad formats on media plans).

**Adjacent innovation** is about pushing forward, using core business to fund exploration into new areas (e.g. products like connected cars, or from a media perspective, moving into content).

**Transformative innovation** is the game-changing stuff, the ‘disruptive’ innovation that often occurs in niche markets and is ignored until it is too late by core businesses (e.g. products like self-driving cars or marketing partnerships with groundbreaking new startup companies).

I saw examples of all three areas at the Museum of Failure, and identified three lessons valuable to all brands:
1. Get your timing right

Products that fail aren’t always bad ideas; sometimes, they’re just ahead of their time. Take the Sinclair C5, for example. The concept of small, battery-powered electric vehicle might have seemed ridiculous back in 1985, but the concept of electric cars is no longer far-fetched (the C5 still looks odd, though).

Or what about Boo.com, the fashion site where a virtual assistant would help you buy clothes online? It was a complete failure back in the early 2000s, but e-commerce has taken off a bit since then.

Then there’s Modo, the handheld device that told you about a city’s dining and entertainment options and gave you coupons to spend. It was a nice idea but needed to be an app on a phone, not a standalone device.

The key takeaway? Timing is everything. Being first to market might do you more harm than good if you don’t have the tech to fully realise your idea. Sometimes, it might be better to wait a while.

2. Know when to quit

Have you heard of the Apple Pippin, the gaming console made by Apple? It was on the market for two years back in 1996-1997, but was too expensive and had a lack of games. There was also the Apple Newton, a personal digital assistant that didn’t work very well and even became a joke on the Simpsons.

The museum claims that in 1997, Steve Jobs killed Newton when he re-joined Apple and re-deployed the talented mobile engineers onto other products. He knew when to quit. He also learnt a lesson from Pippin that ecosystems are nothing without content – something that fed the idea of the App Store.

3. Fail fast

Some ideas shouldn’t even get into the production stage, either because they’re engineered poorly, badly researched or just not thought out properly (which means they might cost more to make than they would sell for).

Take, for instance, the interactive toy doll that failed so miserably to safeguard privacy that Germany’s Federal Network Agency deemed it “illegal espionage apparatus”.

Then there’s TwitterPeek, a non-real-time $200 tweeting device that could not access linked websites and only displayed 20 characters of a tweet at a time. Talk about a #FAIL. And there were many more examples like this in the museum.

Every brand is under pressure to come up with new ideas, but failing fast is important and getting feedback from prototypes and ‘minimum viable products’ is often better than failing with an expensive finished article.

Preparing for failure

Any established business is naturally focussed on growing and protecting its existing business. This can inevitably lead to a tendency to avoid disruption and large-scale change. This is The Innovator’s Dilemma that Clayton Christensen refers to in his seminal book of the same name.

New startups are dismissed by incumbents because they are not large enough to worry about and do not appeal to an existing business’s core customer base. But these new entrants quickly iterate and improve, and when they become interesting to the same established company’s customers it’s too late for the established company to react.

Therefore, trend tracking is becoming increasingly important and brands have found a number of ways to keep in touch with new developments – from using Silicon Valley Innovation Outposts (SVIOs) to working with startup consultancy divisions (like MediaCom’s BLINK_Innovation team – see page 10). In Only the Paranoid Survive, Andrew Grove sums up the situation perfectly, when he writes: “success breeds complacency. Complacency breeds failure. Only the paranoid survive.”

Innovation, therefore, needs to be delivered by design, not by accident. Brands of the future need to protect their core business and explore adjacent and transformative areas too. They need to be ‘ambidextrous’, ensuring different parts of their business work to different KPIs. Leadership, people, processes and funding are all key areas in driving a successful innovation agenda.

Remember: doing well today does not guarantee you will be doing well tomorrow. To become a brand of the future, you need to keep evolving and moving forward. Failure to do so may result in your products ending up in a certain museum...
Marketing is about to make a fundamental shift. Brand awareness, many marketers’ primary goal, is rapidly being replaced by the need to deliver a consumer experience of their product or service. In the future, that means the power of consumer reviews will become as impactful as advertising campaigns.

This dramatic evolution is being driven by a number of structural shifts in the way consumers shop and marketers work. Simply put, there’s greater emphasis on extending online to offline. Even Amazon, the original e-commerce giant, is moving into offline with its $13.7bn purchase of Whole Foods.

There’s also more emphasis on reducing the friction on the path to purchase. Alibaba in China, for example, now runs 4S stores where you can rent or buy a car using a smartphone, without interacting with another human. Make your selection and the car will be delivered to the forecourt, without human involvement. Moreover, app-powered real-world shopping, as tested by Amazon’s pre-Whole Foods retail experiments, will become increasingly common.

Then there’s the whole ecosystem experience that sees key players, such as Amazon, Apple, Alibaba and Tencent, taking a bigger role in the places and ways consumers interact with brands. As they expand across different areas (like delivery, hardware, media, video and music), and encourage consumers to make the last mile of purchase, their role will only increase.

Facebook is also seeking to go down this path, offering integrated calls to action from its mobile pages that enable consumers to schedule, order or buy without leaving the company’s page.

The goal is to make everything as simple as possible for consumers. By being everywhere their consumers are, brand marketers can make their relationships as seamless as possible, online and offline. Getting it right means ensuring there are no differences in how consumers experience their brand in the offline or digital world.

Collectively, these changes create a new reality where purchase decisions are increasingly made on the basis of consumer reviews. If I want to buy a new face cream, for example, on Amazon, I am presented with a list of heritage brands as well as new niche players with far less history to fall back on.

All products are presented with equal prominence, and the only difference is the consumer reviews. Whereas the likes of Lancôme might be able to exploit their established power in other media channels and department store environments, on ecosystem platforms, the differentiator is the number of positive comments.

We may not trust niche brands before we try them, but we trust Amazon and its users to tell it like it is. Four thousand or more reviews can’t be wrong and they might even encourage us to sample something new (and allow brands with vastly different resources to compete).

Marketing’s experience evolution

The growing power of the experience economy changes the role that marketing needs to play. The relationship between consumer and brand changes when it becomes all about the experience rather than just building awareness and pushing people down the purchase funnel.

The consumer journey of the future will refocus marketing from awareness to experience. Doreen Wang, Global Head of BrandZ at Kantar Millward Brown, explains how the journey will evolve.
That’s why brands and businesses are rightly putting so much emphasis on their Trustpilot or TripAdvisor scores, and why an increasing amount of creative now features consumer reviews or tweets.

The starting point of this journey is understanding how the interaction between the product and brand communications – in all its forms – can strengthen the brand experience and the peer consumer experience.

Offline stores have already become part of that journey for online brands such as Amazon, and retail is changing for offline brands too. Companies like Nordstrom are turning its mini-department store outlets into entertainment centres that allow consumers to step into a brand’s world, and get manicures and advice from stylists before having goods delivered to their homes.

The risk is that this strategy could turn the retailer into another Toys R Us – a kid’s playground where no one buys anything. In 2017, Toys R Us had to file for bankruptcy in the US and Canada.

Ultimately, alongside this shift to retail experiences, brands also need to form digital partnerships, not just with Amazon but everywhere. A brand that is strongly positioned on multiple digital platforms is best placed to survive and thrive. Toys R Us famously refused to collaborate with Amazon, but others, such as Nike (whose new Amazon deal is giving it better control of its brand) and Starbucks (which has prioritised digital partnerships like its relationship with Tencent in China), are making the right moves.

The experience revolution is coming and it’s coming fast. The consumer journey of the future is already being established and it’s up to marketers and their brands to adapt. Let’s make it an experience to remember.

**What to do now**

The focus on the customer experience, combined with the merger of marketing and technology, creates a challenge for marketers. In most companies, marketing currently has limited ability to directly influence the key factor – experience – that drives business success.

So, to demonstrate what they can add, marketers need to focus on three key areas:

**Firstly**, they need to be mindful of their key competency of consumer insight and understanding. This insight will be essential in helping their business deliver experiences that consumers desire, and orchestrating their colleagues in different departments to meet those needs. Marketers need to become Chief Experience Officers for their brand.

**Secondly**, marketers and their colleagues need to consider whether the marketing role needs to be given additional areas of responsibility to tie in more closely to the operational side of their business. At Amazon, for example, sales and marketing are one seamless department. At Visa, the CMO and the CIO are a single role.

**Thirdly**, marketers need to expand their digital partnerships to ensure they reach consumers wherever they shop. While digital-first brands are generally better attuned to the experience economy, others, such as Nike (whose new Amazon deal is giving it better control of its brand) and Starbucks (which has prioritised digital partnerships like its relationship with Tencent in China), are making the right moves.

**Below: Brand experience cements the relationship.** The consumer experience of your brand can make or break your business. Among brands where the experience lives up to the hype and message promises, BrandZ data reveals brand value has grown by more than 188% during the past 12 years. By contrast, those brands that have fallen short of delivering their promises to consumers have seen their brand value decrease by 8% over the same time period.

Among brands where the experience lives up to the hype and message promises, BrandZ data reveals brand value has grown by more than 188% during the past 12 years. By contrast, those brands that have fallen short of delivering their promises to consumers have seen their brand value decrease by 8% over the same time period.
Let’s focus on Amazon’s Alexa, specifically. When combined with Amazon Prime – Amazon’s subscription delivery service, which permits unlimited postage-free ordering – it creates a new environment for retail. An Alexa house with multiple beacons enables consumers to make voice-activated purchases.

These new ecosystems are changing the path to purchase, and require brands to re-engineer their marketing models (not just their approach to social), in order to get consumers calling them out by name.

To get ahead, brands need to understand how the voice is changing the way consumers discover brands. There are five ways, as we explain on the next page.

Listen up, marketers: fingers, pencils and keyboards are no longer the all-mighty power; to connect with consumers in the future, you’re going to have to find your voice – literally – because voice control assistants like Siri, Cortana and Alexa are reshaping customer digital interactions and the path to purchase.

Let’s break down how the voice is changing the way consumers discover brands:

1. **Revenue vs. Net Income ($m in 2016)**

   - Amazon Prime has 300m active customer accounts worldwide.
   - It captured 53% of e-commerce sales growth in the USA in 2016.

2. **Beacons, like Amazon Dash buttons, are tying consumers into ecosystems**

   These buttons are wifi connected devices that can be placed around the house and programmed for quick and easy ordering specific replenishment products.
Voice is reducing the need to visit stores in person

This is particularly significant for FMCG brands. If a consumer’s home is automatically re-ordering products when they run low, or people are simply calling out ‘I need batteries’, then their path to purchase becomes very different.

In these circumstances, how determined do you think your customers will be to buy your brand? Have you built enough loyalty and desire to make them demand the products you sell? Will your consumers buy your product in any circumstance? Or if they need batteries before tomorrow’s camping trip with the kids, will they just get the first ones Alexa suggests?

The brand they ultimately chose, will determine whether Prime has won or you have.

Voice search is reducing the impact of brand on product choice

Amazon’s choice for batteries is Amazon Basics, AA 48 pack. It’s $13.60. Would you like to buy it?

- No.

I also found a 20 pack of Amazon Basics AAA batteries. It’s $7.61. Would you like to buy it?

- No.

That’s all I can find for batteries right now. Check your Amazon App for more options.

Source: Scott Galloway: This Technology Kills Brands (youtu.be/BXEu8RmeZQ)

Voice is driving behavioural change (which means brands need to rethink their creative)

Consumers have to actively change their preferences on Amazon before “Alexa, order nappies”, for example, becomes “Alexa, order Pampers”. This will make it harder than ever to drive preference. To cut through, you will need to rethink how you build effective memory structures and change your call to action – fast.

Sticking with the nappy example, think about how you could reimagine a TVC to feature Alexa. This time, the story could start before the happy nappy change, with ‘the call’ and ‘the delivery’. The ad would show how the branded nappies – ordered via Alexa – will make both parents’ lives easier and give them more family time together. That’s a story any parent will buy.

Source: eMarketer “Individuals of any age who use a voice-enabled speaker at least once a month” (April 2017) & L2 –The Rise of Voice Platforms (Feb 2017)
Voice is changing purchase patterns (and collecting data all the time).

In order to work out what to say and when marketers need to mine data and analytics more deeply to understand purchase order patterns. We already know, for instance, that young adults can’t live without their Amazon mobile app.

Among 18-34-year-olds, 74% have the app, and 47% have it on their home screen. What’s more, 48% of Amazon sales come from mobile. So brand needs to optimise for this space.

Young adults can’t live without the Amazon mobile app

Most essential apps 18-34 year-olds said they “can’t go without”

Amazon buyers predominantly shop on mobile

Primary channel used by US Amazon buyers to make purchases

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop/laptop</td>
<td>37.4%</td>
</tr>
<tr>
<td>Mobile App</td>
<td>25.4%</td>
</tr>
<tr>
<td>Mobile Web</td>
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<td>6.5%</td>
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<tr>
<td>Tablet App</td>
<td>5.3%</td>
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<td>1.3%</td>
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<tr>
<td>Dash Button</td>
<td>0.8%</td>
</tr>
<tr>
<td>Other</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: Branding Brand (Amazon Survey on eMarketer - Mar 2017)

The Prime business case:
Recurring customers are much more profitable than new ones

Average eCommerce spend

<table>
<thead>
<tr>
<th>Group</th>
<th>Average Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>New customers</td>
<td>$24.50</td>
</tr>
<tr>
<td>Repeat customers</td>
<td>$52.50</td>
</tr>
</tbody>
</table>

It costs 6-7 times more to acquire new customers than retain existing customer

Source: ComScore Custom Survey, Adults 18+ (US 2017 Wave)
Voice is driving variety

As a brand marketer, you need to revisit your communications production process to ensure you are set up to deliver multiple varieties of content, across multiple channels, in a constantly changing marketplace. And you need to do this cost-effectively.

The current creative agency model is built on a market that no longer exists, one where every change costs too much time and too much money. The reality is that marketers now need hundreds of types of content, regularly and customised to channel, moment and message.

You need new ways of working that can optimise your production in order to deliver timely, relevant, quality, personalised messaging. Voice demands an approach that always marries data and creativity.

Voice is making things more personal (and forcing brands to re-imagine their comms)

Brands need to up their game when it comes to communications on and around Prime. That means investing more in robust content, SEO and Search strategies to drive discoverability.

With so many products vying for the same consumer’s attention, it has never been more important to be ‘relevant and personal’ in your messaging. Programmatic media buys are useless unless your creative is dynamically optimised to a person, place and motivation.

How to make yourself heard

Crucially, all these factors require marketers and their agencies to look deeply within themselves and start thinking hard about their brand’s ‘home voice’.

This voice is going to become critical because, unlike their loud, above-the-line voice – the one they use in TVCs, radio and cinema ads, for example – which shouts to be heard over all the other noise and commands the audience to pay attention, a brand’s home voice is, well, quieter, more personal, conversational and friendly.

It’s the voice you use to chat with a friend. It’s warm, honest, fun and giving, and it invites conversation. It’s good to talk.

Win the key moments of truth:

Brands need to understand the online shopper journey and pull the key levers to drive digital discoverability. Touchpoints include:

- **Digital Aisles**
- **Search Results**
- **Recommended Products**
- **Bought Before Lists**
- **Coupons & Promotions**
The brain: a connected system

The concept of ‘left brain vs. right brain’ seems logical to a human. Our bodies are largely symmetrical, with matching parts on both sides, and we are accustomed to using each side independently without much thought. We use one hand to open a door, one leg to kick a ball and so on.

Then there’s the fact that ‘left brain vs. right brain’ is an accepted kind of shorthand we use when trying to describe different types of tasks, skills, or even people. A ‘left brain person’ is logical, rational and analytical, while a ‘right brain’ one is likely to think in more creative, abstract ways. At the risk of pigeonholing anyone, people do seem to lean one way or the other.

When applied literally, however, the concept of ‘right brain vs. left brain’ is, well, fake news. A person may be more right- or left-brained in terms of her preferences and talents, but neuroscientists tell us that healthy brain activity is never seen on just one side. Our brains are connected systems that leverage regions across both hemispheres.

Even as children, the most hardcore math geeks learn to apply symbols and metaphor to the world around them. The childhood fairy tale ‘Jack and the Beanstalk’, for example, is not a literal instruction guide on how to deal with magic beans and giants; it’s an allegory that teaches morality and empathy. It takes both sides of the brain to rationally consider the story and then grasp its life lessons.

Successful creative ideas are formed the same way

The marketing world is awash with research, opinion and fears about data. Data is the future! We’re being replaced by robots! Aaargh!

It is, of course, true that computers are faster and more accurate than humans at identifying factual relationships between phenomena, particularly when there are large data sets involved. Algorithms applied at the University of Nottingham in England were more accurate than doctors at identifying patients at risk for heart attack, and research by Centerstone Research Institute found a 30-35% improvement in patient outcomes when computer modelling was used to aid diagnosis. Unreliable, inconsistent humans benefit from the use of data that can find connections at scale and find the proverbial needle in a haystack.

As marketers, data enables us to see facts and diagnose the problem we need to solve. Fact: household penetration is flat. Diagnosis: shall we guess? Of course not. The data can tell us whether we are failing to recruit new customers or losing the ones we have. It helps us identify the relationships between ad and channel spend, search volume, footfall, holidays, competitive activity, etc. – connections unseen by the human eye – and then model the optimal scenario to course correct.

Left brain, meet right brain

Everyone knows data is powerful but, as Jasmine Presson explains, the best ideas are fuelled by a combination of analysis and empathy. Brands of the future will employ such left brain, right brain thinking.
But data alone can’t solve all our marketing problems. Data is 100% rational, while humans are not. Indeed, people develop strong, often unchangeable opinions in ways that could never be measured or predicted. How many times have you heard (or said) something along the lines of “My mom insisted on buying Kenmore appliances, so I do, too” or “My neighbour tried that brand and her kid got sick, so I’ll use something else”.

Algorithms will never find such unknowable connections. They’re also pretty bad at storytelling, and arguably incapable of empathy. Data doesn’t understand how to deal with contradiction, and humans are inherently irrational. We’re simultaneously consistent and contradictory in what we say, what we do and what we feel.

Our job as marketers is to apply the unique mix of the measurable and the creative that’s right for each brand over time: to dig behind the numbers in order to empathise with irrational, contradictory consumers and create stories that help them imagine themselves using our brands.

Revlon, for example, had been losing share for years in a sea of me-too brands and newcomers. Traditional methods of advertising, celebrities and promotion were not working. When the company announced its new ‘Love is On’ global positioning, we knew we had to do and be something different.

A random YouTube clip sparked an idea about the unconscious triggers that cause women to feel more or less open to love, and we tested our idea by conducting a research study with more than 700 women. A mix of data, empathy, and systems thinking subsequently became the basis for ‘Love Test’, an inspiring film that portrayed eight real-life couples in various stages of their relationships. A supporting distribution system reframed the role of Revlon’s products (and lifted sales).

Einstein had the answer (obviously)

So my message is, forget about either/or and left vs. right. Today we have the advantage that reams of data can provide, but in future – as long as humans are our target customers – it will still take humans to interpret that data and then go beyond in ways that only a feeling person could.

“Logic will get you from A to Z; imagination will get you everywhere.”
– Albert Einstein

It turns out that Albert Einstein’s genius may be linked to the biological fact that the left and right sides of his brain were extremely well connected. A study conducted in 2013 found him to have had “more extensive connections between certain parts of his cerebral hemispheres compared to both younger and older control groups.”

We wholeheartedly agree that in marketing, as in all things, the balance between the rational and irrational, the factual and the emotional, is the answer to finding solutions that will resonate with consumers. We think Einstein – who once said, “Logic will get you from A to Z; imagination will get you everywhere” – would concur.
Leadership of the future
How to succeed in a complex and changing environment

Learning to lead the marketing teams of the future will require a new skillset. The co-authors of Stepping Up, Sarah Wood, CEO of Unruly, and leadership adviser Niamh O’Keeffe, share advice for those looking to rise to the top.

Think of the first time you took a selfie, used a hashtag or read about fake news. It’s probably in the last few years, but it will feel like it was much longer. A decade ago, smartphones and social media were in their infancy; now they are all but ubiquitous.

We are living at a time of profound change, where new tools and technologies are transforming how people live, work and communicate. In such times, people look to leaders for a vision of the future.

Those aspiring leaders can come from anywhere— including marketing teams— so to step up, you need to start thinking about the future of your function/business/sector, understand how it’s developing right now and start to imagine how you’d like it to develop in the future.

What are its current strengths, weaknesses, opportunities and existential threats? What in an ideal world could it become?

Having a clear vision of where you want to get to is the best way to harness the potential of so much change. It will give you the best shot at building a future business that you want to be a part of.

Crucially, though, you’ll need to take a persistently proactive approach, working to identify new opportunities, putting forward new suggestions and experimenting with different approaches.

But where to start? Here are our top tips on making change work for you.

**Get curious**

The obvious product of change is uncertainty. And when companies are crying out for navigators of uncharted waters, it’s the perfect moment to step up and become one.

Start by being curious about your team, your business and your industry. What are the big hairy problems your company is trying to solve right now? Find out which white papers are being produced by trade bodies in your sector, carefully read the latest press releases from competitive businesses and see if you can spot any patterns.

Follow a relevant trend from inception to the current day. Now think about how this trend might develop in the next three months, 12 months, and the next three years. Repeat the exercise for other trends, always looking for patterns.

Do this often enough and your brain will be primed to look for patterns in your business and you’ll soon find you’ve got plenty of opinions on what the future could look like.

**Teach yourself**

Identify an area where you can develop specialist knowledge that will allow you to stand out. Choose an area that genuinely excites you. It could be about how you work together as a team or communicate with customers. It could be related to product innovation or changing legislation.
Whatever you choose, invest time and energy in becoming your company’s in-house expert: set up search alerts for your chosen keywords, subscribe to daily or weekly newsletters from authorities in your chosen field, read everything you can get hold of, attend seminars and events, and try to meet established leaders in the field.

Then be generous about your expertise. Share breaking news on your social profiles, offer to host Q&A sessions; share key material and ideas with your bosses, whether that’s via a simple email or a strategy white paper. Turn your learnings and ideas into a shared initiative that people can buy into and take forward.

**Back your ideas**

One by-product of rapid change is that good companies know they need good ideas, and they care more about the strength of new suggestions than the source. In a good company, what matters is having an idea, a solution or a suggestion and having the courage to step forward and share it.

You should take advantage of this new licence to contribute. Familiarise yourself with the key decision-making moments in your company and find out the best way to input your ideas. Try putting forward your suggestion at the company meeting, emailing the CEO or asking to be invited to a strategy session.

**Try things out**

Today, you can start a business for £12 in less than 24 hours. You can create broadcast content on your smartphone. The barriers to making something happen have never been lower. You have the capacity to experiment, and you need to use it.

Whether you’re working for someone else or considering starting out on your own, experiment with a new idea — it could be a new way to advertise, a new platform for communicating with customers or a new productivity workhack. With communication and distribution channels evolving so quickly, the most efficient way to learn is by doing.

Try something that’s quick and cheap and see what you learn from it. If you can share your learnings and questions on Twitter or LinkedIn, better still, as you might get some helpful answers.

*This article contains content from Stepping Up: How to accelerate your leadership potential (Pearson Education Limited, 2017)*
Brands used to be built at the Point of Engagement and sold at the Point of Transaction, and the role of media was to shorten the distance between the two. But in today’s connected world, these points are merging.

That’s because e-commerce is both brand building and transactional. In the digital world, where shelf-space isn’t an issue, brands are building elaborate zones where consumers can engage and buy at the same time.

In the real world, where more people are using smartphones when shopping – for product research, consumer reviews, price comparison, even finding a physical store – brands are using their commercial spaces to interact and engage with consumers.

China’s e-commerce market is the most advanced in the world. It’s where content and commerce are merging. And it’s driven by the two big ecosystems, Alibaba and Tencent (both of which encompass more traditional brand environments and e-commerce platforms).

To successfully navigate these new ecosystems, brands need to update their communications planning approach to capture the whole customer journey, not just one part of it.

Transaction and engagement – a marketer’s dream?

Marketers have always tried to create brand-building activations that sell: most sales promotions drive immediate off-take and done well, can build memory structures for the brand. One great brand-building sales promotion is Gillette’s work on Double11 2016.

Double11 (i.e. November 11) is the biggest day in e-commerce in China. It’s comparable to Cyber Monday in the US, only bigger. Every brand sold on Alibaba’s Tmall platform does some sort of promotion on that day, so the clutter is enormous.

To cut through, Gillette offered an on-pack giveaway, cardboard VR goggles, and a super-cool 3D first-person experiential movie as a download. The target audience of twenty-something tech-savvy males talked about it for weeks. The promotion sold out within hours and increased Gillette’s brand image in China.

If we’re honest, the majority of promos don’t really build brand – they’re sales-driven.

A few brands manage to combine brand building and (direct) sales: ‘Dollar-Shave-Club’ is a brand built around the act of purchase (as opposed to at the Point of Purchase). You could argue that brands like Uber or Airbnb actually are the transaction.

E-commerce adds a new dimension to brand building

Sophisticated e-commerce platforms allow brands to become part of the moment of purchase. In the West, Amazon, for example, has become more than a retailer: it’s a platform for consumer reviews, an entertainment channel with broadcast quality content, and through hardware such as Alexa, is entering homes.

Moreover, the Amazon Stores service lets brands create ‘flagship stores’ with bespoke landing pages. Each ‘store’ gives its brand more exposure and a
controlled environment for its products. It’s easy to imagine how brand building on Amazon will take off once the web giant leverages the full power of AI.

Another example of Point of Purchase (PoP) branding is Best Buy’s e-commerce site. This large US electronics retailer offers brands a sort of a ‘shop-in-shop’ section, where they can showcase their product selection in a ‘branded’ fashion and, in some cases, include a ‘brand experience’.

In Japan, Rakuten has Rmagazine, an online content platform integrated into the eComm environment which allows for native advertising and brand integration. Alibaba and Tencent take this further. These huge ecosystems provide content and commerce at the same time. On these platforms, Chinese consumers no longer see the dividing line between what is a store (or the point of transaction) and the engagement because they can go seamlessly from a branded experience to a purchase and back. On Tmall, marketers can create ‘Brand Hubs’ – landing pages they can design themselves. Brand Hubs can include videos (including TV ads), live streams, social feeds, engagement and information banners, product sub-pages and other features brands have on their own websites (but with the full e-commerce functionality of Tmall).

Additionally, Tmall offers Super Brand Days where brands can take over its opening page for 24 hours to create integrated shoppable experiences. P&G, for example, held a live streaming event on Alibaba for Safeguard soap on Global Hand Washing Day. All day, superstar pop group TFBoys was live on air, showing kids how to wash their hands. The shoppable product was just one click away.

Tencent, the other big digital player in China, lets brands build bespoke stores in WeChat. Primarily a social app – a sort of mix between Facebook and WhatsApp – it has many features, including a mobile payment service and a direct link to JD.com, the number #2 e-commerce platform in China. Here, brands can create engaging brand activations that seamlessly connect to the purchase.

China’s e-commerce market is the most advanced in the world. It’s where content and commerce are merging.

More than just the point of transaction

Marketers can apply huge amounts of data to help transform their brand moment into a purchase moment. Alibaba’s Uni-desk and Tencent’s’ Inter-Trace give them the ability to monitor a customer’s journey and turn every point of contact into a potential purchase act (and vice versa).

Alibaba’s Uni-Marketing model is built around a universal ID which Ali uses to track a user’s journey across its ecosystem, covering online video, social, online ordering, news, numerous vertical sites, online payments, financial products and much more. Tencent released its answer to this product in August 2017. Inter-Trace follows a similar concept, connecting user data across its entire eco-system and anchoring this with its JD data.
What both platforms offer is a unique user – or rather, shopper – ID that can be tracked, measured and addressed; it’s used for planning and attribution across multiple different media channels. It lets advertisers know how people make their way from content down to an online e-commerce purchase.

**A new planning model**

Marketers and agencies need to adopt a new approach to get both sides of the message right in complex digital environments. In a world where branding and e-commerce marketing fall together, it’s imperative they plan both aspects of marketing communication together against a single set of outcomes – ideally, sales.

To do that, as marketers, we need to tie branding strategy and e-commerce strategy together and move towards a completely integrated Outcome-Based Budgeting (OBB) model that allows us to plan, manage and activate a strategy end-to-end. Based on our experiences with clients such as P&G, GSK and Bose, MediaCom China has developed such an end-to-end approach, including tools and systems that allow us to track the correlation between branding and sales.

**Building the brand while you make the sale**

The Point of Transaction can look different around the world. In Japan, the PoP is often an automat; in the US and France Hypermarkets are the norm; while, in China, small Mom & Pop shops (euphemistically called ‘Traditional Trade’) are everywhere.

Yet in an increasingly digital world, e-commerce stores are slowly replacing bricks and mortar outlets. In this environment, brands have a unique opportunity to ‘build the brand while they make the sale’. For many years, this dictum was the secret dream of marketers, but it’s becoming a reality. While the evolution of the Path to Purchase might differ in every market, brands should consider six universal learning points:

1. **Build relevance** with a special event or a seasonal date. This will allow you to use and redirect the organic internet traffic that is happening on these dates to your site or platform.

2. **Work with key opinion leaders (KOLs)** to launch and showcase the products. Social commerce is bigger in Asian markets, but it’s becoming very effective in other markets; as most KOLs have built their reputation online, eComm platforms are a natural fit.

3. **Create ample content** for users to experience your products. Video content with key opinion leaders works particularly well; treat your eComm platform the way you would treat a content-rich website, and remember, people don’t care about brands, but they do care about content.

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30 BLINK 12
In a digital world, this strategy works both ways; you can also ‘make the sale while you build the brand’. In these environments, it is becoming increasingly important to create fully integrated branding experiences where any form of engagement leads to an opportunity to shop.

6. Don’t forget data. Whichever e-commerce platform you are working with, make sure you get access to all of its data. Alibaba and Tencent offer valuable e-commerce sales data to target users. Using these data targeting capabilities, brands can ensure more relevant users see their branded content (and therefore, buy).

5. Test and learn. Building brands at the PoP is still new. There are no historical data so you need to be prepared to invest in innovative approaches, and be ready to make mistakes.

4. Ensure your content can be shared easily. The key to creating brands at the PoP is to make sure people see it – just like in the ‘real’ world. Reach is key to brand building so you need to make sure enough people want to visit your platform. Currently, Live Streaming is still new enough to attract audiences.

It’s all about the payment

One reason people spend so much on e-commerce in China is that it is so simple and seamless (and mobile).

Tencent’s WeChat has its own payment platform, Tenpay, and Alibaba, the owner of Tmall, has Alipay.

Both are accepted in almost every retail store in the country and they facilitate seamless e-commerce payments.

74% of all online e-commerce sales are from mobile.

Market share:

<table>
<thead>
<tr>
<th></th>
<th>55%</th>
<th>37%</th>
<th>8%</th>
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<tbody>
<tr>
<td>Alipay</td>
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<td></td>
</tr>
<tr>
<td>Other</td>
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</table>

Source: IPSOS/Tencent Report, Kantar

In a digital world, this strategy works both ways; you can also ‘make the sale while you build the brand’. In these environments, it is becoming increasingly important to create fully integrated branding experiences where any form of engagement leads to an opportunity to shop.
As e-commerce becomes an increasingly dominant part of the consumer purchase journey, brands need to do more than just adapt their packaging to look good on screen; they need to rethink its purpose full stop.

To take a simple analogy, let’s think about our personal packaging for a second: our business cards. In the pre-digital era, the trusty business card would have been the first thing you packed for a meeting. Now there are so many ways to provide contact details cards have been all but abandoned.

Product packaging is facing a similar crisis of existence. In the pre-digital world, it was used to convey promotions and product positioning, attract consumers and help brands differentiate themselves from their competitors. But at a time when more consumers are buying products and groceries online – in 2016, global FMCG sales via e-commerce grew 26% versus in 2015 and continues to rise – packaging has only two functions: to protect and preserve the product inside and make it easily transportable.

Indeed, Brandless, an online supermarket in the US, sells exclusively own-brand products with simple descriptive packaging designed primarily to keep its contents safe to eat. Going further, Skipping Rocks Lab, a sustainable packaging start-up in London is promising to make packaging disappear entirely. Its first product, Ooho, is an edible water bottle. Its spherical packaging made of seaweed is entirely natural and biodegradable.

To overcome this existential crisis, marketers need to find a new purpose for their physical packaging and work out how to evolve it to serve their brand in an online environment. But where to start?

Brands should consider the following options:

1. **Design e-packaging:** Ironically, the same technology that has made physical packaging redundant can also make it more powerful and personal again. Brands just need to consider how ‘packaging’ has changed online.

Let’s define ‘e-packaging’ as any combination of text and visuals that represent a product online – either in a 2D environment (like a supermarket website) or in 360-degrees. These words and pictures are what ‘package’ your products online, so they need to be optimised for e-commerce environments.

At a basic level, this could mean making sure images work better on screen and using fonts and colours that stand out in these cluttered spaces. At a more sophisticated level, this might mean rethinking a product’s online descriptions to respond to the cultural needs of key markets.

In Japan, for example, physical packaging includes power claims (e.g. food that is ‘100% natural’). As MediaCom’s Cultural Connections study reveals, Japanese consumers crave knowledge and want proof a product will work before they buy it, so it’s crucial these details appear online too.

In China, on the other hand, power claims are less important. In this market, consumers are more curious and vain. They are drawn to packaging that is big and visually striking; size is important. Online representations of these packs need to be similarly bold, maybe using innovative graphics and visuals to grab attention.
2. Take on the sceptics: Secondly, you need to be braver about using e-packaging to address misconceptions about your products. In a world where protests and misinformation live online, you can use your owned spaces to counteract such messages, like addressing a public concern in the description of your e-commerce listings.

Take, for example, a product falsely perceived to be encouraging obesity: the e-commerce listing could include a clear reference to its calorific content and the need to consume as part of a balanced diet. Right now, few brands use e-commerce sites as part of their armoury for getting facts into public space.

3. Bring the shelf to the e-store: Thirdly, you need to deliver the same supermarket shelf standout experience on desktop, laptop and mobile. One way would be to work with e-commerce platforms directly to test and learn new features on their websites ahead of your competitors.

This might include changing the colour scheme on a product page. If you were looking to promote your product’s eco-friendly credentials, for example, you might want to colour this page green, or even include pictures of trees in the background.

4. Adapt your packaging by user: Fourthly, you need to flex your messages to whoever’s receiving them. As MediaCom’s eye-tracking research in China reveals, men and women read online information differently, so you should personalise your brand pages. Consumers are almost always logged in to e-commerce sites so it’s not far-fetched to think about using this data to adapt page design.

In the next few years, we might see e-commerce platforms offering special packs when their data tells them a big moment is coming up in a consumer’s life (a birthday, for instance), or by offering personalised physical packaging.

5. Enhance your green credentials: Even in an e-commerce world, there are opportunities for physical packaging to become more responsible. FMCG brands, for example, could enhance their packaging with QR codes which direct consumers to their nearest recycling point.

6. Create packs that connect: There’s also scope to use physical packaging as part of the connected home. You might think about including Radio Frequency Identification (RFID) or similar technology into your physical packaging to create a feedback loop with a consumer’s smart home technology, for instance.

This would allow you to anticipate future orders (and help you manage your supply chain), or enable you to send reminder messaging for consumers to reorder (for example, when the milk is about to hit its sell-by date).

7. Think out loud: We live in a world of Alexa and other voice assistants. But when a consumer asks other voice assistants about your product, what will they hear? Beyond images and product descriptions, increasingly, your e-packaging will need to contain compelling complementary audio content too.
What’s the best way to ensure ads are viewable and placed alongside suitable content? Zohar Plan reveals how brands in Latin America are using data in new ways to target consumers more precisely.

Online advertising has received a lot of bad press recently. Unanswered questions about viewability and ad fraud are making brands worry where their money is going, while many remain concerned about their ads appearing next to inappropriate content.

These issues are as relevant in Latin America as anywhere else, and MediaCom and the marketers we work for are all asking the same questions: Are my ads actually being shown on screen? Are my ads being shown to real people on real sites? And, are my ads harming my reputation?

In our region, it’s not always easy to find the answers because, while we can measure Viewability, we don’t yet have the option of buying media based on this metric. That makes it all the more important we learn from the data we are collecting to help our clients target consumers more precisely and effectively.

Part of the challenge in LatAm is that buying audiences on Demand-side platforms (DSPs – which manage multiple ad exchanges and data exchanges in one place) is unreliable. The data they sell is usually built on pre-existing clusters of consumers, which are often out of date or imprecise.

When data is the new oil you don’t want to work with anything that’s had its effectiveness diluted. So if you want to reach the right consumers, you need to think creatively.

New targeting strategies

All marketers, particularly those at FMCG brands, need to know two things: where their consumers are on the brand affinity and value spectrum, and where to find them. In LatAm, brands are still using on- and offline data to get these answers.

But too many brands lack actionable digital insights because they have limited cookie access. As a result, their programmatic buying strategies are financially inefficient and performance is non-transparent. To resolve these issues, brands need to start using new targeting strategies to reach consumers at scale, based on a clear understanding of who they are and where they are likely to be. They need to stop buying pre-built digital audiences and start becoming media and platform agnostic.

To take more control of their first-, second- and third-party data, brands can use an owned Data Management Platform (DMP). They can then work with a technology partner to integrate their DSPs and ensure they buy the right media to reach the right consumers.

At MediaCom, we’ve been using this approach for Coca-Cola since 2015, working to shift its digital spend to programmatic. By the end of 2016, we ensured that 17% of Coca-Cola’s digital budget was assigned to programmatic buying and that there were 3 active campaigns in its DSP. Through smart buying, the effective Cost Per Mille (eCPM) went down by 74%-82%, while the Cost per Completed View was...
42%-70% lower in the best performing quarter versus non-programmatic investments.

**Adopting a cyclical approach**

Traditionally, brands have adopted a ‘one-way’ approach to DSPs. They work in a way we call ‘from back to forward’. They look at the brief (the ‘back’) to understand the kinds of consumers they should be looking for. These profiles are based on data from offline sources, such as panels and focus groups. Then they move ‘forward’, using the DSP to find pre-built audience clusters that match these descriptions as closely as possible.

But brands would be better off adopting cyclical ‘two-way’ approach, working ‘from back to forward’ then ‘forward to back’ again. In other words, using the brief to inform the buying strategy (as per normal), then analysing the performance data it collects to challenge and refine the brief – and its suggested audience targets – for next time.

To begin working in this way, brands should:

**Use their first-party data as the underlying basis for their audience segmentation.** Once consumers have been seen at least two or three times during a set period, they can then be classified and segmented with mathematical certainty.

Unify their first- and second-party data, by dividing interactions by quarters according to their performance (specifically, visits, views and content consumption). They can use the variables which were assigned a statistical value to build a matrix of low and high-affinity clusters.

Complete the process by applying third-party data to build audience ‘profiles’ based on who interacted with the brand, and who over-indexed against average internet behaviour.

We used this approach to help Coca-Cola challenge its understanding of its consumers and identify secondary audiences beyond its original brief. As part of the process, we built more than 24 ad-hoc brand clusters over 12 brands, based on insights from 65 million users in Mexico. We are now using this data to change Coca-Cola’s digital creative depending on who we’re talking to.

In future, this approach may inform more creative processes, which just about underlines a key lesson from LatAm: While our region may still be developing our data capabilities, we are already introducing best practice frameworks that can be reapplied all around the world.

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**How digital is changing behaviours in LatAm**

*LatAm teens now spend 6.8 hours on their mobile device – more than three times the amount they spend with their boyfriend/girlfriend or family.*

*Teens consume digital media more than anything else (91% use digital channels vs. 78% who watch TV). 43% of teens use social to stay in touch with their ‘old’ friends, just 24% say they use it to keep in touch with current friends.*

*Across all age groups, TV still has the highest overall penetration (reaching 87% of people), but it’s questionable how long this will last.*

Source: MediaCom data
Twenty years ago, before joining MediaCom, I worked for the UK Government. I worked on a long-running study called The British Crime Survey, helping to research the volume and the causes of crime. Each year this study would count and classify the amount of reported and solved crimes across the UK, to allow the government of the day to make decisions on criminal justice policy. The research not only identified those crimes that were on the increase and the crimes that were not being solved, but also the crimes people were most worried about.

It was good training for identifying the best way to treat data in all its forms and taught me three lessons that are as relevant today in the media world as they were back then for the government.

First, cultural behaviors can be hard to record. Crime statistics need to be representative but, back then, they often weren’t. Some communities, for example, never spoke to the police – so crimes were never recorded. At the same time, some police forces were incentivised to focus on certain crimes, which made their statistics biased. Getting the full story, I realised, meant understanding communities and cultures, and crucially, people.

Second, new technology can skew the results. Crime statistics need to be consistent over time – but you need to account for how new technology changes behaviors. When online banking became popular, for instance, bank robberies went down. Crime wasn’t dropping, but it was easier to clone a credit card than physically rob a bank. Understanding the impact of tech is just as important in the media world today.

Third, stats can’t tell us anything about emotions. Importantly, the government policy on crime needed to be empathetic. The hard data was important but not the whole story. Our research also highlighted that certain groups of people had a heightened fear of certain crimes (like older people and mugging). Such fears needed to be addressed directly and frequently, even if the data said other crimes were more prevalent.

Nowadays, automated data is plentiful and accessible to all. But what’s the best way of using it? Mick Mernagh explains how brands of the future will combine big data with human insight to find a competitive edge.
From crime to media

In the late 1990s at MediaCom, we spent 98% of our research budget counting eyeballs and ears; generating data on who was watching and listening to what. This was important for media trading. But this data alone couldn’t identify cultural behaviours, only reactions to changes in technology. It never got close to the emotions of the viewers.

Back in 2002, we added empathy and a greater level of understanding to our research. That meant talking to people quantitatively and qualitatively about why they watched and read things and how it made them feel.

This has even more relevance today. With so much data available, brands need to understand the narrative behind various data points, as well as be assured that all sources are representative. Otherwise, the story becomes skewed and leads to poor communication.

For example, we were recently working with an entertainment client. The client produced video content centrally and used it globally, with varying degrees of success. One data source said video content in this category was more influential than any other. A second source said our client’s content was underperforming against its competitors.

We used our Content Assessment Tool (CAT) as a third source of insight. CAT combines the claimed metrics of content performance with measured behavioural responses. This is done through a standard online quantitative study and facial coding designed to capture specific reactions – like smiling – that correspond to emotions such as happiness and surprise.

CAT allowed us, on a global level, to compare and determine how well the content scored on a rational level, and in terms of generating more unconscious, emotional reactions. We were able to advise the client how to improve its content using local, regional and cultural insights. This is important because several studies (Realeyes, Affectiva, Kantar Millward Brown) show that generating a positive emotional reaction to a piece of content has a subsequent sales uplift.

With so much data available, brands need to understand the narrative behind various data points

Such a multi-spoke approach can appear obvious, but unfortunately – whether it is blamed on small budgets, tight timelines, or both – we have too many examples of brands who try to attract specific audiences without getting to know them. As a researcher, my rule of thumb is that if you don’t engage with your target audience before you communicate with them, you can’t expect them to engage with you afterwards.

Human data at scale

At MediaCom, we are trying to apply the same lessons I learned at the British Crime Survey to ensure we are globally representative and consistent. We do this using Live Panel, our global consumer research panel.

We speak to more than 500,000 people in 40 countries, initially using the same questionnaire, so our facts are consistent. The respondents remain on our panels so we can re-contact them to find out more; whether this is about one of our client’s brands or their adoption of a new technology.

We work with our sister company, Kantar Research, to fuse other data sets with what we already know about our panellists, and talk to them individually to ask “Why?”. Our task is not just to quantify behaviour, but qualify it and bring it to life.

Recording behavioural data and researching human motivations must be studied together, which we can do by connecting Live Panel responses with classical types of media data. What we are trying to do is replicate the human social experience, because the more you know someone, the easier it is to communicate with them.

Marketing is a very subjective business, full of opinion (and increasingly, algorithms), but what matters is that we don’t lose touch with real people. As we become more immersed in a data-driven digital world, the smartest brands will be those which maintain that human connection.

Above: There is an underlying relationship between ’Expressiveness’ and subsequent sales growth.

Source: Kantar Millward Brown / 312 cases
How to find your brand purpose

Brands are under increasing pressure to give something back to society. But how should they do this and what are the pitfalls? Camilo Plazas reveals how brands in Latin America are using media to share powerful messages and drive positive change.

The whole world knows about the social economic challenges in Latin America. Extreme poverty, gender inequality and corruption are just a few of the problems in the region – and people are concerned things are getting worse.

According to an International Transparency ONG Study, 62% of Latinos think corruption is increasing year on year. This is prompting a growing desire for change. But beyond local governments and NGOs, people are increasingly expecting big brands to make a positive contribution too.

Such is this desire to do good that more consumers are choosing brands that champion the causes they believe in, even if this comes at a price. As a study by Los Andes University revealed, Latin consumers, are prepared to pay up to 15% more for brands that are actively working to do good.

Brands, of course, are aware of these demands, and in recent times, more and more have been taking a stand. But there are bigger things at stake than just profits. Big brands really do have the power to make a difference, by using their messaging to raise awareness of causes and prompt consumers to take action.

However, spreading a brand’s goodwill message is tricky. To turn heads, brands need to prove that they mean what they say. That’s where the right media strategy can make a difference.

Creating a purpose-driven thinking model

Creating campaigns that drive change requires a different approach to conventional sales messages. That’s because purpose-driven thinking is less about creating a brand and more about taking a stand to affect change.

Whereas brand advertising is about promoting brand benefits, reasons to believe and unique selling propositions, purpose-driven campaigns are about creating advocates and missionaries, establishing a point of view (rather than a point of difference), and pursuing long-term behavioural change, not just short-term profits.

The following table summarises the differences between the two approaches:

<table>
<thead>
<tr>
<th>A BRAND</th>
<th>A STAND</th>
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<tbody>
<tr>
<td>What</td>
<td>Why</td>
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<tr>
<td>Point of difference</td>
<td>Point of view</td>
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<tr>
<td>Market-driver</td>
<td>Ethical</td>
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<td>Competitive</td>
<td>Distinctive</td>
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<td>Employees</td>
<td>Missionaries</td>
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<td>Consumers</td>
<td>Advocates</td>
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<td>Contract with consumers</td>
<td>Covenant with customers</td>
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<tr>
<td>Ads</td>
<td>Actions</td>
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<tr>
<td>Next quarter</td>
<td>Next quarter century</td>
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<tr>
<td>Social responsibility</td>
<td>Social opportunity</td>
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<tr>
<td>Loyalty</td>
<td>Love</td>
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</tbody>
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Source: BrightHouse
But finding the right cause to support isn’t easy. And brands will fail if they start piggybacking causes they have no reason to be involved with. People will soon see their support as insincere and react negatively.

To find the right purpose for their brand, marketers must first ask themselves three questions: What does the world need right now? What is their brand good at? And what is their brand passionate about? Their purpose will lie somewhere in the middle of all three.

Learning from Latin America

Purpose-driving thinking is commonly used by government agencies and NGOs to create compelling messages and create advocates for a cause. But these tactics can also revolutionise the world of business and brands. If you are a global brand looking to activate your brand purpose, you might lean on these three lessons from LATAM:

1. Think problem first, media strategy second.

To affect change, it often helps to identify a problem associated with your cause and then think about how you can use media to solve this problem. That’s exactly what Nike did in Colombia, with its ‘Equality Signs’ campaign.

In Colombia, lots of people think sports are for men. Even park signs only show silhouettes of men. So, in line with its commitment to equality, on International Women’s Day, Nike decided to change the way people see things – by handing out lots of magnetic ponytails.

The ponytails came with a simple instruction: pin it on any park sports sign to turn a man into a woman. Overnight, thousands of signs were transformed to show women running, cycling and playing sports. Nike saw a cause-driven problem and used media – in this case, signage – to solve it.

2. Use programmatic tech to speak to the right people in the right places.

Data is an increasingly important part of the media mix, and it plays a crucial role in purpose-driven campaigns too. Understanding where your most likely advocates will be and when can make a difference between success and failure. In some cases, ensuring your message only reaches specific audiences is important too.

Latin consumers are prepared to pay up to 15% more for brands that are actively working to do good

In Colombia, more than 400,000 women suffer domestic abuse annually. But many victims are too afraid to report it. To help them, the Colombian government created ‘Men-Free Banner’, a message of hope only they could see. It targeted victims based on their Google searches, using programmatic technology and retargeting tools, and showed increasingly dramatic videos in real time to grab the attention of victims and prompt them to call an abuse hotline.

3. Solve real-world problems through your owned media.

The primary goal of purpose-driven campaigns is to inspire change, not drive sales. In some cases, brands and NGOs in LATAM have been doing this by using their owned channels to drive engagement, not just reach. We can look to Brazil for one example of how this is done.

Brazil is a country clouded by corruption. To raise awareness of politicians who have issues with the law, Reclame Aqui Institute created a simple web browser plugin called ‘Colour of Corruption’. Whenever the name of a politician with unresolved legal issues appeared on screen, ‘Colour of Corruption’ highlighted it in purple. Users could hover the mouse over the name to check his or her judicial record.
This kinetic football pitch turns energy from players’ footsteps into electricity.
Balancing purpose with profit

Today, more than ever, consumers want to be associated with brands that share their beliefs. But when, where and how should brands 'take a stand'? MediaCom’s Alastair Bannerman asks Shell’s Chris Hayek how his company is working to balance purpose with profit.

Alastair Bannerman: Why is it important for brands to have a purpose?

Chris Hayek: More and more, people want to know what brands stand for, and they tend to choose those which reflect their own personal values. So brands need to show why they make sense in people’s lives. That means showing they care about providing something meaningful, and not just their own pursuit of profits. It’s what lets them talk about a topic legitimately and do something about it.

AB: How do you define your brand purpose?

CH: At Shell, we want to enable progress by providing more and cleaner energy solutions. We believe the answers to tomorrow’s energy challenges lie in the power of people’s ingenuity, and that together we can #makethefuture today. As part of this campaign, our brand team is working hard to invite anyone and everyone to join the conversation.

AB: What benefits do you ascribe to having a purpose, both internally and externally?

CH: We know companies that have a clear brand purpose tend to outperform those which don’t for a number of reasons. Primarily, because people work better – and stay at companies for longer – when they are engaged by, and are committed to, a cause they believe in. Having a vision also helps these companies attract the best new talent, too.

As brand marketers at Shell, we are developing new strategic initiatives to engage our consumers and stakeholders alike. We are trying to demonstrate our company’s commitment to cleaner energy through meaningful actions rather than words.
Externally, as part of #makethefuture, we have developed initiatives such as ‘Best Day of My Life’, a music video collaboration between global artists, which showcases some of the innovative energy solutions we are helping to implement in communities around the world. We hope it will get more people engaged in what Shell is trying to achieve.

**AB: How has your purpose changed your culture?**

**CH:** We don’t want Shell’s commitment to cleaner energy to feel like a gimmick. Rather, we want people to know that this commitment runs through everything our company does, and really does create tangible, meaningful benefits for everyone involved – inside and outside of Shell.

As an example, in 2014 we teamed up with Pavegen to install the world’s first kinetic football pitch in the Morro da Mineira favela in Rio de Janeiro. The pitch contains special tiles under the surface which turn the kinetic energy from the players’ footsteps (augmented by solar energy) into electricity to light up the pitch at night.

**AB: Is it easy to apply and demonstrate purpose in a technology-driven marketing landscape? Why?**

**CH:** In this age of social media and online opinion-sharing it’s easy to talk about purpose, but putting it into practice is a different matter. Fortunately, tech can help with that.

As part of our broader goals in the brand team, it’s our job to launch Shell’s innovative, cleaner energy solutions among communities who need them the most. And being more connected has allowed us to collaborate on more projects with more people and innovators to improve our energy products and services.

Over the last two years, for instance, our team has worked with some amazing entrepreneurs to develop an ‘Energy Relay’ as part of our #makethefuture activities. It has seen us launch a number of cleaner energy solutions around the world, like solar panels in Brazilian favelas and lighting powered by gravity in Kenyan communities.

The Shell Synergy Truck incorporates renewable energy technologies from around the world.
AB: How have you worked your message into your campaigns?

CH: Our team uses strategic framework tools to ensure that everything we do beyond our campaign messaging is in line with our company’s commitment to cleaner energy.

One example is the Shell Synergy Truck, a food truck which incorporates renewable energy technologies. The Synergy Truck is the brainchild of Shell Eco-marathon Americas students, who took part in hackathons across Europe and the US. They were guided by designers and industry experts, and valuable insight from Chef Ludo Lefebvre.

The Truck is designed to get people engaged in the conversation by tapping into a universal passion – food. After a tour through US colleges, the two Synergy Trucks will be donated to social enterprises to help benefit local communities.

AB: How does your brand purpose affect your marketing process and the way you handle media?

CH: Traditional media strategies always used to use paid, owned, and earned media, in that order and investment priority. But nowadays, paid media is all about what the brand says, while owned media is the means by which the brand can actually demonstrate what it does. Then there’s earned media, which is what the brand inspires.

For us at Shell, purpose really is all about doing. So we only talk about what we’ve done when we’ve done it and can show why it was meaningful. That’s why we concentrate most of our efforts on owned media. We want to talk about things we have done and their impact on communities, rather than just talking for the sake of it.
Building brands around the world

To successfully respond to the challenges of the future, brands need to focus on three key areas: data, purpose and innovation. Here’s how three MediaCom clients have already started addressing these issues.

Innovation
Creating a new media channel

Brand: Deutsche Telekom
Campaign: The Lenz
Country: Europe

Our phones are our most cherished possession – but the networks that make them function are a commodity. Especially to Millennials.

Our challenge was to translate Deutsche Telekom’s brand belief ‘Life is for Sharing’ into the excitement that millennials are constantly seeking. So, we turned the colour magenta into an exclusive Deutsche Telekom media channel, using innovative Chroma-key technology.

Accessible via The Lenz app, we partnered with virtual band Gorillaz to let users see exclusive content from the band whenever they pointed their phones at something magenta.

Media firsts made sure we reached millions of Millennials in weeks, driving more than 150,000 downloads. We generated 14 million impressions promoting The Lenz app, which used new technology to engage audiences at scale. The Gorillaz music video received more than a million organic video views. And our campaign received 2,700 social mentions.
Purpose

Helping rural Indians into work

Brand: P&G Gillette
Campaign: Bachelor of Shaving
Country: India

Most Indian men only become serious shavers when they graduate from school. That’s when they need to look their best to get a job. But, in India, it’s not easy to find work. The country produces 30 million college graduates every year, so competition is tough – especially for underprivileged students from rural areas.

This had a direct impact on Gillette because frequent shaving becomes unimportant when you are unemployed. No job meant no need for Gillette.

Our solution was the Gillette Bachelor of Shaving – a course designed to prepare rural Indian graduates for life beyond college. The Bachelor of Shaving included workshops in CV/ résumé writing, career counselling, interview skills and grooming.

Our experts showed young men how to shave better using Gillette Guard, the brand’s affordable razor for this rural target, to look sharp in their interviews.

More than 350,000 people graduated from the course, helping thousands of young, underprivileged students land their first job. And sales of Gillette Guard Razor rose 40%.

Data

Using social data to change the price of candy bars – in real time

Brand: Mars Snickers
Campaign: Hungerithm
Country: Australia

Australians are at their angriest when they’re hungry – between meal times. And a ‘hangry’ nation needs a Snickers.

Introducing the Hungerithm, a hunger algorithm that linked price to people’s real-time moods. As anger went up, prices went down in every 7-Eleven in Australia. Built on a 3,000-word lexicon, the Hungerithm analysed over 14,000 social posts a day to determine sentiment. It even understood sarcasm and slang.

Prices updated 144 times a day, and users simply clicked ‘Get a Snickers’ on the Hungerithm mobile site to get a 7-Eleven barcode. No downloading apps or printing required. Each new price had a back story. Whether it was a politician saying something utterly stupid or people losing their minds over a TV show.

As prices dropped, fans were alerted via reactive social content, live in-store displays and more. The Hungerithm turned the price of a candy bar into something people actually wanted to follow.

By changing its price over 5,000 times in five weeks, one of Australia’s largest chocolate brands created a massive social media spike. But one stat mattered most: a 67% sales increase.

Watch the full videos

Augmented Reality (AR) is changing the way people interact with the world. It allows digital content, like video, images and links to be connected to everyday objects - including this magazine.

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