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Ipsos Marketing

Future-Proof Your Brand

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GAME CHANGERS



Summary

We are seeing disruptions that are shaking up categories today like never before. These disruptions will have a fundamental impact on the way consumers relate to your brand. In this paper we will offer ideas on how to use these disruptions as an opportunity for growth instead of a threat.

We will discuss a four-step Ipsos Brand Future-Proofing approach to formulate and execute a brand growth strategy in a disrupted category. The four steps are:

1. Do not assume you know your category
2. Figure out what people in the disrupted category really need
3. Create a brand that really stands out
4. Make sure you can quickly pivot your brand

We are seeing disruptions that are shaking up categories like never before

Let's talk about the automotive industry. In today's world, that's actually a misnomer. We need to think more broadly, in terms of mobility. Mobility is an industry that has been shaken up with integrated electric, autonomous and shared solutions. Many other categories have been disrupted as well. The trend of small, regionally/locally sourced and manufactured brands is shaking up many food categories. Retail banks are affected by distributed, crowdsourced lending and borrowing solutions and vertically integrated electronic wallets. And this is just the tip of the iceberg.

Recent technological developments in areas like Artificial Intelligence, blockchain applications and quantum computing are very likely to further drive the launch of disruptive solutions. The rise of connected appliances and social and mobile platforms will further empower consumers in shaping their own brand experiences.

These technological advances make it easy for new start-ups to get to market: building a new car (Tesla), starting a distributed hotel chain (Airbnb), offering mortgages (Rocket Mortgage) and locally sourcing food

supplies (Blue Apron). Who would have thought new entrants could break through entry barriers so quickly and easily just a few years ago?

As a result, we are seeing a disaggregation (unbundling) of large consumer companies. Small start-ups are effectively competing with individual brands in large companies' portfolios. For example, P&G is competing with small upstart brands like Livionex Dental Gel, Orabrush Tongue Cleaner, Little Duck Organics, Julep Beauty, Juice Beauty, Memebox, Pangea Organics and Unilever's recently acquired Dollar Shave Club.

In the mobility category, we can see how Uber, Lyft, Maven and many more brands are disaggregating the market. The future of integrated shared, autonomous, electric solutions will further impact this 'unbundling' with many more new entrants and challenge the relevance of large car, energy, oil, and insurance brands.





Brands today are more important than ever

The impact of this disaggregation of the market is an explosion of choice for consumers. There are already more than 100 car brands in the market, people have on average access to more than 1,000 cable channels and each day over 1,000 apps are added to the Apple store.

With the abundance of choice, people are looking for ways to simplify their decisions. For example, we know that people are happier making a choice from a short and simple restaurant menu than they are selecting from a long list of items. People unconsciously reduce their choice set to something they can handle, for example just focusing on fish or vegetable items on the menu.

In a world of over-stimulation and an abundance of choice, brands act as a mental shortcut that enable people to make decisions quickly and intuitively. To play that role, brands need to create an unconscious mental network in people's minds - a network of memories, experiences, emotions, feelings, etc.

In order to be chosen, a brand must come positively

to mind at the moment of choice. At these moments brands are retrieved based on the strength of the brand's mental network, combined with any stimulus that catches attention at the point of choice.

From our research, we have seen that people are more likely to choose brands that:

1. Create authentic and relevant experiences to strengthen this mental network of memories and positive emotions (**Memory Saliency**)
2. Break through the clutter and stand out at the point of choice to activate this unconscious mental network (**Attention Saliency**)

We also know from our research that *the first brand that comes to mind is most likely to be chosen*. Your brand can be in the 'consideration set', but it's really the one that comes to mind first that has the unconscious mental advantage. By smartly applying the theories of saliency to help build your mental networks, your brand will more likely be that first choice in the consumer's consideration set.

It is time to think differently about brand building

It is no longer enough to update your brand's portfolio regularly with brand extension launches or support your brand by simply changing the media approach. It's time to think more strategically and longer term about the role and saliency of your brand and your business model in light of market disruptions.

What follows is a four-phase **Brand Future-Proofing** approach to help you think differently about embracing category disruption and to help you drive brand growth.

Phase 1: Do not assume you know your category

Categories today are being disrupted and redefined. You need to begin by (re)defining the category you compete in, and if you are a large player in that category, you should define your playing field so that you are a small player in a larger market. This will give you room to grow. Does your brand compete in the detergent category, or in cleaning? Does your brand compete in the credit card category, or in payments? Once you have defined your category, the next step is to build an a-priori understanding of trends in the category, consumer preferences and choices, and competitors/challengers as well as an understanding of the strengths and weaknesses of your brands. In addition to analyzing existing data and figures (financial data, consumer insights, etc.), a useful framework for this first phase is to look inside (Opinions), outside (Observations) and sideways (Inspiration).

- Look inside (**Opinions**): Look at your own experiences in the category (remember that you are a consumer too), have conversations with (expert) consumers, talk with specialists in the category, discuss with people across divisions of your company (not your day-to-day contacts), etc.
- Look outside (**Observation**): Be on the lookout, evaluating and taking cues from key competitors and integrating them into your thinking.
- Look sideways (**Inspiration**): What are best practices from adjacent categories, near-in and far-out?

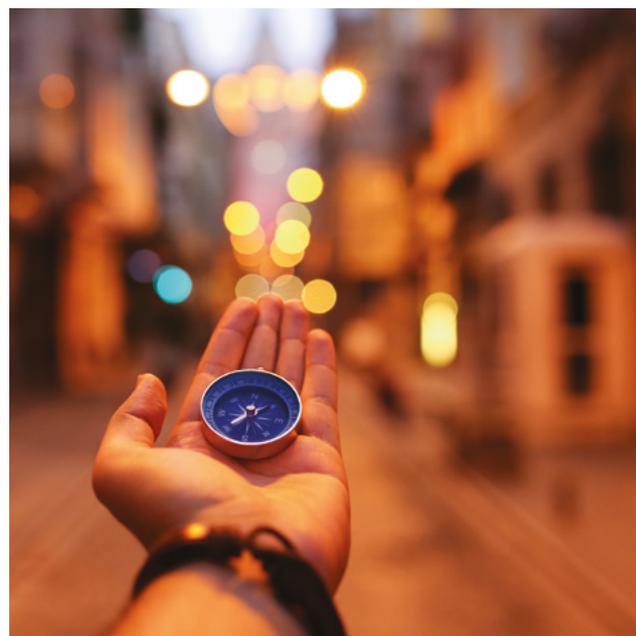
For example, let's look at the retail banking category.

Look inside for your own experiences in dealing with your bank, talk to blockchain experts, talk with unhappy consumers or people that have problems getting a loan or a mortgage. Speak with customer service reps at your company to hear directly from those on the front line. Speak with experts on Millennials or Gen Z consumers, real estate, the housing market, etc.

Look outside to new entrants in the market like LendingRobot, Bill.com, Mozido, Square, I-Wallet, Braintree, Wave, Lending Home, Prosper, and The Zebra and see how they are doing things better, faster, differently.

And look sideways at other categories like energy with new sustainable energy providers, or mobility with new shared services, or the beer category and how it is being disrupted by local breweries and craft beers.

The objectives of this first phase are to define what category you are really competing in, get everyone aligned with the current realities and trends in the category, and agree on directions for the brand to find growth opportunities.



Phase 2: Figure out what people in the disrupted category really need

In a world where decision making is increasingly nonconscious, traditional consumer insights methodologies may be insufficient. If we really want to understand how people choose and how your brand can affect this choice when and where it counts, we need to rely on new methodologies. More specifically, four types of methodologies will help your brand to really affect change:

1. Instead of asking people what they want, new **implicit** tools help us understand people's motivations by measuring what they do NOT say. For example, we look at speed of response (Implicit Reaction Time) to understand emotional brand connections. We prime people's unconscious and see how they respond to seemingly unrelated questions (emotional priming). We keep people's conscious minds busy while we probe their unconscious (cognitive loading). Today's researcher's toolkit includes many more implicit tools to get closer to your consumers' deeper motivations than ever before.
2. A person's actual behavior is generally a better prediction of future **behavior** than his/her stated

behavior ('actions speak louder than words'). There are many more options available today to track people's on- and offline behavior. For example, new mobile tracking apps can easily be integrated into mobile questionnaires to track and segment people's offline behavior.

3. With the current developments in automated text and image and video analytics, we rely more than ever before on **unstructured data**. Intelligently coding unstructured data can turn social data, open-ended voice-to-text responses and images/videos into quantitative data and deep consumer insights.
4. And finally, data from **connected appliances** can and will help to understand people's behavior. For example, data from connected refrigerators can help us to understand actual usage of products without the need for a questionnaire.

In summary, traditional market research alone may be insufficient to figure out what people really need in today's world. For your brand to remain relevant, it is important to think disruptively about consumer insights.

In this second phase, we audit (and use) available consumer insights or help the brand get new relevant consumer insights to kick-start the next phase.



Phase 3: Create a brand that really stands out

As mentioned before, in a category with an abundance of choice, it is increasingly important for brands to stand out from the crowd. That includes considering the category role your brand wants to play and how it wants to be positioned in the category. In Roland van der Vorst's new book (*Contrarian Branding*), he describes three strategies to create a distinctive positioning by 'camouflaging' the competition:

1. **Create an absolute contradiction in the same category.** It is hard to be distinctive on an attribute with a 'sliding scale'. Is your positioning 'innovative', 'high quality' or 'fast'? Your competitors can also claim to be 'somewhat innovative', 'reasonable quality' or 'pretty fast', thereby creating more confusion in the market. However if you claim an absolute contradiction (e.g., Haagen-Dazs = sensually adult ice cream while others = childish, Aesop = intelligent while others = superficial, Virgin = 'we are the people' while others = establishment), you are creating a clear distinction between your brand and the rest of the herd.
2. **Use a different category to create an absolute contradiction.** Position yourself outside the category; as you effectively push all your competitors in one bucket, you become the one alternative. For example, you are not another brand of apples; instead, you're the 'most healthy candy'. You are not another soft drink; instead, you're 'water with flavor'. You are not another airliner; instead, you're 'easier than by car'.
3. **Combine two contradictory elements.** Instead of trying to be distinctive on one attribute, create tension by combining two elements that seem to be contradictory. For example, Zara effectively combined Affordable and High Fashion, while Nike combined Ordinary Heroism as an exciting contradiction.

In this third phase, we combine relevant consumer insights, stakeholder discussions and a focused brand strategy workshop to help define a relevant 'camouflaging' strategy for your brand; in a subsequent workshop we help activate this strategy in a creative brief.

Phase 4: Make sure you can quickly pivot your brand

Finally, to ensure that the strategies are embedded in your organization, your brand needs a slim, fast and more forward-looking brand management solution. That means a focus on a few relevant brand KPIs through short mobile surveys and social data intelligence. These KPIs are connected to the messages mentioned before: ranked first, emotional relevance, strength of mental network and camouflaging power.

In a recent case, a global consumer electronics company was seeing most of their categories fundamentally changed as a result of new entrants with disruptive technologies. To future-proof their brand, we created a simple, agile and mobile tracking solution focused only on relevant global KPIs (ranked first, mental networks, emotional relevance and the distinctiveness of their brand assets). Insights from this brand management tool were then made available in (nearly) real-time on a device agnostic delivery platform to enable our client to quickly gather results on consumer perceptions so it could pivot its brand, keeping it on strategy and on target to achieve its growth objectives.

Finally...

Embrace the fact that we live in new and exciting times. Consumers rely more than ever on brands to help them simplify their choices. Brands that leverage this consumer need are more likely to capture growth opportunities – but brands can only do this if they are willing to think differently about the relevance of their brands and leverage new and deeper consumer insights. Our four-step **Ipsos Brand Future-Proofing** approach can help uncover these consumer insights and turn category disruptions into exciting new brand opportunities.

Future-Proof Your Brand

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Ipsos MarketQuest aims at driving business growth through a deep understanding of people, brands and markets.

Our experts help clients to uncover, size and prioritize growth opportunities in the market, identify innovation platforms, optimize their brand positioning and strengthen their brand portfolio and architecture.

Ipsos is the only global agency with a dedicated practice in this area, under-pinned by a powerful and validated philosophy centered on human motivations in disruptive markets. Our solutions are linked to business outcomes through advanced analytics, activation workshops and real-time simulations.

This paper is part of the Ipsos Views series.
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