Build Brilliant Brands

Advice from 22 of the world's leading marketers

Facebook EMEA Client Council

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Brought to you by the
Facebook EMEA Client Council

Foreword by Nicola Mendelsohn

VP EMEA, Facebook

Six years ago, in September 2014, Facebook founded the EMEA Client Council — a group of leaders from some of the most influential brands and agencies across Europe, the Middle East and Africa. The goal was to create a forum where the best minds in business could come together, share ideas and develop best practices around the future of marketing and business.

A lot has changed since 2014: the council itself has grown to feature an even broader array of marketing leaders, and each of those leaders has had to help their companies navigate some dramatic economic, social and political shifts — not to mention a pandemic that's reshaped every aspect of both our personal and professional lives.

In these times, the benefits of working together, and of building community, have been brought into sharp relief. And it's in this spirit that the council has committed to sharing its hard-won knowledge and decades of collective experience more broadly.

"Build Brilliant Brands" brings together practical advice, insight and opinion from 18 council members and four guest contributors, focusing on the fundamentals of marketing, the current trends shaping the industry, and the things holding us back. In other words: what hasn't changed in marketing, what's changing, and what needs to change — the three sections that make up this book.

With 22 voices from some of the most innovative and creative companies, come 22 unique experiences and points of view, each formed through decades of working at the top of the industry. You'll see different, even contradictory opinions throughout the book. But these points of difference are just as important as the points of

consensus within. From the outset, we wanted to capture as many sides of as many marketing debates as possible. Why? To better equip the marketing leaders of tomorrow with the information they need to draw their own conclusions.

Healthy differences aside, there are still many common threads throughout. For many contributors, including Heineken's Ian Wilson and brand consultant Mark Ritson, there's a strong belief that the core principles of marketing devised in the last century are as important today as they've ever been. For Samsung's Benjamin Braun and L'Oreal Professor of Marketing Andrew Stephen, there's a clear desire to marry the "art" and "science" of marketing to be both more effective and more accountable. And throughout, the creative, commercial and moral imperative for businesses to "be better" shines through — whether that's by finding a strong brand purpose as argued by Unilever's Aline Santos, or fostering diversity and inclusivity within company ranks and communications, as Wunderman Thompson's Mel Edwards, Anomaly's Karina Wilsher and Omnicom Media Group's Mike Cooper point out.

It's clear that marketing has changed a lot since I first started working in the industry nearly 30 years ago. Even the contributors who argue that the fundamentals remain the same would agree that the tools and tactics we use, and the arenas in which we use them, have evolved dramatically.

For me, all these changes are part of the reason why it's such an exciting time to be involved in marketing, and why it's time for a closer look at the sector. As marketers, we're at the forefront of the shifting business–consumer relationship; we have the tools at our disposal to innovate and serve customer needs in new and exciting ways; and, as many contributors argue, we have the capacity to do so while advancing genuine social good.

I've learned so much in the process of bringing "Build Brilliant Brands" to life. For this, I want to thank each and every one of our contributors for the time, effort and care they've so obviously put into their articles. And I'm sure after uncovering the insights contained within these pages, you'll be reminded of what a fascinating, challenging and exciting sector marketing is to work in!

Nicola Mendelsohn
VP EMEA, Facebook

What hasn't changed?

1/3

Which fundamental marketing principles endure despite our rapidly changing landscape? What debates continue to rage on, and how can past lessons help us navigate a complex present?

Mark Ritson

on the calm and the chaos of the marketing mountain

The marketing professor and brand consultant unpacks our current obsession with change, and reminds us not to lose sight of the strategic questions we've been asking for decades.

I am older than you might think. I started teaching marketing in the 1990s. As an assistant professor in America, my first ever MBA course was marketing communications. Back then, a long and lovely quarter century ago, you represented the different communication options in the form of a pie chart. The more advertising dollars spent on a particular medium, the bigger its slice of the pie.

There was a big red slice for TV advertising. An equally big piece for print media. Then radio, cinema, events and the rest would complete the circle. It was never entirely clear which year of advertising spend the pie chart represented. In reality, it did not matter. Whether it was data from 1991 or 1994 the slices were roughly the same size. Things did not change that much from year to year.

And then a young guy called Zoran who was building websites for companies like BMW turned up in my class. He was a fascinating character. Half teenager, half prophet. He liked my class and the fact that I would bum him cigarettes at the end of it. So he showed me one day how a click on the colour palette on the BMW website made the showcased car change colour too. Then he explained how this data was being used by BMW to predict colour preferences for import vehicles. My head buzzed.

Gradually people stopped using pie charts for media spend and moved to line charts. Things were moving too quickly for a static pie chart to make sense anymore. Plus, students wanted to see the pace of change and extrapolate it into the future. And, irrespective of the format of your data, if it was more than 12 months old it was pointless. Things were changing that fast.

Teaching the marketing communications class became nightmarish because most of the slides had to be updated or changed as the speed of communications options increased to warp speed. I encouraged the new, younger professors to teach marketing communications and headed up the mountain towards brand management.

The pornography of change
It can be infuriatingly hard to keep track of marketing. And we make it even harder as a discipline by being ridiculously aroused by what I call the "pornography of change". Marketers are quick to dismiss history as irrelevant and declare anything that is not of the moment to be dead. For a decade, marketers have been inaccurately predicting the death of TV, brands, advertising, funnels and a host of other concepts that appear anything but destined for the dumper.

There are probably two good reasons for this obsession with the future over the practical reality of the present. First, marketing has always managed to attract a significant proportion of people who are drawn to the shiny stuff. It should be populated by people who get turned on by customer data and brand strategy, but both groups are eclipsed by an enormous superficial army of glitter seekers who came in wanting to design logos and direct advertising films. Superficial people tend to be drawn to superficial, shiny things.

Second, overstated projections into the future are fantastic at garnering headlines and have the handy advantage of being impossible to fact-check. As "Ad Contrarian" Bob Hoffman once observed, you cannot be proven wrong provided you kick the can as far as possible into the future. We have seen this with the abject lack of uptake of virtual reality despite a decade of conference talks predicting its domination. When you accost those behind the predictions with the evidence that they have got it wrong they simply point to the clock and ask you to wait, just a little longer.

Similarly, we have been deluged with predictions about the new, post-coronavirus normal that awaits us at the end of 2020. Again, everything from the past is quickly derided as being irrelevant and an army of marketing futurologists now tell us that everything will be different. All the old models are irrelevant. The traditional tactics are now unemployable. You must buy into a new approach or face imminent failure.

For a decade, marketers have been inaccurately predicting the death of TV, brands, advertising, funnels and a host of other concepts that appear anything but destined for the dumper.

Change. Change. Change is upon us.
Well, not so fast. While we have lived through a dizzying period of marketing history, we might want to step back and look at the three distinct parts of marketing. Too often, marketers conflate marketing and advertising as one and the same thing. In truth, the latter is just 8% of the former. There is more to marketing than just slogans and digital media.

The three-band marketing wheel

Tactical band

Strategic band

Marketing
orientation

The outer ring
The tactical band
spins at a dizzying
rate of change.

The middle ring
The strategic
band rotates at
a much more
sedentary pace.

The centre
The need for market
orientation hardly
moves at all.

I see marketing as a spinning wheel with three bands. On the outer ring is the tactical band spinning at a dizzying rate of change. In the middle ring, rotating at a much more sedentary pace, is the strategic band. Finally, at the centre of the wheel, hardly moving at all — the need for market orientation.

The tactical band
The tactical band is, of course, the one we all love to talk about and the one that, as the decades have unfolded, has become more and more the focus for marketers. I call it "tactification". We love to talk about the tip of the spear, not the shaft or the direction in which it was thrown or the reason for its launch. Most marketers think marketing is just the way we communicate with customers and they obsess about outbound marketing, content and social media, as if they are the only things that matter. While this stuff is all part of our discipline, it is often tangential, merely part of the tactical mix, and a servant to the bigger, broader strategic direction of the brand.

But tactics are constantly changing. And if you believe marketing is just the technology of promotion, then it is easy to see how the past, with its paper-based view of the world and "broadcast" model taken from an ancient farming metaphor, is quickly dismissed by young, untrained marketers.

The strategy band
Move further towards the centre of the wheel, to the strategy band, and it is quickly apparent that things are actually not that different from the early 1990s when I started teaching, or indeed the half century before that.

We still face the eternal challenge of segmenting our markets into smaller, more actionable groups of consumers. Then, like now, the debate about mass marketing and target marketing rages on. We still have to select segments through targeting and we still need to position to those targets. The holy trinity of marketing — segment, target and position — was well entrenched in the 1990s and it remains that way today. At least for those who know what they are doing.

As soon as you step back from the tactical "Sturm und Drang" and look at the strategic challenge that marketers face, it is readily apparent that, while the nature of the challenge might have shifted, the fundamental strategic marketing questions of who we want to target and how we want to position to those targets remain just as big now as they were a lifetime ago.

The bullseye

And then in the centre of the wheel of marketing is the consumer. No matter what they might tell you at conferences, the bullseye is not tech or digital or content marketing. The centre of our wheel is the consumer. The biggest challenge and ultimately the biggest contribution we marketers can make to our organisations is becoming the link between the company and its customers. No one else does that in a company, and that makes understanding customers and bringing that understanding into the decision-making process of our employers the prime directive for our careers.

Of course, the customer changes plenty. They are a moving target. But they are not quite as mobile as the various marketing arsehats would have us believe. It might be cool to think that millennials are a tribe distinct from anything that has come our way before, but the reality is that younger demographics have been with us since the invention of marketing. Most, if not all, of their traits are attributable not to some incredible new theme in society, but rather the more eternal and reassuring phenomenon known as "being young".

The biggest challenge and ultimately the biggest contribution we marketers can make to our organisations is becoming the link between the company and its customers.

The enduring questions

When someone says marketing has changed more in the last five years than in the 50 years preceding, I shake my head and leave the conference session. The metabolism of marketing is more complex than that. Tactics are changing and morphing all the time. As you read this, some kid in Xi'an is inventing a new app called "thwacko" and another is writing a blog about why the "traditional" tools like Facebook and Google are destined to fail in the next few, very different, years ahead. If you work at the sharp, tactical end of the

marketing spear you will experience continuous, disorienting change and — for those that like that kind of thing — the buzz that comes from the pornography of change.

But climb the mountain away from tactics and towards strategy, and the pace of change slows to a crawl. Next year, we face the same strategic questions that our marketing ancestors were challenged with a lifetime ago. Where will we play? How will we win? What are the objectives which will ensure success? And what means are required to deliver them? The old questions remain shiny and new as every year we ask them again of our market.

There is continual change at the bottom of the marketing mountain, and relative calm at its peak. Choose the altitude that makes you most comfortable.

Mark's practical advice

What are the enduring, strategic questions that every marketer should explore and look to answer?

- Before a marketer approaches the tactical issues associated with advertising, it is crucial to answer the three core strategic questions. First, where will I play and what is my final decision on targeting? Next, how will I win and what is the position I want to adopt in relation to my targets in order to attract them? Finally, what is my ultimate goal and what objective or objectives will measure my success?

What is the biggest contribution that marketers can make to their organisations, and how can they go about doing so?

- Ultimately, the biggest contribution marketers can make to their organisations is to become the link between the company and its customers. No other discipline or department does that in a company. If we can understand customers and bring that understanding into the decision-making process of our employers, we can bring tremendous value to an organisation. This should really be the prime directive for our careers.

How can marketers strive to take a broader, long-term view of the industry and avoid obsessions with "the pornography of change"?

- It is vital to draw thick red lines between diagnosis, strategy and tactics. They are all connected, but they also demand different things from marketers and operate at different metabolisms. Yes, tactics are always evolving and moving forward. But a bigger-picture view of the full role of marketing will help anchor a good marketer in a more measured and balanced approach to their discipline.

Ian
Wilson

on the value
of marketing
fundamentals
in a digital age

Heineken's Global Senior Director, Digital and Marketing Development, outlines why mental and physical availability are the fundamental drivers of growth, and how to build a commercial framework around them.

With multiple new platforms to master, vast amounts of data to grapple with and lower barriers to entry resulting in new competitors to tackle, a marketer's job has become incredibly complex. In response to this, many marketing departments and agencies have focused on specialisation, creating specialist roles to focus on each area. But I believe that our best chance of navigating the dizzying changes that have been brought about by digital is to turn to the marketing fundamentals as our guide.

However, "Why am I doing this?" and "What's my objective?" are questions I suspect many marketers today would struggle to answer. That's because people are so preoccupied with the new challenges that they are not getting the fundamental training they need to overcome them.

Digital and mobile have taken up far too much of a marketer's mental capacity. People have been obsessing over the changes in technology out of fascination but also because they feel they must keep up. The problem is that technology is a different language. And it's one that's evolving so quickly that trying to stay on top of all the changes is futile.

The growth of e-commerce has also meant that many marketers are centring their efforts on driving an immediate sales response, often to the detriment of longer-term brand-building. This puts too much focus on tipping the already predisposed into buying through performance marketing, rather than generating wider demand among lighter buyers through brand communications.

Returning to the fundamentals
We need to redress the balance so that we can embrace new technology without losing sight of the fundamental lessons of marketing. And those fundamentals will be essential when it comes to navigating the new landscape we find ourselves in.

At its most basic, a marketer's job is to drive profitable growth for the business. A marketer should think of themselves as the CEO of the brand and the marketing mix as their business. As Byron Sharp and his colleagues at the Ehrenberg-Bass Institute for Marketing Science (EBI) set out, when it comes to driving growth, the two most important goals are mental availability and physical availability. Everything a marketer does should be in pursuit of those two goals.

Mental availability
"Mental availability", or brand salience, is a concept coined by Sharp in his book "How Brands Grow". He defines this as "the probability

that a buyer will notice, recognise and/or think of a brand in buying situations".[1] It's about much more than just brand awareness or consumer attitudes, and depends on the quality and quantity of memory structures related to the brand. "The easier the brand is to access in memory, in more buying situations, for more consumers, then the higher the overall mental availability," Sharp writes.

To drive mental availability your brand needs to be distinctive, and, in my opinion, this first requires a strong brand positioning. Starting out at companies like Unilever and Danone, I had the opportunity to grow up in a structured marketing environment where there was a clear approach. The classic Procter & Gamble definition of brand positioning that I was taught still works very well, breaking down brand positioning into insight, benefit and the reason why.

For example, while I was General Manager of Actimel, our insight was that stressful modern lives weaken people's immune systems. The benefit we were offering was that Actimel can help you strengthen your natural defences. And the reason why was because it contains the necessary probiotics to boost immunity.

Once we'd established the positioning, our job was to find the best way to communicate it. This entailed lots of testing to find out which creative ideas would successfully encourage consumers to buy our product.

When it comes to driving growth, the two most important goals are mental availability and physical availability. Everything a marketer does should be in pursuit of those two goals.

Driving salience

Sharp also argues that being differentiated is less important than simply being salient at relevant moments of need. Customers have a repertoire of products that they buy, perceiving little real tangible difference between them, so it's difficult to differentiate them in a meaningful way.

The brands that come quickest and easiest to mind dominate market share. However, since purchase frequency is a reflection of the size of the brand and category norms, it's not something that marketing efforts can easily affect. As Sharp and his colleagues at the EBI demonstrate, growth principally comes from increasing demand among light buyers and non-buyers. Your marketing spend will convert much faster to sales if it's focused on creating a distinctive brand that stands out at shelf and comes to mind first at those moments of need.
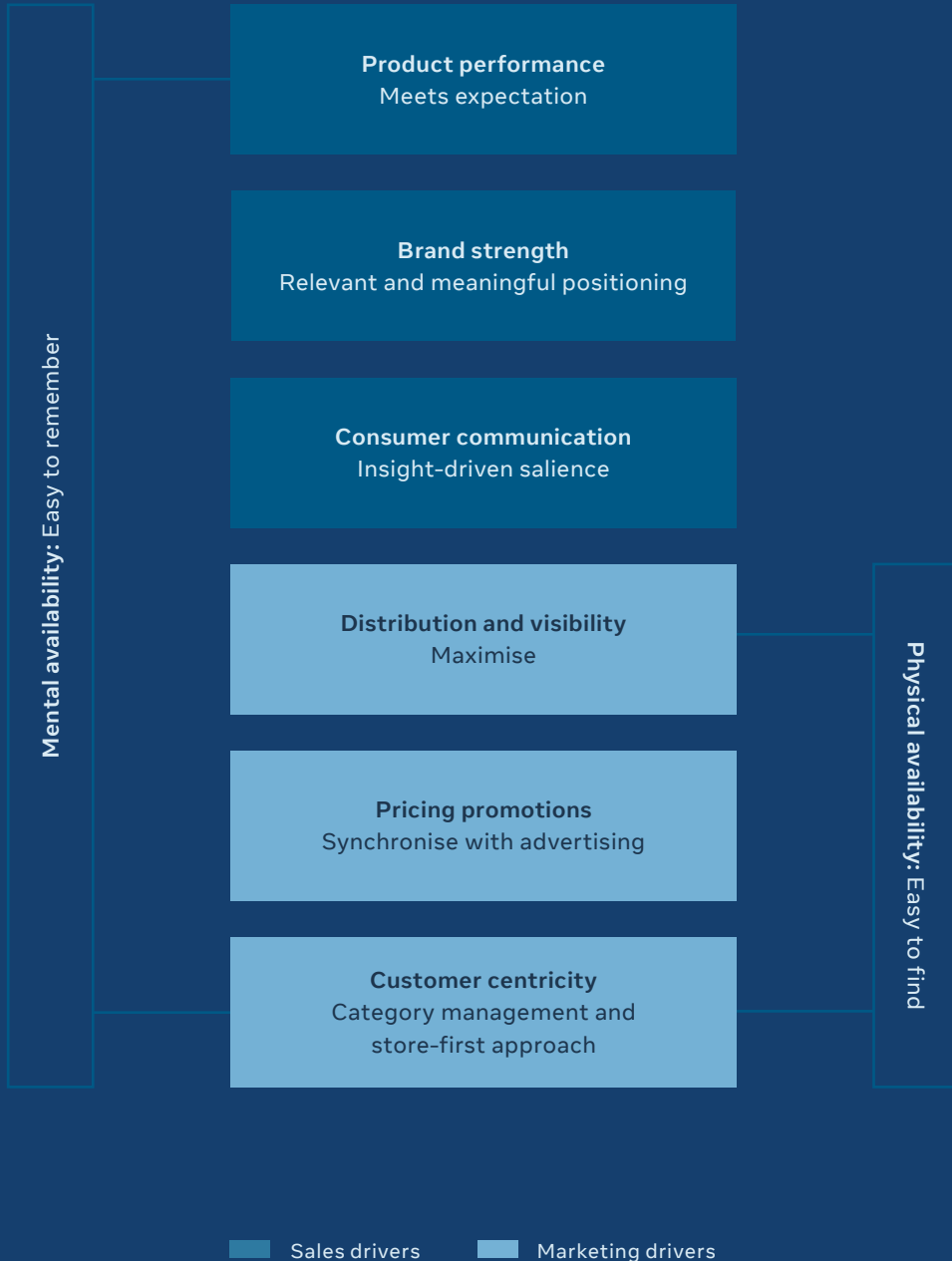
Physical availability
Physical availability, or distribution, is just as important as mental availability, but is often neglected. The EBI defines physical availability as the breadth and depth of your distribution in time and space. That includes online and the ability to find your brand across multiple devices and channels 24/7, as easily as possible. Sharp includes search within this.

Many marketers don't realise the importance of things like distribution and in-store visibility, but when you're in a role like General Manager, it becomes abundantly clear. Simple things to consider in store are value-weighted distribution and the position and share of shelf. If you're not at a certain level in store, people can't find your product. You also need to think about everywhere else your product could be, such as in an off-shelf promotion. At Danone, for example, we had to think a lot about second placement because you sell yogurts from fridges.

The key here for a marketer at mid-management level is to build strong relationships with sales and trade marketing. Ultimately, what you want to create is a synchronised commercial plan that joins marketing and sales actions together. Coupling advertising with big off-shelf promotions can really magnify the effect of all the actions put together. And when you drive physical and mental availability at the same time, the consumer can't miss you.

To give you an example of how they would traditionally work together: if you were an FMCG brand you would first work with creatives to find a winning idea. Then you would put a thousand gross ratings points behind it on TV and couple that with off-shelf promotions, second placement actions and sampling. That would drive consumer penetration to a new level, the key driver of brand growth. Continuing this along the year builds growth momentum.

Synchronised commercial plan pillars

Mental availability: Easy to remember

Product performance
Meets expectation

Brand strength
Relevant and meaningful positioning

Consumer communication
Insight-driven salience

Distribution and visibility
Maximise

Pricing promotions
Synchronise with advertising

Customer centricity
Category management and
store-first approach

Physical availability: Easy to find

Sales drivers   Marketing drivers

Building a framework

Marketing leaders must use these fundamentals to build a commercial framework or an approach to marketing for their company. Having created that framework, a clear training programme can help marketers understand how to apply those fundamentals in today's digital age. At Heineken, we've created a nine pillar "Winning with Brands" framework covering all key commercial drivers. We have also launched an Are U Up To Data workshop training programme, which helps marketers get to grips with a data-driven approach to marketing. It's not digital transformation so much as a way to do commerce in the digital age.

Digital should be positioned within your framework as a tool to help apply the fundamentals. Taking this approach helped us reach a new audience and drive penetration as part of our sponsorship of the UEFA Champions League. We discovered in 2018 that a relatively large number of viewers globally — one in six — were watching the competition only through digital channels like social media or live streams.

Of these customers, we found that many were light users of beer and only bought Heineken occasionally. Based on our fundamental principles, this was the perfect audience for us to target to increase penetration and in turn drive brand growth.

So, using digital as a tool to drive mental and physical availability among this audience, in 2018 and 2019 we ran a beer delivery service called Drinkies in Amsterdam. Through the platform, customers could order cold beer and snacks to be delivered to their door within 60 minutes. The initiative increased sales at a greater rate than those forbricks-and-mortar stores during this period, and the number of new Drinkies customers grew over time.

Your marketing spend will convert much faster to sales if it's focused on creating a distinctive brand that stands out at shelf and comes to mind first at those moments of need.

Foundations first

The Drinkies campaign is a great demonstration of how digital media can be harnessed to achieve a marketer's fundamental goals. And crucially, we got to this solution by starting with the enduring principles, not with the technology.

By treating new technology as a tool for putting fundamental lessons into practice, marketers can drive growth and navigate complexity rather than get lost in it and flounder. The same rule applies for every single mass market brand globally: once you know the fundamentals, it's easier to drive.

Source
[1] Byron Sharp, "How Brands Grow: What Marketers Don't Know", Oxford University Press, 2010

Ian's practical advice

What are the key principles of marketing as you see them?

- Think and behave as a brand CEO, leading and driving the whole commercial approach. Focus on the 4Ps (product, price, place, promotion), and concentrate on driving the most effective, insight-based consumer communication so your brand is easy to remember.

- Ensure that your product is easily available and focus on distribution, position, share of shelf and off-shelf promotions.

How can marketers incorporate more fundamentals into their day-to-day working lives?

- Try to devise a framework covering marketing and sales key drivers. And always begin with the business objective of campaigns and key initiatives. Ask yourself: "Am I focusing on what matters the most to drive profitable growth?"

- Keep reminding yourself of the key marketing principles and learnings: read and re-read key works such as "How Brands Grow" and "Marketing Warfare".

How might a marketer strike a balance between being guided by fundamental marketing principles, and benefiting from useful data or technology?

- Think "marketing in a digital world", not "digital marketing". Remember that technology and data tools are there to help you do better marketing. Build a network of partners to help you navigate the martech, People Database and data-driven landscapes.

Arjan
Dijk

on the
importance
of taking a
product-first
approach to
marketing

Booking.com's CMO discusses truth-telling, behavioural economics and why marketing should never be about putting lipstick on a pig.

A marketer's job is to grow the company. And to do this, being true to who you are and what your product does is key. Adding emotional benefits to your brand that aren't based in truth leaves you with a difficult story to tell. Historically, FMCG brands have relied heavily on emotional storytelling and it's been very difficult for those companies to maintain double-digit growth over time.

To really resonate as a brand you need to find your voice. That's why I believe you have to start by looking at what is special about your product, and then consider how to connect it to consumers' lives.

When I joined Booking.com, we changed our mission to reflect this thinking. Previously, our mission statement was to "Empower people to experience the world". Now, we aim to "Make it easier for everyone to experience the world", because that's a better expression of what our role is. By investing in the technology that helps take the friction out of travel, we can seamlessly connect millions of travellers with memorable experiences.

Product vision trumps research

You are best placed to know what's special about your product, so don't ask consumers to design it for you. In many companies, people use research as a crutch to prove that their new product will be successful. But that's not how it works in real life. People don't always know what they want.

Take the Sony Walkman, for example, which tested very negatively. People couldn't understand why they would need one. Research demonstrated that consumers wouldn't buy a tape recorder that wasn't capable of recording. But the Sony Walkman went on to sell more than 400 million units.

Similarly, people initially rejected the idea of colour TV. "Why would I need a colour TV at home?" they said. "That isn't necessary." But when people tried it, they were amazed. In both cases, when consumers had the chance to try the finished product they embraced them in their millions.

It's very difficult for consumers to imagine what the future will look like and what they really want and need. That's because we all judge new ideas in the context of our current lives. Twenty years ago, we'd never have guessed how big a role the mobile phone would play in our lives today. Research could never have predicted that.

From Instagram to Uber, the most successful companies of the past decade have offered people something that they didn't realise they needed. We use market research to better understand things, but not to make decisions. It is there to help inform decision-

making, not dictate it. Part of the issue with consumer research is that you can usually get any answer you want — and substantiate your own prejudices — depending on how you design the study. So it's very important that you start with your product vision, what you want to deliver and how you can be different and better. Then, of course, you can test your idea with consumers and build on it. But not the other way around.

Marketers as choice architects
Rather than putting the customer in charge, marketers must become choice architects. This involves working backwards from the actions they want people to take. Marketers then design an experience that presents the customer's choices in a way that will influence their decision-making. We can do this by tapping the wisdom of behavioural economics, which considers how psychology impacts our economic decisions.

The premise of behavioural economics is that humans are largely irrational and that what people say and what they do is generally very different. For example, we all say we want to live healthily and not drink too much, but find ourselves knocking back pints in the pub on a Friday.

Rather than putting the customer in charge, marketers must become choice architects.

The percentage of people willing to donate their organs across various European countries provides another interesting illustration of the irrationality of human decision-making. In the Netherlands, the government ran an "opt in" organ donation campaign. After spending millions of euros a year advertising the initiative, less than 5% of Dutch people signed up. Meanwhile, neighbouring Belgium did it the other way round, asking people to opt out of donating their organs. Guess what? 98% of people did not opt out.
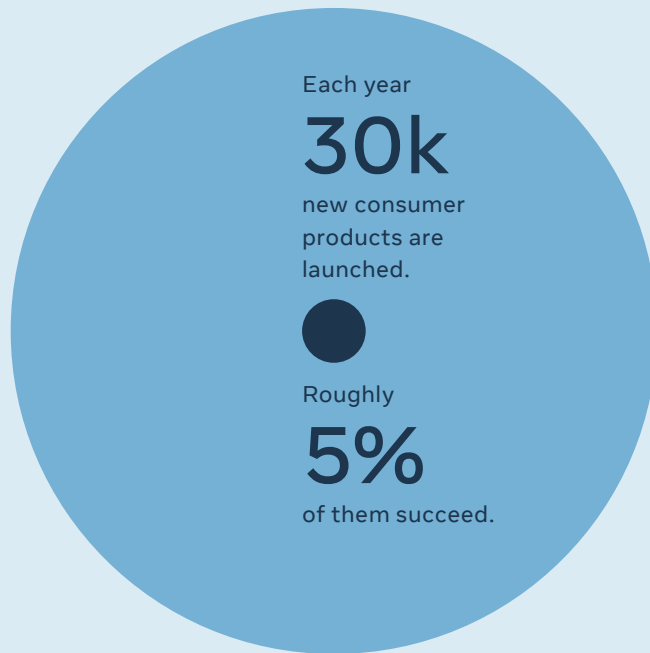
Each year

30k

new consumer
products are
launched.

Roughly

5%

of them succeed.

Behavioural economics can help explain what happened. "This is a hard emotional decision about what will happen to our bodies after we die and what effect it will have on those close to us," writes Dan Ariely, author and Professor of Psychology and Behavioral Economics at Duke University. "It is because of the difficulty and the emotionality of these decisions that they just don't know what to do so they adopt the default option."[1]

There were no fundamental differences between the consumers in each country, but the way their choice was designed was very different. It also demonstrates that you can't make people work too hard and that they will likely default to the easiest option.

Understanding behavioural economics can help marketers guide people through an experience to achieve their desired outcome. It's about being single-minded in prioritising what you want the customer to do and designing the experience that gets them there, rather than creating the most desirable experience for the customer. We must bear this in mind when we're developing products, which are often a function of how you design the experience.

Unchanging truths

Too often, companies put money behind products that are not good enough. Marketing should never be about putting lipstick on a pig. It should accelerate momentum. When you have a product that people are already impressed by, the marketing mix becomes far more powerful and the chances of scaling the business are multiplied.

I started working in marketing in the early 1990s and the reality is that the basic principles haven't changed at all. What has changed is the speed at which you can test things out and the amount of data available. But what companies need in order to stand a chance of being successful remains the same: a product with a key differentiator and a product that people like to use.

Source
[1] Dan Ariely, "Three Main Lessons of Psychology", 2008, danariely.com/ 2008/05/05/3-main- lessons-of-psychology/

Arjan's practical advice

What are the key ingredients of a solid product vision?

– Determine what is special about your product and then start to consider how you can connect that to consumers' lives. This will also help you find your true voice and purpose as a brand.

– Once you know what you've got, trust in it! Many companies rely too much on research and end up effectively asking the consumers to design products for them. Avoid this; use market research to better understand things, but not to make decisions.

How can marketers become better choice architects?

– Learn and apply some of the wisdom of behavioural economics — consider how psychology can influence consumer decisions.

– When designing experiences, work backwards from the actions you want people to take. Prioritise what you want the customer to do and design the experience that gets them there. This is more important than creating the most desirable experience for a customer.

In your opinion, what are the basic, unchanging principles of marketing?

– I think the one unchanging principle of marketing is to have a good product at a great price that you can buy easily.

Roberto
Khoury

on the enduring
power of
customer-centric
marketing

Johnson & Johnson's VP, EMEA, dissects the nature of brand and consumer relationships and reveals the four pillars of customer centricity that guide him in his day to day.

In some ways, the relationship between a brand and a consumer is a lot like the relationship between two humans. It can evolve over time, and factors like values, character and communication can influence the direction the relationship takes. When brands court consumers, it is a lot like dating — jumping out at someone on the street with a proposal is unlikely to get you anywhere. Similarly, the way marketers approach relationships can often leave their customers feeling bewildered.

Marketing has always been responsible for building a connection between the customer and the brand. As a discipline, it achieved this by understanding what the customer's needs were and then communicating how a product could meet them. This task is unchanging. At Johnson & Johnson, for example, our commitment to meeting our consumers' daily needs was set out in Our Credo 75 years ago. Written by Robert Wood — a member of our founding family — it commits us to put "the needs and well-being of the people we serve first".

However, in the past, marketers had a more limited understanding of what those needs were. They could conduct focus groups and run surveys, but the research was static and somewhat sporadic. Beyond the focus group, we were only able to talk at our customers. Whether it was via TV, radio or print, advertising took place over one-way broadcast channels.

The new tools for customer centricity
Today, there are many more ways of listening to consumers. Technology provides us with continuous data, helping us to learn what our customers like, don't like and even what they're interested in from moment to moment. Social listening can reveal incredible insights about what they want. We can also study search terms, user ratings and reviews, engagement rates and A/B test our communications.

While online data is providing us with a far greater contextual understanding of their individual needs, emerging channels have also transformed marketing into a two-way conversation. Through social media, chatbots and avatars, consumers are now able to engage in a direct dialogue with brands.

In the process, marketing's role has evolved into satisfying consumers' real-time needs and building a relationship with them. What makes or breaks that relationship is total customer centricity.

Customer centricity is about putting the consumer at the heart of everything you do, and being willing to adjust your offerings accordingly. It's the fundamental reason why marketing exists: to

bring those customers into the heart of the organisation. Having that genuine interest in the consumer is the only way a brand can continuously evolve in today's dynamic environment. For me, there are four pillars of customer centricity. While these pillars are enduring, technology is providing marketers with new opportunities to build on and fortify them.

1. Listen closely
The first pillar is about capitalising on the plethora of data available today and listening to your customers. Allowing them to talk to you directly isn't enough: if you're not listening to them, you can't build a relationship. A lot of organisations fail to listen properly because their focus is elsewhere, whether it's because they are obsessing over what the competition is doing or too busy prioritising shareholder satisfaction over customers.

This is dangerous, because if you're not constantly listening you'll become obsolete. Markets have become increasingly fragmented, with swathes of smaller players racing to provide more niche offers, resulting in a wider range of choice than ever before. In the beauty industry alone, 43,000 new skincare products were launched just last year.

Having that genuine interest in the consumer is the only way a brand can continuously evolve.

Like any relationship, the one between customers and brands is fragile and, with the breadth of offers available, consumers can easily find another one elsewhere. If you're not giving them their preferred option, someone else will. Incumbent companies can quickly become outpaced by smaller brands if they fail to listen closely.

2. Service fast
But it's not just about listening, you must speedily respond to what you hear and service your customer's needs accordingly. Rather than wasting time over-testing, companies need to think about how quickly

they can translate an insight into new content, products or services. Internally, you need to make sure that the right teams are empowered to make decisions. When consumers say, "I want this new product, can you give it to me?", you need to be able to answer "Yes!" and deliver it six months later. For big organisations, this is the most fundamental and hardest shift to make.

At Johnson & Johnson, we've partnered with coaches and startups to help us adopt agile principles across the organisation. We brought in and trained more than 1,000 EMEA employees on our agile methodology, which is based around consumer obsession, servant leadership and empowered teams.

However, being ready to service fast requires more than just training. We reorganised our teams into multifunctional squads that represent each of the markets in our key businesses. We've given them the power to make their own decisions and drive their own new product development. This minimises the amount of back and forth and enables us to orchestrate an impactful regional strategy while responding much quicker to local needs.

We've also brought in new tools to help those teams make the right decisions. For example, we've started using an API that provides us with a real-time understanding of how our brands are performing on social media, including what the trending topics are, how our engagement rates are evolving, and how that compares with our competition. Our teams have constant access to that information. We also use Microsoft Teams to help people share their work across different markets. This allows us to scale best practices for content much faster across different regions.

3. Maximise the value exchange

Once you have served your customer with whatever it is they need, you must make sure that the value exchange is maximised. This means ensuring that they're getting the best possible experience for the right price. You can't maintain a relationship if you're only trying to extract value from consumers, by overpricing for example.

It's about recognising that we need to offer something beyond just the product. What value is the customer getting out of it? How satisfied are they with the service? How are we innovating or partnering with startups to make the brand experience more meaningful? For instance, returning to the beauty industry as an example, having so many new products to choose from can leave shoppers feeling overwhelmed. Brands in this space have an opportunity to help customers navigate the complexity. One solution

might be to provide their customers with tools to diagnose their skin type so that they can find a product personalised to them. This can transform the value exchange and make the customer's relationship with the brand much stronger.

4. Build relationships
Each of the previous pillars feeds into this final one, which is to build a relationship with the customer and nurture your community. New media is enabling brands to have a dialogue with customers on an individual and group level. If you have built a strong relationship with an individual, they will likely tell their friends about it and seek out others online or elsewhere that share their positive experiences. This creates a community and helps you to grow as a brand.

Keeping tabs on your community is important. Ask yourself, are people talking positively about the brand without us having to pay for it? Earned media value is a great way of getting an understanding about whether your community likes what you're doing or not.

Going deeper with data
Whether within groups or with individuals, data is the language that underpins the customer relationship. It helps us to understand what the customer wants, learn how we can service them, analyse our performance and develop our community. The more data we have, the better we can personalise our offering, the deeper we can service people's needs, and the more satisfied our consumers can become.

But while the ways that we acquire and use customer data are ever-changing, the purpose of it remains constant. The "how" will always evolve in marketing but the "what" that we must aspire to endures, which is to keep the customer relationship at the heart of what we do as a business.

With the opportunities provided by technology today, there's no excuse for behaving like that awkward stranger in the street. Find out what your customer really wants and sweep them off their feet.

Roberto's
practical advice

What are the signs that a brand is no longer serving its customers' needs?

- If you're focusing too much on your return on investment and on the competition, and if you cannot answer the question: "When was the last time you served the consumer?"

What practical steps can marketers take to be more customer-centric?

- Remember to ask yourself: "Are you listening closely? Are you servicing fast? Are you maximising the value exchange? Are you building a relationship?" If you're not doing those things, you're not consumer-centric enough.

What are the best ways of approaching customer research?

- There is so much out there today in terms of research. I think more important than the research is asking: "What is your hypothesis?" Whatever it is, take the time to understand what you are trying to validate and make sure you know what problem you're trying to solve. You can then perform different kinds of research depending on what suits the hypothesis.

What's changing?

2/3

What shifts
and trends are
impacting our
work as marketers
today? Which
ones do we need
to be wary of,
and which ones
might lead us to
brighter futures
and better work?

Aline
Santos

on the evolution
of brand
positioning and
the importance
of brand purpose

Unilever's EVP Global Marketing and Chief Diversity and Inclusion Officer explains why getting brand purpose right requires training, experience and a return to marketing fundamentals.

From the mounting evidence that doing good correlates with business success to the toe-curling campaigns that miss the mark, brand purpose has been in the spotlight in recent years. You'd be hard-pressed to find an industry conference that didn't have purpose high on the agenda, and Cannes Lions Festival of Creativity has created award categories specifically to honour this new breed of work.

But while the move towards purposeful marketing might in some ways mark a radical change for the industry, I actually see brand purpose as a natural evolution of brand positioning.

A new way to differentiate

In the 1970s, marketers tended to focus on the technical features and functionality of their products, while the following decade was all about the emotional benefits of a brand. The nineties could be defined as the era of value-added services and in the noughties the focus was on integrated user experiences, as pioneered by Apple.

Since then, marketers have continued to look for new ways to position brands. In doing so, they have discovered one area of business that's becoming increasingly important to customers: how a brand impacts society and the planet. In fact, research by Kantar shows that 72% of Generation Z in the USA think that brands should be responsible for making society better.[1] And so "brand purpose" has emerged as a new way to distinguish brands and their products.

A brand's DNA

So what exactly is brand purpose? I think of it as the reason why a brand exists beyond their product functionality and making a profit.

For example, at Unilever our purpose is to make sustainable living commonplace. We express this purpose differently across our brands, which have varying ambitions and activities. We want our brands to make a positive difference to society or the environment, and in some cases, we hope to achieve both.

Brand purpose has long been central to our business. In 1884, when William Hesketh Lever launched the Lever Brothers' first ever product, dirt and disease were widespread. Lever had a vision that his new soap would make cleanliness commonplace and that this would have far-reaching social consequences. For starters, Lever believed it would help lessen the workload for women, who were the ones tasked with cleaning and taking care of the sick. Originally marketed as a kitchen soap for hand washing, cleaning hard surfaces and cleaning clothes, it would help make people "healthy, wealthy and wise".

So he named his product in a way that would signify hope and a light at the end of the tunnel. Sunlight Soap was the first branded and packaged soap on the market.

In the beginning, we sought to democratise cleanliness, and now our brands aim to do the same for sustainability.

The need for business to step up
Personal hygiene has come a long way since the Victorian times, but the role that businesses play in society has never been more critical. Not only is the state of our climate reaching breaking point, but, at the time of writing, we are experiencing a global pandemic and facing a very significant economic downturn.

Despite a modest rise in 2019, consumer trust in governments and the media remains low, according to the Edelman Trust Barometer. People are looking for other forces to turn to and they're demanding much more from companies than ever before. At times like this, a commitment to society is even more imperative, and many businesses are recognising the need to step up and help resolve the crisis.

In the case of Covid-19, there are many ways that brands can support the effort to tackle the pandemic. And every day I'm seeing brilliant examples of brands across many different categories that have identified ways they can support people through this crisis. Those that have already done the work of identifying their purpose and building up experience and knowledge in relevant areas are particularly well positioned to help.

For example, in addition to product donations, our Lifebuoy antibacterial soap and Domestos cleaning brands are partnering with the UK government's Department for International Development to educate a billion people worldwide with a Covid-19 handwashing campaign. Both brands already have decades of expertise driving large-scale hygiene behaviour change programmes, and are now drawing on this to help stem the spread of the virus.

The role of purposeful brands goes beyond a beautiful "Manifesto Campaign". It also needs to include definite actions, generating tangible impact in society and/or the environment.

Businesses are increasingly expected to be at the frontline in challenging the issues that exist around the world today. This means understanding what's going on and using their resources to provide solutions. If they can do this, they can help society and the planet move forward.

72%

of Gen Z in the USA think brands should be responsible for making society better.

Source: Kantar US Monitor survey, "Kantar Futures", 2017

>75%

of Gen Z will stop buying brands and spread the word about companies whose campaigns they regard as "racist", "macho" or "homophobic".

Source: McKinsey&Company, "True Gen': Generation Z and its implications for companies", 2018

90%

of millennials buy brands whose social and environmental practices they trust.

Brands recognised for high commitment to purpose have grown at

2x

the rate of others.

Doing good is good for business

Honing in on a brand purpose isn't just good for people and the planet. There's also plenty of evidence that it's the right thing to do for your bottom line as well. Research by Shelton Group suggests that 90% of millennials buy brands whose social and environmental practices they trust.[2] Moreover, a Nielsen study on sustainability showed that 51% of millennials report checking the product packaging for sustainability claims before making a purchase.[3] On the flip side, a study by McKinsey shows that more than three-quarters of Generation Z will stop buying brands whose campaigns they regard as racist, macho or homophobic.[4]

Kantar's BrandZ research shows a correlation between brand power and purpose. This is important because their research claims that high brand power results in greater market share. Their Purpose 2020 study also shows that brands recognised for high commitment to purpose have grown at more than twice the rate of others.[5]

When we look at our own portfolio we can see that focusing on brand purpose has been successful for us. We've found that our purposeful brands are growing 69% faster than the rest of the business and delivered 75% of our total turnover growth. This is why our CEO Alan Jope has said that he wants to make every single one of our brands purposeful. We believe that growing your business with purpose is the best way to future-proof it. And by committing to serve society and the planet, brands can gain longevity and the chance to remain relevant to consumers in the future. The benefits of commitment to purpose are felt internally, too. It can make employee engagement go through the roof. At Unilever, 92% of people who take part in our People with Purpose programme feel they can put more

By committing to serve society and the planet, brands can gain longevity and the chance to remain relevant to consumers in the future.

into work because they understand their purpose. We know that engagement is a critical KPI and one of the key elements for business success. In fact, a recent Gallup study showed that companies with high employee engagement are 21% more profitable.[6]

Having a purpose also helps businesses attract the best talent because people want to work for meaningful companies. Today, we receive around 1 million job applications per year and we are one of the most followed companies on LinkedIn, which is remarkable for a non-tech company.

The danger of woke-washing
However, despite its links to business and societal benefits, some marketers and consumers have started to grow weary of brand purpose in the face of poorly executed campaigns and "woke-washing".

When brands jump on the purpose bandwagon in a superficial way and latch onto causes that have nothing to do with their business, it's damaging for both the companies involved and the reputation of the industry as a whole. "Woke-washing is beginning to infect our industry," Alan said on stage at Cannes Lions Festival of Creativity 2019. "It's putting in peril the very thing which offers us the opportunity to help tackle many of the world's issues."

We've ended up here in part because many marketers are not properly trained in brand positioning. The ability of marketers to identify and implement a brand purpose is closely related to their understanding of brand positioning. The two are symbiotic. Purpose needs to go to the core of your brand position.

Even with expertise in brand positioning, however, the process of finding and executing a purpose for a brand is not a quick and easy task. As with any brand positioning exercise, the process will require time and input from stakeholders around the business.

It's also imperative that you look outside your business. External experts can provide invaluable perspectives and advice on how to make a genuine difference in your chosen area.

Once you have "cracked" the right purpose for your brand, you need to go beyond words. You need to move into action. Identifying the right "purpose" territory for your brand and creating a campaign is just the beginning of the journey.

If at first you don't succeed
It can take some work, and getting it wrong will certainly have consequences, but brand purpose is simply too important to give up on. For those that have made mistakes in the past, I urge you to come

Unilever's Sustainable Living Brands are growing

69%

faster than the rest of the business, delivering

75%

of the company's growth.

Source: Unilever, 2019

7

of Unilever's top 10 brands — Dove, Knorr, Omo/Persil, Rexona/Sure, Lipton, Hellmann's and Wall's ice cream — are all Sustainable Living Brands.

Source: Unilever, 2019

The evolution of brand positioning

1970s
Functional features

1980s
Emotional benefits

1990s
Value-added services

2000s
Integrated user experiences

2010s
Brand purpose

back and try again. Invest the right resources, talent and time until you've cracked it. There are a lot of problems and tensions in this world and there will be an area where your brand can add authentic value. Your efforts will be well worth it.

Marketers in past decades focused on distinguishing their products through functional and emotional features. But your legacy can go beyond that. You can ensure that your brands create a positive impact on your business, society and the planet for many years to come. Go for it!

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Aline's practical advice

What are the business benefits of brand purpose?

- Increased brand power and therefore greater market share; creative work that taps into people's emotions and is more memorable; and a new way to connect with your consumers through different touchpoints, resulting in a deeper relationship.

How can you ensure that your brand purpose is authentic?

- At Unilever we start the process with the brand leader who has a deep understanding of the brand and its heritage. They consider tensions that society or the planet are facing which might be relevant to the customer and the product.

- If you're operating a house of brands, each brand's purpose must connect back to the company's mission. The brand's purpose must be relevant in three ways: to the brand and its heritage, to the category and to the consumer. Anything else will feel artificial and could lead to accusations of "woke-washing".

- Your brand purpose needs to be actionable. People value what you do more than what you say. Actions require commitment, investment and integration with your company's business strategy. How actionable your purpose is depends on its simplicity. If your purpose is unclear, it will remain written on a page rather than being implemented business-wide and having an impact.

Sylvia Mulinge

on crafting brand-led customer experiences

Safaricom's Chief Customer Officer discusses fulfilling your brand purpose through magical experiences, and why sustainable success is a marathon, not a sprint.

The individual customer experience is critical for retention, whether that's through their everyday encounters with different products and services or their conversations with a brand online. In service categories in particular, if you repeatedly fail to meet customers' everyday expectations, they'll quickly look to move elsewhere, and comparison sites make this easier than ever before. To create true differentiation and generate loyalty, marketers need to create brand experiences that also clearly link to a purpose.

To stand out in a category and ensure that you don't end up being generic, you need to start with what you stand for. Then you must design valuable customer experiences across different channels that amplify that purpose. If you can do this, not only will the brand become more distinct, but it will feel authentic. At Safaricom, the largest telecommunications provider in Kenya, we aim to ensure that our unique brand purpose of "Everything we do, we do for you" ties into every experience consumers have with the brand.

On the flip side, if your experiences clash with how customers perceive your brand, you will pay the price for it. Your brand is like real estate that exists in the mind of your customer. If your experiences create dissonance, your customers will call you out. Remember, people don't believe what you say, they believe what you do on a day-to-day basis. So start from the perspective of purpose and don't fake it or force it.

Empowering employees to deliver on your purpose
In many organisations, employees will be one of the biggest enablers of your overall brand experience, and this is especially true for a service brand like Safaricom. As such, the human side of your organisation becomes very prominent. Whenever we talk with a customer, whether it's in store, on social media or via web chat, we need to think about how that interaction is going. Are we listening properly? Are we speaking in a way that's human? Are we relatable?

This is why it's so important to invest in empowering your employees with the right tools. But it's also just as important, if not more, to ensure that they have the right mindset — that they put customer obsession at the heart of everything that they do.

Using common phrases and language can help align your staff and create consistency across the services you deliver. For example, we talk about "putting reputation before revenue". This means that if a customer calls to say that their data bundle has disappeared, our employees know that the first thing they need to do is restore that bundle before finding out the cause of the problem. We also aim to

put "purpose before profits". Again, this means that, when faced with a decision to make, staff know they should prioritise our purpose of transforming lives over simply making money.

If customers believe that they are being serviced by a company that has caring employees, they will reward you with their loyalty, patronage and with their dollars — or, in our case, Kenyan shillings. And that ultimately translates to long-term, sustainable market share growth.

Looking beyond the remit of marketing
Our purpose cannot be owned by the marketing people alone — all we do is amplify and communicate what we stand for. At its most basic, fulfilling our purpose requires our network experience to be as good as we have promised it to be. And for that to be the case, our IT team, product and services team and innovation team must also be committed to delivering on our purpose.

In fact, your purpose must be felt across the entire organisation in order for your culture to sustain it. The best way to achieve this is to align KPIs across the different parts of the organisation. At Safaricom, every C-suite leader has a customer experience KPI relevant to their department. For example, the leader of our corporate security team has a KPI around reducing the level of fraud that happens on our network. And our enterprise business leader is tasked with ensuring that we develop transformative digital solutions for our corporate and government partners.

We've also amplified the voice of the frontline, because they're the ones who interact with our customers on a daily basis. Every day we speak to the frontline teams at the call centre and in retail to learn about the issues that customers have been experiencing. The CEO then relays this back to the rest of the company along with a plan to fix the issues.

Creating magical moments
With your entire organisation engaged around your brand purpose, you can focus on creating what I call "magical moments". These are brand experiences that surprise and delight the customer, bringing your purpose to life in memorable ways across a range of different touchpoints. By building these experiences around your purpose, you can boost brand love as well as loyalty, reinforcing the reasons why the customer chose you in the first place.

Magical moments can happen in meaningful ways at an individual level. One of the ways we try to create small magical moments at

With your entire organisation engaged around your brand purpose, you can focus on creating what I call "magical moments".

Safaricom is to give our customers one gigabyte of free data on their birthday when they are likely to be sending more messages and making more calls. It's a fairly simple gesture, but one that helps us build a more personal connection with our customers while also demonstrating our brand purpose.

You can also create magical moments that engage customers collectively. At Safaricom, we saw an opportunity to do this when Kenyan athlete and national treasure Eliud Kipchoge set out to run a marathon in less than two hours at the 2019 race in Vienna. Our brand purpose is all about transforming lives, and part of this means overcoming challenges. By supporting Kipchoge as he overcame his own challenge, we had the chance to demonstrate our purpose on a global scale.

Through our mobile money services brand M-PESA, we saw that we could play the role of connector, bringing Kenyans together on one platform to cheer Kipchoge on. So we partnered with Twitter to create a custom emoji that would show up whenever anyone tweeted using the hashtag #Eliud159. The emoji was based on our M-PESA logo, but had the brand name swapped out for Eliud's. It added a unique touch of national pride to every message of support that was tweeted.

We also worked with Google to enable any Kenyan to stream the race for free on YouTube. This meant that even if someone didn't have access to the TV channels with the rights to show the run, they could still share in this important national moment.

Finally, after he smashed the record in Vienna, we created a congratulatory mosaic for Kipchoge using images of every Kenyan that had tweeted about his race.

In the end, the emoji went viral and our campaign trended on Twitter for three days. In the process Safaricom gained around 3 million new customers who redeemed our offer of the free YouTube bundle. On Facebook, the campaign reached over 2.5 million people. In total, the campaign gathered 12 billion impressions and caused positive brand sentiment online to soar to 85.5% — an all-time high.

The intersection of insight and purpose
Before the Eliud Kipchoge campaign, our customer insights indicated that sports was a key passion point for Kenyans, because many young people from poorer backgrounds view it as a way of escaping their difficult circumstances. Through this campaign we connected Kenyans to this prolific athlete, who in turn encouraged them to go forth and conquer their dreams. And it worked well because Kipchoge's message was harmonious with our own purpose, which is to transform lives.

This intersection between customer insight and brand purpose is where the magic lies. When you find that interconnection, it creates a win-win situation that benefits both the customer and the organisation. And when businesses spend time thinking about the role they play in the lives of their customers, they naturally become more sensitive to the economies and markets they operate in.

Our Facebook Flex campaign, for instance, was based around a key insight that price is a huge barrier for many Kenyans when it comes to accessing the internet. By removing this barrier, we saw that we could get many more customers connected with their family and friends — which ties back to our purpose of "Everything we do, we do for you".

Launching in March 2019, the Flex campaign offered new customers data-free access to Facebook for a period of time. It also enabled our existing customers to access text-based Facebook content for free when their data bundles ran out.

Our main objective was to keep our customers connected even when they did not have data bundles or airtime, and to increase the number of active data customers on our network. So far, the number of monthly active users on Facebook in Kenya has grown by 34%, from 8.6 million in March 2019 to 11.5 million in 2020. Customers now use over 12TB of free data on Facebook on a daily basis.

Following the success of this partnership, we have also enabled customers on Facebook Flex to purchase data bundles through the Facebook app. Over 400,000 bundle purchases are made every month from this channel.

Eliud Kipchoge campaign results
Safaricom's Eliud Kipchoge campaign resulted in:

3m new customers who redeemed the free YouTube bundle

12 billion
campaign impressions
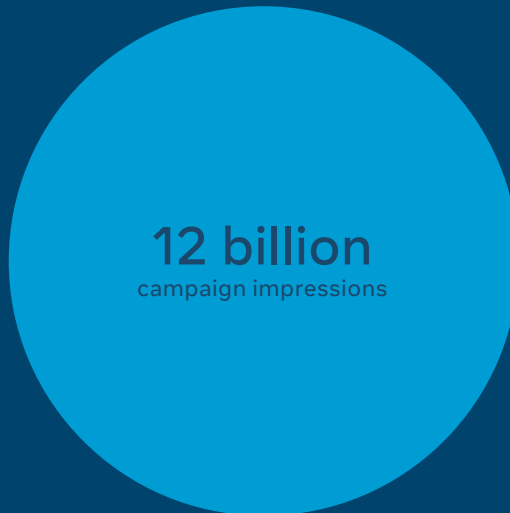
3 days
of trending on Twitter

All-time high brand sentiment of
85.5%

Source: Safaricom, 2019

Engaging entire communities

To give another example of connecting our purpose with customer insight, which I am passionate about: for the last three years we have been sponsoring a grassroots football tournament for young kids called Chapa Dimba Na Safaricom, which is Swahili for "Play Football With Safaricom". In Kenya, some children do not make it to secondary school because they can't pay the school fees. We wanted to speak to that demographic and get them to engage in something that they can build their lives around, giving them an opportunity to earn from their passion.

The tournament is run in partnership with Football Kenya Federation and La Liga, the men's top professional football division in Spain. Following two successful seasons, the tournament has created great opportunities for the youth across the country and has since become a source of hope for our young talented footballers.

So far, more than 100,000 kids have taken part in Chapa Dimba Na Safaricom, with 100 grassroots coaches trained on La Liga football methodology, and 588 players taken through life skills empowerment sessions on areas beyond the pitch — such as career development and sex education. Not only have these young boys and girls gained local recognition, but so far five players have been scouted by the Kenya national teams to represent our country in national football assignments, with another 10 players signed by senior league teams, and one player awarded with a scholarship abroad.

From the brand's perspective, the tournament has allowed us to engage with communities in Kenya on a much deeper level. We're also able to tell stories about these children and demonstrate the transformational effect of Safaricom.

It warms my heart to see our brand becoming a source of hope. After all, your business cannot be successful if the society around it is failing. It's not sustainable. What will lead to lasting success is developing experiences that speak to your purpose as well as the needs of the society that you're serving. If you can do that, I believe you can create a brand that is not just chosen, but loved.

Sylvia's practical advice

What are the key benefits of approaching customer experience through the lens of a brand?

- Approaching customer experience in this way allows you to link experiences directly to your brand purpose, and purpose is where everything starts. Experience fuelled by purpose will be authentic, and authenticity gives you a better chance at building lasting relationships with your customers. This in turn helps you achieve deeper brand loyalty and greater customer satisfaction. Find the intersection between your brand purpose and your customer insight and then build your experience from there.

What role should marketers play in crafting brand experiences? How can they go about doing so?

- Marketers are the custodians of customer insights. Once you have your insights and data, you can leverage that to build distinct experiences that are memorable and deliver on your brand purpose. Remember that every touchpoint is an opportunity for you to create something memorable for your customer. So, from the point of discovery to when they make a purchase, ask yourself about the experience the customer is having. Deconstruct the customer journey, make a decision about how each touchpoint will play out and then reconstruct it so that each point in that journey counts.

What are the key ingredients of a successful brand-led customer experience?

- Put empathy at the heart of everything you do. Empathy allows you to understand the customer's context and bring them into the room. You must then link that back to your brand purpose, asking how is this relevant to us as a company?

on the democratisation of marketing and the opportunity to forge stronger connections with consumers

Facebook's Head
of International
Marketing details
how the platform has
levelled the marketing
playing field, enabling
businesses of all shapes
and sizes to build
thriving brands through
dynamic campaigns.

Facebook has transformed the way people stay in touch and connect with friends, family and wider communities with shared interests. But one of the other, lesser-known changes Facebook has brought about in the world is the widespread democratisation of marketing.

When TV, print and radio were the main channels that businesses used to reach their target audiences, only the largest brands could afford to advertise at scale. For anyone else, the barriers to entry for mass consumer marketing were just too high.

Today, with Facebook, you can reach consumers intelligently with a much smaller budget. This means that even small businesses can begin to market their services and potentially engage large audiences beyond their own neighbourhoods. Just as people are more easily able to stay in touch with friends around the globe, brands now have access to customers across geographical boundaries. And with access to millions of engaged consumers across Facebook's platforms and products, brands can market in more dynamic ways.

Historically, many people have thought about Facebook — and social media platforms more broadly — as reminder media. But the opportunities on offer are actually full funnel. From driving awareness to facilitating transactions and conversion, there are so many ways that marketers can more fully tap into our platforms. Not only to achieve specific goals, but to build their brands. This is because the more you start to establish relationships with consumers on our platforms, the more opportunities you have to sustain those interactions. It's about driving loyalty and creating deeper connections, not just reminding people of your message.

Building relevance through relationships
By enabling a dynamic, two-way relationship between the brand and customer, Facebook gives businesses the opportunity to ensure that their messaging is hyper relevant. No longer limited to one-size-fits-all messaging, brands can customise their content around different consumer segments and reflect the changing cultural context in which their customers are living. During Covid-19, for example, brands have been able to quickly adapt their messaging to reflect the changes happening in people's lives.

The same brands have also been able to use our platforms to stay in touch with their consumers, despite the widespread closure of their bricks-and-mortar shops. Video has been a powerful tool to keep lines of communication open, and globally, across Facebook and Instagram, 800 million people have been engaging with live video every day.[1]

Plus, while in-person socialising has been restricted, consumers have used our platforms to stay in touch with each other. In many of the places that have been hardest hit by the virus, usage of our platforms has spiked. In Italy, people have started spending up to 70% more time on our apps. Globally, we've seen messaging volume increase by more than 50%, and both voice and video calling has more than doubled across Messenger and WhatsApp.[2]

One of the other, lesser-known changes Facebook has brought about in the world is the widespread democratisation of marketing.

Customising a global brand idea

Since Facebook's inception, communities have formed organically on Facebook, and Facebook Groups have allowed them to come together with intention. Those groups come in all shapes and sizes. Some are for local communities or people living close to one another, while others are based on similar life stages or shared experiences, like parenting or owning pets. And, of course, there are countless groups based around shared interests like music or exercise.

Facebook Groups reflects the core proposition of the Facebook app: that people can do more together than they can alone. To bring this proposition to life, we've launched our first global brand campaign, More Together. The campaign shows people coming together over shared interests and experiences during life's mundane moments as well as the more meaningful ones.

While More Together is a global brand idea, our platforms have enabled us to make it locally relevant. And as we've come to understand more about how people are using Facebook and how they are engaging in their specific cultural environment, we've been able to customise our content accordingly. For example, upon discovering that Germans and Brazilians engage in Groups differently, we developed distinct holiday creative to celebrate how they uniquely connect and support one another during the season.

Consistent with findings that German users join Groups with deliberate intent and are often seeking to discover new information and skills, our 'Expats in Korea' Christmas ad featured a German family seeking help finding ingredients in Seoul to continue their tradition of baking their beloved treat, Stollen, during the holidays. Whereas the Brazilian creative featured Brazilians joyfully connecting with family and friends over the holidays, similar to their behaviour on platform.

Just as brands have been able to use our platforms to remain hyper relevant during lockdown, we've been able to keep the More Together campaign relevant by adapting our strategy and creative quickly. With more people at home consuming TV and connecting with one another on social and digital channels, we had to quickly streamline our media mix away from out-of-home and experiential in favour of TV and digital advertising.

We also had to pivot our creative content to reflect people's current realities, especially as social distancing became a part of everyday life. This meant showing how people were using technology to engage in shared interests, such as a choir singing remotely, and to adapt to new ways of living, such as parents helping their children get the most out of life indoors and neighbours coming together to support one another. And of course we could no longer lean heavily on live action footage to propel the campaign. We had to shift more towards user-generated content and animation.

Keeping communities connected
More Together was not the only campaign we had to adapt in the face of the pandemic. Every year Facebook helps its community observe Ramadan — a time that is usually all about families coming together. This year, we knew we had to balance that notion of togetherness with responsible content that took social distancing measures into consideration. So, partnering with CNN International, we created a 10-part video series in English and Arabic called "Together Apart" at Ramadan, which demonstrated how families could enjoy a spirit of togetherness virtually.

The holy month of Ramadan is traditionally a time for Muslims around the world to connect with family and friends, self-reflect and spread kindness. While the pandemic dramatically changed how people observed the holy month this year, it didn't stop Facebook communities coming up with creative ways to keep traditions alive and inspire hope. We created an "Icons of Change" campaign in the Middle East and North Africa, highlighting Facebook community leaders using creative ways to help the less privileged.

We also ran our #Monthofgood campaign on Instagram for a second year, where we encouraged users to share their good deeds during Ramadan. However, this year we encouraged people to share kind acts that were also socially distanced, such as by thanking healthcare workers or hosting a virtual iftar (an evening meal that ends the daily fast). Our Instagram engagement levels more than doubled.

It was the nature of communication on our platforms — coupled with the consumer insights they provide — that allowed us to pivot these campaigns quickly. And ultimately, for our More Together and Ramadan initiatives, we were able to run successful, responsible campaigns that showed the ways in which people were using our apps to create and sustain communities.

Potential for brands big and small

Our family of apps have opened the door for brands to connect with their audiences in new and important ways. That connection can be made on an individual level, or with entire communities and groups. But most importantly, that connection is dynamic. It runs in both directions. People can discover and reach out to brands just as easily as brands can find new customers.

Beyond this, the means through which brands communicate on our platforms — be it messaging, creative content or otherwise — can be changed and adapted to align with new cultural, political or economic shifts. And, as recent times have shown us, this ability to adapt and pivot can make or break a business.

Facebook's work isn't done. And we're sure our platforms will continue to evolve in new and exciting ways. We're also proud to be the conduit through which brands can realise their potential, connect with consumers and tell their story effectively.

Sources
[1] Facebook, "Live with Mark Zuckerberg", 24 April 2020, www.facebook.com/ facebook/videos/ 1127684924266163

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Fatima's practical advice

What are the key benefits of a democratised marketing landscape?

- Reach, flexibility and accountability. Marketers are now able to reach more of their consumers in a highly targeted way, and are more quickly able to understand the impact of their investment and adapt accordingly based on results.

How can marketers best take advantage of this landscape?

- Continue to invest in building your brand and use our platforms not only to achieve specific objectives, but also to learn more about your customers, your own business and your competitors.

What skills or practices should marketers be honing in order to succeed today?

- As an insights-driven marketer, it is imperative to understand your audience. Not only to ensure that your messaging lands, but also to unearth insights that inspire creative ideas that stand out among a sea of sameness.

Gigi Levy-Weiss

on the importance of finding and establishing your product-market fit

The angel investor and co-founder of NFX Guild explains what product-market fit is, why it's so essential, and how both startups and major companies can go about achieving it.

In startup world, every entrepreneur knows that the main goal in a new company is to find their product-market fit (PMF). There are many different definitions of the term product-market fit, but in essence they all revolve around three basic components: identified customers, who want your solution, in a market large enough to justify the business.

Defining PMF
In simple terms, PMF is that magical moment when you become a must-have in your customers' minds, which — in most cases — means your product brings them real value. To simplify it even more, you can call it "product love" — when your users love your product. That could be because you solve a real problem, or you help them do something 10 times better, or you allow them to do something they couldn't do before. But the outcome is clear: they love your product and would be upset if it was taken away. That's what product-market fit is about.

Why is PMF so critical? In the startup world the answer is fairly simple. The reason startups fail is that they run out of money before achieving product-market fit.

Once you have product-market fit, funding is usually dramatically easier. But there is a lot more to it. Product-market fit is the prerequisite to sustainable growth. There's little point in aggressively marketing a product which brings no value to its users. They may initially come if you advertise well enough, but eventually they'll leave. It's like pouring water into a leaky bucket: even if it seems full for a second, it is very quickly empty again. That's why PMF is so critical.

Much has already been written about attaining PMF that you can find in well-known books like Eric Ries's "The Lean Startup". And the basic theoretical framework is fairly simple. It can be summarised as follows:

– Determine who your customers are
– Find their under-served needs or desires
– Define your value proposition
– Specify and build your minimal viable product (MVP)
– Test it with customers
– Iterate fast till you find product-market fit

This simple framework has helped small startups find their "red hot centre" and grow exponentially quicker than traditional companies. In recent years, however, this framework has also been adopted by many large companies in new product development.

Finding your product promise

But is PMF truly the cornerstone of every product development? It's clearly a critical step, but I believe there is an earlier step, one that I call the "product promise".

To understand product promise we need to break down the risk of not finding product-market fit into two different risks: not having a product idea that users want, and not being able to develop the product at all (or not in a way that works well for the users).

These are very different risks, of course. One of product concept and one of execution. The theoretical approval users give the idea of a product — or the product concept — is what I call the "product promise".

The traditional PMF process bundles both of these stages together, as discovery is done through exposing the users to the actual product you build (or at least something that mimics it). But why spend time and money to build the product if you can first check that your product promise resonates with your customers?

Why did people build products before testing their product promise? Simply because there was no other way. Before the days of modern online marketing, the theoretical way to try to check your product promise involved focus groups. But, as many brands found over time, users didn't always behave in these groups the way they eventually consumed a product. Plus, the way you asked the questions often impacted the outcome of the focus group.

So, for lack of choice, building the product early (or at least its most important core, the MVP) became the norm, even in the agile startup world. This is no longer true today, especially now that you can test your product promise before you even start building your product.

The product promise is in fact the first step of finding your product-market fit — and testing its validity should be done before spending any effort on building the product. What you are actually testing is that customers respond well, in a measurable manner, to your product concept. You are using language as your building blocks, telling your product's story the way you would market it had it already been built. For this reason, the description needs to be precise. You will only be tricking yourself if you verify an imprecise product promise. And you mustn't overpromise either. There's no point in getting good feedback for features you might be able to deliver in five years — you are aiming to ensure that the MVP you are about to build is well received.

From product promise to PMF
Once you have a crystallised product promise, the rest of the process is very simple. You create an ad campaign (or a few, to ensure that your results are not skewed due to a single campaign being set up incorrectly); you set up a landing page that has the right call to action; you define your audience on your chosen platform and you start marketing. What do you market? You market your product promise, send your users to your landing page and try to convert them to respond to your call to action. And you measure everything, every step of the way.

People often ask whether testing a product promise can annoy or frustrate users. Wouldn't they be upset that the product is not live? That you "tricked" them into clicking what ended up being a waste of time? The answer is a very simple "no". You can tell them the product is coming soon. You can give them a large discount. You can reward them for assisting. Or, if you are really worried, you can launch the test campaign under a brand which will be different from the final brand. At worst, you will be slightly upsetting hundreds or thousands of users as opposed to millions or billions. And that's not a reason to build the wrong MVP without testing its product promise first!

Let the data guide you
When it comes to testing your product promise, the need for benchmarking data is critical. Without data you won't be able to analyse the campaign results and find out whether your product promise is positively received, or whether it's had only a lukewarm response. For instance, if you don't know what click-through rate to expect on your ads for your specific audience, you will not be able to reach meaningful conclusions. Is a 1% click-through on an ad for small business owners in New York great or horrible? And if only 2% then leave their email, what should you make of it?

Luckily this data, which used to be the most secretive asset of each company, is now a lot easier to come by. And between open sources and marketing experts, it's much easier today to benchmark your product promise campaign results.

One critical thing to remember is that numbers don't lie. They can be a bit off due to poor creative (which is why you should try a few different creative options) or a wrongly set up campaign (which is why you set up more than one campaign). And similarly, the conversion to the call to action can be off if the landing page is not great (and you should set up more than one landing page to avoid such mistakes), but in general the numbers are always directionally right. If they

show your product promise is very well received then you are onto a great product and you can start building your MVP. If the numbers are bad, you should continue iterating on your product promise until you get it right. And if they are just "ok", then I strongly recommend iterating until you find a great product promise.

Over the years I have tried this strategy with tens of companies with growing success, especially as platforms such as Facebook have allowed for better targeting of specific customer segments with incredibly precise messages. What was impossible 10 years ago is incredibly easy to set up today: precisely targeted campaigns for very specific audiences, with amazing tracking, which allows you to easily analyse responses to your product promise campaign.

One of the best examples I can think of came from one of our portfolio companies that decided to pivot some four years ago. The team had three different ideas, and before deciding which one to go for, launched three product promise campaigns to the target audience of each idea. All three were in the SMB space so we expected similar conversion numbers for the ads. Two of the ideas yielded a decent 1% click-through rate. The third idea was an amazing 12%. And there was a similar ratio between the different ideas on the call to action on the landing page.

We had two decent ideas. But one amazing one. The company launched an MVP based on the third product promise, got immediate love from the market and eventually was a very fast exit to the main incumbent in their field. And the potentially "upset" users? They left their emails and became the company's initial paying audiences once the product was launched. We saved months and millions by checking our product promise before actually building the product.

True PMF means real value for users
Remember the ultimate test of product-market fit: what will your users reply when asked, "If this product was to be taken from me, would that be a problem?" If the answer is no, it doesn't have real product-market fit. The strongest product-market fit comes when users find they can't live without a product.

When Slack was in its early stages, many companies would try to stop employees from using it, saying it was against corporate security guidelines. Employees were so unwilling to do without the product, however, that companies were forced to find a way to accommodate their demands.

Products with product-market fit should bring real value to users; products that don't bring value are not sustainable. That value, however, can take many guises — monetary, entertainment, efficiency etc. And a lot of that value can be verified by using marketing to check your product promise, before writing even a single line of code.

We saved months and millions by checking our product promise before actually building the product.

The importance of PMF in large corporations

One of the questions I often get asked when talking about product-market fit is. "Is this relevant for large companies?" The answer is clearly yes. To start with, most successful large corporations today learned that to succeed they need to follow the same methodologies followed by startups: fast iterations, rapid cycles, smaller deliveries rather than quarterly software "drops" etc.

To stay competitive in today's fast-moving market you have to be startup-like. You no longer have the luxury of sitting on the sidelines and waiting to see what smaller competitors are doing — the way Blockbuster waited to see how Netflix would perform, or how Nokia was sure that the iPhone was only a fad. You need to continuously reinvent your company and your products, and that means finding new product-market fits all over again — be it in the roadmap of your core product or in new products you want to launch.

Using the framework in a large company is similar to a startup when building a new product. When working on the next features of versions of existing products, the principle stays the same — you first define your product promise and then test it before writing a single line of code. But the tactics may differ. You may try the product-promise test using online marketing but using a fake product name, for instance, to ensure that you don't confuse your customers.

New world, new processes

We live in exciting times where fast, iterative new product launches are not just part of startup life, but also part of the way large companies operate. Achieving PMF is the key to successful launches — and the best way to find it starts with using marketing to test your product promise.

No longer is the process "find a problem, build a solution, market it". Today, we should all embrace a new reality: find a problem, describe your solution, market your product promise and build your successful product. We're entering a brave, faster and more efficient new world!

Gigi's
practical advice

What key metrics would you suggest looking at to determine whether you've achieved product-market fit at the stage of checking the product promise?

- The key metrics you must monitor are your ad's click-through rate (CTR) and the conversion of the landing page's call to action (CTA). These will help you determine (compared with the benchmarks) how users have responded to your product promise. For the actual product-market fit, retention analysis — especially a cohort analysis — is usually the best KPI to determine if you've achieved PMF.

What's the best way for marketers to get involved in the product-building/planning stage?

- In the new world where marketing can be used to determine the level of the product promise, marketers have a critical role in helping product people get the right data and analyse it. This is a major change. Marketers are no longer only getting involved after the product is built — they're now a core part of the team determining what should be built.

What are a few key ways big brands can think and act more like startups?

- Follow the working practices implemented at startups. Focus on fast iterations, rapid cycles and smaller deliveries rather than quarterly "drops". Also, remember that you need to continuously reinvent your company and your products, and that means finding new product-market fits — whether that's in the roadmap of existing products or in new products you're looking to launch.

Dean Aragon

on the power of humanised data-led creativity

The CEO of Shell Brands International and Global VP of Brand warns marketers not to get lost in data science, and to behave as data alchemists instead.

Does data enable better creativity, or does it too often limit the imagination of great creatives? Is it a genuine 21st-century marketing innovation, or has data always been at the heart of effective communications? Frankly, I'm a little perplexed as to why either is even a debate.

A thorough understanding of who you're talking to and what their motivations are is as fundamental to effective communications today as it always has been.

However, with the advent of digital — and with the critical caveat that brands must be privacy-compliant in how they use and store data — marketers now have access to a wealth of potential information about their customers or stakeholders.

This has given rise to the notion of data-led creativity, which is said to enable brands to serve more relevant and potentially more potent creative work. Indeed, Facebook's own research indicates that data-led creativity can deliver a 30% lift in message association compared with vertical and regional norms.[1]

However, not all marketers seem to be approaching it the right way. As a result, they're failing to reap its potential rewards. I believe there's a risk of being lured into a superficial understanding and deployment of data science, operating at the level of observable signals, behaviours or patterns.

Many marketers still seem to operate on the misguided assumption that humans are purely rational and utterly predictable. But people are not machines. Humanity is far too complex and nuanced to be simplified into bits of data. To determine how a person might react or behave, you must uncover the reasons "why" they think, feel or do the things they do, not simply focus on the "what".

In a profession infatuated with "big data", there appears to be a distinct lack of "deep data".

B2H: Business to Humans
In the first two decades of my career, I worked on fast-moving consumer brands such as Axe/Lynx, Dove and Sunsilk. This is what's referred to as a B2C (Business to Consumer) business. Moving from Unilever to Shell allowed me to immerse myself in a world that is predominantly B2B (Business to Business). However, I was keen to apply the marketing fundamentals of B2C to B2B. Because the truth is, whether it's B2C, B2B or even B2B2C, there's really only one type of business: B2H — Business to Humans.

More and more brands are realising the power of earning and maintaining their place in a consumer's life. Humans after all are

hardwired to search for and connect with things they understand and can relate to. But many brands still fall short of achieving this. Perhaps it's because it's difficult to connect your brand to a consumer's humanity if you don't bother to humanise the way you view the customer or stakeholder to begin with.

I've since discovered that a B2B environment actually allows this to be more fully manifested, contrary to the perception of many B2C-trained marketers like myself. In most, if not all of our B2B businesses, the number of customers who contribute the most to business results is at a level where it's possible to know each one as a multi-dimensional human being.

Data alchemists vs. data scientists

Data is useful if it enables a more nuanced understanding of a customer or an audience. But I worry when some of my peers declare the marketer of the 21st century needs to be a data scientist. Instead, I propose that the modern marketer must be more of a "data alchemist" — someone who appreciates the rigour of data, mines for deep insights and transforms those into ideas, content, propositions or products that are of genuine value to those we serve.

Big data is built on the premise that we can predict future behaviours based on what consumers did in the past. However, past behaviours don't necessarily reflect future ones. For instance, there are numerous reasons why the shopper data on me might suggest that Apple is my favourite consumer electronics brand. In the past, I consistently bought Apple products and we still have a number of their gadgets in my house. But this camouflages my path towards preferring Samsung for their commitment to innovation, and my intention to steadily shift the family to its range of offers.

There's also a danger that these types of data provide a superficial understanding of people's motivations. There may be no practical reason why I might desire an electric car. As justification, I may cite a forensic evaluation of its renewable fuel and healthier impact on the environment. But living in a city with excellent public transportation, it seems to be an indulgence. The underlying motivation is probably linked to an emotional desire to signal my commitment to doing something for the planet.

Finding the core insight

We need more data alchemy because data in and by itself is not insight. You need to conduct a thorough analysis and employ creative judgement — with a healthy dose of humility and curiosity — before

you can get to those deeper, more relevant insights which reveal the humans hidden beneath the data.

There are many astute, academic definitions of what an insight is. I prefer a rather simple explanation: an insight is the answer you get when you ask the question "why?" at least seven times. Keep peeling away until you discover the deep psychological levers which explain why someone is feeling, thinking or behaving the way they do. Focusing on the "what" is like just treating the symptoms of a disease, whereas determining the "why" is equivalent to finding its root cause.

It's one thing to unearth the insights, but this alone cannot yield potent creative ideas. You still need to address these deep human insights through creative stimuli that elicit the strategic response required by the brief. But beware the trap of merely parroting insights you have distilled from the data. There's an old insult in advertising that speaks to this: "Your briefs are showing."

I'm unapologetically old school when it comes to the fundamentals of communications and am constantly reminded of the great Bill Bernbach's oft-quoted line: "The real giants have always been poets, [those] who jumped from facts into the realm of imagination and ideas."

Because the truth is, whether it's B2C, B2B or even B2B2C, there's really only one type of business: B2H — Business to Humans.

The creative journey of #MakeTheFuture
For me, the journey we took at Shell on the #MakeTheFuture campaign is emblematic of why data alchemy, underpinned by a nuanced understanding of human behaviour, is essential for effective creativity. Back in 2014, just a few months into being at the helm of the Shell brand and its programmes, one critical challenge was already apparent to me: our brand campaigns were gifted with logic but not much magic.

The target audience, customers and stakeholders were anything but engaged. Data demonstrated that the narratives and topics that had been created simply weren't resonating — a clear issue of relevance. Moreover, the creative executions were indistinguishable from what the rest of the industry was communicating, which led to persistent misattribution. We were part of the proverbial corporate wallpaper, so to speak.

When we briefed creative partners for what was to become the #MakeTheFuture brand campaign, we repeatedly pushed them to be truly relevant and ensure that the work was powerfully differentiated.

To cut through the clutter, #MakeTheFuture needed to demonstrate how Shell plays an active part in developing an energy-rich, lower-carbon future that people could identify with. We devised a strategy governed by a simple framework, ensuring that creative executions showcased genuine, bright energy ideas in action — ideas which enabled progress.

At the same time, everything had to reflect the Shell brand purpose of "powering progress together by providing more and cleaner energy solutions".

Approaching the campaign as data alchemists rather than data scientists underpinned our effectiveness. And this helped us in three critical ways.

1. Understanding the audience's psychological barriers
We saw that many people were highly engaged with the subject of energy, articulating their opinions with intelligence and passion. However, immersing ourselves in the data, we were confronted by the reality that most were unable to connect it to their everyday lives. There was a clear need to inject relevance into conversations on the future of energy.

Hence, for the latest #MakeTheFuture campaign, we had to find a way to inform and engage our target audience on a wide range of cleaner fuels or energy types now available for transportation or mobility. However, the data revealed that the majority were not especially interested in the topic of mobility, whether that related to vehicles or fuel. Fortunately, there was an angle that offered a stronger possible route to engagement, connecting cleaner mobility to a passion-point it could enable: the allure and adventure of travel.

Of course, creating a straightforward travelogue would not have been especially original. We had to go deeper into their motivations for travel, and understand it in the context of their wider lives. We found obsessions we could channel here, such as a genuine sense of

1.1 bn
views were recorded across "The Great Travel Hack" content ecosystem.

Source: Shell, 2019

Exposure to "The Great Travel Hack" content resulted in brand equity indicators rising by as much as

28%
while organic reach on YouTube increased by

123%

Source: Shell, 2019

adventure, a thirst for "Instagrammable" scenery and those "WHF" (Was Here First) bragging rights.

Working with the creative minds at J. Walter Thompson, we came up with an idea — "The Great Travel Hack", a travel challenge where teams compete against each other in a journey from Los Angeles to New York City (Season 1), and London to Istanbul (Season 2). But there was a twist: it was not who could go the fastest, but rather who could go the cleanest. The team that completed the challenge with the lowest CO_2 emissions was declared the winner.

"The Great Travel Hack" channelled the well-established reality TV show genre, but had its home on YouTube, Facebook and other major social platforms instead.

2. Widening the aperture and discovering personas

Whoever your target audience is, be they customers or stakeholders, it would be a mistake to treat them as though they occupy a singular persona 24/7. Each of us have different personas depending on the context we find ourselves in.

For nearly three decades, the Shell Eco-marathon programme has been an engineering-centric competition which sees students design the most energy-efficient concept vehicles or technology solutions. As a key component of the #MakeTheFuture campaigns, we wanted to go beyond the form and function of the engineering challenge.

A deeper immersion into the world of the student competitors revealed a multi-faceted set of personas within each member of our target audience. This included The Inventor, driven to crack and build technology solutions for lower CO_2 emissions; The Pupil, keen to gain hands-on education to develop a comprehensive STEM-centric career; The Communicator, motivated to design and implement creative social media content aimed at their constituencies, high school or university peers, earning recognition and kudos; and lastly, The Citizen, who goes beyond the technical challenge and identifies ways to serve a wider societal need.

This nuanced understanding of different personas provided us with a much richer creative palette to weave our stories around.

3. Dynamic intervention based on real-time, in-market performance

Real-time data against specific performance indicators further enabled us to identify which creative executions resonated most with the target audience. By ruthlessly prioritising the best-performing content assets, we were able to unleash resources trapped by those simply not up to the standards set.

There were also evidence-based learnings for content iteration in the middle of "The Great Travel Hack" campaign. Dynamic creative testing via Google's Gaudi creative analytics and brand lift studies identified areas for creative optimisation. This resulted in a dramatic improvement in view-through rates (5x) and a reduction of cost per minute (–75%).

Finally, brand tracker data revealed opportunities to shift more investment into non-skippable formats and higher-performing digital and social media platforms. This manoeuvre delivered a significant increase in ad recall, reach and overall view rates.

In this respect, data supplemented the creative work and ensured that it was delivered more effectively. But without those original sparks of imagination, there would have been nothing to A/B test.

In the end, "The Great Travel Hack" was one of the most successful campaigns we've done in terms of reach (achieving 1.1 billion views across all formats), engagement rates and, most importantly, across all Shell's key brand health metrics.

Timeless, brilliant basics of creativity

In the pursuit of excellence, we must not allow ourselves to become too infatuated with the latest tools and techniques. We need to focus on the human drivers beneath.

I don't, for example, believe that social media is fundamentally new. Once upon a time people talked and shared around a campfire, today they do it predominantly online. Technology has allowed us to fulfil those same social needs but at a much greater scale and speed, and across unimaginable distances too. Ultimately, the underlying human motivations behind our desires to share and communicate remain the same.

Uncovering those hidden motivations enables brands to humanise the customer and ultimately transform insights into creative work that truly resonates.

Data-led creative ideas (using hypothesis-based insights) have a

1.3x

higher business impact.

Source: Facebook IQ, "Using Data to Inspire Creative Briefs", 2018, www.facebook.com/iq/insights-to-go/apply-a-hypothesis-2/

Dean's practical advice

How can data be used to augment creativity?

- In the broadest sense, creativity is about generating something new and valuable. In marketing communications, we take what we know of people (using data) and through lateral thinking and imagination, shape what they think of our brand or product. Data is an essential ingredient in that process, but it requires talented marketers and creative partners (agencies) to shape that raw material into something that transforms perceptions.

What are the key traits of the data alchemist?

- An insatiable curiosity to know and understand the humanity of their target audience, combined with a humble learning attitude, constantly emptying one's cup so that fresh knowledge can be poured in. Finally, there is that ability to triangulate data from different sources to get to the real answers.

What else do you want marketers to remember?

- Find that core insight. Not all insights are critical. There is one core insight that is akin to the question for which your brand's proposition is the best answer. Dare to differentiate. Always strive to genuinely differentiate your brand, in substance and style. Remember that it's impossible for a brand to attract higher levels of preference if it isn't sufficiently differentiated! Brief with courage. "Please scare me…" is a great way to end a briefing session with creative partners, avoiding the dreaded comfort zone of safe ideas that you will easily agree with. It's not meant to be easy or obvious! And, lastly: personalisation has its limits. While there is a need for the audience to identify with your creative content, you also need to create shared meaning across a wide group of people. A brand is a social construct which cannot be built through personalisation alone. It must also create bigger and wider cultural associations to generate creative impact.

Gali
Arnon

on co-creating
brands with
customer
communities

Fiverr's CMO outlines the new rules of brand-building and shows us how companies can embrace the power of customer communities.

Brand-building today is only partially in the hands of the brand itself, with customers playing a much bigger role in shaping how it develops. This is very different from how things worked in the past.

In the 20th century, communication flowed from the brand to the consumer. Consumers could speak to companies in private or to friends and family about the brand at the individual level, but these conversations could never be discovered by a wider audience. Now, the flow of public communication runs in all directions. Consumers talk about companies online, to each other and back to the brand, with their comments visible to a much broader audience.

Social media is enabling customers to be more vocal now than before. If you're not happy with a service or a product, rather than just calling a support line you can go online and immediately share your issue with other customers in minutes. This is creating a generation of customers that know that they have more power.

With that power comes higher expectations and less tolerance. This is why it's so essential today for brands to be truthful about what they are actually offering or selling. In the past, advertising often created an imaginary world full of empty promises, but brands can't get away with this anymore without being called out.

Now more than ever, people are looking at brands to lead the change that's needed in the world. Today's informed and connected customers expect companies to have a higher cause or purpose beyond immediate business concerns, and to have a positive social impact in society at large. But it can't all be fluff; good intentions must be proven with action.

If you don't put your money where your mouth is, customers will confront you about it. But if your purpose is clear, and if your brand can demonstrate that it is true to that purpose through the action it takes, then customers will know they can trust you. And consistency in your values, your messages and the actions you take will drive brand loyalty.

Know yourself, your data and your audience
So how should we approach building a brand today? First of all, you need to be clear on who you are as a brand: what is it that you're offering? Who are you offering it to? What are your values, and what is the purpose that guides you beyond all others? It's only once you've done this groundwork internally, and once you can answer all of those questions comfortably, that you can think about factoring in the other elements of brand-building.

Next, you must collect and analyse data to understand what customers have to say. In previous decades, we could only imagine what our customers were saying about a brand, what they wanted to hear and what their fears and motivations were. Now, all that information is at our fingertips. If you want to build a strong brand today, you need to listen to what the consumer data is telling you.

This is not to say data analysis should replace actual conversations with your customers. It's still important to build a connection with them. It's particularly important to meet with as many of them as much as possible, or at least speak to them via video calls. I make sure I have regular calls with sellers and buyers to hear about their challenges, motivations, problems and what they think we should do to improve.

Digital native organisations might be very good at understanding data but legacy companies are better at talking to customers. To get the clearest possible picture of your customer's needs and desires, you need to do both. This is actually one of the things I love about marketing today. I've always looked for things that combine my passions for mathematics and psychology. And the need for marketers to be skilled in both left and right brain thinking — to be both analytical and emotionally intelligent — does just that.

Combining data with human connection

So what does combining data with human connection look like in action? I'll give you an example from Fiverr, a platform where we connect people and businesses with freelance talent. Looking at the data, we noticed that people were using the same freelancers again and again. We dug deeper into this insight by speaking to our customers directly and unpacking the psychology behind the data.

They told us that, although Fiverr is a digital marketplace, they are still looking for human connection and trust, and for people who understand their needs. Inspired by these conversations, we're trying to develop new ways to help customers work more closely with the same freelancers. We're looking at the viability of things like retainers and subscription models, but wherever we end up it's clear that we've started to rely on more than just analysing the data to fine-tune our business model.

You can't rely on your own intuition and opinions either. Just because you think your latest campaign was highly persuasive or your new product is incredibly useful, that doesn't mean that your potential customers do too. Unless you are observing the flow of information online with the right tools — and with specialist teams

equipped to understand different marketing channels — you can only make assumptions about what people think about your brand.

Building brands through communities

Above all, I think the most important aspect of brand-building today is community involvement and empowerment. The way our audience has helped shape the brand narrative at Fiverr has been fundamental to our success. We've embraced the role our users play in brand-building by cultivating a strong sense of community and belonging around Fiverr.

After talking to our customers, we realised that a lot of the sellers are freelancers working from home or in coffee shops. Likewise, our buyers are usually small businesses, and they are also normally working by themselves or in very small teams. But we are social creatures; even if we choose a lifestyle that sees us working from home, in small teams, or on our own more often, we still crave the feeling of being part of something bigger. That's why building a brand and community that people can have an active role in is more important than ever. People want a voice.

We try to address this at Fiverr by bringing our users together where we can. We run events and workshops where community members can share best practices and other useful advice. Our community team has also set up grassroots community leaders all around the world. These leaders are volunteers that organise meetups in their own communities. Currently, we have around 30 to 40 online and offline events and meetups every single month globally. Some are organised by us, but most of them are arranged by the volunteers themselves.

Our community is at the centre of everything we do in marketing.

We also started an online forum for our sellers which now has thousands of people actively supporting each other. People share their tips and advice, especially with those who are new to the platform. We moderate the conversations from a distance to make sure the space isn't being abused, but generally it's a joy to sit back and watch members of the community help each other.

Our community is at the centre of everything we do in marketing. We feature real Fiverr community members in our advertising campaigns and a lot of our marketing campaigns are "made on Fiverr" by our community. Through this interaction, our community members become "natural" influencers and ambassadors for the brand. They share their voices, experiences and feedback online, adding authentic insights to the Fiverr story. In doing so, they create opportunities to learn from one another, but also, importantly, opportunities to help the Fiverr brand to learn and grow.

This brings us back, again, to the importance of brand purpose, and having a well-defined one can help bring your community closer together. Your purpose can be a north star and rallying cry not only for your brand but for your community and, by extension, the wider world too.

Less power, better decisions
Customers nowadays have the ability to make or break a brand's reputation online — so it's understandable when people say that marketers have less power today. But actually, I think the changes we're seeing are helping to better equip us to listen to our customers, empower our communities and build more meaningful relationships with the people using our platform. By embracing the role our customers play, we can make smarter decisions and build stronger brands.

Gali's practical advice

Why is it important to build a strong brand today?

- A brand that has a strong purpose and demonstrates its commitment to that purpose in tangible ways can create better, deeper connections to its customers. That connection leads to higher engagement and increased loyalty, and helps to create long-term relationships even in times of crisis.

What are the key practical steps to building a brand?

- Know what your purpose is as a brand and how you are contributing to your customers. Never stop listening to those customers, either through data or by speaking with them in person.

- Build specialist teams to deal with different marketing channels. Consistently test and optimise your marketing mix to respond to customer feedback wherever you find it.

How can you engage your community productively when building a brand?

- Give them something to believe in and respond to their suggestions. Create and support opportunities for the community to organise themselves, whether that's in person or online. Empower some of your greatest advocates to arrange events, network and rally their local community, and encourage discussions online by creating and facilitating forums that are useful to your community.

Sandra McDill

on marketing's move to agile

GSK's Global Digital Media Strategy Director speaks on the benefits of agile working and how large organisations like hers can go about making the shift.

The marketing landscape is ever changing, and marketers are under increasing pressure to deliver their business KPIs while finding ways to improve and innovate ahead of the competition. At the same time, there's a concerted push within many organisations to build stronger cultures of collaboration, and this is no doubt becoming more difficult as new roles and responsibilities emerge.

Agile working principles have been broadly embraced as a solution to some of these problems. But what exactly does "agile" mean? Why is it so important, and how can we make any shift towards it in marketing as seamless as possible?

The Agile Manifesto

While the term "agile." in marketing might seem like a buzzword, it has been around for some time in the world of technology. In 2001, a group of software developers came together and created a manifesto for a new way of working. According to the treaty, the agile way values "individuals and interactions over processes and tools, working software over comprehensive documentation, customer collaboration over contract negotiation and responding to change over following a plan".

In simple terms, agile is built around the principles of collaborative teams making small iterative changes to deliver a minimal viable product to address customer needs. It promotes prioritisation and transparency, as well as collaboration and iteration, so it is no surprise that marketers are looking to adopt these principles within their organisations.

Agile marketing

For GSK, agile has become embedded into our organisation as one of our internal principles for success. Within my department of global digital media the changes are clear: we have pivoted from annual planning to monthly prioritisation, we focus on delivering tools and insights at speed rather than visual perfection, and our working teams are formed based on skill rather than function or hierarchy.

We're certainly not alone. According to the latest Merkle Q2 2020 Customer Engagement Report, 89% of marketing respondents are currently adopting agile principles in some function or team,[1] although there is no one blueprint for how best to embrace agile. Instead, marketers are taking aspects of agile that best fit their business needs. But why has it become so popular?

1. The need for adaptability in our marketing
Agile at its core is about being able to adapt. It's about looking beyond a defined plan of deliverables, and understanding that learning and changing along the way will lead to continuous development. In the marketing world, this means that instead of working to a rigid plan, real-time data can inform regular optimisations that could increase overall marketing effectiveness.

Agile also encourages a "test and learn" approach, moving from standard optimisations to running pilot tests in either a real or simulated ("sandbox") environment. By working within a measured framework, marketers have the permission to try new things and learn from the outcomes to further improve their campaigns.

And by enabling teams to become more flexible, agile principles can help organisations adapt and react to unprecedented cultural, social or economic changes. And there's probably no better example of this than the Covid-19 crisis, which has forced many organisations, including GSK, to start remote working and adapt marketing plans to address changes in consumer behaviour.

2. The call for collaboration
The expectations placed on marketers continue to increase, but no one individual or team can hold all the skills needed to deliver end to end.

In my part of the organisation at GSK, we work with a wide range of business stakeholders to deliver projects, including content, tech, analytics, operations, legal and compliance to name a few. Getting everyone together on the same day is almost impossible, so you need to find new ways of working that bring in the right talent at the right point in the project to keep things moving. Even if your team is not physically together, you can still run regular virtual check-ins to review your progress and discuss potential blockers.

Often heralded as the blueprint for agile team formation, the Spotify squad model of creating small, multi-disciplined teams who can deliver a project collaboratively has been widely adopted by marketers. When people in teams have a clear idea about their role in a project, and when the decision-making process is clear and self-governing, people thrive.

3. The drive for efficiencies
With budgets getting increasingly tighter and headcount challenges commonplace, companies today also need more speed and efficiency in their marketing efforts.

The "sprint" principle is a good example of how agile can improve efficiency, as it involves delivering tasks in a short timeframe, often just a few weeks. At the end of the sprint, there is a review of the work achieved with the opportunity to feedback, reprioritise and continue with greater focus on the next tasks at hand. This can avoid project fatigue or "Parkinson's Law" — a theory that "work expands so as to fill the time available for its completion", which can lead to scope creep over time.

This is even more important in complex multi-disciplined teams such as our internal Marketing EDGE organisation. By following some principles of agile in having a clear organisational vision, we can break our work into cross-functional projects that deliver value outputs to the business. This way you avoid departmental duplication from teams working in silos.

When people in teams have a clear idea about their role in a project, and when the decision-making process is clear and self-governing, people thrive.

Addressing employee wellbeing

One of the benefits of clear, shared objectives and regular prioritisation of tasks is the positive impact it has on employee wellbeing. Any good manager wants to make sure that their team is not overloaded, but unless you're looking inside someone's inbox it can be difficult to tell. Agile collaboration tools like Trello allow you to see the team's workload at a glance, and this amount of transparency can help you see when delivery is falling behind, or when work is not evenly distributed.

This can happen on an inter-department level, too. My team gets a lot of requests from across the organisation, and being able to show other departments our workboard is really helpful. If we're at

capacity they can see straight away, and it leads to a healthy, open and honest discussion regarding prioritisation. Agile gives you both the permission to have that conversation and the tools to visualise it.

Facebook Workplace is another important agile tool for GSK. It has helped open up clear communication channels between senior leaders and employees, and it allows management to share important company updates and understand the collective views of workers. It's a platform that really helps us harness the collective brainpower of our organisation quickly and efficiently.

How to make the shift
While the need and appetite for agile marketing is clearly there, making the transition can feel overwhelming — particularly for larger organisations. However, I believe there are a few key principles we can keep in mind to make any transition as seamless and effective as possible.

1. Start with people
Overnight overhauls rarely work. This is because employees will need time to understand and embrace the changes agile brings. Also, not every area of marketing may be suitable for adopting agile principles, so it is important to consider what teams would benefit most.

The first thing to think about is the cultural change. While agile isn't meant to be hierarchical — it's about self-motivating and self-organising — it makes a huge difference if your leaders show that they are invested in the change. Our CMO is fully behind our shift to agile and has embedded it into our core principles. I've seen this have a positive impact across the whole business as we roll out new ways of working. Outside of senior leadership, your best advocates internally will be those who have adopted agile methods and have benefited from them as individuals and teams.

Beyond the culture change, in practical terms, starting small is usually a good idea. At GSK, for instance, we introduced agile principles into a few teams that would be able to showcase their ways of working as well as the business output. Once this had sparked interest around the marketing organisation, we followed up with online and in-person training to a broader section of the company. In the coming months and years, we will continue to educate and empower our teams to be more agile until these changes become the new normal.

Ultimately, giving people greater freedom to manage their workload while promoting transparency and collaboration is extremely powerful, and should help dispel the myth that you need to be an "agile" professional to be agile in marketing.

2. Choose your tools wisely

Often, organisations feel like they need to invest heavily in new technology to be more agile. But first you need to think about what your organisation really needs to avoid adding another tool that people feel forced to use.

Many organisations choose to adopt a hybrid approach to agile marketing, which means they take the best of the frameworks rather than going all in. In a large organisation, it would be worth speaking to your tech team about this, as it's likely that some agile tools that could suit your needs are already being utilised. Either way, once you have that clarity, it can help you understand whether there are gaps in your toolset, and what new technology you might need to seek out.

You also need to consider data privacy for new collaboration and communication tools, and you need to be sure that whatever system or application you're planning on introducing is safe for the organisation, its employees and customers. Remember, it's not just about how data is collected and stored, but also about how it's shared internally and externally. Speak to your legal and compliance teams to make sure they are aligned before raising a PO.

3. Data at the heart of decisioning

In order to move to agile performance-based marketing decisions, we need real-time data, and if we are making business-altering decisions based on that data, we need to be certain of its authenticity. Start with the KPIs you are measuring to develop a framework, then look to validated data sources to inform those choices.

Roland Smart's "The Agile Marketer" promotes "discovery over prediction",[2] but it's important to ensure that your hypotheses for test and learn are rooted in real-life problems or opportunities. There is a danger of following opinion over fact, so even with the best data in the world you should look to avoid biased interpretation to fit a desired outcome. You can avoid this by being honest about your predetermined assumptions from the outset so you can look beyond them. Also, make sure you have a broad and fair test period, and try to get a peer to review your findings for a different perspective.

When you reach that golden moment of a hypothesis leading to a successful case study, agile can help you to scale across the

organisation and avoid the "one and done" approach. By giving the broader organisation transparency into your experimentations early on, they can anticipate the results before they are released. The fear of failure often means tests are done behind closed doors and poor performing experiments never shared. But by being visible and inclusive your organisation will benefit from collective experience.

Remember that you're never done
According to a McKinsey study on consumer packaged goods (CPG) leaders, "Agile ways of working aren't an all-or-nothing proposition. Success depends on knowing where and how to deploy them."[3] The fear of business disruption will only lead to the kind of business stagnation that invites startups to take advantage of growth opportunities that larger organisations may be too slow to respond to.

If we remember that agile is about small, iterative changes led by a team who feel empowered to be autonomous, then we know that improving our ways of working is an ongoing job. Agile marketing will continue to evolve as long as our consumers keep changing their needs — and that's the one insight we can always depend on.

Sources
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[2] Roland Smart, "The Agile Marketer: Turning Customer Experience Into Your Competitive Advantage", 2016

[3] McKinsey&Company, "Agile in the consumer-goods industry: The transformation of the brand manager", 2019, www.mckinsey.com/business-functions/marketing-and-sales/our-insights/agile-in-the-consumer-goods-industry-the-transformation-of-the-brand-manager

Sandra's practical advice

What are three key reasons marketers need to adopt agile working principles today?

- To empower your teams to work collaboratively, autonomously and energetically. You can also get a better idea of how team members are feeling, especially if you use tools like Facebook Workplace, which allow you to gather instant employee feedback.
- To be able to use real-time data to optimise marketing campaigns and inform future planning.
- To test and learn often, and to fail fast.

What are the biggest barriers for large organisations when it comes to shifting to agile working methods?

- A fear of business disruption and a fear that agile marketing will damage long-term brand-building; the misconception that you need to hire agile specialists, or you need to make huge investment in technology; and the assumption that employees will reject the need for change.

What are some practical steps those organisations can take to overcome those barriers and introduce agile working effectively?

- Take small steps at first: start with a part of the organisation that could benefit the most from agile marketing methods with minimal business risk. Accept that some people may be overwhelmed or concerned about change, which is perfectly natural. Get ahead of that with clear plans, communications and change management to ensure that your organisation can move forward. Do your research and seek out the appropriate tools and tech. There is a surprising amount of low-cost software available for internal collaboration with add-ons available for larger suites. Ask your tech team for advice on this front — and remember to involve compliance.

Markus Fuchshofen

on why a centralised marketing approach is the best way to combat complexity

The Managing Director of bonprix argues for standardising your marketing approach, prizing click behaviours over location and, when needed, sacrificing local optimisation in favour of global gains.

Today's marketing landscape is more complex than ever. Firstly, the number of marketing channels and consumer touchpoints has exploded. When bonprix started as a mail order company in 1986, the only customer touchpoints we had were the catalogues. Now that we're an online fashion retailer, customers can interact with us on our webshops, apps, in our fashion connect store in Hamburg or via the constantly evolving world of social media.

The emergence of online channels and touchpoints means that we now have more data about our customers than ever before. This affords us a greater amount of "signals" — reactions of the customer in response to the brand. In the past, the only signals we were able to receive were how often someone was buying from our catalogues and what they were buying. Now, we can tell when someone is browsing, how deeply they explore our website and if they cancel their order during checkout. This information is helping us to respond to customers on a more personalised level.

At the same time, the content we share with the customer has also become more complex. There was a time when the only content customers received were the catalogues; now we're sending them smaller chunks of content, more often, across a variety of channels — from social media to email. The type of content we create has also become more complicated as each piece of communication has to be designed to suit each specific channel. These are just some of the factors that make the marketing landscape so complex today.

Learn fast

Dealing with that complexity requires working in new ways. People with highly specialised skills in cross-functional teams can help us understand and cut down the layers of complexity into smaller, simpler pieces. But what's more crucial is for organisations to be set up to learn fast. This is because the complexity of our marketing landscape is ever-changing. The goal posts are always moving and so, to stay competitive, you need to always be a little bit ahead of the curve.

To stay ahead you have to test, learn and adapt quickly. That's because if you learn about a new fashion trend among a particular target group, the advantage this insight might give you is short-lived. The world moves so fast today that the time it takes to market and implement an idea or product is crucial.

Speed up by centralising

In the early days, bonprix had a traditional, market-by-market approach. As a mail order company, we needed to have regional

teams because we could only contact our customers via local address dealers. Now the partners that help us reach our customers — like Facebook and Google — are global. We created our first centralised marketing team in 2003 in response to the rise of online marketing. We've since created a centralised algorithm that works out the best way to rank items on our webshop. The system might rank an individual customer's page according to their behaviour, perhaps recognising that they are most interested in elegant styles of clothing, for example, and then moving these to the top.

Or, the algorithm might decide to rank items based on the popularity of a certain product. This means that, if a leopard print empire dress was trending, the algorithms in our system would register customers clicking on the dress and the item would move to the top of the webpage across all regions.

This is one of the key benefits of a centralised approach. When you're working with a standardised system like this, you can very quickly apply learnings across different markets. However, if your marketing is decentralised, with regional teams working with different systems, prioritising that leopard print dress in the page rank would be a much slower process.

From location to behaviour
The key factor here is that the behaviour of the individual user is much more important and a much stronger signal than where someone is living. Marketing used to treat location as a proxy for people's likes and dislikes, but people in the same location don't necessarily have the same interests. Now that we have so much more high-quality data about customers, commonalities can be found for people across borders, and location is no longer the most useful attribute to look at.

Centralised marketing systems can help you learn about your customers' behaviours, and then apply those learnings much faster. To give you another example, a few years ago, retargeting became possible in Russia for the first time. Our centralised team had been using this marketing format for years in central Europe, and so already knew how best to price items and which customers it tends to work for. We could immediately apply all these best practices in Russia, because the team was the same. This gave us an advantage over local marketer in Russia who hadn't had the chance to learn how to do retargeting well. Not only did they lack our skills in retargeting, but retargeting as a practice itself outstripped their usual way of doing things based on geographic market knowledge.

Local considerations

While location is not the most useful attribute to know about our customer, there are some areas of our business that do require a local steer. One area is our customer service offering. For the best customer experience, our agents need to speak to people in their native language. Given that language varies across our markets, it makes sense to organise customer service on a regional level.

Delivery and payments are other key local considerations, as distributors and payment methods can be very different depending on the country. In the Netherlands there is a PayPal-like service called iDEAL that has a market share of 80%. If we didn't accommodate this local payment method, we simply wouldn't be able to do business there.

We also grow our business from a regional perspective. Our regional managers will write the business plans for each country and determine how much we can expect to grow there. They consider how the market is behaving, how it has developed and what our market share is as a starting point. If we saw that there was an opportunity to grow in a region like France, this market would have its own goals and a unique marketing mix, but the centralised marketing team would be the same.

The trade-offs of a centralised approach

While a centralised approach is overall the best way for bonprix to navigate today's complex marketing landscape, there are of course trade-offs. Firstly, it means you can't fully optimise local markets, because this would stand in the way of global optimisation.

This can result in discussions with our country managers, who are of course trying to optimise their business. For example, they might want to offer multiple local payment methods. We would have to push back on this, because providing many methods for every region would be unsustainable. Sometimes we have to make sacrifices locally to do the right thing globally.

Another trade-off is that a centralised marketing system doesn't lend itself to reactive creative communications in the same way a decentralised system might. For example, if there is a big regional event or news story, many marketers have an opportunity to react quickly in a way that strikes a chord with their audience. However, responding to more local, cultural moments is not something our business could cope with.

Answering the needs of your business model

Whether a centralised marketing system is right for your organisation all depends on your business model. For us, a centralised approach is the right solution. With our business model, we not only create our own products, but we also own all the rights to the items. More importantly, through our websites we have direct access to our customers so we can maintain full control of our marketing activities more easily. This is especially true in markets like Germany, where bonprix is one of the 10 highest-grossing online shops and the second highest-grossing in fashion.[1]

Because our relationship with our customer is this direct, it's imperative for us to have a best-in-class approach. To keep up with our competitors like Zalando or Amazon, we have to be exceptional at understanding the needs of our customers and learning about them as quickly as possible. By enabling us to quickly understand behaviour patterns across regions, our centralised marketing system helps us deliver what our individual customer truly wants and needs. This customer-centred approach makes bonprix a smart online fashion destination for consumers in many countries. It serves us well today and it will become ever more important as we head towards an increasingly digital future.

Source
[1] EHI Retail Institute, "Top 100 umsatzstärkste Onlineshops in Deutschland", 2019, www.ehi.org/de/top-100-umsatzstaerkste-onlineshops-in-deutschland/

Markus's practical advice

What are the key advantages of adopting a centralised, standardised approach to marketing?

– Adopting a centralised, standardised approach to marketing has two primary benefits: it enables fast learning, helping you get ahead of the curve, and it helps you deal with ongoing lines of complexity.

What are the key things you need in place to be able to adopt a more centralised approach to marketing?

– To adopt a more centralised approach to marketing in your organisation, you need three key things: a standardised system; a willingness to give up the local optimum; and, on a cultural level, you need to make sure your organisation is ready to start thinking and acting globally.

Yuri Ivanov

on the important lessons learned while launching and scaling a startup

From fine-tuning the product to cultivating power users, Joom's Co-founder reveals the five key lessons he learned while attempting to build a better mobile commerce experience.

In 2015, my business partners Ilya Shirokov, Ilya Rubin and I noted that, despite the growth of mobile app penetration, all areas of e-commerce were still mainly desktop. We believed that mobile was primed to overtake desktop and become the first screen for shopping, so we set out to simplify the mobile e-commerce experience and create a platform that could capitalise on the changes on the horizon.

Our ambition was realised in 2016 when we launched Joom — a mobile-first ecommerce platform. Four years later, Joom now offers millions of products to customers around the world and, in 2019, 95% of those purchases came via mobile or the Joom app. Here's what we've learned on our journey so far.

1. Start with the product and test to get it right

It's really important to prove your idea in the very beginning before putting your resources into production. When we launched, Alibaba's mobile shopping app, AliExpress, was our main rival in Europe. We aimed to differentiate ourselves by allowing the user to make a purchase with as few clicks as possible.

For businesses that aren't able to meet the new expectations of instant gratification, the cost of friction is huge: 61% of US digital shoppers abandon carts because sites had errors or crashed.[1] And the Baymard Institute has suggested that, in the USA and EU alone, up to $260 billion worth of lost orders could be recoverable solely through a better checkout flow and design.[2]

As well as ensuring that our app was as user-friendly as possible, we ran tests to optimise our product offering. The results showed that cheap products from China were more popular than products that were already available in Europe.

Running tests these days is easy. You can create a dynamic page with product photos, get some traffic from Facebook and look at the reactions of first users. This can enable you to invest your money and resources much more wisely.

2. Make the product experience as personalised as possible

It's very important to find out as soon as possible what a particular user's interests are. A mobile screen can only display six product images at a time, so we have to make sure the selection is personalised to the user.

To do this, we're investing heavily in machine learning techniques. Our algorithms register what the user clicks on and then figures out what other products they might like based on the behaviour of other

users. We also make sure that our product ads on Facebook use deep links. Facebook Carousel ads use AI to show the user multiple products based on their preferences. Using deep links makes sure that the product a user clicks on in the carousel is the first thing they see after installing the app.

Another way we've made the Joom interface more personalised is by translating our website and product descriptions into many different languages. When we launched, it was rare to see translations of user interfaces. And even though it's more common now, Amazon supports just eight languages compared to Joom's 14. It sounds obvious, but if a customer can't understand how to navigate your interface, or learn about a particular product, you're immediately limiting your audience.

3. Aim to increase lifetime value

When it comes to growth, increasing the average order value is hard because it depends on the selection of products available and also the paying abilities of your audience. This is why I think it's better to focus on the lifetime value (LTV) of a customer.

To increase LTV, marketers need to increase the frequency with which customers are using the product. And to create new habits, you need to find out what the customer's triggers are that will keep them coming back. Ultimately, it's about keeping your product interesting, and rewarding customers in the right way.

Encouraging regular browsing in the app is especially important for us because we rely on users discovering products rather than searching for them. If you look at Amazon, for example, most people launch the app with an idea of what they want to buy.

61%

of US digital shoppers abandon carts because sites had errors or crashed.

Source: Namogoo, "Online Consumer Behavior Survey", 2018, www.namogoo.com/ ebooks/online-consumer- behavior-optimizing- the-journey-for-todays- multi-tasking-shopper/

$260 bn

worth of lost orders could be recoverable solely through a better checkout flow and design.

Source: Baymard Institute, "40 Cart Abandonment Rate Statistics", 2019, baymard.com/lists/cart- abandonment-rate

Ultimately, it's about keeping your product interesting, and rewarding customers in the right way.

93%

of consumers agreed they'd choose to shop with an online retailer again if offered good discounts.

But there are plenty of products on Joom that you would not have even imagined could exist — from toe rings that aid weight loss, to a rainbow LED nightlight for your toilet bowl. We also can't guarantee that our prices are lower than other retailers', as they are set by our merchants. This makes it even more important that our customers use the app to browse rather than to search for something specific.

4. Harness user-generated content at scale

Every industry is different, but in retail I believe there are two key ways of rewarding customers so that they come back to your app often. Firstly, you can offer different types of discounts and cashback offers. In a 2018 study, 93% of consumers agreed they'd choose to shop with an online retailer again if offered good discounts.[3]

The second method is less obvious and quite unique to Joom — it's about developing a social dimension to your product. Prior to joining the company, I worked with our Chairman Ilya Shirokov at Russian social network Ok.ru. It was here that I learned the power of user generated content (UGC) to keep people returning to your platform.

Our users create and consume content in the form of product reviews. A couple of years ago, we decided to encourage this behaviour and empower our users to create reviews of products in more qualitative ways, by adding rich content like photos, videos and detailed text descriptions. When it comes to creating new ideas at pace, you cannot beat users who are interested in doing something for themselves, their brand or social validation.

The volume of reviews is more important than the score itself. On all e-commerce platforms, reviews are essential for providing the social proof that customers want in order to make a purchase. We have done several tests measuring the impact of reviews and have found that even products with lower scores are purchased more than those that don't have any.

A separate study reveals that 4.5 star reviews generate more purchases than those with full marks.[4] That's because many users view "perfect" as too good to be true. UGC that feels authentic and credible is more likely to persuade a customer to make a purchase.

5. Identify and reward your power users

By encouraging UGC and allowing people to leave qualitative reviews, we've seen the rise of a group of power users — customers who see themselves as bloggers or influencers and create Joom product reviews on a daily or weekly basis.

Some of these people have 50,000 followers, and while some link their reviews to Instagram or YouTube posts, the majority just use Joom as their platform for sharing. We think of this community as almost like an internal social network. We've created a special section inside Joom for these power users called the Bloggers Exchange. This is where they can connect with merchants who want them to review their products. We select users based on the quantity and quality of their reviews, but anyone can put themselves forward for a blogger account.

The power users create reviews in order to be rewarded. But while we pay our top bloggers a small sum proportionate to the revenue they generate, and some of Joom's merchants offer the bloggers products for free, these are not their main motivations for creating the content. The rewards they are really seeking are the likes and comments from their followers. Just like on Facebook, Instagram and YouTube, these creators are more hungry for positive feedback than anything else.

For us, the key benefit of these power users is the content they create, as it provides all our users with a reason to check the app more regularly. A significant part of our audience use Joom to look through interesting products during their leisure time, prompted by new content from the bloggers they follow. In this way, the reviews are essential for us to make browsing Joom a daily habit and increase the LTV of our customers.

"The results from our analyses suggest that customers selected on the basis of customer lifetime value (CLV) provide higher profits than do customers selected on the basis of other widely used CRM [customer relationship management] metrics. In addition, there is the potential for substantial improvement in profits when managers design resource allocation rules that maximize CLV."

Source: Rajkumar Venkatesan & V. Kumar, "A Customer Lifetime Value Framework for Customer Selection and Resource Allocation Strategy", Journal of Marketing, 2004

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Yuri's practical advice

What practical steps could marketers take to build lasting relationships with customers?

- For us it's about focusing on personalisation. We try to find out as soon as possible what a particular user's interests are and try to cater to them.

- Reward your customers where possible — this will encourage them to return to your app or site. Every industry is different, but for us there are two key ways of doing this: discounts and cashback offers, or by encouraging and building a social dimension to your product.

What can marketers try to do in order to increase the expected LTV of a consumer?

- Increasing LTV is all about increasing the frequency with which customers are using your product. Find out what the customers' triggers are — what it is that keeps them coming back — and focus on improving it. Ultimately, it's about keeping your product interesting, and rewarding customers in the right way.

What first step should a startup take if it wants to be successful today?

- Make sure your product is right and test, test, test. It's important to prove that your idea works before putting your resources into production. Plus, running tests these days is becoming easier and easier. For Joom this meant creating a dynamic page with product photos, getting some traffic and analysing the reactions of first users.

Nicola Mendelsohn

on the age
of discovery
commerce

Facebook's VP, EMEA, analyses the seismic industry shifts that 2020 has ushered in, and highlights the exciting e-commerce opportunity that's emerging amidst the changes.

As lockdown measures pushed people across the globe to switch from shopping in store to online, 2020 has shouldered a decade's worth of behaviour change. The pandemic has accelerated the adoption of e-commerce, which already represented almost 14% of global retail sales in 2019.[1] As Derek Thompson writes in The Atlantic, "[Consumers] have shifted spending to the virtual economy, compressing 10 years of anticipated e-commerce growth into a matter of weeks."[2]

Echoing his statement, L'Oréal's Chief Digital Officer Lubomira Rochet told the Financial Times, "In e-commerce, we achieved in eight weeks what it would have otherwise taken us three years to do." In the period up to the end of March 2020, L'Oréal's e-commerce sales grew by 53% compared with the previous year, and around 20% of its revenues are now generated via its branded websites and online retail partners.[3]

But the accelerated shift to online goes way beyond e-commerce. The Covid-19 pandemic has seen people move all kinds of activities online, including working, socialising, learning and exercising. There have been stories of couples getting married over Zoom, and I even attended my first virtual Bar mitzvah during lockdown.

This mass digital education of the public has been a cross-generational phenomenon that's very quickly had a cross-category impact: digitalising entire consumer journeys, from interest to purchase to customer experience. On average, 85% of internet users globally are shopping online, including over 80% of Gen Xers and Boomers. Of those Gen Xers and Boomers who shop online, on average 44% and 30% respectively said they are spending more time shopping online because of lockdown measures.[4]

Whatever business they are in, companies need to rethink how they engage with their customers so that they are meeting people where they are today. Some have reacted quickly and launched new Direct to Consumer (D2C) business models. Nestlé, for instance, has partnered with Deliveroo in the UK to provide a range of its confectionery direct to consumers' doors. Meanwhile, Heinz launched Heinz To Home — a new delivery service to help customers in Britain get their favourite tinned goods while self-isolating.

Reaching the consumer in the last mile became more important as people tried to stay away from physical stores. But change needs to happen across the entire consumer journey, not just at the end of it. This is because, increasingly, people are also discovering brands and products online, rather than simply buying them.

Platforms for discovery

Even before people stopped feeling comfortable spending time in stores, they were turning to online platforms to browse and find inspiration, and this trend has been accelerated by the recent lockdown. For example, only last week I found myself purchasing faux sea urchins and coral online. I wasn't looking for either of these things, but when I discovered Big Blue Company, and how they create realistic, eco-friendly artificial resin stone shells and sea-inspired creatures, I couldn't resist buying some. These products — which I am delighted with so far — found me.

Like e-commerce in its entirety, this discovery mindset isn't entirely new, but it has been accelerated. Instagram has long been a space for finding new products or services, with 83% of users globally having done so through the platform. Whereas commerce and search platforms cater for people looking to purchase something specific and then leave, Instagram is a place where people want to spend time browsing and discovering. Over 90% of users on the platform follow at least one of their interests, two in three say that it is a place that enables interaction with brands, and 87% say they took action after seeing product information on Instagram (such as following a brand, visiting their website or making a purchase online).[5]

In contrast to this world of discovery, e-commerce advertising to date has largely focused on what those commerce and search platforms excel at: capturing intent. This involves figuring out pre-existing demand so you can then fulfil it in a way that's as convenient for the customer as possible. Even though the digital shelf is theoretically limitless — as opposed to the physical one — e-commerce has focused on showing consumers the product it knows they already want, often because they left it abandoned in a shopping cart.

As Benedict Evans highlights "Amazon in particular and e-commerce in general is good at search. Amazon, very obviously, is Google for products. It's good at giving you the best-seller you've heard of or the water filter for your fridge (the long tail)." However, it's not so good at giving you the things in the middle, which Evans describes as, "the things that you didn't know existed, or didn't know you wanted, before you saw them".[6]

From bottom funnel to full funnel

At Facebook, we believe that brands need to expand how they think about the online commerce opportunity, particularly in higher-interest categories where people are predisposed to look for the best products for them personally. Unlike, for example, a washing

On average,

85%

of internet users globally are shopping online, including over 80% of Gen Xers and Boomers.

Source: GWI, "Coronavirus Research April 2020", 2020, Generational age bands: Gen Z (16-23), Millennials (24-37), Gen X (38-56), Boomers (57-64)

2.7 billion people

access Facebook once a month

1.73 billion people

access Facebook every day

Source: Facebook data, Q2 2020

detergent or a kitchen cleaning spray, "good enough" isn't enough for consumers in these instances. They want to find what best suits their individual needs. So, rather than focusing solely on the narrow opportunity to capture existing intent, brands must think about how they generate fresh demand. This moves e-commerce from a bottom funnel activity to a full funnel one, with different roles to play across it.

Part of this means providing more immersive experiences, as behaviours that were previously only possible in-store (such as trying on a new lipstick) become a reality virtually. Experiences like these mean that people won't just find what they're looking for, but can discover what they didn't know they needed too.

Digital advertising also provides the opportunity to condense the marketing funnel into a single ad, providing the "digital shelves" for customers to find what they didn't know they wanted — which, when combined with creating those more immersive brand experiences, moves online commerce away from simply "buying" toward more enjoyable "shopping". We believe this will see the future of online buying move from e-commerce to discovery commerce.

Rather than focusing solely on the narrow opportunity to capture existing intent, brands must think about how they generate fresh demand.

Discovery commerce across the funnel

The emergence of discovery commerce means brands must provide consumers with new, more connected ways of finding, experiencing and purchasing the products that are right for them across the marketing funnel. Although customer journeys are increasingly non-linear, the traditional funnel provides a framework for thinking about how to respond to these changing buying behaviours, and how to ensure that your business is driving online sales, among the widest possible audience, at every available touchpoint.

Over

90%

of Instagram users follow at least one of their interests.

2 in 3

say that it's a place that enables interaction with brands.

87%

say they took action after seeing product information on Instagram (such as following a brand, visiting their website or making a purchase online).

Source: Ipsos, "Project Instagram", Facebook-commissioned survey of 21,000 people aged 13-64 in AR, AU, BR, CA, DE, FR, IN, IT, KR, TR, UK, US and aged 18-64 in Japan, Nov 2018

At the top of the funnel, brands should aim to inspire discovery by exploring new ways for people to find and fall in love with their products. This is all about generating demand and delighting new customers with products that they didn't know they wanted before. This might see brands partner with appropriate influencers to showcase new products or use dynamic creative to target shoppers with items that are relevant to their wider needs or interests.

In the middle of the funnel, brands should look to facilitate discovery in more connected ways and help customers work out if a product is right for them. Brands should ensure that people can communicate with the business directly to learn more, but also aspire to create wider connections — through communities with shared interests, category experts or even people's own inner circles — to facilitate discovery. Whether it's providing conversational commerce through platforms like Messenger or WhatsApp, directing people to relevant and informative user recommendations, or running a live Q&A that allows for a two-way conversation, brands must think about the more connected ways they can drive online sales today.

At the final stage of the funnel, brands must ensure that people can purchase products when and where it is convenient to them. All products must be immediately shoppable upon discovery and there has to be zero friction when it comes to making a purchase, particularly when it's an item someone has only just discovered. To achieve this, consumers need to be able to purchase directly from the platform, or via partnerships that create a seamless link to a shopping basket on the retailer's website. Our unified stack of platforms and collaborative ad products are designed to enable this and ensure that nothing causes the abandonment of purchase.

An advanced discovery engine
Importantly, generating demand is not just about having the right framework and tools, it's also about having the right mindset for using them. We are here to support you in both, so that you are no longer just waiting for purchase intent, but creating it too.

At Facebook, we've seen first hand how powerful discovery can be. In the early years, the platform was very much a pull world. If you wanted to see a person, group or brand, you had to search for their page. Then one day in 2006 an engineer said, wouldn't it be nice if those updates came to you? That small idea turned into the News Feed, which set the precedent for the way we consume most content on our phones.

Ironically, when we launched the News Feed, people hated it. In fact, the day after it launched, the team who built it woke up to a new group with more than a million members called "I hate the News Feed, Turn it Off". But as the anger died down, we soon saw that people loved discovering, whether it was photos of family and friends, news articles or videos.

Back then we weren't used to relevant content finding us. Today it's the expectation. And over the 14 years we've been building the News Feed it's become the world's most advanced discovery engine. 2.7 billion people from all over the world access Facebook at least once a month, and 1.73 billion access it every day.[7] And every single feed for every single user is unique. It's discovery on a massive scale.

I didn't know I wanted my faux sea urchins; Big Blue Company showed me I did. And every day they are doing the same for millions of other people across Facebook and Instagram. They have realised that, with today's technology, they don't need to wait for people to find their products. But the reality is that any brand can do this. It's never been more important to focus on your businesses, so don't waste time waiting around for customers — let your products find them for you.

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Nicola's practical advice

What adjustments should marketers be making to their existing practices to embrace discovery commerce?

- **Drive discovery alongside existing conversion activity through data signals.** In addition to identifying those displaying existing intent, marketers must broaden out the role of digital in response to the digitalisation of the entire customer journey. Utilise data signals to find new customers and create better, more relevant and more informed shopping experiences for them at every touchpoint.

- **Test new ways to generate and meet demand online across the customer journey.** Discovery commerce is a full funnel activity and there are exciting creative opportunities for brands across the customer journey. Marketers must embrace a "test and learn" approach across each stage of the funnel, from finding innovative ways for customers to discover products to creating a frictionless purchasing experience.

- **Explore ways of reimagining the physical retail environment online.** Whether it's using augmented reality (AR) filters to enable people to try on make-up, seeing an item of furniture displayed in a home or exploring a car's specifications, brands need to reimagine some of the critical roles the in-store experience plays within digital. These more immersive experiences can drive online purchase in a way that's clearly linked to the brand.

- **Expand your virtual storefront.** Facebook Shops makes it easy to set up a single online store for customers to access on Facebook and Instagram. Businesses can then choose which of their items they want to feature, merchandise those items with product collections and also tell their brand story with customisable fonts and colours. We're also investing in adding more features across our apps to help people discover and shop for things they love.

What needs to change?

What's holding the industry back? Which practices and philosophies have gone unchallenged for too long? Where are we falling short, and how can we address those shortcomings?

Dylan Williams

on moving from digital to ethical transformation and the next phase in marketing evolution

Droga5's Chief Strategy Officer unpacks the causes of overconsumption, advertising's role in the climate crisis, and how, by making small tweaks in brand definition, we might take a step back from the brink of extinction.

Covid-19 is proving to be the great accelerator. While digital transformation has taken most of the headlines, we are also seeing a resolute shift in society's values. Concerns over the short-termism and narrow interest of shareholder capitalism were already emerging prior to the pandemic. Greta Thunberg's Strike for Climate movement was the global cultural phenomenon of 2019. The Financial Times declared "Capitalism — Time for a Reset" in September of that year. But since the world went into quarantine, our disenchantment with the status quo has scaled new heights.

Across the political spectrum, people have called for a re-examination of the relentless pace of modern life, the underfunding of public services, and our unsustainable consumption and travel habits. I believe we must also redress how our work as marketers has fuelled some of these toxic behaviours, and in doing so, brought our planet to the brink of mass extinction. How did we get to this point ? And how can we now best help?

In 1936, John Maynard Keynes wrote: "Practical men who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist."[1] Throughout the last century it has been not a defunct economist but a door-to-door salesman whose ideas we in marketing have blindly adhered to. We have been working within the paradigm of "direct effect" — as set down by Claude Hopkins in his seminal work of 1923, "Scientific Advertising". In this book, Claude argued that advertising should have a direct impact on sales and only exist to sell more of a client's product.

This paradigm has since formed the underlying premise of every industry effectiveness awards body. Winning case studies have focused on shifting or changing the shape of a brand's demand curve. Increasing demand for one brand, we presumed, at the expense of alternatives.

Over the ensuing years our understanding of effectiveness has broadened beyond simply switching consumer demand. Longitudinal studies began to evidence the importance of expressing higher-order emotional benefits within not only an advertising proposition, but at the core of a company's purpose. Books like Collins and Porras's "Built to Last" and Jim Stengel's "Grow" started to advance the view that a central governing idea could provide multiple stakeholder benefits over time, including staff retention, investor confidence, successful innovation and bullish stock price.

But despite this progress, we were still focused on the direct effects on a single company. We failed to look beyond the narrow confines of a brand's self-interest.

**Growth of the Stengel 50
compared to S&P 500**
Jim Stengel and Millward Brown released a
study that showed how the top 50 purpose-
driven brands experienced pace-setting
growth and outperformed the market.

From 2000 to 2011

+382.3%

-7.9%
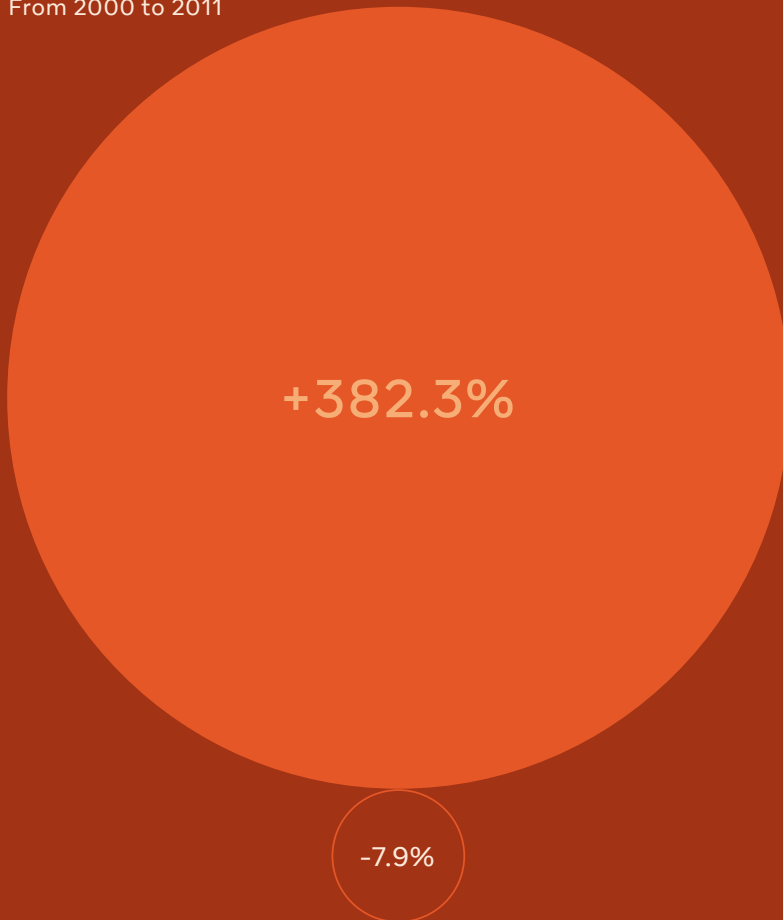
● Stengel Top 50   ○ S&P 500   **Source:** BrandZ database, S&P, Millward Brown Optimor

The rise of overconsumption

Consequently we remained blind to the cumulative build and aggregate effect of all the marketing campaigns put into the world. We didn't model the indirect effects of all this marketing stimulus on culture. And we failed to clock that instead of switching demand, we were creating further demand.

Moreover, given the growing sophistication of emotional soft-sell, the nature of this demand was increasingly irrational: based on impulsive want rather than on genuine need. We created overconsumption, and, in doing so, the material sourcing malpractices, carbon-fuelled distribution systems, and imperishable packaging that serve its voracious appetite.

Consequently, we're now in a climate crisis where conditions are so dire that experts predict we have, at best, 12 years to avoid a cataclysmic disaster loop of a permafrost thaw — a further release of carbon into the atmosphere that would bring about what David Wallace-Wells calls this planet's "sixth mass extinction".

This predicament is unfortunately compounded by the fact that the same emotional manipulation and vacuous higher-order promises that infantilised consumers have been adopted in politics. The advertising tactics that won us sales and accolades have also helped populist figures take control of the world's major governments on a ticket of division, myopia and protectionism. As a result of this, we can no longer rely on national leaders to unite us in the fight to save our planet or, in the case of Covid-19, our lives.

By unknowingly dancing to the tune of theorists like Claude Hopkins, we've helped place the natural and social capital of the world in a perilous state. Fortunately, there is a new hope.

The Age of Transparency

While we've been steadily destroying our natural environment, digital technology has been providing companies with problems and opportunities in equal measure. With access to unprecedented levels of information, any smartphone owner is now empowered to see through the walls of an organisation. In this Age of Transparency everything is now communication. Everything is now part of the brand experience. Across the supply chain and through the funnel, consumers can discover any disconnect between a brand's stated purpose and its actions faster than ever before, and share their delight or disgruntlement equally rapidly.

When a brand that exists "to liberate creative minds" enables people to shoot HD film on a mobile phone, they will willingly provide

their content for its advertising campaign. By the same token, they are also able to spot when a brand that promised "1984 won't be like 1984" manufactures in factories with suicide nets,[2] and adjust their position accordingly.

So we are at a tipping point. How brands embrace transparency will determine our future.

Crucially, the consumer world knows this, and interprets it positively. The recognition that brands can now be better held to account has led to a growing belief in the power of business to do what state and church are proving less than capable of addressing. Edelman's trust barometer shows that, year-on-year, people hold far more trust in business than governments, with 74% of people across the world saying that CEOs should take the lead on change rather than waiting for governments to impose it.[3]

As a result, "belief-driven buyers" should no longer be dismissed as a niche constituency of liberal elites. They now make up the majority of consumers in all the eight major markets that Edelman surveyed. They are now the key drivers of mainstream demand. In light of this shift, the upside for better brand behaviour and accountability becomes obvious.

74%

of people across the world agree that CEOs should take the lead on change rather than waiting for governments to impose it.

Source: Edelman, "Edelman Trust Barometer", 2020, www.edelman.com/ sites/g/files/aatuss191/ files/2020-01/2020 Edelman Trust Barometer Global Report_LIVE.pdf

We must focus on finding simple ways to turn good motives into great acts.

Actions not words

Crucial to unlocking this opportunity lies in a brand's ability to walk the talk. In an Accenture global survey of nearly 30,000 consumers, when asked, "What attracts you to buy from certain brands over others?", 66% of respondents said: "It does what it says it'll do and delivers on its promises."[4] There is no point in having a beautifully succinct and profound brand purpose if the intention isn't turned into action, and isn't evident across every experience of a brand.

The pandemic has taught us that small adjustments and micro actions — from washing our hands to maintaining two-metre

94

FTSE 100 companies
mentioned ethics
in their 2014 annual
reports; only

23

had a way of measuring
whether they were
behaving ethically.

distance — can quickly scale to great effect. And as it is for society at large, so it can be for marketers and their brands. We must focus on finding simple ways to turn good motives into great acts. While CFOs should explore the "triple bottom line" and CTOs the huge potential of blockchain and the immutable ledger, I would contend that the CMO can make great strides simply by adjusting the way they define their brands.

Rethinking the Big Hairy Audacious Goal

Central to Collins and Porras's "Built to Last" is a belief that long-term company success is achieved through striking a balance between continuity and change. To this end they propose that a brand's definition requires two equal parts. Firstly, the purpose — a brand's raison d'etre beyond making profit — should provide continuous meaning in perpetuity. And secondly, the purpose should be aligned with a bold, time-specific, measurable business objective. This Big Hairy Audacious Goal (BHAG), they explain, provides the brand with both dynamism and accountability. It is a way of providing the company with a yardstick by which to measure and stimulate progress. The BHAG, they posit, is one that should be signed off at board level, and used to hold every person at the company to account. In this way, it can ensure that the company turns purposeful intent into measurable action.

It is here that a simple adjustment could make a huge difference. Currently, most BHAGs are articulated according to the old paradigm. They are business goals governed by individual company performance and competitive self-interest. So, if Nike's original purpose was to "inspire and enable the athlete in all of us" then its accompanying BHAG would be something like "to crush adidas by the year 2000". Or if Walmart's original purpose was "to give ordinary folk the opportunity to have the same things as rich people", its accompanying BHAG might have been "to become the world's first billion dollar company".

Now, consider if we simply rearticulate those BHAGs through the prism of a relevant extinction agenda issue. We'd start to see those same powerhouse brands defined like this:

Nike's purpose: "To inspire and enable the athlete in all of us." And BHAG: "To commit to doing so by using materials entirely derived from recovered ocean plastics by 2025."

Or Walmart's purpose: "To give ordinary folk the opportunity to have the same things as rich people." And BHAG: "To commit to doing so by retailing and distributing everything on our 'shelves' carbon neutrally by 2030."

With this simple adjust in brand definition we might foster a new age of corporate accountability. Imagine every meeting at a company having to begin by relating the subject of the gathering back to purpose and BHAG. Imagine not being able to schedule the meeting unless you could answer that question succinctly. In one fell swoop a climate crisis goal would become the KPI that the entire organisation forms its daily habits around. This provides the singular focus that Olympic gold medallist Ben Hunt-Davis describes in his book "Will It Make the Boat Go Faster?" as the principal determinant in any team achieving crazy ambitions against all odds.

Similarly, consider how Mark Zuckerberg saved his company in 2012. By using a BHAG as an obstruction — refusing to take any more meetings on desktop — he forced the entire organisation to create around it, and successfully pivoted Facebook to mobile in jaw-dropping time. Simple adjustments can scale quickly and have a huge impact.

Finally, in publicly announcing a BHAG centred on ethical transformation, we would provide "belief-driven buyers" with a compelling new reason to sign up in support through purchase and advocacy. We could focus on direct effect knowing that the broader indirect effects of our pursuit were altogether positive.

When the recovery begins, and new-old problems resurface, people will know that businesses can lead the transformation that the world needs.

Purpose in practice
Within weeks of the Covid-19 outbreak, it became clear that companies, like people, split between those that "will not waste a crisis", and those that have retreated to a "kill or be killed" survival mode. On the side that chose ethical transformation, LVMH pivoted their factories to produce hand sanitiser, and Decathlon donated all its scuba diving masks to Spanish hospitals. Meanwhile, other companies begged for federal bailouts while still handing out dividends to shareholders.

Tellingly, belief-driven consumers have been all over this. They have held poor performers to account via quickly assembled platforms like didtheyhelp.com, while their messenger groups have helped to spread the word of helpful brand initiatives.

More widely, we have experienced the largest behaviour change experiment in history. We have witnessed, and will not forget, that businesses can change rapidly and drastically to protect the world. Business travel can be stopped, fake news can be removed, essential workers can be looked after, and local businesses can be supported by global giants. This crisis has already proved that some of the changes once said to be impossible, have become possible. So, when the recovery begins, and new-old problems resurface, people will know that businesses can lead the transformation that the world needs.

Consumer priorities
When asked, "What attracts you to buy
from certain brands over others?"

66%
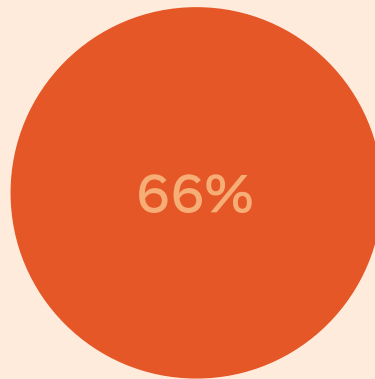
of consumers said, "It does what it says it'll do
and delivers on its promises."

Source: Accenture, "To Affinity and Beyond: From Me to We: The Rise of
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Entering adulthood

My vision for the future of our industry is, in part, inspired by Mark Manson's "Everything is F*cked". Despite the book's title, it is one about hope. Within its pages, the author describes the distinction between childhood, adolescence and adulthood. Children simply pursue pleasure, he explains, and adolescents adopt principles in order to selfishly achieve pleasurable benefits. As adults, a stage some never reach, we hold principles not for direct return, but because they are in the common interest and the right thing to do.

I believe this distinction holds for the next phase of consumer culture and corporate behaviour. With some small, focused adjustments to how we define brands, we can ensure that well-intentioned purposes and ideals are turned into actions. In this new marketing paradigm, companies would apply purpose and BHAGs in tandem to collectively address the problems we all share.

Doing so would help us correct the mistakes of consumerism's teenage years in time to save the world, heralding a new, more mature chapter of consumer and corporate behaviour, and doing the right thing for all our tomorrows.

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Dylan's practical advice

What are some practical actions the industry can take to pursue the ethical transformation that's needed?

- **Use transparency to foster change and support transformation throughout your supply chain.** In his latest letter to CEOs, BlackRock Chairman Larry Fink said that we are on "the edge of a fundamental reshaping of finance [with] the evidence on climate risk compelling investors to reassess core assumptions about modern finance". This challenges other mega-money managers to take climate change seriously. Ethical transformation is a collective effort; companies should reveal who is part of their supply chain and help them change for the better. For inspiration, look at Patagonia's cotton conversion programme and at Method's case study in John Grant's "Greener Marketing".

- **Insert ethical measures into balanced scorecards. Companies value what they measure.** Even if the company doesn't implement a Shared Value business model, or the triple bottom line framework, marketers can make a difference by including measures relating to the social and environmental impact of their own activity. The addition of statements on a tracking study to help gauge shifts in customer dialogue from "Gives ME what I want" to "Supports the ideals WE believe in" will help to hardwire ethical transformation into company KPIs. For a great example, check out Warby Parker's use of the Global Reporting Initiative.

- **Use ethical obstructions as catalysts for creativity. Nothing inspires the creative mind like an obstruction.** In "A Beautiful Constraint", Adam Morgan reframes constraints from a restrictor to a propeller for bolder solutions. So what if a company intentionally created constraints to push ethical transformation? When articulating an ethical BHAG, think of how it can be broken down into smaller obstructions that might spark bigger ideas. For inspiration, watch Lars Von Trier's documentary "The Five Obstructions".

Daniel Gilbert

on marketing science and the importance of test and earn

The CEO of Brainlabs maps the future of advertising and discusses the union of the creative and commercial, the importance of testing and the benefits of an experimentation culture.

They say marketing is all about storytelling, so let me start with a story about Mad Men and media agencies.

Once upon a time, it was the media department within creative agencies that bought advertising space. But, by the end of the 1990s, a split emerged: on one side you had the creative shops coming up with concepts, and on the other you had the media agencies purchasing the ad space needed to deliver them. Advertisers needed smart strategies, great relationships with media owners, and buying power.

Then digital came along. With the rise of platforms like Facebook and Google and their trillions of data points, anyone could bid for inventory in real time. Buying power made way for brain power, and advertising became a science overnight.

Marketing changed from creating one ad and buying the space for it, to creating thousands of ads in real time, gathering feedback from customers and updating the creative accordingly. This experimental and scientific layer brought the creative and commercial elements of advertising together. Rather than relying on the creative director to decide on the best way to run a campaign, marketers now have the data to optimise it over time.

Test or die

Adapting to this is a matter of business survival. By taking a more scientific approach to marketing, we can speak to the right people, at the right time and with the right message. And through a rigorous experimentation process, we can implement winning ideas instead of waiting for one-hit wonders.

The start of 2020 has been phenomenally challenging for many businesses. The companies that have not been experimenting — and, as a consequence, failing to understand what drives their business — have been struggling the most. It's the businesses with a rigorous approach to experimentation that will come out of this recession stronger.

Better informed choices

There are multiple benefits to adopting what I call a "test and earn" approach, — from making better-informed choices, to working in a more flexible and transparent way.

Testing enables you to target the right audience with a message that's relevant to them. Most people would say they'd rather see one or two brilliant ads than 20 ads that they feel are irrelevant.

We have trillions of different data points available to us, so why not use them to inform our marketing instead of making guesses at what works best? Not doing so is like deciding to take a coat out with you by looking out the window, rather than checking the weather forecast that's been carefully researched and predicted by trained meteorologists.

What's more, we have the advantage of getting immediate feedback from digital campaigns. We can therefore methodically and continually test our work, and optimise our campaigns as we go, based on our findings to achieve continuous gains.

Rather than sending a campaign out into the wild and seeing whether it flies or plummets, we are able to constantly improve it and ensure that it soars to new heights. It would be mad to ignore the advantages that this type of flexibility can give you.

Transparency and lack of bias

A scientific approach to marketing is the only truly unbiased way to improve a client's campaigns.

At Brainlabs we treat each change we make to a campaign as an experiment, so there is no assumption about its impact — our data will show whether it was successful or not. Logging things in this way ensures that the work we do is completely transparent to our clients and they know exactly how their budget is used.

By creating a knowledge base to store ideas for tests and log the results of experiments, we can select the most appropriate tests to run for a client — rather than those that have most recently been used or remembered by account managers. This way, we can eliminate user bias and subjectivity, and use data to decide which experiments to try in which order.

The closer we can get to tying those measurement frameworks to the success of the company, the better the job we're doing as marketers.

How to build testing into your existence

You may already be aware of these benefits and claim that experimentation is important to your company. But simply agreeing with this approach is not enough. Testing isn't a one-off exercise: you have to build experimentation and insight activation into your core strategy. To bring testing into the heart of a company, you need to do five things:

1. Generate ideas

The first stage of any experiment is to have a hypothesis. You could test something as small as the colour of a button on your website or as large as your company's entire value proposition — the key is to ask the right questions to create a testing plan.

2. Build measurement frameworks

Before you can run an experiment, you need to know what success looks like to you. So the second step is to settle on a goal and decide your key metrics, and then create a measurement framework with a solid data architecture.

3. Develop platform knowledge

If you're conducting a large-scale experiment — which hopefully you will be — then dissecting the data will be a complex task. You need to have the right platform knowledge and technological capabilities to support running big tests and to perform attribution modelling in a channel-agnostic way.

4. Synthesise the data

You need to have a good data science team who will not only be able to understand your data, but feed it back to the rest of the business in a digestible format. The key skill is in synthesising the data and feeding it back into your strategy for continual optimisation and gains.

5. Create a culture of experimentation

The final element is one that runs throughout the process. You need to have a team with a growth mindset, and you need to create a culture that champions experimentation. A blame culture is the antithesis of that, because it creates an environment where you're not allowed to be wrong. With testing, failure is normal.

Working in a good experimentation culture can be one of the most humbling but rewarding experiences for a marketer. You have to put your ideas out there, and often you'll find out that you don't know your customer as well as you thought. But the marketers that can find joy in this process of learning and discovery are the ones that are going to thrive.

From learning to earning
As marketers, we're on a journey to turn our discipline from a cost centre into a profit centre. An experimentation culture can help us get there by ensuring that our creative efforts correlate with financial success.

Becoming a profit centre also requires marketers to stop being afraid of linking marketing to real financial metrics. There's still a place for softer attitudinal measures, but we have to dig deeper and explain what these metrics actually mean for the bottom line. The closer we can get to tying those measurement frameworks to the success of the company, the better the job we're doing as marketers.

The right direction
I am happy to see a positive shift in the industry. With the help of platforms pushing companies to build testing into their approach, we're witnessing more and more businesses adopting experimentation cultures and keeping marketers accountable. You can even see it in the type of talent that's underpinning our industry: mathematicians, programmers and scientists.

I expect we'll see much more of this going forward, because the highest-performing companies, big and small, are the ones built around an ability to experiment. This is where the future of advertising lies.

Daniel's practical advice

What are the biggest mistakes or oversights you see marketers and agencies making when it comes to testing and learning?

- Many marketers run A/B tests on their accounts but they don't analyse their results properly. This can lead to making decisions based on assumption rather than evidence. The key is knowing how to run the correct tests with a scientific approach, and how to interpret the results. With a combination of implementing the right tests from our experimentation knowledge base, and analysing the results with rigorous statistical analysis, we can identify which factors in a test have a measurable impact.

What kind of "bad maths" do you see steering campaigns out in the wild, and how can marketers avoid it?

- It's important to be consistent with your measurement and benchmark your data. Sadly, many marketers don't understand statistics, and the tools they use try to simplify results down to a simple significance number to draw a conclusion. Account managers need to remember that A/B testing is measured by probabilities, and should be trained in order to understand what different results mean.

Measurement is important to the "test and earn" approach, but what's the key to making sure you're setting the right goals and tracking the right metrics?

- When marketers don't put enough effort into creating a solid data measurement framework to determine what success looks like, they'll struggle to interpret the results they're getting. Without a robust framework, they're basing their hypotheses on nothing more than a hunch. Then, when results aren't what they expected, they're lost as to what to do next. Similarly, not feeding insights from campaigns back into future campaigns is a big oversight. Each bit of learning can be useful down the line.

Karina Wilsher

on why diversity is a social and commercial imperative

Anomaly's Global CEO explains why diversity is a business-critical issue and how companies can go about fostering it in the workplace.

As an industry, we've spoken a lot about diversity in recent years, and the headlines have been both good and bad. Look at the bigger picture and you'll see that, by and large, adland in the UK is still disproportionately led by privately-educated white men. Around 31% of senior leaders are privately educated (versus 7% of the wider population), and just 8% are from Black, Asian and Minority Ethnic (BAME) backgrounds.[1] However, slowly but surely, we are becoming more diverse. Ethnic diversity within creative agencies is at its highest ever recorded level, with 13% of individuals from a BAME background.[2] And at 32.7%, female representation in the C-suite is also progressing.[3] But, let's face it, it's simply not good enough.

The horrific murder of George Floyd in Minneapolis at the hands of US police officers was a watershed moment in the history of institutionalised racism and police brutality in the USA. It was also a turning point for brands and businesses to take a stand against racism, and a catalyst for loud and justified demands to solve the systemic inequality that exists within our industry. It has never been more important to face up to these demands for change. We have a collective responsibility to design new systems, and to do so with much greater urgency than ever before.

Yet it obviously takes much more than agencies signing a public pledge or sharing a few solidarity posts on social media. It will take deep, lasting actions and accountability to truly change the industry "system". It will also take hard work, and recognition that this is not just a societal problem, but a business problem.

For real change, leaders must recognise that diversity is bigger than any statistic or corporate ambition to prevent a homogenous workforce. It must be a strategic priority for the business with a focused outcome: high performance delivered by diverse thinkers. Anomaly was set up to be a positive change agent in the industry, built on the firm belief that diverse talent and skills lead to diverse thinking. And this gives us a competitive and commercial advantage when it comes to tackling business problems.

We know that agencies are under siege from a whole host of factors putting real pressure on their existence: from the changing relationship between brands and consumers, to the threat of in-housing and the lack of Agency of Record (AOR) retainers, not to mention significant budget pressures which have only been exacerbated by Covid-19.

As such, it's understandable that closing the gap on diversity might not be at the top of everyone's list. But diversity isn't a "nice-to-have", or just a social issue. It's a commercial one, too. And if anything, the recent move toward remote working could actually be one of the biggest accelerants of workforce diversity.

It obviously takes much more than agencies signing a public pledge or sharing a few solidarity posts on social media. It will take deep, lasting actions and accountability to truly change the industry "system".

A greater amount of flexibility could be a huge draw for parents and returning mums, for instance, while cutting out potentially difficult commutes could benefit people with disabilities, or create opportunities for those who may not have the means to live in major cities. And given that the level of ethnic and racial diversity can differ dramatically by area, companies in less diverse places can now access talent from further afield without expecting new hires to relocate.

Diversity as a social and commercial imperative
Diversity is a business-critical issue. I see it not only as the mother of creativity and innovation, but also a deliverer of commercial success.

Diverse skills, talent and ideas make you more unique, more indispensable to your clients and therefore more valuable. It makes your company more competitive, more creative and a much more compelling place to work. A business that reflects a greater sense of belonging is sure to be a magnet for the very best talent from all communities.

You don't have to go far to find proof of this. A McKinsey report found that corporations that embrace gender diversity on their executive teams are more competitive and 21% more likely to experience above average profitability,[4] while companies with the most ethnically/culturally diverse boards worldwide are 43% more likely to experience higher profits.[5] Research by Boston Consulting has also shown that companies with more diverse management teams have 19% higher revenues due to innovation.[6]

Meanwhile, a Deloitte Review feature by Juliet Bourke and Bernadette Dillon evidenced that organisations with inclusive cultures are two times more likely to meet or exceed financial targets, three times more likely to be high-performing, six times more likely to be more innovative and agile, and eight times more likely to achieve better business outcomes.[7] The data is clear: embracing diversity isn't just a social imperative, but a commercial one too.

Reflecting and driving culture

Yet despite countless studies, and despite the overwhelming consensus that diversity is good for business, as an industry we're still falling short. Increasingly, businesses and brands are trying to engage more and more diverse audiences, but the workforces behind those brands and ads don't reflect the same diverse communities they're trying to reach.

Simply put, there's a disconnect between the transformation that has happened across the population and the diversity in the ad industry. There's a gap between the people in the real world, and the people working for the brands and businesses that are trying to engage them.

This gap can contribute to blind spots and, ultimately, bad business practice. It can lead to missteps like the use of stereotypes in ads — something that urgently needs addressing. A Unilever and Ebiquity study revealed that, while 80% of ads feature women, only 4% are in aspirational roles, only 3% show the women as notably intelligent and 0.3% as funny! And it's by no means just women who are stereotyped: only 3% of men in advertising are represented as fathers.[8] And of course, advertisers and media need to shift the conversation beyond just gender to truly reflect the intersectional nature of humankind.

I believe that as marketers, at the very least, it's our job to reflect the cultures we operate in. We put a lot of messaging out there into the world and can have a profound impact on culture. So at our best, we are culture makers versus simply culture markers. And I believe we have a responsibility to advance a positive agenda wherever we can.

Designing for the default male

A lack of diversity in our industry doesn't just contribute to bad advertising decisions. It also contributes to bad decisions further upstream at the experience design and production stage. Historically, the majority of products and services have been designed for the default male. That exposes tremendous gaps in data, design thinking and product development.

Take the car industry, known for being dominated by men. In 2018, only 16 women (8%) were executives in the top 20 motor vehicles and parts companies in the Fortune Global 500.[9] And that year only 10% of transportation design seniors at Detroit's College for Creative Studies were women.[10] With the auto industry lacking in diversity of thought, cars have been designed for the default male — putting female drivers and passengers at greater risk. While men are more likely than women to be involved in car crashes, when a woman is involved she is 47% more likely to be injured severely,[11] and has a 25–30% higher fatality risk compared to men of the same age.[12]

This is all down to how the car is designed and who it's designed for. Male and female bodies react differently in crashes, but it wasn't until about 10 years ago that female crash test dummies were introduced in the USA. And in the EU, the only mandatory test for a female crash test dummy is in the passenger seat.

In this case, the lack of diversity went beyond being a commercial risk and has created a major safety issue for half the world's population. This is a stark example of how diversity is not just "nice to have", but a fundamental human right.

And this is by no means an isolated event. As Danielle Kayembe writes for Forbes, "Since the majority of our everyday products and systems are designed by and for men — to the exclusion of women's unique needs, biology, and wants — our reality is in fact male-centric. The result of all of this is that men move through the world unaware that it's been designed for their comfort, and women move through the world encountering small points of friction or discomfort daily, or pain points."

Seizing the opportunity

The positive side to all of this is the huge opportunity that businesses have to right these societal wrongs — to design products and craft communications that answer needs beyond those of the default white male. The question is, how do we seize that opportunity?

Building and recruiting from a truly diverse talent pool within our industry can undoubtedly unlock these opportunities for positive transformation and disruption. And it's clear that the companies that diversify their talent will become increasingly valuable and have a real competitive advantage.

But what does this look like practically speaking, and what kind of changes can be made within an organisation to try and foster the diversity that is so essential today?

61%

of Americans find diversity in advertising important. In fact,

38%

of consumers said they are more likely to trust brands that show more diversity in their ads.

34%

said they've boycotted a brand, at least temporarily, because they felt it did not represent their identity in its advertising.

Source: Adobe, "Diversity in Advertising: Adobe Digital Insights", 2019, adobeenterprise. lookbookhq.com/c/ adi-diversityinavtsn-1?x=HDYopK

An analysis of 2,000 English-language ads found that

25%

of ads feature only men on screen compared to 5% of ads that feature only women on screen.

Measured by speaking time, men had

3x

as much dialogue as women.

85%

of women say film and advertising need to catch up to the real world when depicting women.

There are about

2x

as many male characters as female characters shown on screen in ads.

Source: Geena Davis Institute on Gender in Media, Innovation Group J. Walter Thompson Intelligence, "Gender Bias in Advertising: Research, Trends and New Visual Language", 2017, seejane.org/wp-content/uploads/gender-bias-in-advertising.pdf

1. Commit from the top

Company culture comes from the top, so leaders must make a real commitment to taking action and driving representation and inclusivity at all times. To foster a really strong culture, leaders need to create constant and consistent messaging about the company's values so that employees can understand and live by them. You can't see this as just a task for HR. We're talking about commercial success, creativity, innovation, and recruiting and retaining the very best talent, not a HR quota.

At Anomaly, talent is a global priority. We have a strong female leadership team which I think helps bring a different perspective to this agenda. Along with myself as Global CEO, our Global & European CFOs, Global & European Heads of Talent and Global Head of Innovation are all female. Three of our seven offices are run by women. But we hold ourselves accountable with specific and measurable commitments to improve diverse representation of all types, at all levels, and track and report our employee diversity data.

Crucially, we partner with external organisations with the expertise and networks to help us recruit, such as ADCOLOR, Creative Equals, MAIP, Creative Access and Women in Innovation (WIN). I firmly believe the right partnerships can help accelerate your progress and advance where you recruit from and how you do it. We're already seeing progress as a result of this at Anomaly: around 47% of the people that we hired last year in the USA were Black, Indigenous or people of colour (BIPOC). That doesn't just happen. You have to put very specific steps in place — and it's critical that the steps we take go beyond recruitment to accelerate inclusion, retention and the promotion of diverse talent.

Above all else, you have to recognise that if you do not intentionally include, you will unintentionally exclude.

The bottom-line benefits of belonging
If workers feel like they belong, companies reap substantial bottom-line benefits. High belonging was linked to:

56%
increase in job performance

50%
drop in turnover risk

For a 10,000-person company, this would all result in annual savings of more than $52M.

75%
reduction in sick days

Source: Evan W. Carr et al., "The value of belonging at work",
Harvard Business Review, 2019, hbr.org/2019/12/the-value-of-belonging-at-work

22.9%

of white characters are depicted as having an occupation compared to just

17.9%

of characters of colour.

LGBTQ characters are under-represented in 2018 ads, making up just

1.9%

of characters.

Characters with disabilities are under-represented in 2018 ads, making up only

0.8%

of characters.

Source: Geena Davis Institute on Gender in Media, "Bias and Inclusion in Advertising: An Analysis of 2018 Cannes Lions Film Craft Ads", 2018, seejane.org/wp-content/uploads/bias-inclusion-advertising-analysis-2018-cannes-lions-film-craft-ads.pdf

2. Be aware of bias and find your blind spots

While culture comes from the top, diversity, and more importantly, inclusion, is a task for everyone. We all need to do the work to self-educate. Companies also need to provide the right environment for everyone to feel appreciated. Running unconscious bias and sexual harassment training programmes doesn't equal "job done" — they are the hygiene factors. You need to create an open culture where people can feel comfortable enough to be themselves, as well as recognise their own biases and blind spots.

Everybody comes with a bias. It's hardwired into our minds and shaped by who we are and our experiences to date. People need to feel comfortable to learn about their biases and address them. This means creating a culture of trust and openness where it's okay not to have all the answers. The alternative is an environment where people are too scared to say anything and there's no progress.

Above all else, you have to recognise that if you do not intentionally include, you will unintentionally exclude.

This is so much bigger than just creating a diverse talent pool — it's about recognising the power that comes from working without biases. When people come together with different perspectives, that's when the magic happens. So you must organise your talent in a way that creates the right environment for them to thrive.

3. Create a culture of collaboration and cultivate curiosity

At Anomaly, we have built a highly collaborative culture. It's not about your sex, race, age, background — it's about how good you are.

We're a values-driven company and we reject silos — they stifle potential and promote thinking that is protective rather than expansive. So our internal ways of working — our own "operating system" — is built for collaboration, with no department being the central powerbase and without hierarchy of discipline or skillset. People come together often around a whiteboard and every point of view is welcomed. We believe that all of us are smarter than one of us.

Creating a culture of inclusion will ensure that people feel valued, otherwise they won't stick around. And in order to unlock high performance and true creativity, it's essential for people to feel confident that they can be themselves at work.

We do a lot to celebrate the differences among our own employees. We've made an internal commitment to ongoing programmes designed to create trust and empathy and drive wider cultural appreciation. We have internal teams dedicated to shifting the narrative and spotlighting societal issues, as well as celebrating

different communities. Our internal cultural calendar includes events for moments such as Latinx Heritage Month, Black History Month, Women's History Month, Asian American and Pacific Islander Heritage Month, and Pride.

Whether it's by hosting musical talent, keynote panels, Q&A sessions, storytelling slams or art shows, our cultural programmes are designed to educate and inspire everyone at Anomaly, as well as help ensure that under-represented groups reach their full potential.

An urgent wake-up call

We are at a critical inflection point. The world is becoming more vocal and people are demanding change. Because of this, industry talent, employees and some clients are rightly beginning to insist that agencies diversify their teams and hold them to account.

Unfortunately, as it stands, our industry seems to talk a good game but not necessarily act as quickly as it needs to. We've seen many brands try to pivot and present themselves as progressive, only to have a different reality exposed. Consumers have a remarkable ability to see through shallow gestures. Embracing diversity has to come from an authentic place, rooted in sustained, positive action.

If we fail to change, the industry will become increasingly outdated and meaningless. The wake-up call is now. The test will be how quickly companies act and recognise diversity, equity and inclusion as a creative, cultural and commercial opportunity — an incredible opportunity to run towards, rather than a problem to hide from.

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Karina's practical advice

What are some very simple, practical steps an organisation can take to try and foster more diversity in the workplace?

- Commit from the top.
- Design an "operating system" that is fuelled by diverse thinkers to prove that it is a driver of high performance.
- Be open and aware of bias and blind spots in your own company.
- Create a culture of collaboration, curiosity and continuous learning.
- Be culturally intelligent, drive cultural appreciation and deliberately seek out difference.

What's the biggest mistake you see people making when it comes to trying to encourage diversity within an organisation?

- A lack of accountability by leadership. Too often it's seen as an HR initiative and delegated.
- Seeing diversity as an end point in and of itself, versus fostering an inclusive culture for all. I have this written on a Post-it in the front of my notebook and transfer it to every new notebook I have — "If you don't intentionally, deliberately and proactively include, you will unintentionally exclude."

Mike Cooper

on the importance of neurodiversity in the creative industries

Omnicom Media Group's Group CEO, EMEA & APAC, speaks on the strengths of neurodiversity, outdated hiring practices and what Mozart, Monroe, Dickinson and Picasso have in common.

The advertising and marketing industries need to refocus on creativity. To do this, we need to be hiring the most creative talent out there, and there's a growing body of evidence to suggest that this must include people with neurological differences.

But first, let's take a closer look at creativity itself, which, at its most basic, is about imaginative problem-solving. There is a danger today that we are failing to produce the most effective responses to communications problems. In his latest IPA report, "The Crisis in Creative Effectiveness", Peter Field notes that "creative best practice is currently being overwhelmed by poor practice", and this is despite the fact that, when executed properly, high-performing creatively awarded campaigns can be up to eight times more effective than their low-performing peers.[1] By comparison, the gains made by more data-driven or programmatic marketing are often only incremental.

The importance of creativity today

Our industries have become hypnotised by technology and data. The terms dominate the conversation at any major event or conference, often drowning out any talk of creative solutions. There needs to be a rebalancing, so that we are not overinvesting in the bottom funnel. By neglecting creativity, we've taken the focus off one of the most fundamental levers of growth.

While creativity has always been an essential way for brands to stand out and connect with consumers, it is arguably more important today than ever before. The average person is exposed to at least 5,000 ads a day.[2] Focusing on every one of them would be impossible and so most fade into the background. The only way advertisers can achieve real cut-through is by doing something so different that it captures and even demands people's attention. And highly creative work doesn't just cut through, it can have a lasting impact too. For example, when I saw Bong Joon-ho's hugely creative 2020 Oscar-winning thriller, "Parasite", I couldn't stop thinking about the film the next day. That's the type of powerful effect truly creative work can have on us.

Diverse teams are creative teams

So how do we bring creativity back to the workplace? Your level of creativity as a company is hugely influenced by the kinds of people you employ. There has been a lot of discussion in recent years about the fact that diverse teams are more creative. The majority of these conversations have focused on gender and racial diversity, and though undoubtedly much, much more needs to be done, we are starting to

see practical solutions to making all creative industries more inclusive. Programmes such as Brixton Finishing School and D&AD's New Blood Shift, for example, are helping people from under-represented backgrounds get a foot in the door. Meanwhile, hiring tools like The Dots and Forsman & Bodenfors' Grow Your Circle are helping employers discover more diverse talent.

However, as we have scrutinised this lack of diversity, there has perhaps not been enough emphasis on neurodiversity. According to the National Symposium on Neurodiversity at Syracuse University, "Neurodiversity is a concept where neurological differences are to be recognised and respected as any other human variation. These differences can include those labelled with Dyspraxia, Dyslexia, Attention Deficit Hyperactivity Disorder, Dyscalculia, Autistic Spectrum, Tourette Syndrome, and others."[3] If you're trying to have a more diverse workforce, neurodiversity needs to be highly valued too.

The benefits of neurodiversity

Neurological differences can often result in a more stimulating approach to creativity because they result in unique styles of thought. Neurodiverse people make different connections in their minds and are therefore likely to suggest solutions to problems that a neurotypical person might not have thought of. Many famous creatives are reported to have had autism, Asperger's, dyslexia or ADHD, including Steve Jobs, Mozart, Emily Dickinson, Picasso, Marilyn Monroe, Bill Gates… the list goes on.

Neurominorities represent in total a large percentage of the overall population, likely greater than

10%

For organisations, this means that more than one in 10 job applicants, existing staff and customers are likely neurodivergent in some way.

Source: CIPD, Uptimize, "Neurodiversity at Work", 2018, www.cipd.co.uk/ Images/neurodiversity- at-work_2018_tcm18- 37852.pdf

Your level of creativity as a company is hugely influenced by the kinds of people you employ.

But evidence for the link between neurodiversity and creativity is not just anecdotal. One 2018 study proved that having ADHD has creative advantages,[4] while research from the University of Montreal revealed a link between autism and the perception and detection of complex patterns.[5] In Gary Davis' 2004 book "Creativity Is Forever", the author describes an overlap between the personality traits of
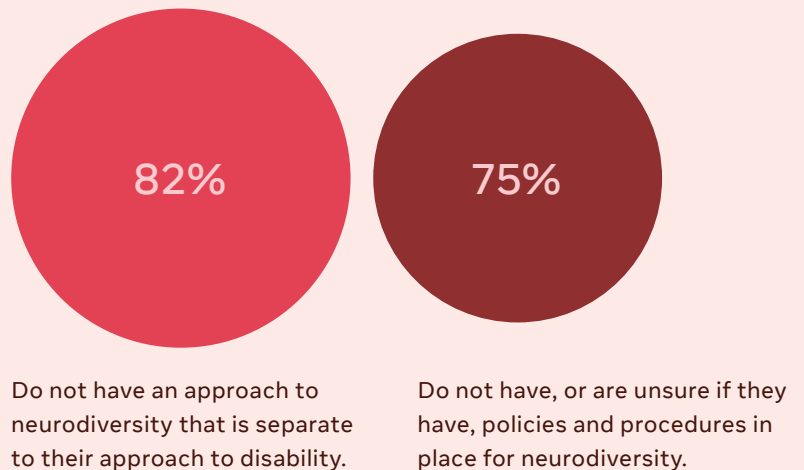
creative people and behavioural descriptions of ADHD, leading him to conclude that "people with ADHD characteristics are more likely to reach higher levels of creative thought".[6]

Where we're falling short
In a talk we did together on the subject at the 65th Cannes Lions International Festival of Creativity, clinician, author, and faculty member of the School of Life, Oliver James said: "Creatives aren't necessarily more so because of appearances or a florid personality. Plenty of outwardly dowdy or dull people have the most imaginative ideas hitting away. As the neurodiversity movement is proving, people who have autistic, dyslexic, even sociopathic brain patterns often have very unusual skills and contributions to offer.

Approach to neurodiversity in the creative industries
A Universal Music survey asked employers in the creative industries about their approach to neurodiversity:

82%

75%

Do not have an approach to neurodiversity that is separate to their approach to disability.

Do not have, or are unsure if they have, policies and procedures in place for neurodiversity.

Source: Universal Music, "Creative Differences: A handbook for embracing neurodiversity in the creative industries", 2020, umusic.co.uk/Creative-Differences-Handbook.pdf

Neurodiversity argues that just because someone seems odd, it doesn't mean that they are mentally ill or incapable. Just different. Silicon Valley knows that, so should you."[7]

And yet the traditional way of hiring someone — via an interview — sets up anyone who might "seem odd" to be rejected. Generally speaking, in an interview you're trying to find common ground. If you have something or know someone in common with your interviewee, the "chemistry" is going to feel good and validating. You're ultimately going to feel more comfortable hiring someone from a similar background to yourself.

Rather than instinctively looking for common ground, a better approach — and one that the best interviewers I know often take — is to ask people how they would approach a certain problem. Or perhaps ask about a problem that they're most proud of having solved. That way you can get a glimpse into how their mind works.

However, it might be that the interview itself needs rethinking. "Although neurodiverse people may excel in important areas, many don't interview well," writes Robert D. Austin and Gary P. Pisano in a 2017 Harvard Business Review article.[8]

"Outliers" author Malcolm Gladwell has long challenged interviews as the default hiring practice. "I don't believe in job interviews, or that you can learn anything meaningful about people in job interviews," he said in a New York Times article.[9] We urgently need to find new ways of assessing potential employees. Is there a practical assignment you could set, for example, that could do a better job of revealing a candidate's creative potential?

We also need to think about workplace culture and the extent to which it welcomes and accommodates different types of thinkers so that their creativity can flourish. "To be creative, organisations need to enable employees to feel safe and valued," said Oliver James during our talk. "The more that you give them that feeling, the better. They won't be lazy and self-satisfied if you give them that. They will relax and let their imaginations play."[10] For someone who is neurodiverse, this might mean having quiet areas they can retreat to when needed. You might also need to consider leading meetings in a way that accommodates different communication styles.

The challenge (and opportunity) for managers

Hiring different kinds of people via new methods and creating more flexible working environments asks a lot of managers, who are always going to have one eye on harmony within your organisation. It's a difficult balance to strike between having a harmonious, happy

A Universal Music survey identified the top three barriers to setting up a neurodiversity strategy as:

71%
lack of experienced mentors/managers;

60%
awareness and understanding;

55%
time and other priorities.

Source: Universal Music, ibid.

work environment and one that is stimulating and interesting. If you're just looking for harmony, it's more likely that you're going to end up with homogenous teams.

It always seems safer to employ a graduate, for example, because you know that they've been through a process and have been trained to think in a certain way. They also tend to fit in better with your existing grads. But some of the most interesting people we hire at Omnicom didn't go to university.

The instinct to create harmonious teams can extend to the way we serve our clients. Often agencies fall into the trap of thinking, for example, this person would be perfect to work on our Procter & Gamble account, because they are just like the people at Procter & Gamble! But clients hire agencies because they're looking for something different. The best clients I've worked with demand different thinking. They're smart enough to ask for it because they know that's how they're going to shake up the marketplace.

That's why the most important shift that needs to happen to cultivate a more creative workforce is among managers. We need to empower them to be brave enough to choose the candidate that is not like their clients or their colleagues. To achieve dramatic and lasting changes in your organisation, leaders need to ask managers and HR departments to ensure that a proportion of the people getting hired are from different backgrounds and from different neurological backgrounds. And if somebody has ADHD or is dyslexic, remember this could be a creative advantage.

As advertising legend Dave Trott wrote in a recent blog post, "Sometimes the creative thing to do is exactly what all the experts say is unthinkable."[11] The only way to discover the ideas that you could never think of, is to hire someone who can.

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Mike's practical advice

How do you think we can attract a more neurodiverse crowd to the creative, advertising and marketing industries?

– To cultivate a more creative workforce, one of the most important shifts that needs to happen is among managers. We need to empower them to be brave enough to seek out and hire candidates who are not like their clients or their colleagues.

Do you have any tips or ideas as to what might be done on the recruitment side of things to increase neurodiversity in the creative industries?

– The traditional way of hiring — via an interview — can put some neurodiverse candidates at a disadvantage. In an interview you're usually trying to find common ground. If you have something or know someone in common with your interviewee, you're likely to feel a "chemistry". And you're ultimately going to feel more comfortable hiring someone from a similar background to yourself. But rather than looking for common ground, a better approach could be to ask people how they would approach a certain problem. That way you can get a glimpse into how their mind works.

What's one piece of advice you'd give agencies or hiring managers with regards to fostering a more neurodiverse workplace?

– Don't be afraid of those who might think differently or approach problems in different ways — it can be a great advantage! Often we can fall into the trap of thinking this person would be perfect to work on that account because they are just like the people who work there. But clients hire agencies because they're looking for something new, and the best clients I've worked with demand different thinking.

Mel Edwards

on the 21st-century need for inclusive marketing and design

Wunderman Thompson's Global CEO articulates why mass marketing doesn't work for the masses, and why inclusive design is a win-win for both consumers and businesses.

By aiming to deliver the same, singular message to as many people as possible, 20th-century mass marketing was inherently exclusionary and overlooked individual experiences and needs.

This traditional approach is increasingly at odds with the human-centric philosophies that are shaping much of marketing today. To be human-centric requires being inclusive of all types of consumers, including those that have historically been most neglected by marketing.

This isn't to say mass marketing is now irrelevant — its use depends on what a brand is trying to achieve, who it is trying to reach and what stage of the consumer journey they're at. But marketing's "one size fits all" approach needs to be reimagined to include all kinds of consumers. And that requires taking advantage of new technologies, listening to the data, seeking out diverse perspectives and ultimately building inclusive design into your working practices.

Inclusive design is better design

Inclusive design is the process of designing a product, service or even an environment to make it accessible for a wide variety of people, regardless of age, gender or disability. But it can often include optimising that product, service or environment for specific people with specific needs. It's based on three principles: recognise exclusion; learn from diversity; and solve for the "edge case". The edge case usually refers to people with some form of disability, who represent 15% of the world's population.[1]

While inclusive design can make an enormous difference to the lives of people with disabilities (PWD) and the elderly, all audiences can benefit from it. Designing for the edge cases has led to many iconic inventions that have raised the bar for everyone. Examples include touch screens, driverless cars and email. At its core, inclusive design is really just better design. In fact, companies are 1.7 times more likely to be innovative when taking an inclusive approach.[2]

Untapped opportunities

We are also talking about a major growth sector. A 2016 report by Return on Disability showed that PWD have a disposable income of $8 trillion. The same report analysed 1,136 firms in the USA and Canada and found that, despite that opportunity, only 24% have indicated an interest in this market. What's more, only 4% of those firms backed that interest up with measurable efforts or activity that was material to shareholder value.[3] And this is all despite the fact that 70% of shoppers clearly prefer to buy brands that are inclusive.[4]

This untapped market represents a huge opportunity for businesses, and brands that are not embracing inclusive thinking are increasingly at risk of being left behind. While exclusivity might have once been the marketing mode du jour, it's inclusion that sells now.

The business opportunity is bolstered by the fact that it's never been easier to create inclusive products, services and experiences. Thanks to new technology and data, we are able to understand a person's individual needs and requirements better than ever, and this in turn can help us deliver personalised solutions at scale. Take a look at Xbox's Adaptive Controller, for example, which is designed for gamers with limited mobility. Players can modify the product according to their needs with customisable external switches, buttons, mounts and joysticks.

But examples like this are still the exception rather than the rule. So, given the creative and commercial opportunities of inclusive design, why aren't more businesses getting on board?

While exclusivity might have once been the marketing mode du jour, it's inclusion that sells now.

Fear of failure

While some brands are seizing the opportunity to design products for the PWD community, they are few and far between.

I believe this is largely due to fear. People are so afraid of getting inclusive design wrong that they're not doing anything at all. And to an extent this is understandable, because you can run the risk of offending people in this space. The ad industry has been criticised in the past for creating "inspiration porn" because a large number of commercials featuring disabled people cast Paralympians. While of course these athletes should be celebrated, they fail to normalise the PWD community.

However, by embracing inclusive design thinking, you can avoid any upset. For me the key to success and overcoming your fears is to design with people with disabilities, not just for them.

15%

of the world's population (more than 1 billion people) have some form of disability.

Source: World Health Organization, Disability and Health, 2018

Awards for the Tommy Hilfiger Adaptive campaign:

2019 Cannes Silver Lion: Sustainable Development

2019 Cannes Silver Lion: Design

2019 Cannes Bronze Lion: Creative Strategy

Source: Wunderman Thompson, 2020

The PWD community has a disposable income of

$8 trillion

but only

4%

of firms analysed backed up an interest in the PWD market with measurable efforts or activity material to shareholder value.

Engage diverse perspectives

If you are setting out to design an inclusive product or run an inclusive campaign, it is essential to include as wide a range of perspectives as possible. You need to consult or work alongside people with different types of disabilities across cognitive, motor, visual and hearing. This broad spectrum of voices and experiences will push you to discover better solutions and help you strike the right tone in your communications.

When working with Tommy Hilfiger on their Fall 2018 Adaptive collection, for instance, we collaborated with the PWD community as much as possible. We wanted to make sure the campaign for this line of disability-friendly clothing engaged the PWD community in a relevant, meaningful way.

Our team was inspired by a slogan that had been reverberating throughout the inclusive design world: "Nothing about us, without us". We began by creating a research platform that enabled us to work directly with 200 people from the PWD community to help shape the customer experience. Then when it came to launching the Fall 2018 collection, we pulled together an inclusive cast and crew, including a legally blind director, to help shoot the ads and craft the right messages for the campaign.

Working with the PWD community will also help you make sure your campaign is inclusive end-to-end, from the product through to the packaging and payment system. For Tommy Hilfiger Adaptive we developed campaign videos with image descriptive audio and the first Alexa skill that allows users to make a purchase by voice.
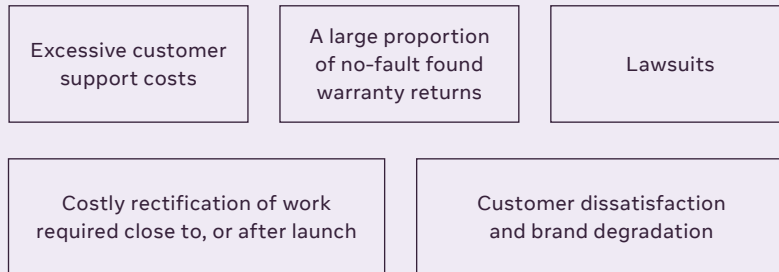
Create an open culture

In order to fully embrace working with the PWD community, you need to create a culture that has a positive view of disability and doesn't see it as taboo. I can remember a time when we first started thinking about inclusive design and people were worried about what language to use and whether we might misstep and upset people. You have to get over that hurdle by being honest and actually expressing your nervousness. You can normalise a situation very quickly by addressing it.

This kind of culture also stops mistakes in their tracks because people will feel comfortable enough to call you out. Our Head of Inclusive Design and Accessibility, Christina Mallon, has been quick to point out when we have been working in a non-inclusive way, or if the tone of a campaign has felt off. With a culture built on trust, we've been able to make mistakes, learn from them and craft better work.

The risks of bad design

Understanding the diverse range of user needs can reduce the risk of problems later in the product development life cycle, such as:

Excessive customer support costs	A large proportion of no-fault found warranty returns	Lawsuits

Costly rectification of work required close to, or after launch	Customer dissatisfaction and brand degradation

Source: University of Cambridge, "Inclusive design toolkit", www.inclusivedesigntoolkit.com/why/why.html

Inclusivity breeds innovation

Pursuing inclusive design and engaging more diverse perspectives necessitates a more open, collaborative and agile working process. Teams will need to work across functions throughout the project, with creatives helping out on the strategy briefs and vice versa. This in turn will lead to rapid innovation and an increase in customer loyalty for brands, and client satisfaction with their agencies.

There is a larger role for inclusive design in 21st-century marketing efforts, beyond the work that targets the PWD community specifically. When companies adopt a more inclusive approach, the change in mindset and ways of working can lead to better ideas across multiple brands and sectors.

At Wunderman Thompson we believe that inclusivity is key to building better futures for our people, clients and communities — but more importantly, so does the consumer.

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Mel's practical advice

What do you think the first step should be for marketers trying to adopt a more inclusive approach?

- Take your time to understand disability culture. Reach out to local non-profits or your company's disability employee resource group to consult with people across a range of disability categories: Cognitive, Motor, Visual, Hearing. Have informal sessions with these experts before making any changes to marketing models.

In simple terms, what is the business case for a more inclusive approach to marketing?

- Companies that are inclusive are 1.7 times more likely to be innovative; 70% of buyers prefer to buy brands that are inclusive; and the disability community has a disposable income of $8 trillion.

What are the key strengths and watch-outs when adopting an inclusive approach?

Strengths
- You can expand your consumer base while gaining a first-mover advantage.

- Pursuing diversified thinking can lead to both innovation and increased agility.

- Adopting an inclusive approach can help you avoid legal risks.

Watch-outs
- Finding the right experts or groups to consult with can take some time.

- If you do not do the proper due diligence, you run the risk of offending someone.

Florian Heinemann

on striving for
a more holistic
approach to
measurement

The Co-Founder and General Partner of Project A Ventures sets out why marketing sophistication, rather than spend, is the key differentiator in high-performing organisations.

As an industry we have always separated brand advertising and performance marketing, both in terms of our thinking, our approaches to measuring, and in the way we structure our teams. But if we want to progress and optimise the performance of our businesses, we need to move towards a more holistic approach to marketing.

Viewing brand advertising and performance marketing as separate makes it much harder to decide when to approach the customer and how to allocate your marketing budget. We can think about brand advertising as sitting towards the upper end of the funnel, while performance marketing is at the lower end. In order to make a good decision about where to invest your marketing spend, you need to have a holistic understanding of the return on investment (ROI) at different funnel stages.

This means employing comparable metrics and KPIs at each stage, or at least providing orientation on how specific KPIs at different stages can be translated among one another. If you have different, unconnected ways of measuring each end of the funnel, it's impossible to understand how to allocate your budget for the best overall results. Your budget allocation will become arbitrary.

This becomes even more problematic if you optimise the lower funnel independently from the upper funnel. In this situation you can end up with inconsistent messaging, which can leave your customers with a muddled idea about what your brand is and what it stands for.

The upper/lower funnel distinction also fails to include customer relationship management (CRM). There are actually three theoretical buckets where you can spend your money: upper funnel, lower funnel, and retention. I believe all three buckets are important, but many marketing teams only pay attention to the upper and lower funnel, neglecting the third, CRM bucket.

In many cases, it could be more worthwhile for them to spend more money and resources on retention. For example, for many of the more established e-commerce services such as ASOS, Zalando, or ABOUT YOU, 80-90% of sales come from repeat customers, while acquiring entirely new users becomes increasingly more expensive. But it's very difficult for marketers to know if they should invest in retention over the other buckets if they don't have a consistent way of measuring ROI. By denying consistent measurement, you can never fully connect the funnel.

The difficulties with measurement
However, the reason we have this distinction in the first place is because it is difficult to measure marketing at different stages of the

funnel in the same way. Obviously, measuring the link to sales is easier for performance marketing than for brand advertising. Lower funnel marketing — such as a retargeting or price comparison campaign — is designed to generate a direct response from the customer. So at this end of the funnel, the immediate behavioural response will be a large share of the total response.

It becomes trickier to measure the performance of upper funnel marketing, where there is often a delay in response and people don't immediately react. People might see a TV commercial and then buy the product six months later. How do you account for that? If you measure direct response here, it's a much worse indicator of the total performance of the campaign than it would be in the lower funnel. And obviously, in cases where the advertiser does not sell directly to the customer but uses an intermediary such as a retailer or channel partner, drawing this connection becomes even more difficult. And then, in the retention space, again you have another completely different set of KPIs.

That's why people argue that we have to use different measures and employ metrics like "brand recognition" or "attitude" for upper-funnel campaigns. This argument is understandable but ultimately leads to the manifestation of silos and disconnected marketing.

Better, not perfect

I recognise that it's difficult to have a holistic, consistent measurement across the three different buckets. But I would argue that it's not about finding a solution that's perfect, or one that allows for a 100% understanding of cause-and-effect relationships. It's about achieving a significant improvement vis-a-vis the status quo. Even if you just understand the impact of 60 to 70% of your spending across each piece of the funnel in a holistic way, that's likely to be a lot better than what we're currently doing in many organisations by treating each stage as separate.

Marketers will spend €50 million on a TV ad, for example, understanding very little about its actual performance. The funny thing is that, if the cost per acquisition on a Facebook or Google ad is €2 too high, they'll often cut the campaign. Why? Because they can measure it. This is why some large FMCG companies spend billions of dollars a year on marketing without fully understanding how it works. Why don't they employ an army of the smartest people who are solely focused on figuring this out? The ROI on those people could be immense.

Of course, managing customers through the marketing life cycle is a lot easier online. But even if 90% of your customers are offline, I think people need to have the right mindset and strive towards a more

Marketing mix modelling (abbreviated as 'MMM') is an analytical approach that uses historical data, such as retail audit data, syndicated point-of-sale data and companies' internal data, to quantify the sales impact of various marketing activities.

Source: Ipsos Encyclopedia, "Marketing Mix Modelling", 2016, www.ipsos.com/en/ ipsos-encyclopedia- marketing-mix-modelling

Marketing mix modelling looks at the historical relationships between marketing spending and business performance in order to help you determine your business drivers and how much you should spend — along with the best allocation across products, markets, and marketing programmes.

Source: Nielsen, "Marketing Mix Modelling" www.nielsen. com/eu/en/solutions/ capabilities/marketing- mix-modeling/

holistic approach where possible. As long as you have the right approach conceptually, you can always deduct things that you're not able to fulfil because the majority of your customers are offline.

We've been measuring our marketing efforts in the same way for 40-plus years, just because that's the way we've always done it. That doesn't lead to any progress in thinking. That's why I'm so passionate about this topic. Having a holistic understanding of the marketing funnel is key for everybody, even if they just aspire to understand it better.

Discovering the appropriate behavioural response

One way of getting around the challenge of measuring different stages of the funnel is to work out the best way to measure the behavioural response at each point. Measuring the direct performance is still a good indicator for the total performance of a campaign. So at the upper end of the funnel, it would be a way of finding out if the user has developed an immediate interest in the brand. This could mean measuring website visits or registrations for the brand's newsletter during the 10 minutes after the ad has aired.

Then further down the funnel, you could measure the behavioural response by looking at whether people are actually putting products in their shopping cart or have bought something. We could call these direct response actions "micro-conversions". Our first task would be to work out which are the best sets of micro-conversions to measure along the funnel.

Then comes the tricky part: for each direct response, you'd need to work out what the ratio is between that and the total behavioural response to the message. In the lower funnel the direct response is 80% of the total response, whereas in the upper funnel the direct response is probably just 10-20% of the total response.

The remaining 80-90% of the behavioural response won't occur so immediately, but it is still possible to measure it by looking at the incremental in-store sales lift among those who've been exposed to the advertising versus those who haven't, for example. You need to determine the ratio of direct response to total response at each funnel stage to get an approximation of the actual effect.

This is just one way to work out the expected immediacy of response. Another would be via media mix modelling or market research. In science, it's common practice to use several different methods of answering the same problem. The truth will be somewhere in the middle of all of them.

Are you ready to be held accountable?

But understanding and measuring the marketing funnel as a whole is as

much a political decision as it is a conceptual challenge. Many marketers are quite happy separating brand and performance marketing because it means that their own performance cannot be scrutinised accurately.

The big question is whether you and your organisation are ready for full accountability. You have to clarify this as an organisation first. A lot of people say they are, but in practice don't mean it.

At online startups everybody gets it because they come from a direct response world. An ASOS or Zalando find it completely natural to want to measure everything because they've experienced how effective it is to do small-scale optimisation on a day-to-day basis. These companies know that full accountability is good because the true performers stand out, as do those that are lagging behind.

This is why the CEOs I speak to love the concept of a holistic approach to the marketing funnel, but marketing departments resist it. For a long time, they have been comfortable staying in this zone of not really understanding how marketing actually works. I believe if you want to be a high-performance organisation, full accountability is essential.

The blue ocean ahead

The reason companies like Booking.com, Zalando, ABOUT YOU or Farfetch have been so successful is because they have a much better understanding of the upper and lower funnel and how they work together. Using media mix modelling, experiments and market research, they have figured out how to understand the cross-channel effects. As a result, they are able to make more educated budgeting and optimisation decisions.

Meanwhile, companies like Facebook and Alibaba are offering tools that enable you to actually manage customers through the whole funnel. This allows you to optimise your messaging to each customer at whatever point they are in the funnel, depending on their engagement. I think few people in marketing have fully understood that this is now possible.

These companies illustrate how a holistic approach to the marketing funnel can become a key differentiator. In the past, access to media was a key competitive advantage and the wealthiest companies were the ones able to reach the most people. Now, anyone can reach customers via social media.

What will set you apart today is the level of sophistication with which you steer that media. Few companies have excelled in this area so far. We're looking at a blue ocean of opportunity — and the more money you can invest in bringing your marketing together as one measurable piece, the more you stand to gain.

Florian's practical advice

In simple terms, why is it so important to try and connect performance and brand marketing?

- Treating performance and brand marketing as separate makes it harder to allocate your marketing budget efficiently and effectively. Optimising the lower funnel independently from the upper funnel can also cause inconsistent brand messaging. In contrast, connecting performance and brand advertising will give you a more holistic understanding of your ROI at different funnel stages, and can also bring greater accountability to your marketing efforts.

What are some practical steps you can take to try and connect brand, performance and the upper and lower funnels more closely?

- Find the appropriate type of behavioural response to measure at each stage of the funnel. At the upper end of the funnel this could mean finding out if someone has developed an interest in the brand by examining website visits or in-store sales among those exposed to the advertising. Further down the funnel this could be looking for "micro-conversions" like people putting products in their shopping cart or making purchases.

What are the challenges in getting organisations to implement a more holistic approach to marketing?

- Measuring the marketing funnel as a whole can be as much of a political challenge as a practical one. It brings greater accountability, but some organisations and departments aren't ready for this level of scrutiny. Plus, there's no quick and easy method for measuring the marketing funnel as a whole. It will require experimenting with a few different methods. For starters, I'd suggest market mix modelling and trying to determine the appropriate level of behavioural response at each stage of the funnel.

Benjamin Braun   21/22

Braun

on why it's time for marketing to mature

The CMO of Samsung Europe explains why marketers need to adopt evidence-led thinking, and how there's still room for meerkats and clowns amidst the number crunching.

In the past couple of years, some of the big management consultancies — the KPMGs and McKinseys of the world — have started looking at other categories where they can apply their expertise (and charge a King's ransom for it). They've decided to flex their muscles in media, digital and marketing.

Now, CFOs and CEOs have no interest in joining the meeting when a creative agency comes knocking — by and large, it'll be the CMO who handles it. But trust me, when someone like McKinsey is at the door of a company to talk about marketing, it's not the CMO who opens it.

Instead, they'll sit down with the CFO, CEO or Chairman of the board and say something like: "Your marketing department doesn't have a clue. We've crunched the numbers and you can get far more from your investment. In fact, you're overinvesting. We can reduce the money you're spending and get you better results."

CFOs and CEOs are generally evidence-led people, so this is music to their ears. They've likely always been a bit suspicious of marketers, and now, thanks to this meeting, they finally have a bit of leverage to call them out on their inefficiencies. I've seen it happen before, and I expect it will happen more and more.

We must recognise that this is in part the marketer's own fault, because we have failed to prove our worth. If you ask a marketing team how many products they sold after spending X amount on a campaign, the chances are they won't be able to tell you. The majority of marketing teams at the moment would not be able to articulate their results in a way that would impress the Chairman, CEO or CFO.

If, as a big spender of company money, you cannot prove your value, you start to come across as reckless. As marketers, we have left ourselves open to exposure. So what do we do about it? How can marketing mature?

Adopt evidence-led thinking

One thing we can do is to start using econometrics: a proven regression model that allows you to scientifically demonstrate how many dollars of incremental sales you get back for every marketing dollar you spend.

We installed econometrics at Audi during my tenure as Marketing Director for the UK. We brought in an external company to do it, and I always felt like the most unintelligent person in the room as many of them had double PhDs. They could tell me how much money we'd need to sell X amount of Audi Q8 SUVs, and what kind of creative and which channels we'd need to use to do so.

Before that, the CFO would give me half the budget I would ask for and we would end up in a verbal wrangle about it. Econometrics made those conversations much easier. I had a scientific model to prove how much money I needed to reach company targets and why. I could show him the Excel spreadsheet and say, "If you only give me half of what I'm asking, I can only sell this many cars." It removed a lot of tension in the room.

Gather your evidence from multiple sources
We must still look beyond the spreadsheet when building up evidence to inform our decision-making. I think we're at risk of sitting in beautiful offices looking at spreadsheets about our customers, but then forgetting to go out and meet them. There's a big difference between looking at survey data and listening to real people, whether it is in person or on a phone call. You need to do both to make your evidence more robust.

Sometimes you have to take the plunge. Sometimes your gut is filled with enough data and insights and you can take that leap. I call it "gut knowledge".

And of course, if you want to know what customers are thinking, you do not always need to commission expensive research. You can jump on social media and see for yourself what people like and dislike.

It's also important that you use your product and service yourself. It's shocking how many marketers don't do this. How are you going to have an opinion on your product if you don't try it? Before joining Audi I'd never worked in the car industry before, and I'm certainly not a petrolhead. So I spent the first few weeks of my time there working in the dealerships and repair shops. It was amazing. I got to use and understand their systems and gain an appreciation for how complicated and messy it can be. Experiencing the product and service you're offering first hand makes you a much stronger leader.

Thanks to its Clowns campaign, Audi recorded its highest ever profit ROMI:

£2.07

for every £1 invested.

An estimated

£1.78 bn

of incremental value was generated from 2015–2017.

Sales grew

3x

faster than the UK market.

And lifetime customer value increased by

6%

Source: IPA, "Beauty and brains: How we supercharged the Audi premium 2015–2018", 2018, ipa.co.uk/awards-events/effectiveness-awards/winners-2018

Compare the Market saw a

76%

increase in market share during the first year of the Compare the Meerkat campaign.

Let evidence inform your gut

At the macro level, econometrics can provide the evidence for the value of investing in marketing. And speaking generally, marketing departments do need to start relying on evidence more as opposed to gut feeling. But this isn't to say there's no room for instinct. In fact, the creativity required for transformational change will always require a leap of faith.

I became increasingly fed up at the Cannes Lions International Festival of Creativity last year. People were talking to me about optimisation the whole week, showing off about their A/B tests and multivariate testing platforms. My frustration was that this is what we should all be doing anyway, it's just hygiene factors.

If you want to succeed, you can't rely on small incremental gains. Teams can come in and do a brilliant job of optimising your marketing spend, but you still need that creative leap. For this we must rely on the creative agencies and the lateral thinkers: the people who come in late in the day, disappear for a long lunch, work all night and deliver a solution that could transform your business.

I'll give you a couple of examples from my previous life. I worked at comparethemarket.com in the early era of the company. At the time, we were indistinguishable from any of the other price comparison sites, whether it was MoneySuperMarket, GoCompare or Confused.com.

It was only when the Marketing Director Mark Vile and an agency called VCCP dared to be different that we ended up with the meerkats. It makes no rational sense to have a couple of Russian meerkats as the spokespeople of a switching site in the UK. But guess what? It worked. In the first year of the campaign, the site's market share jumped by 76%.[1]

Then when I was at Audi, we worked with creative agency BBH to produce a film where clowns were driving the cars. We knew we had to do something different to cut through. We doubled the return for every £1 we invested.[2] You're not going to get a return like that out of optimisation alone. You get it from working with courageous people who have that ability to clearly articulate what the business challenge is, write a brief, and then let creative people crack on with it.

Sometimes you have to take the plunge. Sometimes your gut is filled with enough data and insights and you can take that leap. I call it "gut knowledge". We've all heard the Henry Ford quote: "If I had asked people what they wanted, they would have said faster horses." He went off and created the Model T. Sometimes people say one thing, but mean something else. Sometimes you have to take that leap for them.

This means that, as marketers, we need to drive brand affiliation to give customers a reason to buy our products that are not rational. Somehow, I need to motivate the customer to buy a Samsung TV or washing machine, when the need that they fulfil is offered by other products on the market. We need to invest in the brand so that it has enough equity and purpose that people say, "Yes. That's why I'm going to buy a Samsung!"

Find the right combination
We must build that brand strength while being evidence-led. Good marketers use a combination of "harder" measures to demonstrate what they'll deliver (incremental sales) and the "softer" ones help to determine how they'll do it, encompassing the irrational side of human behaviour and creativity.

The risk is that we spend all our time painting pretty pictures. As marketers, we need to keep on doing that, but we also need to elevate ourselves by proving our campaigns are impacting sales. We need to think about ourselves as not just a creative team, but as one that generates three things: excitement for a brand; consideration for the product; and finally, the conversion of that brand love into sales. Only then will we gain credibility in the boardroom.

Sources
[1] Emma Hall, "How did a meerkat bowl over Brits? It's Simples", AdAge, 2009, adage.com/article/global-news/car-insurance-comparethemarket-s-meerkat-brit-star/139292

[2] IPA, "Beauty and brains: How we supercharged the Audi premium 2015-2018", 2018, ipa.co.uk/awards-events/effectiveness-awards/winners-2018

Benjamin's practical advice

What are some practical steps a marketer can take to try and gain better representation at boardroom level?

- Start using econometrics to prove that your campaigns lead to conversions.
- Gather your evidence from multiple sources, including qualitative and quantitative research, social listening and real-world insight. Use your own products critically and talk to real customers.
- Don't just hire marketers. Have the confidence to bring in data, accounting or econometrics experts.

What are the top three things that hold marketing (and marketers) back from achieving this level of maturity?

- The fact that they cannot prove their value, spend too much time focusing on incremental gains and fail to inform their creative instincts with evidence.

What data or metrics should marketers be collecting and tracking in order to demonstrate marketing's real value across organisations?

- Brand awareness.
- Purchase consideration.
- Profitable sales.

Professor Andrew Stephen

on the need for evidence-based decision-making in marketing

The L'Oréal Professor of Marketing and Associate Dean of Research at Saïd Business School, Oxford, examines the bad decision-making habits that marketers fall into, and what we can do to shake them off.

I absolutely love the marketing profession. As I frequently try to tell non-marketers: in business, marketing is everything. Admittedly, it is entirely possible that I'm ever-so-slightly overplaying the crucial role of our discipline in business, but let's face it, marketing is responsible for so much when it comes to driving business growth.

We focus on acquiring customers, retaining them, and trying to increase their lifetime value; we build brands and then protect them as essential intangible assets; and we are increasingly involved in turning high-minded ideas around corporate purpose and responsibility into practical actions that customers (and other stakeholders) will actually care about and get behind.

There's also much to love about the "whole brain" blending of so-called art and science that sits at the core of what marketing is and, in my opinion, is an essential ingredient for making a successful marketing organisation. The breadth of responsibilities that the marketing discipline touches in a typical organisation, coupled with the generality and pervasiveness of a customer-centric, market-oriented "marketing mindset" in successful businesses, means that what we as marketers do is consequential. Because of this, how we make marketing decisions is very important.

The importance of multiple evidence bases

In marketing, as with a lot of other business disciplines, decisions are typically informed by some kind of "evidence". Or so we hope. The evidence base for making marketing decisions can include lots of different things. For example, we might draw on our own and colleagues' relevant prior experience. We might make use of tried-and-tested frameworks and textbook approaches recalled from our university days (or found through a quick Google search or read of a Wikipedia page). We sometimes will consult with subject-matter experts or find some research to influence our considerations. And we might even conduct or commission some research ourselves, such as running a customer survey or an experiment (e.g., an A/B test), or analysing relevant data we've already collected.

It is also entirely possible, of course, that we go with what instinctively seems "right" for the decision at hand (trusting one's gut). Or with what the most-senior executive in the meeting pushes for. Or with something that emerges from a vividly told, yet entirely anecdotal story from a meeting participant who spoke up. Or what a "marketing guru" wrote on their blog or in an easy-to-read book purchased at an airport right before jumping on a flight.

There's much to love about the "whole brain" blending of so-called art and science that sits at the core of what marketing is.

As business leaders, managers, entrepreneurs, executives, and — most of all — human beings, we make decisions based on the integration of a variety of inputs that are available to us at the time. There's absolutely nothing totally wrong with any of the examples of inputs I listed above (except for maybe the last one), provided that we optimise over the entire set of decision inputs by taking into account the strength — which in our business I think translates into credibility and relevance — of each piece of evidence.

For instance, there's nothing inherently wrong with gut instinct, and many would argue it can play a role, but alone it rarely will be optimal. The same can be said for the other end of the spectrum: meticulously designed research studies, which might be scientifically amazing but somewhat detached from the real-world context of the decision to be made. Hence, our job when making important strategic marketing decisions is to challenge ourselves (and our colleagues) to use multiple evidence bases whenever possible and to critically assess the credibility and relevance of these inputs.

I'm sure this may come across as somewhat obvious. Of course! But do you always do things this way? Do you always push your colleagues, your partners, your bosses to critically challenge the evidence base that's on the table? Probably not. And I'm admittedly the same myself. In my experience we develop "bad habits" in decision-making processes. Here are a few key ones that, in my opinion, we should try to shake.

1. An over-reliance on past experiences
Some might say that the best predictor of today is what happened yesterday. It is true that humans are creatures of habit, and therefore so too are our customers. In scientific terms, this is akin to a form of "homeostatic behaviour" or, put plainly in marketing terms, habitual buying. And it happens. But similarly true is that something is always changing. Whether that's the individuals we're attempting

to market to, or the external environment in which we're operating (as we've seen recently with the pandemic), or something else — there will be change. This all adds up to the reality that doing what we did last time is likely to be, with some exceptions, a suboptimal decision-making strategy.

This is true even in cases where we are using prediction models based on machine learning and statistics. They can do a fantastic job of suggesting what to do next based on what has happened already. But if the forthcoming context is meaningfully different from the context upon which the historical input data is based, then your prediction machine won't be so effective.

2. Using heuristics when working in unfamiliar territory

We all try to use heuristics — decision shortcuts or rules of thumb — because they can be highly effective and efficient in many facets of our personal and professional lives. But heuristics aren't usually all that helpful when faced with decisions for which there is no precedent or sufficiently similar prior experience to call upon.

When we're in unfamiliar territory, such as during the pandemic with respect to consumers' purchasing behaviours in certain product categories (e.g., toilet rolls and pasta), or when we start incorporating new types of digital advertising into our media plans, shortcuts and rules of thumb won't really help us make well-informed decisions.

Heuristics work well when we have learned how different patterns of inputs tend to be associated with certain outcomes time and time again. We learn from experience (or we build machine learning models to "learn" for us). But when there's little experience to learn from, such as when we're operating in unfamiliar territory, or, critically, when pertinent market conditions have changed, our human tendency to rely on the same old decision heuristics we've always used is unlikely to serve us well.

3. Extravagant extrapolation from research, white papers and books

In the quest to find answers so we can make good (and often fast) decisions, many of us find ourselves turning to published expert knowledge. Not all experts, however, are legitimate experts (hence my earlier use of the term "guru"), which is of course one thing to always look out for. But I think it is reasonably easy to spot the proverbial snake-oil salesperson. The bigger concern arises when we try to stretch findings from, say, a carefully conducted research study beyond the context in which it was conducted.

Empirical studies are great, but they are always limited in that they rarely can cover every situation, every possibility, and every context. When trying to use this type of evidence, however, often we don't think much about this perennial limitation. And related to this is what I call "extravagant extrapolation".

Think of it this way. We'll find a piece of evidence in a published study and we'll like what we hear. It fits your world view or gives you what you need to win an argument. And it might be remarkably straightforward and easy to explain (and remember). What can happen next (and certainly has happened in our industry) is that we might have a tendency to adopt it there and then. We might even treat it as if it is a "law of marketing" akin to the laws of physics. (As an aside, as appealing as the thought might be, in the social sciences we don't have "laws" akin to those in the physical sciences because human social systems are inherently stochastic and complex, and therefore cannot be fully codified that elegantly.) The problem with this is that the research might not fit our situation. Too bad if you're in the business of selling cat food in the UK but the study's findings were based on advertising and sales data for industrial forklifts in Australia. Unfortunately, if we like what we hear and the source seems credible, we might inadvertently fall into this trap.

There's nothing inherently wrong with gut instinct and many would argue it can play a role, but alone it rarely will be optimal.

Given these three bad habits, what then should we, as thoughtful professionals, try to do more of?

1. Be professional sceptics
Academics like me often think of ourselves as professional skeptics. It is helpful when evaluating the evidence we need when making decisions. It puts us into a mindset of "thoughtful scrutiny" and reminds us and our colleagues to think carefully about the strength, credibility and relevance of the evidence at hand. It doesn't mean assuming everything is wrong or cannot be trusted, however.

2. Think of proposed answers as "hypotheses to be tested"

Another lesson from academia is to be an empiricist. In marketing practice, to me, that means being willing to test or experiment a bit before fully jumping in on something. The notion of "test and learn" has become a bit cliched, and that's not exactly what I mean. Instead, I much prefer what I call a "hypothesis to be tested" approach. Test and learn often can mean trying out lots of things to see what works. There's nothing wrong with that. But "hypotheses to be tested" implies there's a hypothesis (or hypotheses) as a starting point. A real test isn't throwing a bunch of darts at the board blindfolded. A real test starts with some sense of what is being tested, why, what will be learned, and what courses of action might subsequently be influenced. Sometimes the empirical test is hard to do — because of limitations due to time, cost or data availability. Nevertheless, challenge yourself to think in this way.

3. Be data informed, not data driven

This is not merely a play on words. There's a big difference between being informed by data and being driven by data. When we teach students statistics and data science, we often remind them of the quote from George Box, a famous statistician, who said: "Essentially all models are wrong, but some are useful." If we are data driven then it implies that we let the data (or rather the statistical models run on the data) decide what we should do. But, as Box reminded us, every model will be flawed in some way.

Being informed by data (and analytics), therefore, helps us get around this problem. We should put weight on what our analysts' and data scientists' models tell us, but we need to put that through a human filter or sense check.

Healthy scepticism comes into play again here, and so does, believe it or not, gut instinct. I often suggest that it is worth seeing what the data/models imply should be done and then see if it actually makes sense (does it pass the "smell test"). Chances are it will in some ways but not in others. This might result in more questions than answers, which is to be expected and can ultimately lead to better decision outcomes through a process of iteration.

Remember that context really matters. A good empiricist will always think about context when designing a valid hypothesis test or reviewing existing empirical evidence. Ideally, your test will be done in the same context that your decisions will play out in, so as to be as realistic as possible. That makes sense and should be straightforward to accomplish.

It gets harder, however, when working with existing empirical findings such as those in published research. As I suggested earlier, if you're trying to take findings from a completely different category and apply them without adjustment to your category, you're probably going to be disappointed. This doesn't mean you should ignore every piece of research that looks at industries different from yours. All I'm saying is that you should know the context and account for it when using that study or piece of research as part of your decision-making process.

Resist simplification and embrace change
As a final suggestion, I strongly encourage all marketing professionals to resist the urge to oversimplify things such that we are susceptible to believing that there are certain immutable truths about customers and markets, or so that we can have a set of unchanging "laws" of marketing.

What we know from past experience, research, and so on, can offer us valuable, useful guidance. But it cannot tell us what to do in every situation. It can help us reach a solution, and indeed some problems and their solutions will, over time, look remarkably similar, almost constant. But as the world changes, our customers and competitors change. And as they all change, so must we.

Andrew's practical advice

Why is it important for marketers to have multiple evidence bases supporting their hypotheses?

- Many factors that influence marketing decision-making are complex, such as human (consumer) behaviour and the world in which we live. There's unlikely to be just one "solution" to any given "problem" and any assumptions we make might not apply in the context at hand (even if they worked in the past). The best way to operate under these conditions, therefore, is to attack a problem empirically, from multiple angles, and with sufficiently reliable data/evidence to draw upon.

What are some simple things marketers can do in pursuit of adopting a more empirical, evidence-based approach to their work?

- Challenge your and your colleagues' decision-making assumptions, asking "Is that really the case in this situation?"; treat all important assumptions as hypotheses to be tested, i.e., affirmed or refuted, through testing or research; and talk to others and seek a variety of perspectives and inputs into your decision-making process.

What decision-making habits do marketers need to shake?

- Relying too much on past experiences, because change — be it in individuals, the market, or in external environments — will happen; using heuristics or "decision shortcuts" in situations that don't have any real precedents; and incorrectly extrapolating seemingly credible or trusted research into new and fundamentally different contexts.

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