Shaping forces

Brands & Consumers

All these forces have changed how consumers perceive brands and how they interact with them. Thus, 2 types of consumers have emerged when talking about the connection with the brand:

EXTRINSICALLY ORIENTED

- More interested in consumption and material display
- Lower wellbeing than others
- More closed to pro-social change
- Resistant to behaviour change messaging
- Tend to have weaker ties to the companies they regularly do business with

INTRINSICALLY ORIENTED

- More interested in the companies behind the products they buy: values, processes, company's culture, customer service
- Is more open to common well being ideas
- Welcomes innovation and is socially connected with their environment
- Have stronger, bi-directional connections with the brands and companies they do business with

Brand Value

The last years have brought a shift in what is valuable for consumers in a company.

Customers still value strong brands, but what constitutes now a strong brand is more dependent on customers' direct experience with an offering, and with their relationship with the firm that produces it.

The basis for building the right kind of connection between brand and audiences is to ntegrate all channels to deliver one seamless customer experience which means brand communication, product, services, customer support etc.
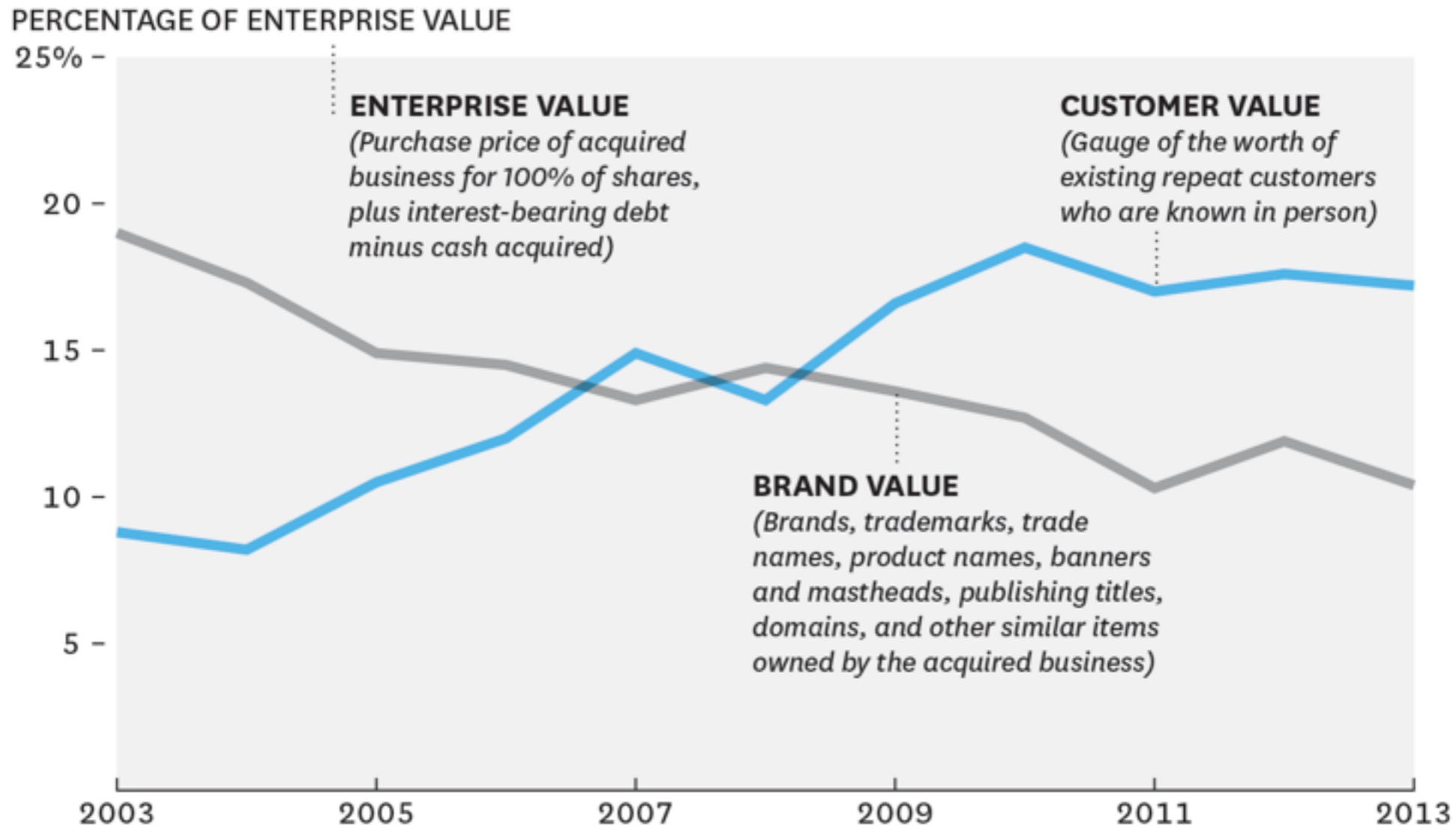
Complex Purchase Behaviour
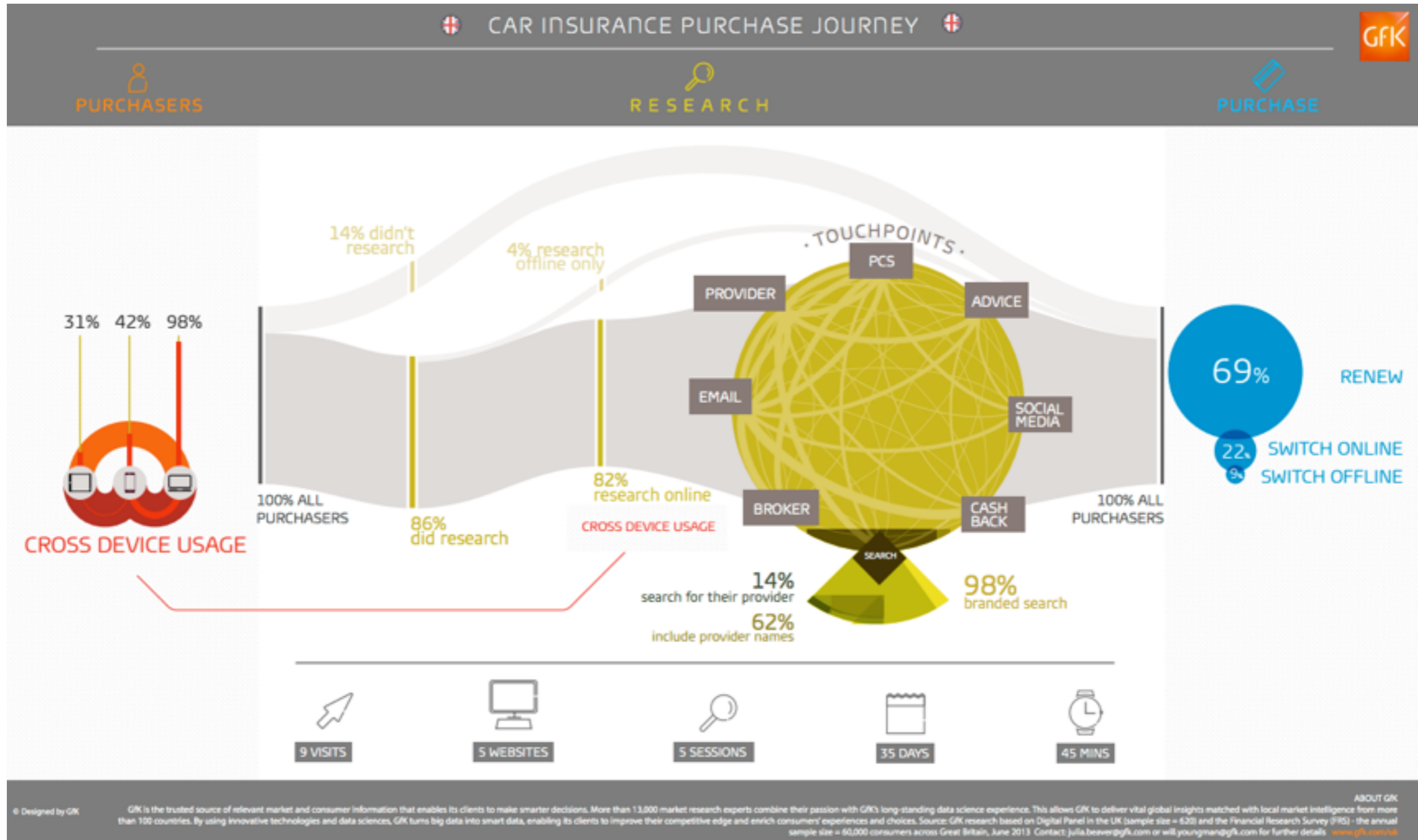
The graphic shows how involved today's purchase decision is. Over a 35 day period it averaged 9 visits to 5 different websites amounting to 34 minutes in total. The influence of online channels is clear with 82% of purchasers researching online against 4% using offline only.

The Declining Value of Brands (and the Rise of Customer Relationships)

PERCENTAGE OF ENTERPRISE VALUE

ENTERPRISE VALUE
(Purchase price of acquired business for 100% of shares, plus interest-bearing debt minus cash acquired)

CUSTOMER VALUE
(Gauge of the worth of existing repeat customers who are known in person)

BRAND VALUE
(Brands, trademarks, trade names, product names, banners and mastheads, publishing titles, domains, and other similar items owned by the acquired business)

This graph, based on data from the MARKABLES database, represents brand and customer relationship valuations as a percent of total enterprise value. The percentages come from fair value assessments done by purchase price allocation experts according to established accounting standards.

# Technology and its impact on brand value

Looking at the value of brands and customer relationships as revealed by M&A data covering over 6,000 mergers and acquisitions worldwide between 2003 and 2013 brand valuations declined by nearly half (falling from 18% to 10%) while customer relationship values doubled (climbing from 9% to 18%) over a decade.

This trend is powerfully reinforced by digital technologies:
- they make information, including about brands, easily accessible,
- they allow more direct interactions with customers, bypassing expensive middlemen and reducing the cost of sales and marketing;
- they allow firms to optimise customer lifecycle management based on detailed data and analysis of customers' needs;
- they improve efficiency and quality across the value chain as a result of continuous customer feedback

CONTEXTUALISATION
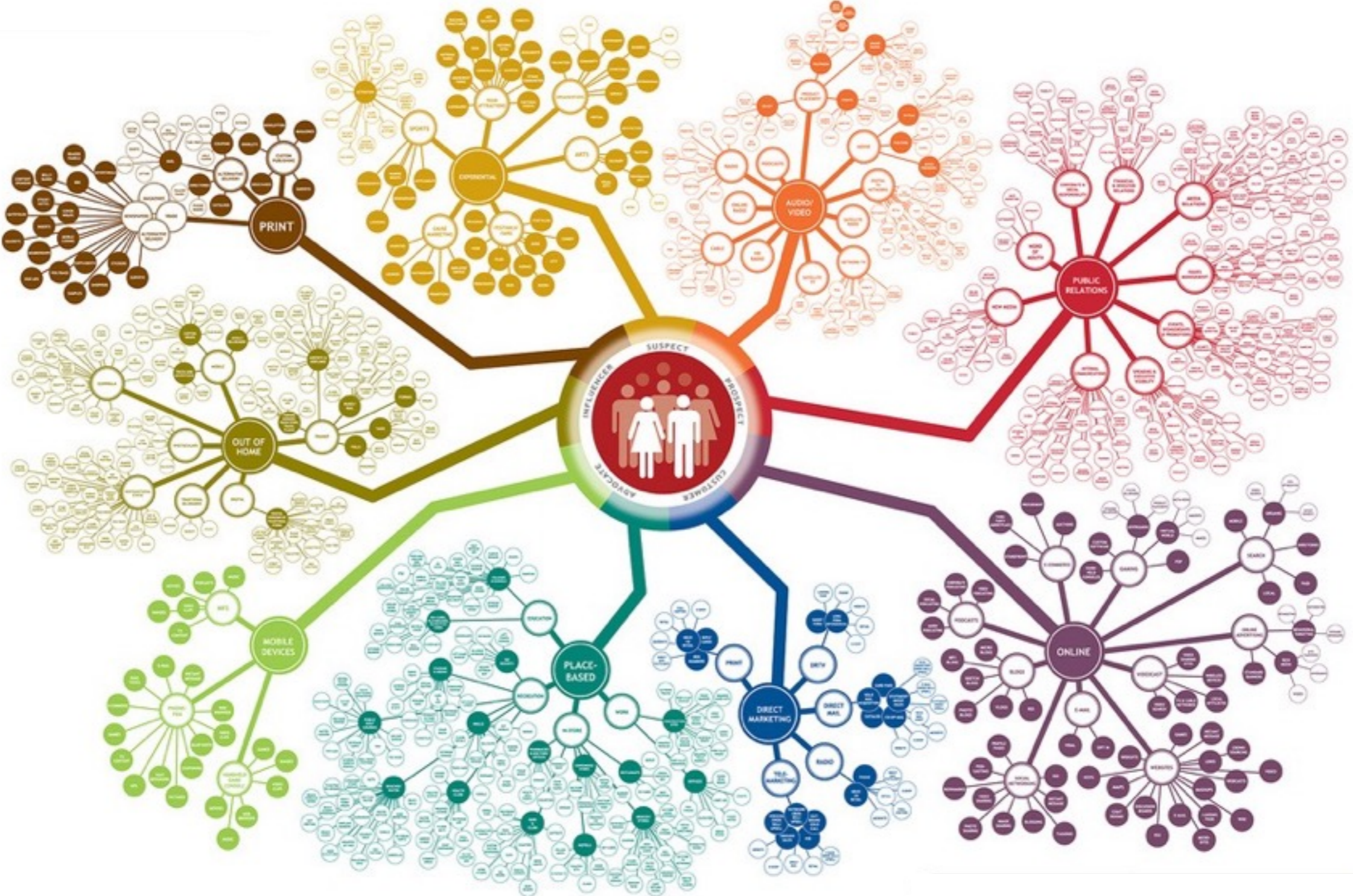
Main dynamic of the Digital Revolution
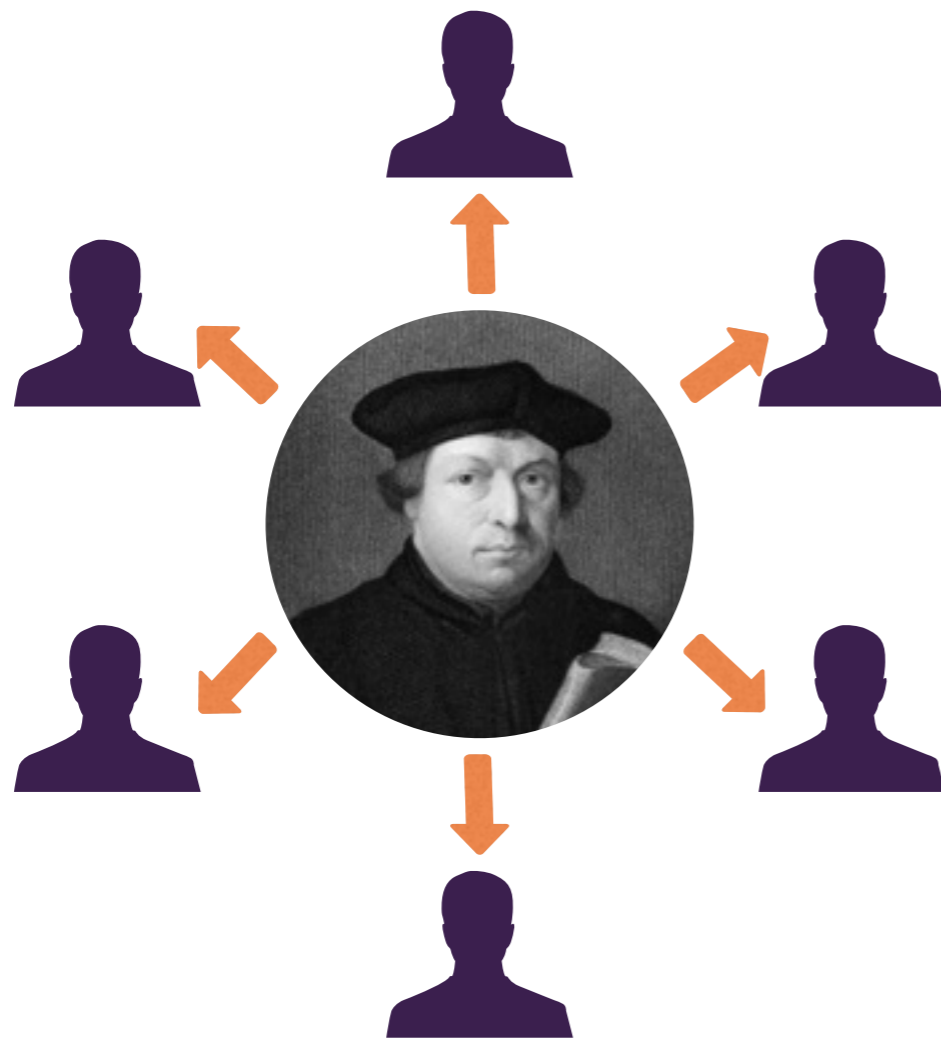
Dissemination
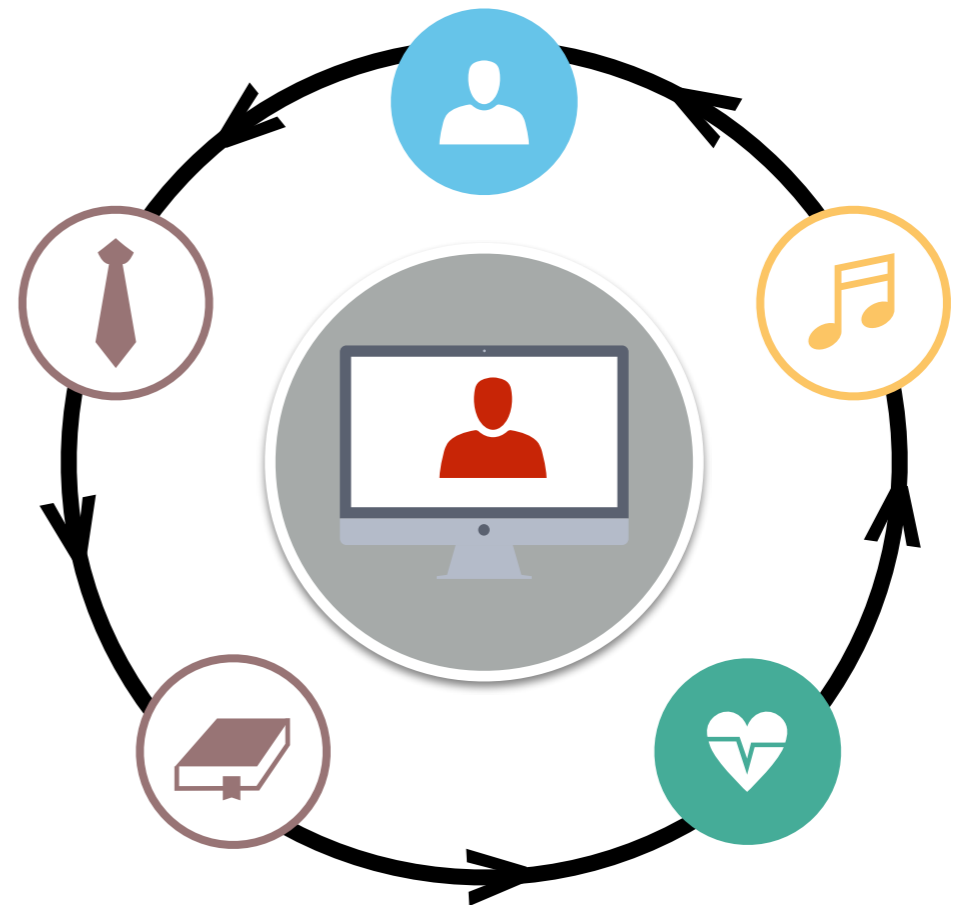
Contextualization

Context is Complex (not complicated)

What is Context

When interacting with users, take account of their own context beyond the relation with a specific product or brand. Go beyond the immediate channels and uses of products and try to tap into the holistic dynamic that composes a life of a person beyond that of the consumer of a specific product.

Context means that users and consumers create their own reality, their own environment to access information, to curate content, to meet people and to use products.

Context is the visual identity of the brand, tone of voice, using the product, buying the product, needing help, talking about the experience but it's also a normal day for a person away from the brand or product, his or her relationships with other people, passions, actions and frustrations.

Contextualisation vs. Personalisation

Personalisation means to modify the information to fit a channel and a general demographic (psychographic at best) in order to get a better affinity in terms of message reception.

It stops in a point that could be called good channel planning. It misses the rest of 90% of the day of a consumer, because then, he doesn't have any contact with the brand.

Contextualisation and areas of impact

If we look at advertising from the point of view of Contextualisation we can identify 3 major ares of impact. In each area there are strong indications that this shift is happening and people, brands and businesses are reacting to it.

OUTPUT ——— TOOLS ——— STRUCTURES & CAPABILITIES

Output

Technology is allowing for an increase in the depth of customer understanding. Proportionally, the same technology is creating the stage for more complex approaches which create real value for the same customer.

Consumer interactions should be created having in mind their specific and often momentary context. Every moment which is enhanced adds to the ongoing project of creating a meaningful connection

Adaptive Websites

A responsive website is no longer enough. Mobile visitors have a very different information needs than desktop users. To simply display all the information and elements of your desktop website on a smartphone is not enough.

People use mobile websites very differently than they do on desktop. And not only the use but also the (information) needs of a mobile user is very different.

Enter ADAPTIVE. To create an adaptive website means to design it so it offers the corresponding context.
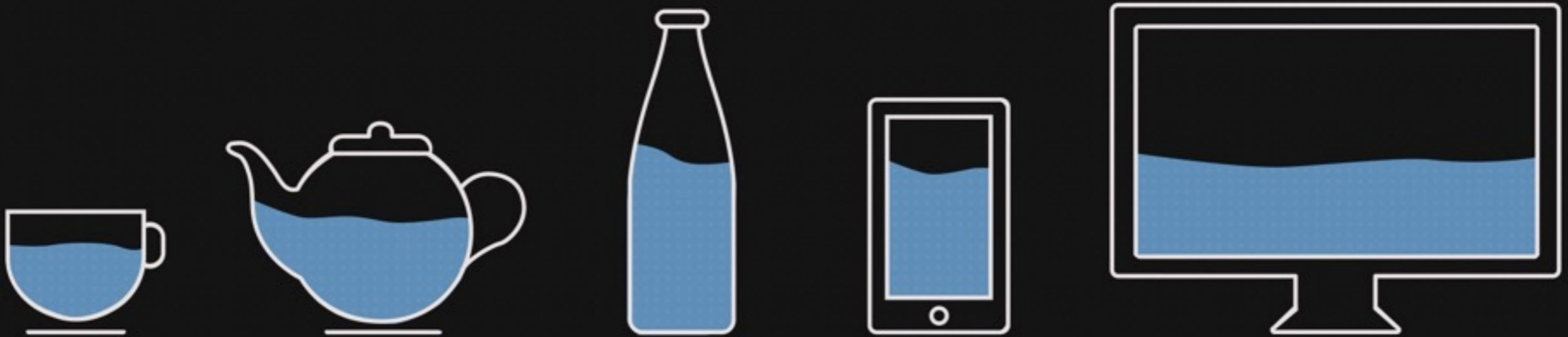
LAYOUT   NAVIGATION   STRUCTURE   CONTENT
RESPONSIVE
DESIGN

CONTENT IS LIKE WATER

" You put water into a cup it becomes the cup.
You put water into a bottle it becomes the bottle.
You put it in a teapot, it becomes the teapot. "

Josh Clark *(originally Bruce Lee)* – Seven deadly mobile myths

Illustration by Stéphanie Walter

Targeting using contextual data

Red Roof Inn is a small economy hotel chain competing in a world dominated by bigger chains and travel aggregators. With a limited budget they had to hyper-target its audience with the greatest potential for conversion. By understanding the context of their audience they chose to use mobile search and an array of data to get its message in a landscape where they were outspent.

They combined real-time data with geolocation info and a set of keywords applied to contextualised search queries (hotels near O'have Airport). The brand was focusing on stranded travelers with as much precision as possible.

In the midst of the harshest winter in decades, the brand identified a pivotal trend: between 2 and 3 percent of U.S. flights were being cancelled every day. Red Roof Inn, with properties near some of the busiest airports in the country identified mobile search as the appropriate channel to target the stranded travelers at the moment they were making plans.

https://vimeo.com/107335362

Tools

The way we approach the creative and development process has to take into account the technologies available. And sometimes it will mean transforming these processes to make use of innovations and knowledge not necessarily associated with the advertising industry.

BIG DATA

Big Data is data that is too large, complex and dynamic for any conventional data tools to capture, store, manage and analyze.

The right use of Big Data allows analysts to spot trends and gives niche insights that help create value and innovation much faster than conventional methods.

The "three V's", i.e the Volume, Variety and Velocity of the data coming in is what creates the challenge.

CASE STUDY - Healthcare

VOLUME

>3,500 NORTH AMERICA

>2,000 EUROPE

>250 CHINA

>400 JAPAN

>200 MIDDLE EAST

>50 INDIA

>50 LATIN AMERICA

Amount of Big Data stored across the world (in petabytes)

$300 billion is the potential annual value to Healthcare

TRANSPARENCY IN CLINICAL DATA AND CLINICAL DECISION SUPPORT

AGGREGATION OF PATIENT RECORDS, ONLINE PLATFORMS AND COMMUNITIES

$165B CLINICAL

$9B PUBLIC HEALTH

$108B R&D

$5B BUSINESS MODEL

$47B ACCOUNTS

PUBLIC HEALTH SURVEILLANCE AND RESPONSE SYSTEMS

ADVANCED FRAUD DETECTION; PERFORMANCE BASED DRUG PRICING

RESEARCH AND DEVELOPMENT; PERSONALIZED MEDICINE; CLINICAL TRIAL DESIGN

VARIETY

PEOPLE TO PEOPLE
NETIZENS, VIRTUAL COMMUNITIES, SOCIAL NETWORKS, WEB LOGS...

PEOPLE TO MACHINE
ARCHIVES, MEDICAL DEVICES, DIGITAL TV, E-COMMERCE, SMART CARDS, BANK CARDS, COMPUTERS, MOBILES...

MACHINE TO MACHINE
SENSORS, GPS DEVICES, BAR CODE SCANNERS, SURVEILLANCE CAMERAS, SCIENTIFIC RESEARCH...

VELOCITY

2.9 MILLION EMAILS SENT EVERY SECOND

You Tube 20 HOURS OF VIDEO UPLOADED EVERY MIN

50 MILLION TWEETS PER DAY

57.6% OF ORGANIZATIONS SURVEYED SAY THAT BIG DATA IS A CHALLENGE

72.7% CONSIDER DRIVING OPERATIONAL EFFICIENCIES TO BE THE BIGGEST BENEFIT OF A BIG DATA STRATEGY

50% SAY THAT BIG DATA HELPS IN BETTER MEETING CONSUMER DEMAND AND FACILITATING GROWTH

VALUE

	PRODUCTIVITY INCREASE	SALES INCREASE
RETAIL	49%	$9.6B
CONSULTING	39%	$5.0B
AIR TRANSPORTATION	21%	$4.3B
CONSTRUCTION	20%	$4.2B
FOOD PRODUCTS	20%	$3.4B
STEEL	20%	$3.4B
AUTOMOBILE	19%	$2B
INDUSTRIAL INSTRUMENTS	18%	$1.2B
PUBLISHING	18%	$0.8B
TELECOMMUNICATIONS	17%	$0.4B

40% PROJECTED GROWTH IN GLOBAL DATA CREATED PER YEAR

1010

$$$

5% PROJECTED GROWTH IN GLOBAL IT SPENDING PER YEAR

The estimated size of the digital universe in 2011 was 1.8 zettabytes. It is predicted that between 2009 and 2020, this will grow 44 fold to 35 zettabytes per year. A well defined data management strategy is essential to successfully utilize Big Data.

Sources - ❶ Reaping the Rewards of Big Data - Wipro Report ❷ Big Data: The Next Frontier for Innovation, Competition and Productivity - McKinsey Global Institute Report ❸ comScore, Radicati Group ❹ Measuring the Business Impacts of Effective Data - study by University of Texas, Austin ❺ US Department of Labour.

DO BUSINESS BETTER

WIPRO Applying Thought

User/Experience/Design

Words like ENGAGEMENT, INTERACTION, EXPERIENCE…
CONNECTION, have become almost leitmotifs when talking
about a brand and its audience.
To plan and create a 360/TTL/Integrated campaign means
to have websites, apps, content, customised banners etc.
So now, a very frequent question is…

HOW DO PEOPLE USE <item (product, website, channels
etc.)>?

- UX principles, methods and
professionals are becoming
part of the creative process in
order to offer the brand and
the client, the much sought
after RELEVANCY -
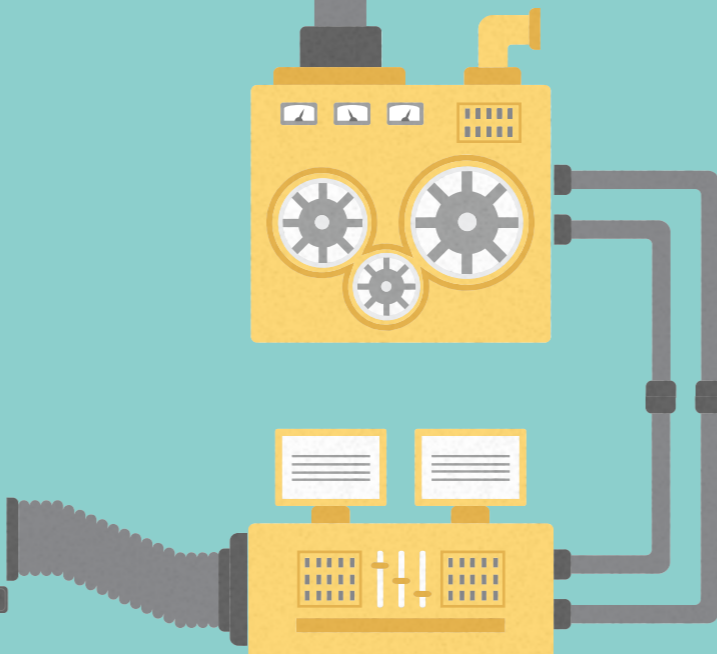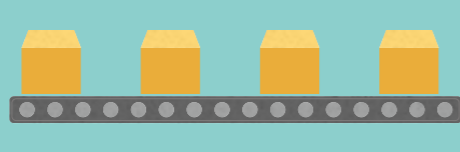
Structures & Capabilities

The most important piece for the advertising industry to cope and adapt to these changes are ultimately the people and the perspectives and mindsets they use to work, develop and grow.
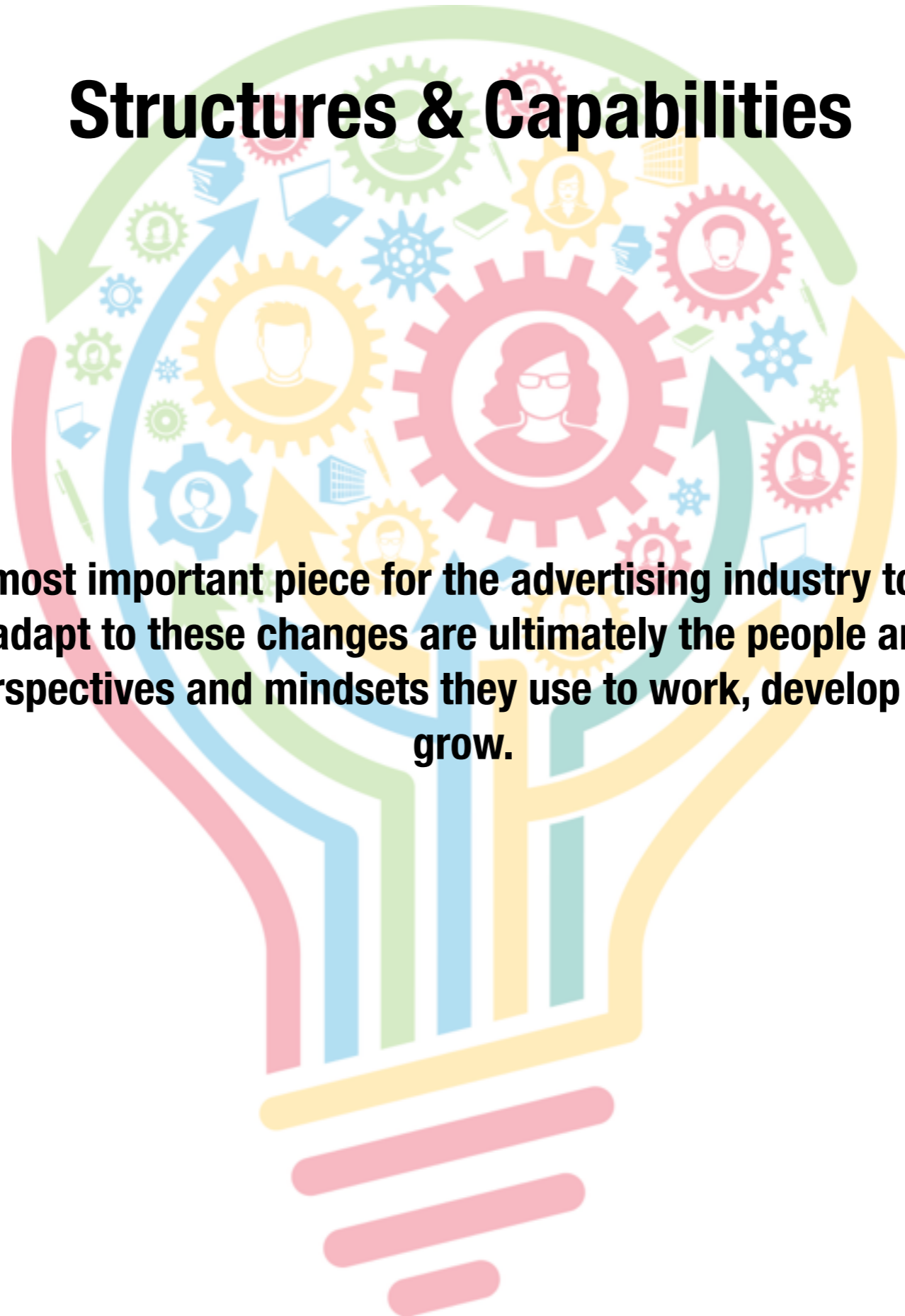
Hybrids & Misfits

New talent comes as the expression of the world we live in. They don't learn through specialisation, but through symbiosis. This allows them to understand and experience the world through multiple and simultaneous filters.

EXAMPLEs:
Creative Strategists, UX/Art DIrectors, Copywriters/Musicians/Robotics Expert

"Meet Jason. He's an art director/filmmaker/editor/web designer. Or say hello to Sarah. She's a writer/art director/journalist/photographer. Over there's Ayusha. She's a planner/art director. (…) (…) this next generation of advertising creatives have both the desire and the skills to play in multiple sandboxes—with no interest in being confined to just one.
"They don't see the world through siloed job descriptions," says Professor Deborah Morrision"

"The New Generation of Hybrid Creatives Is Here" - Edward Boches, Adweek (May 2016)
- http://goo.gl/O4l757
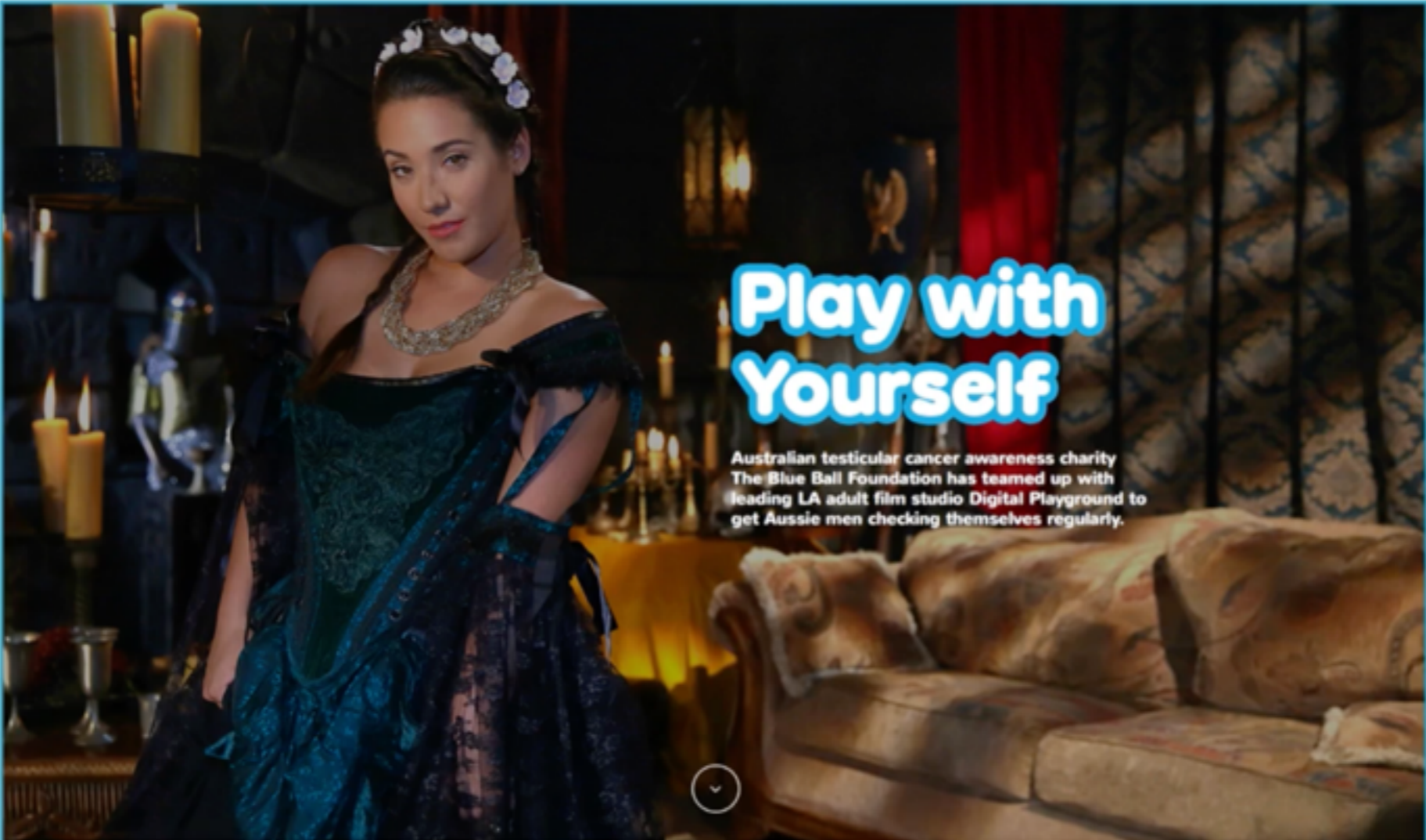
From Advertising to Creative Marketing

In 2001, Margaret Mark showed the world the power of archetypes when creating and thinking about the brand. This reality when overlapped with the digital revolution gives us a new insight.

When thinking about a brand, people see more than the visual identity and the communication part of the brand: they see the context of the brand (product, customer service, sales people, the company and its actions, the involvement of the company&brand in the community etc.)

As Brand Managers have to start redefining marketing so as to include the entire being of their brand, Advertising agencies need to adapt and start approaching all these aspects. They need to work their way to becoming creative marketing agencies.

Thank you