Matter
In today’s world it’s no longer enough to be engaging. You have to find a way to really matter, to make a difference to people’s lives.

Brands now recognise they have to build a two-way conversation with the people they want to talk to, so we’re all inundated with invitations to participate, join in and share. While many do get involved, many are also left out in the cold.

The new market challenge isn’t just how to cut through, but how to make a genuine connection that engages and inspires active participation. For us this means understanding what matters to people in their daily lives and finding new ways for brands to connect more meaningfully.

To succeed today, brands clearly have to be useful. People’s antennae for what’s authentic is growing. Therefore, connecting with actual need is critically important, and understanding the real-life context of that need is fertile territory for making a deeper connection.
Beyond this, it used to be enough to make a strong emotional appeal. However, in today’s noisy world, brands need to also be truly entertaining. The only way to stand out is through a higher level of creativity and entertainment, especially if you want content to be passed on and shared. Advertising and branded content can no longer be developed and evaluated in the old way. Increasingly, entertainment should be as, if not more, important than message.

The growing desire for authenticity is also establishing ‘doing good’ as the new vital ingredient to making a meaningful connection. Digital has accelerated the need for corporate transparency and social responsibility. Companies now recognise this and have responded with proactive social listening and new CSR programmes. Company ‘purpose’ has become the new buzz word. The opportunity to deliver on this in a way that actually matters to people has great potential to create more meaningful brand relationships.

Moving forward, all brands need to think harder about how they genuinely matter to people’s real lives. They need to observe more, listen more, do more, entertain more and deliver with integrity. Only then will they matter.

We hope you will find inspiration in our magazine on how to make your brand matter.

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MATTER » BIG THINKING ON HOW TO MATTER
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The human PARADOX

Gareth Kay believes that in order to be more valuable to humans, brands need to stop trying to be so human

I’ve spent the last couple of decades of my life (gulp) working in advertising. And from pretty much day one, you’re taught a simple rule about brands: great brands are just like people. They have hopes, dreams, personalities; they’re as highly relatable as you. As a result, a whole language emerged defining brands through things like personality, behaviour, tone of voice. The more progressive companies applied Jungian analysis to give brands archetypal traits. We tried to give inanimate (and often intangible) things tangible, human characteristics.

Like many in the industry, I assumed this to be a truth about the way brands work. I’d happily concoct a daily bowl of ‘alphabet soup’: “brand x is approachable, simple and friendly. It speaks calmly and reassuringly. It shares the same interests as you and is on your side”. (Don’t laugh - my guess is that hundreds of brands have endless PowerPoint slides describing them something like this.)

Yet clearly this approach isn’t having its desired effect. Recent research by the
Havas Media Lab concluded that only 5% of Americans believed brands “make a noticeable positive contribution to our lives”. It’s perhaps unsurprising then that most Americans “couldn’t care less if 80% of brands out there disappeared tomorrow”. We keep trying to make brands more human, but more humans are rejecting brands.

I’ve come to believe that this failure of brands is down to us blindly believing that brands that are more human are better. To my knowledge there’s little, if any, evidence that supports this. This assumption masquerading as fact is stopping us building brands that are valuable to people. And it took an article in the MIT Technology Review to understand why.

Leila Takayama’s *Friendly Machines*¹ is a perspective on why we get frustrated with the limited capabilities of robots. She argues that we need to stop being obsessed with trying to make human-like robots and instead spend our efforts making robots that are more human-friendly in their form, behaviour and function. *Human-friendly rather than human-like*. A subtle but important distinction.

Now this might be a stretch but you could replace the word ‘robots’ in the above with ‘brands’. We keep trying to anthropomorphise brands (what’s the brand’s personality, tone, etc) rather than trying to work out how we can make them more useful to people.

Leila goes on to describe what a human-friendly robot is: “They should be appealing and approachable. They should behave in ways that are easy for humans to interpret, and they should perform functions that meet human needs.”

That feels to me a much better brief when thinking about how we design brands. Maybe if we think human-friendly rather than human-like we’ll make people care about them again. Maybe to be truly valuable to humans, brands need to stop trying to be so human.
Making products SMART

Andy Hobsbawm anticipates the impact of connecting with our products in a smarter way
Soon we won’t need to hunt anxiously for our missing shoes in the morning, we’ll Google them. So said tech visionary Bruce Sterling seven years ago. But, if you look around your room right now and count the number of Internet-connected objects, you won’t find much beyond consumer electronics devices like laptops, phones and possibly your TV.

The pace of digital innovation is astonishing. It’s impossible to imagine life without the web, smartphones, social networks. And yet the consumer products and everyday objects all around us are still essentially dumb.

Unconnected.

It’s time for products to catch up and get online so we can access the kind of real-time, social web experiences we’ve come to expect in our daily lives.

It’s time for our physical products to be as clever as Google, as immediate as Twitter, as informative as Wikipedia, as social as Facebook, as personal as Amazon and as entertaining as YouTube.

The good news is this is already starting to happen and we’re seeing new kinds of direct digital connection between people and their products. For instance, the Toyota *Friend* plug-in hybrid car messages you when the engine needs to be re-charged or the tyres changed. Or new consumer interfaces like the Evian *SmartDrop* Wi-Fi-connected interactive fridge magnet, which re-orders bottled water to be delivered to your home with the push of a button.

Sports equipment manufacturer Nike has revolutionised its relationship with consumers by turning shoes into
a socially-connected digital fitness service. Nike+ now has six million users connecting their trainers to the web to compare performances with a running community.

Household LED light bulbs from Philips can now be programmed on a tablet or smartphone to change into any colour at any time to suit your mood and app-connected toothbrush like Beam can spit out comprehensive tracking data about how you clean your teeth. Nest, the business behind the smart thermostat that saves energy and smoke detector that keeps families safe, has just been bought by Google for $3.2 billion in cash.

GlowCap® pill bottle tops will glow, then beep, then text, then call to remind you to take your meds. It re-orders the prescription when it runs out and emails you and your doctor a weekly detailed report.

But the real game-changer is smartphones. These smart, mobile devices we carry around with us constantly (with more computing power than was used to launch the first Apollo space missions) have become our remote control for the world and represent a revolution in consumer interaction.

Among many other things, a smartphone functions as a set of handheld digital sensors for the physical world (Accelerometer, Proximity, Ambient Light, Compass, Gyros, GPS) with a range of in-built connectivity (3G and 4G cellular, Wi-Fi, Bluetooth and NFC). So we don’t need to wait for our real-world objects to be directly connected when the web interface in our mobile devices provides the network access and intelligence.

Increasingly, products will ship with ultra-low-cost ‘smart tags’ like NFC or 2D barcodes, easily readable by smartphones. (Image recognition capabilities are already built into mobile operating systems like Windows Phone, and there are plenty of
barcode and QR code scanning apps already on people’s phones.)

In other words, combine a product with the intelligence of a smartphone and it becomes connected. It becomes aware of what it is, where it is, and what time it is. It knows when the weather changes, when a goal has been scored in the big match, or what films are showing locally. It can find you the best information for assembly or repair, get you an insurance quote, or tell you the best price you could get from selling it second-hand right now. And, with your permission, the product could access the social profile you used to ‘check-in’ (such as Facebook) and know when your birthday is or when your favourite bands are coming to town.

In effect, your product would have a digital life. A consumer could ‘friend’ their stuff and the objects could tell them how to get more out of owning and using them in useful and interesting ways. To digitally extend brands through products in this way, marketers can start by
asking the question, “What would their product do if it had its own active, social identity on the web?”

What stories would it tell? What advice should it give? What other things and services and people could it connect you with?

The idea that billions of physical products can now become brand controlled interactive media is highly disruptive. Firstly, brand manufacturers can now go around (or at least operate alongside) conventional retail and distribution channels and establish on-going relationships with the individuals that buy their goods. As Nike’s VP of Digital Sport, Stefan Olander, notes: “Once you have established a direct relationship with a consumer, you don’t need to advertise to them”.

Secondly, brands can practice mass-scale product personalisation and one-to-one communications at the point of sale. They might know every customer is unique. But once every product is uniquely identified online then every digital message, offer and service delivered can be unique too.

Lastly, this allows the brand to accumulate rich transactional and behavioural data about how, where and when consumers buy and use their products, and apply this data intelligently to stimulate repeat purchase and loyalty.

Ultimately, the strategic opportunity for brands created by the Internet of Things and the ability to connect their physical assets to the web will be the insight and intelligence that emerges as billions of products and other objects come online.

The challenge is not so much collecting this information, as developing the competencies and systems to use it in real time, making customer interactions smarter, and relationships over time more valuable.

As consumer and product relationships are mapped together, and what consumers are doing with those products is learned, this builds up a powerful data resource.

One thing is clear: it’s not a question of if we’ll be connecting with our products in a smarter way, but when.

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This article is extracted from EVRYTHNG’s whitepaper ‘Product Relationship Management™ - Turning Physical Products Into Owned Digital Media’ which can be downloaded at: http://bit.ly/PRM2013
In their latest Game Changers report, The New Mainstream¹, Wolff Olins explore how technology-driven behaviours are defining new patterns of consumption. Ije Nwokorie elaborates.

¹ http://gamechangers.wolffolins.com/
What was once fringe is now becoming mainstream. Everywhere in the world, people are questioning authority – and finding ways to sidestep it. People now have many ways to create, use, adapt, mix things up, sell things and even build their own businesses, creating their own meaning and purpose. Faster and more frequent communication has allowed brands to push too much at us. People are looking for ways to control that flow, to get things when they want them, where they want them, and on their terms. So we no longer just consume – we sidestep, make our own meaning and deepen the value of our time, swinging the balance of power away from corporations to individuals.

**FIGHTBACK**

However, it’s not as if corporations have just sat back and done nothing. The very same tools that customers believe give them power are being leveraged on behalf of the corporation.

There are three corporate behaviours that have come to increasingly define the adversarial relationship between corporations and society:

1. **Charging for ignorance**

The incredible amount of data that corporations hold on us, and their ability to crunch it, means they can price more opaquely than ever. In this reality, pricing is increasingly a cynical exercise in charging what they can get away with, not what’s fair.

It’s the airline charging a higher price because they know you’re ready to fly, and the supermarket giving you an ‘offer’ that’s more expensive than their best price because they know you’re used to paying more anyway.

While this behaviour is as old as selling itself, it’s become turbocharged by the growth in data, data storage and data crunching, giving the corporation the power to extract the highest possible price each and every time.
2. Productising people
We no longer expect to pay for stuff. No booking fee, interest free, all the music, film and minutes you want, for little or nothing.

Sounds like a wonderful world.
Yet, customers are still largely unaware that if they aren’t paying for the product, they are the product. It’s not just that our data’s being sold – privacy is one area where customers are able to weight up the pros and cons – but large swathes of our life, our time, habits and content are being taken over, often without our knowledge, rarely with any real sense of to what extent and with what implications.

With individuals creating much of the value in the connected world, what happens when people realise that their content, ideas and hard work don’t really belong to them, but to the free platforms they’ve been using?

3. Fly trapping
Social, local and mobile are incredibly powerful utilities for customers.
And corporations are getting increasingly sophisticated about building compelling offers from retail to music to money that leverage the power of these utilities to create new value for customers. What customers are less aware of, and corporations don’t share, is how much more power these utilities give corporations. To target. To segment. To control.

The huge outcry in places like London to the Dalek-like *Renew* recycling bins[^22] is a reminder that society is still not entirely comfortable with being watched at all times, regardless of how much better this makes the products and services we use.

[^22]: http://renewlondon.com/
Taken together, these new mainstream behaviours of both individuals and corporates highlight an increasingly adversarial relationship between them. No condition presents a bigger challenge to how brands are built and managed in the digital economy.

What if all this power that people and corporations have was put to use to create a new kind of relationship? One of exchange, not of manipulation. One of give and take.

**THE CONNECTIVE BRAND**

This is a new notion of brand, less obsessed with positioning, audiences and targeting, and more obsessed with creating value, participants and connection. The brand becomes less an intellectual reason for doing things and more the effect that its many interfaces and touchpoints create by connecting users and corporations in the exchange of value.

It means handing over the keys to the ecosystem to the customer and using the brand as the connective tissue that unites the objectives of the corporation with those of the individual.

Brands that do this – AirBnB comes to mind – will outperform and outlast those who exhaust themselves chasing the customer as a target (enemy), instead of as a genuine partner in the value exchange.

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**Ije Nwokorie**

Managing Director of Wolff Olins in London

www.wolffolins.com
When
EVERYONE
talks
but no one LISTENS

Jim Carroll urges brands to create healthy relationships with their consumers
It’s often said of the characters in Anton Chekhov’s plays that everyone talks, but no one listens. The cast of feckless aristocrats inhabit a troubled world of melancholy, loss and ennui. They speak endlessly at each other of their dreams and disappointments, but they rarely pause to listen. Their relationships seem compromised by their own emotional deafness, their solipsism. They live lives of empty chat and listless languor, punctuated only by another trip to the samovar.

I wonder, has the world of brand marketing something in common with Chekhov’s? Could modern brands be accused of speaking without listening? Talking loud, but saying nothing? Always on project, never on receive? Do they sometimes come across as egocentric and emotionally needy?

Sign up, sign in, sign on. Check in, check out. Like me, share me, QR code me. Facebook me, follow me, friend me, fan me. Upload me, download me. Tweet me, re-tweet me. Blipp me, bookmark me. Rate me, recommend me. Hashtag why?

There’s a tremendous assumption in much current marketing that consumers have infinite time and attention to dedicate to brands, regardless of the category they
represent or the content they serve up for them. With a wealth of new media channels available to us, it’s often easy to confuse talking with conversation, to mistake interaction for a relationship. And as long ago as the nineteenth century the writer HD Thoreau was observing, “We have more and more ways to communicate, but less and less to say”.

In my experience, strong relationships tend to start with a little humility and self knowledge. The best advice for brands seeking a relationship might be: don’t talk too much and only talk when you have something to say.

But can contemporary brands really be accused of not listening? Surely all serious players nowadays manage substantial research and insight programmes. Aren’t we endlessly soliciting feedback, measurement and learning?

Well, yes, but are brands engaged in the right kind of listening?

To my mind much of modern research practice could be deemed ‘submissive listening’. “Hello. What do you think of me? What do you think of how I look and what I do? How would you like me to behave? Do you like what I’m planning to say to you? What would you like me to say?”
Is this the stuff of a healthy relationship? Surely a brand’s engagement with consumers should begin from a position of equality and mutual respect, not submission and deference.

You’re equal but different
You’re equal but different
It’s obvious
So obvious
(The Au Pairs, It’s Obvious)

We could also categorise much of our research as ‘reflective listening’: recording what people say, wear, like and do, so that brands can play it back later to them in communication. There’s an underlying assumption that consumers empathise with brands that share their values and outlook on life. I’m sure they do. But one man’s insight is another man’s cliché. And reflective listening, interpreted literally, often produces communication that’s curiously unrewarding. Because dialogue is more than elegant repetition, and relationships are more than an exercise in mimicry.
Surely listening and talking should exist in close proximity and dynamic relation to each other. It’s called a conversation. And you’ll find spontaneous, instinctive, organic conversations at the heart of any healthy, happy relationship.

Of course, the hyper-connected, real-time world of the social web affords us an opportunity. It’s the opportunity to demolish the distance between listening and talking; to inspire conversations between brands and consumers; and thereby to create vibrant, enduring, sustainable relationships. It’s now possible for listening to drive brands’ thoughts and actions, tempo and timing, and we should all be striving to put it back at the centre of our communication models.

There is, nonetheless, a nightmare scenario. What if brands continue to propel their mindless chatter through the infinite arteries of the electronic age, without respecting our audience’s limited time and attention? What if our attempts to listen continue to betray a submissive and reflective orientation towards consumers?

At the end of Chekhov’s Three Sisters, twenty year old Irina decides to give up on love before love gives up on her. “I’ve never loved anyone. I dreamed about it for a very long time – day and night – but my heart is like a piano that’s been locked up and the key is lost.”

It’s one of the saddest lines in theatre. I worry that if we don’t start listening properly to consumers, then consumers will stop listening to us.

---

Jim Carroll
UK Chairman at BBH
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Daniel Solomons discusses the importance of building meaningful engagement in the programmatic age
Programmatic buying is starting to radically change the advertising industry. Analysts have all predicted rapid uptake of Real-Time Bidding (RTB), with *eMarketer* recently revising their 2013 forecasts to be even more bullish (*eMarketer* August 2013). And it’s not just digital; I can even see a time in the not-too-distant future where the bulk of TV airtime is traded programmatically too. It’s taking over and has media agencies fearful of their roles, but I think that there are many aspects and areas in which agencies can prove their value for their clients.

Data-driven audience buying creates massive efficiencies for advertisers and a more relevant, personalised experience for the consumer. But it’s important to take a step back and apply a human filter. Agencies and advertisers should be thinking about the broader effects of algorithmic media decisions on the consumer-brand relationship and how they can help navigate that together.

First off, it’s essential to avoid the obvious pitfalls of not considering the more holistic context of the audience signals.

"It’s taking over and has media agencies fearful of their roles"
Things like offline behaviour, shared device usage or one-offs, like gifting. But I think the ad industry is getting better at not spoiling your loved ones’ Christmas surprises or hounding people with the same pair of shoes they bought in a shop three months ago. And I think we’re all aware of the dangers of unnerving consumers by being clumsy with what we know about them. The fear of Big Brother is too great a factor for the advertising industry to ignore and there’s too much at stake to risk alienating consumers. The lessons from the 2009 Phorm backlash (amongst others) have been taken on board.

So, I don’t want to dwell any more on the negative aspects that advertisers need
to avoid. Instead I want to consider how advertisers and agencies can embrace the programmatic media age and use it to build meaningful connections with their consumers. To do this, we need to go back to basics and remember what advertising is all about. It’s important to remember how consumers build relationships with brands over time, through telling great, engaging stories.

Harnessing audience signals comes down to three basic stages: Collect, Segment and Engage. Collecting can be a totally automated process, once the right pixels are in the right places to collect the relevant data. Similarly segmenting only needs a little human input to set the rules and the different buckets we want to put people in.

But the engage part is where we must resist succumbing to purely machine-based decisions. Altering images, copy and call-to-action on a real-time basis increases relevance and effectiveness, especially at the business end of the
purchase journey. But is that really true engagement?

We should all re-read Jeremy Bullmore’s essays and books. We should remember the importance of brand fame and ensure that we continue to surprise and delight the public with our brand communications. These ‘upper funnel’ parts of the consumer journey are still critical and it’s incumbent upon advertising agencies and advertisers as the guardians of the consumer-brand relationship to ensure this continues to happen in the programmatic age.

If we only ever deliver the most relevant brand message to the best-converting audience, then we’ll be failing in our task as advertisers. It’s important to a BMW driver that those people who can’t afford to buy one recognise the car and the status that goes with ownership. It’s important for consumers to be taken on a journey of discovery and courtship before deciding to part with their hard-earned cash.

One simple way advertisers can use audience data in a more engaging way is by telling sequential stories. By using signals to understanding what messages a person may have already seen, and where they are on their decision-making journey, we can serve the next stage to gently move them closer to purchase. Or we can surprise them with something that may appeal more to them, or help them slowly explore a related sector or service. By offering incremental steps and choice, well-targeted advertising can still surprise and delight consumers.
However, this more considered usage of data to engage consumers still sits at the implementation end of the advertising process. The real power in using data to engage consumers comes when the Planners start to get involved in the programmatic space. Planning isn’t a real-time exercise, but many of the surveys and tools available, like TGI, use data that’s already six months old.

‘Programmatic Planning’ requires the Big Data from RTB to be used to create useful, actionable consumers and to shape brand strategy. However, not all data is useful, so Planners need to learn how to work with data analysts to access the most salient data. For this to happen, agencies’ planning processes need to feed data from RTB upstream into the earlier stages, so that Planners and Strategists can use it to understand better what consumers like, want and need. They’ll be using audience signals to deliver better advertising campaigns that generate awareness, change perceptions and build desire, before converting that to sales through programmatic buying.

So programmatic buying is starting to radically change the advertising industry, but its impact should not be considered only at the end of the funnel. Truly great advertising will harness the power of the programmatic age and apply it wisely throughout all aspects of a brand’s engagement with its public.

Daniel Solomons
Industry Manager Agency Planning
at Google UK
www.google.com
A question that has long perplexed me is why don’t brand owners invest in their relationship with employees in the same way they do with their consumers?

Why, given the importance of employees to the delivery of the brand promise, are many brand owners still not seeking the same lasting and mutually-profitable relationships with employees that they value so highly with their consumers?

These questions are provoked out of observation and common sense. But also because we know the world is changing.

“In the future consumer choice will be based not on classic brand discriminators or even service brand discriminators – but on the people of the company that provide the product or service. In fact, upon the culture their ‘collective being’ stands for and how it relates to the world around them.” Steven King

At the heart of building employee relationships that matter lies the question ‘what is your innate value’?
In the future consumer choice will be based ... on the people of the company that provide the product or service.

We should be asking employees to consider to what degree that ‘value’ is being delivered and does it align with the purpose of the business or the brand promise?

This creates the potential for alignment between individuals and the business/brand. It allows for personal accountability and therefore the behaviours required to thrive, perform and create value in day-to-day working lives. This ‘value exchange’ must cover all areas of ‘work’, embracing environment, systems, financial and operational planning and, of course, incentive and reward.
Understanding employee value and the ‘value exchange’ cannot easily be tracked by conventional means, nor can it be quantified by universal, normative business rules and measures. It follows that, just as with consumers, we must find new ‘holistic’ ways of measuring the relationships that matter – their value-creating components – and be able to act quickly to fix or enhance those relationships.

This new employee contract is, in fact, the original brand contract – the one that offered the consumer more than a commodity, product or service. The one that, as the most valuable brands have always known, offered a relationship that mattered.

That’s why brands exist and now it’s the responsibility of brand owners and their agencies/consultants to apply the same principles, practices and standards to the relationship with their employees.

**Neil Cassie**
Founding Partner of The Cassie Partnership
www.thecassiepartnership.com
SO, WHAT DO YOU DO?

How can companies build and sustain employee relationships that matter?
Jane Bloomfield explains Hall & Partners’ unique approach to shedding light on the employee-company bond

It’s often one of the first questions we get asked when we meet someone new. And the truth is (unless you happen to have randomly met a rocket scientist) the response isn’t usually that interesting – either to the person asking the question or to the person answering. No one wants to talk about their boring day job. Or do they?

Well, this depends on where you work. If you’re lucky enough to work for one of the top employee-engaged companies in the world, then you’d be happy to shout from the rooftops about what you do and where you do it.

For those who aren’t so lucky, it can all seem a bit gloomy. Recent research has shown that globally four out of ten workers are disengaged, while in the United States it’s claimed that as many as 70% of workers don’t like their job. The difference between who you are and what you do for a living has blurred as the traditional 9-to-5 day has become more like 7-to-7. It’s never been more important for people to feel that they work for a
The difference between who you are and what you do for a living has blurred company where their values are being met. It therefore follows that it’s never been more important for companies to understand their employees and their values.

What is it about some companies that captures the hearts and minds of employees (and, while the list varies slightly from study to study, it’s generally topped by Google)? Well, first of all, they’re not all ‘famous’ (many companies aren’t even known outside their industry), nor do they all do ‘cool’ stuff, or even pay the best. No, where they all excel is at being passionate about what they do and, what’s more, their employees believe in their story. They’ve succeeded in creating a culture that’s distinct and driven by a clear purpose. They’ve created a mutually beneficial employee-company relationship by understanding what matters to their employees.
Working with The Cassie Partnership, Hall & Partners has developed a unique framework to shed light on the employee-company bond. Based on our original Engager relationship framework for understanding brands, we’re now able to look at employee relationships across the nine different drivers of engagement. And each of these drivers plays a role in building and sustaining employee relationships that matter. We define these drivers as:

**Sensing**

It’s fair to say that all of us have an emotional connection with our place of work – be it positive or negative. But this isn’t easy to articulate. We need to understand this at an instinctive and unconscious level by using a combination of explicit and implicit techniques. We need to capture the sense of belonging and morale that really exists.

**Knowledge**

This is about far more than simply knowing what your company does (although for some employees this can sometimes be a stretch!). It’s about genuinely knowing the business and the defining beliefs of the company.
Understanding

We believe it’s critical to delve deeply into the understanding of the company’s vision, goals and strategy and determine if employees see its consistent expression. Traditional employee measurement models tend to track overwhelming numbers of attitudes and day-to-day actions/tasks. This leaves leaders with little actual direction as to exactly which aspects to change to positively influence employees’ experiences and behaviour. Understanding isn’t about capturing how much employees feel they ‘have the tools to do their jobs’. Do they understand their role within the company and feel empowered to help deliver the vision, beyond simple product/service delivery?

Integrity

As companies are increasingly called to account by consumers, the last thing they need is employees doing the same. They must first ensure that their employees have 100% belief in what they’re doing, in the company leadership and in the promises the company makes.

Connection

Knowing a company, appreciating its offerings and trusting in its abilities will sometimes lead to loyalty. But creating an emotional bond can make that connection virtually unbreakable. The best companies to work for offer experiences that make employees think “they know me and value me”; their values and beliefs are aligned.
Commitment and Conviction

Intent to stay has long been used to predict staff retention. But understanding whether employees are ‘considering’ staying will only take you so far. You need to not only understand the extent of desire to continue working for the company, but also the strength of tie to the company, of the employee-company bond. Leading companies understand the need to inspire conviction: an emotional incentive for employees to go out of their way to stay. They know what it would take to break the bond.

Participation

The greater number of interactions an employee has with a company, the stronger the relationship. Today, leading brands make it about much more than a ‘job’. Employees are encouraged to help shape the story of the company, to engage beyond their specific job role and interact with the wider company and community.

Advocacy

The best companies to work for perform so well because they inspire personal advocacy. They encourage employees to become actively involved and consequently drive proactive recommendation. People feel huge pride for their company and are happy to share in its story.
The world’s best companies have a lot in common. Each has a distinct and clear brand offering, vision and set of principles and beliefs. They’re all successful in generating emotion and momentum around their brand. Coming back to the original question, “What do you do?”, Are your employees ready to shout it from the rooftops? Employees are encouraged to help shape the story of the company.
How might one measure what matters to the mind?

Dr Aiden Gregg proposes a technique that bypasses the problems of self-reporting.
For human beings, the world divides into the significant and the trivial. Some stuff matters; other stuff doesn’t. Only the former is worth getting involved with long-term; the latter is a passing fancy.

The distinction clearly applies to our relationships with people. We have lifelong friends and occasional acquaintances, serious soul mates and casual flings. But it also applies to our relationships with things – in particular, to our relationships with products, companies and brands. Some are part and parcel of our everyday lives; others we can just take or leave.

Indeed, our relationships to people and things have much common. This point is well made by researchers such as Jennifer Aaker at Stanford – who pioneered the study of brand personality – and Susan Fiske at Princeton – who found that competence and warmth are basic dimensions of judgement, including brand judgement. Brands, it turns out, are perceived quite like people.

So, how do market researchers discover which brands matter and which ones
don’t? The standard approach is simply to ask people. For example, when answering a survey question, respondents typically judge how strong their opinions are about some brand, and then select one out of several numbers on a rating scale. The higher the number, the more that brand matters.

Much of the time, such explicit enquiries work. But not always. In particular, three problems can arise.

First, respondents may not say what they really think. Not wishing to reveal a socially undesirable opinion, they may fib a bit. Second, respondents may not admit to themselves what they really think. Not wishing to hold a socially undesirable opinion, they may engage in self-deception. Third, respondents may not even know what they really think. Their minds being partly a mystery even to themselves, they may express an artificial opinion.

The result is that a high number on a rating scale – especially where a topic is controversial or obscure – may not indicate what it seems to indicate. A brand that seems significant may be trivial, or vice versa.

Of course, qualitative research can compensate for this drawback in quantitative research. Here, raw numbers get supplemented by rich narratives. Still, qualitative research remains impressionistic. Is there any objective way to quantify how much a brand matters to respondents without asking them directly? Indeed there is: market researchers can use indirect or implicit measures of brand significance.

Implicit measures come in various shapes and sizes. But what most implicit
measures have in common is that they rely, not only on the content of people's responses, but also on the speed or accuracy with which they make those responses. Accordingly, implicit measures often take the form of computer-based tasks, where the respondent's goal is to sort words or pictures, rapidly and repeatedly, into appropriate categories.

The modus operandi of implicit measures varies. In some cases, it can be tricky to explain. But the basic idea is that faster or more accurate responses imply stronger associations between categories. If the brand name is represented by one category, and a desirable attribute is represented by another, the strength of the association between the two categories, quantified in milliseconds, offers an alternative index of how much a brand matters.

How do we know that implicit measures are not merely a gimmick? The answer is that scientific research has established beyond reasonable doubt that implicit measures have predictive validity above and beyond traditional self-report. This has been shown in a variety of domains, including the consumer domain.

Consider one impressive study by Luciano Arcuri and his colleagues. They took respondents who currently classified themselves as undecided about how to vote in an upcoming election. By definition, their current self-reports could not predict how they would later vote. However, the researchers also instructed respondents to complete what is, perhaps, the leading implicit measure today: the Implicit Association Test or IAT, devised by Professor Anthony Greenwald. Amazingly, scores on the IAT did predict how respondents later voted.
The IAT seems to have known the minds of respondents better than they did themselves. It picked up something that mattered about a political candidate that self-report did not.

What about brands? An experiment by Kate Ratliff and colleagues illustrates how implicit measures can reveal underlying brand commitment. First, their respondents were taught that product x1 from Brand range X was better than product y1 from Brand range Y. Unsurprisingly, a preference for x1 over y1 emerged both on self-report and on the IAT. Next, their respondents were taught that product x2 from Brand range X was worse than product y2 from Brand range Y. Unsurprisingly, a preference for y2 over x2 again emerged on self-report. Yet, a preference for x2 over y2 emerged on the IAT. Thus, at some level, respondents still regarded Brand X as better than Brand Y, and generalised from it. The brand mattered, but in a way that self-report could not capture.

In short, implicit measures have the potential to indicate how much a brand matters when self-reports do not. As such they’re a potentially useful addition to the market researcher’s toolkit.

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**Further reading:**


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**Dr Aiden Gregg**  
Senior Lecturer in Psychology at the University of Southampton  
www.southampton.ac.uk
Somewhere beyond brand perception and affinity, beyond consideration... sits a doctor at a desk, with a very personal view of what being a great doctor looks like.
The people behind the prescriptions

For better physician segmentation, Kinga Zapert and David Spears recommend we consider the human element

Customer segmentation. It's the cornerstone of pharma marketing, the trusted trigger of precious marketing spend. We know how to take a high-res snapshot of that all-important customer base, physicians. We excel at using clinical and practice-focused research tools to look inside their heads, finding out what they think of brands and how those thoughts motivate behaviours.

But we're not nearly as good at looking inside their hearts, acknowledging that feelings can drive their decisions. To make the most of tight marketing budgets, it's time to embrace – and segment – physicians as people.

It's tempting to think of doctors as dispassionate and data-driven. We imagine them seated upon thrones of rationality, weighing a patient's medical history against their current conditions, factoring in potential side effects, and then computing and giving out the perfect prescription, every time. But these professionals, learned though they may be, are people first. Like anyone else, they come with personalities and the need to express who they are.

Our new model analyses data across a greater human spectrum of the physician experience

Hall & Partners 53
This doesn’t mean traditional segmentation should go out the window. Physicians’ perceptions of various products remain highly useful to know. They can guide pharma brands to necessary and effective campaigns, from awareness-building to education. But by introducing a new breed of segmentation, one that incorporates physicians’ attitudes, beliefs, values and emotions, pharma marketers can bring a new depth of value to their contribution. They can guide a client’s budget toward targeted, even intimate, engagements with far greater power.

Hall & Partners is putting a stake in the ground with our new model, the Kaleidoscope Physician Portrait, which analyses data across a greater human spectrum of the physician experience. We start with traditional, clinically-focused segmentation (which remains essential).

Then we overlay personal, motivation-focused segmentation, built from previously-published research on the many dimensions within the highly-personal choice to become a doctor.

Some people become physicians to be seen as heroes. Others want to be respected scientists. Or to become modern wise men/women. By incorporating these behavioural drivers into physician segmentation, we open the door to methods from social psychology, neuroscience and survey research.
Through personal, motivation-based segmentation, four new physician groupings emerge:

**It’s good to be king**

Fueled by self-esteem and self-respect, these doctors feel that they – and, by extension, their patients – deserve only the best. They see themselves as leaders and caregivers.

**Open for business**

Driven by the need for social approval and a sense of obligation, these physicians are caring and sensitive. They consider themselves defenders of others, but are also very concerned with people’s opinions of them.

**Question everything**

Driven by ambition to be great scientists, these doctors don’t worry about impressing anyone – or investing emotionally in their patients. Their focus is on solving problems from a scientific orientation.

**Neither business nor pleasure**

Ambivalent about the practice of medicine, these physicians demonstrate very little excitement about being a doctor. They’re practical, but don’t worry about their professional standing in the field.
Who are physicians, as consumers of brands outside the exam room?

We don’t just ask physicians what they think about brands. We also investigate how they feel about practicing medicine. We evaluate behaviours across five Practice Area Dimensions:

- **Business**: prioritising financial success
- **Balance**: embracing work-life balance
- **Scientific**: driven to personally research brands, clinical trials, etc
- **Trust**: somewhat sceptical of brand messaging
- **Patient**: dedicated to bringing the latest medications to patients
And we probe physicians’ lives. Yes, as people. Who are they, as consumers of brands outside the exam room? What are the enduring, underlying personality traits that define them as individuals?

Of course, any self-respecting pharma marketer has a question themselves at this point. “This sounds lovely, but do all these extra segments and dimensions actually give us a more actionable physician portrait than we had before?”

Yes. Hall & Partners has already taken the Kaleidoscope Physician Portrait for a test drive. We conducted a study of 400 PCPs, GPs and IMs in the United States using a 25-minute online survey. We analysed our data in three steps:

1. Segmenting physicians traditionally

2. Re-segmenting, adding physician lifestyle and consumer behaviour characteristics

3. Re-segmenting once more, adding physician personality profiles

Using a clustering algorithm, we then assessed the Opportunity Value within each segment.

The result? Physician segments coming into sharper and sharper focus. High-value targets for brand engagement identified, in richer clarity.

We know our clients need this. Across pharma, revenue pressures continue to grow. Our research has to become smarter, savvier, braver – and better. There’s no doubt that traditional customer segmentation will remain the foundation of what we do. But somewhere beyond brand perception and affinity, beyond consideration… sits a doctor at a desk, with a very personal view of what being a great doctor looks like. Keeping curious about the full spectrum of what drives that physician – from deep within who they are – might just be the future of segmentation.
CSR
Corporate Social Responsibility is now part of most companies’ agendas. We take a look at CSR from three different standpoints.

DOES IT MATTER?

PERSPECTIVES ON CSR

A CREATIVE APPROACH
It’s a subject that’s been long debated. Should businesses be responsible for social concerns beyond delivering shareholder value? Can social responsibility provide a return on investment for a business? And does it even matter? Do people really care how companies treat their employees, whether they give back to their communities, and have sustainable and ethical business practices? Ultimately do these things actually influence behaviour, attitudes towards a company or brand, and/or stakeholder engagement?

The business world has been faced with a new awareness of CSR in recent history – accidents, corruption, considerable environmental matters and rising privacy concerns fueled by the Internet. Many of these ‘issues’ have undermined trust in brands, led to more government regulation or NGOs raising standards, and stakeholders generally just demanding ‘better’ from the companies they engage with.

Recent studies indicate that Corporate Social Responsibility does matter. The 2013 CSR RepTrak® 100 results show that, of the 55,000 consumers surveyed, 73% are willing to recommend companies perceived to be delivering on CSR. In sharp contrast, only 17% of consumers are willing to recommend a company perceived as delivering poorly on its CSR. To take this a step further, the recent Prosumer Report by Havas Worldwide states, “A majority of Prosumers have actively researched the reputation or ethics of a company in recent months. And when people find something they don’t like, they have ways of expressing their dissatisfaction: 85% of Prosumers
and 67% of the mainstream are convinced they have more power today to punish a company they perceive as behaving badly."

The digital era and rise of social media have resulted in mass transparency, with huge importance on advocacy/word of mouth. Now, more than ever, stakeholders have the ability to share perceptions and attitudes which can significantly impact businesses and brands. With infinite information at their fingertips, consumers can find out just about anything they want to know. Gone are the days where the ‘CSR box’ could be ticked simply by packaging it up as a marketing or HR initiative, defined perhaps by a couple of key programmes (recycling, food drive, carbon offset, etc). While these efforts were indeed noble and important initiatives – they looked good, sounded good and were usually the ‘right thing to do’ – CSR is about much more. Now a successful organisation will continually listen to and engage in conversations with stakeholders in order to make strategies more meaningful, achieving a connection much deeper than awareness.

Humans expect to be able to trust the brands they engage with – both the brands they work at and with, as well as the ones they use and buy. And why shouldn’t they? It’s no different to a relationship with another person. Would you decide to have a relationship with someone that you didn’t think you could trust or would deliver on his/her promises? In order to give a brand permission to play an ongoing role in their lives, stakeholders want a clear understanding of what the brand represents, including its values and goals. They need to know they have shared values and can rely on the brand. Ultimately it should have some purpose or meaning in their life.

Consumers willing to recommend companies perceived as delivering on CSR 73% delivering poorly on CSR 17%

Source: 2013 CSR RepTrak® 100 study
So, what does this mean? Here are a few things for brands to consider:

1. IT STARTS AT THE TOP

To ensure competitive advantage, CSR requires both long-term commitment and a strategic approach. It needs to be embedded deep within the organisation and its core values, touching each stakeholder group (employees, customers, partners, etc) while fulfilling social responsibilities.

2. COMMUNICATE

But remember, the best communicators listen. The winning businesses are those that are constantly asking the right questions, listening to their stakeholders, reacting and responding.

3. HUMANISE YOUR BRAND BY REMEMBERING THE ‘GOLDEN RULE’

If a relationship with a brand and a person is similar to a person-to-person relationship, then ‘treating others as you would want to be treated’ has to be best practice. While people don’t expect a brand to always ‘get it right’ (there are humans behind every brand!), they do expect brands to constantly aspire to this ideal, to be open, honest, transparent and accountable – and fix it when, and if, they ‘get it wrong’.

In case you’re still wondering whether Corporate Social Responsibility matters… The four companies perceived to have the best ‘CSR Reputation’ in the recent CSR RepTrak® 100 study – Microsoft, The Walt Disney Company, Google and BMW – are also considered to be the most reputable (overall) in the world. Bottom line, they have great reputations.

Ashley Walker
Global Marketing and Communications Director at Hall & Partners
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Denise Kaufmann has been responsible for managing CSR programmes in 13 countries around the world. She shares her views with us.

HOW DO YOU DEFINE CSR?
When CSR initiatives are at their most effective, an organisation's business objectives and strategy will be truly integrated with social and environmental advancement. This means CSR should encompass what is sold to the consumer, what a workforce strives to deliver, the values of the C-Suite in the decision making process, and tangible choices for investors.

Twenty years ago CSR was about bolting on responsible activity to an otherwise unchanged organisation. Ten years ago it was about moulding that activity so that it benefited your business’s key stakeholders. In recent years CSR has become a table stake for most companies, operating in a world where corporations, as well as governments, are expected to address prolific societal problems. A good CSR strategy then, will reduce risk, cut costs, improve productivity, boost customer loyalty and augment reputation.

WHAT MATTERS MOST?
CSR can look like a forbidding challenge. But the surprising fact is, with the right leadership and counsel, even first-class CSR is highly deliverable and can unlock incredible innovation and productivity gains. In reality, often the challenge is not leadership or short-term momentum, but the long-term commitment needed to embed CSR values at the very heart of an organisation.

WHAT WILL MATTER MOST IN THE NEXT FEW YEARS?
Over the next five years, as the economic recovery and explosion of smartphone internet connectivity continues, the conditions for volatile public outrage over company ethics will ripen. The UK horsemeat and company tax scandals were a taster of how the customer will judge companies not just by what they sell at the counter, but by their ethics and moral compass. Enlightened companies are preparing now, strengthening their approach and cultivating an appropriate culture.

Denise Kaufmann
Chief Executive Officer of Ketchum London
www.ketchum.com
A CREATIVE APPROACH

Launched in 2012 to reward creativity for social good, the D&AD White Pencil is awarded to a creative idea with the potential to effect real and positive change in the world. Tim Lindsay takes us through some of the standout entries

RECIPEACE

In a world of increasing violence, Peace One Day (along with the D&AD White Pencil competition) wanted to raise awareness for Peace Day, 21st September. This led to the creation of Recipeace, a movement that brings conflicting people together over food. It’s over food that we sit down together to settle our differences, bury the hatchet and create understanding. Recipeace raised awareness for Peace Day by generating over 3.5 million media impressions (with no media weight), thousands of tweets worldwide and, with the help of hundreds of restaurants, countless peace dinners throughout Chicago.
Agency: Leo Burnett Chicago
LIFEBUOY ‘HELP A CHILD REACH 5’

A new short film for Lifebuoy soap was made as part of a campaign aiming to promote the benefits of using soap and washing hands. Over 2 million children in the world still die each year due to easily preventable diseases like diarrhoea and pneumonia. While Lifebuoy has been teaching children healthy hand washing habits for over a decade, they set themselves the goal of making a genuine impact on saving lives of children by adopting one of the most diarrhoea-prone villages in the world. Using social media to tap into collective consciousness, they wanted people to be inspired to act and make a real difference to the lives of these children.

Agency: Lowe Lintas + Partners

Tim Lindsay
CEO at D&AD
www.dandad.org

‘HELP! I WANT TO SAVE A LIFE’

The intention was to add thousands of new names to the Marrow Donor Registry, and to completely change the way that marrow registration was done. The solution: turn a normal, everyday act into a chance to save a life. Simple marrow registry kits were put into boxes of over-the-counter Help bandages, thereby catching people while they were already bleeding. By making marrow registration part of a common occurrence, as well as part of a mass-produced consumer product, a huge new audience was reached and the method of marrow registration was reinvented.

Agency: Droga5
Alan Mitchell discusses the importance of companies getting the data relationship right with their customers.

Do you agree with these statements?

1) Data is an increasingly valuable resource and using data is a potential source of competitive advantage. Brands need strategies to exploit their data assets to the full.

2) Customers are a company’s most valuable asset. Everything we do needs to build stronger, deeper, longer-lasting relationships with our customers.

If your answer is ‘Yes’ to both, how about a third question: can we achieve 1) and 2) at the same time? Or does one have to take precedence over the other?

Of course, few companies would admit they’re sacrificing customer relationships (trust, recommendation, loyalty) on the altar of data exploitation. Yet that’s what many are doing, often unwittingly.

They’re pursuing Big Data projects that pay scant regard to privacy implications. They’re monetising data in ways which customers would be surprised – and perhaps horrified – at (even if, technically speaking, at some point in the mists of time customers gave ‘permission’).

They’re using data to do analytics, make decisions and pursue policies which don’t always put meeting customers’ interests first.
Not long ago the issue of personal data was relatively straightforward. Companies collected and used customer data, and how they did this didn’t really affect the customer relationship. There were certain rules that had to be kept to, and keeping to the rules was a technical issue for the compliance bods. It didn’t reach the realms of brand or corporate strategy.

No longer. The digital data explosion of the last decade, Facebook and other online services’ privacy policy shenanigans, Snowden, data security breaches, plus the business world’s hyperbole about Big Data, Internet of Things, Open Data and data as ‘the new oil’ have changed all that.

Every year the market research firm Ipsos Mori conducts research into what G20 consumers feel most threatened by. For the last three years, consumers’ fear that their personal data may be compromised has outstripped any other natural or man-made disaster. The last Global Threat Assessment carried out in September 2012 shows 73% of consumers expressing this concern.

As one of our clients said to us recently, there’s a growing perception among customers that they are, or could be, the victims of ‘data rape’. He added, “Our brand can’t afford to be associated with that. We have to create clear blue water between our brand and the data cowboys”.

The question is, how?

This, it turns out, is not a nice, neat and well-bounded compliance issue any more.
The entire ‘social contract’ around the collection and use of personal data in our society is being renegotiated. This renegotiation is taking place at three different levels.

The first level is underlying values, expectations and norms. Whose data is it, for example? Customers’ or companies’? What are acceptable and unacceptable data collection practices and uses? Second, what rules and policies (legislative, corporate) enshrine these values? Third, what mechanisms and processes are in place to make sure the rules and policies are actually implemented?

At Ctrl-Shift we do a lot of research into personal data services. We see an accelerating tectonic shift in consumer attitudes and expectations around personal data. If yesterday the underlying attitude was ‘tick the box and forget about it’, today customers are looking for much more: safety (not just security but safeguards against misuse); transparency (including honest, aboveboard small print); value (what return am I getting for lending you my data? Is it a fair value exchange?); and control (if I don’t like something is there anything I can do about it?).

There’s a growing consumer sentiment that “my personal data is (or should be) a personal asset. I should be able to exert control over who collects it and how it’s used. I should get a fair share in the benefits of its use. I should be able to use it to pursue my own purposes”.

Getting the data relationship right at all three levels of values, rules and tools isn’t easy. It’s already affecting brands’ fortunes at many levels, from reputation to whether or not customers are willing to share data with the brand.

The big question is this: in one, three, five years time will these sentiments be felt more strongly by more consumers, or less? If your brand isn’t already tracking the evolution of sentiments like these, perhaps it should be. Because, if the current trend continues, brands that don’t get their data relationship with their customers right might not have a relationship at all.

Alan Mitchell
Strategy Director at Ctrl-Shift
www.ctrl-shift.co.uk
The key product of the digital era is, of course, the staggering amount of information and data now available at our fingertips. This increased amount of data, however, creates a new level of complexity for us all, particularly for brands trying to extract actionable insights.

How do you decide what’s useful and what’s not? How do you cut through the volume and extract meaning? Sometimes – either for cultural or practical reasons – you may not even be aware of all the data available to you.

Every company has a unique data gathering strategy, and it’s not always important to look at everything. But the first key step to evaluating complex brand and communication strategies is having access to all the right information, together in one place, to act as a ‘nerve centre’ for integration and collaboration.

Why? In today’s world data analysis isn’t just one person’s job. Yet data often still exists in silos, perhaps even managed by protective ‘department heads’. Or it’s organised in a way that
Only 4% of companies are really good at analytics.

These companies are:

- more likely to be in the top quartile of financial performance
- more likely to execute decisions as intended
- more likely to make decisions faster

Source: Bain & Company

Actually makes it harder to distil valuable information. Forward-looking companies are integrating data into all facets of the business. They’re enabling users from across the company to explore and generate insight from data from different sources, in one place, at any time, with complete transparency.

According to a recent report by Bain & Company, only 4% of companies are really good at analytics, an elite group that puts into play the right people, tools, data and intentional focus. These companies are twice as likely to be in the top quartile of financial performance within their industry, three times more likely to execute decisions as intended, and five times more likely to make decisions faster.

At Hall & Partners, we aim to help our clients do just these things through the Hub. A data-neutral, next-generation platform, the Hub brings data together...
and encourages interest and engagement across the business. With a highly-intuitive user-experience that encourage widespread adoption, it allows users to:

» see all their important data in one place

» embed comments within the platform alongside specific views of the data

» publish summary reports for stakeholders to view on their phones, tablets and desktop PCs

The Hub enables faster and better-informed decision making.

It’s ultimately humans who need to make the decisions around what all this data actually means, and why it matters for their brands and consumers. With the Hub, we make it a lot easier for them to do so.

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THE ABILITY TO FAIL SAFELY
Justin Lyon, CEO of Simudyne, talks to Hall & Partners about using advanced computer simulation to make better marketing decisions

What is agent-based modelling?
Simudyne creates models using advanced mathematical techniques which allow us to simulate how individuals, or a segment of customers, interact together in an environment. It all sounds very complicated but it’s really very simple. We seek emergent behaviour, just like we do in reality. The other approach that we use is system dynamics, using differential equations to aggregate and report on the findings that come from the individual behaviours.

Historically, the vast majority of analysis that consultants provide to their clients could, quite bluntly, be done with paper and pencil; the ancient Egyptians would have understood it. With simulation, we’ve created the ability for marketing professionals to effectively engage in a dialogue with a computer where the computer handles the difficult maths.

What data do you need to build a simulation?
The more data you have, the more interesting the model might be. Sometimes people create models only because they have data to support it. If they don’t have the data then they don’t build the model. The famous example of this would be Alan Greenspan, former chairman of the US Federal Reserve, who built models to manage the US economy. Lacking sufficient data, he made the
assumption that people are rational. I’ve been in marketing my whole life and I can tell you that humans are not rational. Whenever I see a model that makes this assumption, I know it’s so badly flawed as to be nonsensical. And, sure enough, Greenspan drove us off a cliff.

I believe that’s why marketing firms, who have a deep understanding of humans, are at the forefront of the adoption of these technologies. They know that it’s only through these mathematical techniques that they can capture the richness of reality and use that to make better decisions.

Most people don’t have a mathematical appreciation of reality; they think simulation means a turbo-charged spreadsheet, which seems very dehumanising. But it’s essential to realise that Simudyne is bringing a radically different type of science to marketing. It’s about understanding and building high-fidelity models that are as close to reality as we can get.

How can it be applied to predicting what will matter?
It’s a cliché but Big Data is about turning data into information about what happened, where it happened and why it happened. Simulation is about turning that information into knowledge of what may happen. It you put a nice game interface on it, so that it’s fun and engaging, the more you play that environment, the more you fail safely and cheaply, and the more experience you have. You then have the wisdom to take the right action in the real world to make your preferred future happen. Before simulation, experience came at great expense depending on how often you failed and how quickly you learnt from your mistakes. Also, we tend to only learn how to navigate in the state that we’re operating in and, when the environment changes, we’re ill equipped because we’ve not failed in that space before. That’s what’s happening to some of our senior policy makers now.

Simulations are about giving you knowledge of the future and the more
you play with them, the more wisdom you have. If you're a marketing manager of a major brand, you can't experiment too much in the real world, safely. Even in test markets, things can leak out and damage the brand. But with simulations you can, for example, try out some radically different product packaging because there are literally no consequences.

Who are you building simulations for?
We're focussed on empowering marketing professionals to understand their customers very deeply. By using computers to run synthetic tests they're able to capture the richness of reality. “What if we did this marketing campaign on Twitter and Facebook, and we did some television, and it was truly kick-ass advertising. We really triggered viral WOM. What would the implications be for our customers and our brand in terms of sales? And also in terms of the impact on their ability to actually fulfil the customer demand – do they have enough staff at their call centre?”

Historically that's a very difficult form for people to model; today it's trivially easy. And it's a lot more fun. Most companies are using spreadsheets and Powerpoint – frankly if I never saw another Powerpoint in my life it would be too soon. We try to make games like the real world, so marketers can log in and they have the synthetic representations of the people they're actually marketing to, with whom they're building relationships. Ideally they're experimenting with ideas in this synthetic environment where it doesn’t matter if they get it wrong. If they make a mistake, they just hit reset.
How will simulation continue to evolve?
Our belief as a company is that all decisions of any consequence can, and should, be simulated. Should we launch this new product in this particular country? With the simulations you can not only make sure that the supply chain is working well but also achieve a deep appreciation of the likely uptake by consumers.

We develop different models to show how people will grow with a brand over time, from being completely unaware of the brand and knowing nothing about it, to becoming aware, and then interested in the brand and understanding its value proposition, to becoming convinced they want to buy. We can segment it and load in the data – whether we’re using analytics from the Hall & Partners’ Hub or directly through the firehose via Twitter – and normalise it because we’re not interested in the behaviour of a specific person but in the behaviour of large groups of people. We can then tailor messages, test those messages against the synthetic humans – the little avatars – and see how they respond. Once we’ve failed a thousand times because we keep messing it up, eventually we’ll stumble across something that seems to work really well. And we can then decide that it’s worth experimenting in the real world, and put real money behind it.

AG Lafley, the Chairman and CEO of Procter & Gamble, told me that in the past if P&G wanted to launch a new brand they’d go to Lubbock, Texas or somewhere in rural England and literally run the media, put the product on the shelf and test it. They did it in the real world and it was very expensive. Now they’re using this technology for everything from simulating the entire population to 3D glasses to look at product design.
What key implications are there for brand owners in relation to computer simulation?

It gives companies the ability to fail safely. Imagine reality is unfolding; you have a simulation that’s running in real time that’s populated by your Big Data, and you’re constantly tracking the actual numbers. Do they match your simulations? Normally when I talk to companies they have three scenarios – optimistic, pessimistic and baseline – but in reality there’s an infinite number of plausible scenarios. We’re constantly running a simulation so that if something random happens in the real world – say a product recall or a really bad customer complaint that goes viral and is causing damage to the brand – your pessimistic now looks like an optimistic scenario and you’re trying to recover!

People anchor on pessimistic/optimistic and they think the trajectory of their business will fall between that but, in reality, if something happens in the real world it could either be far worse or far better. By running the simulation it allows you to identify early warning indicators so you can take action earlier than is normally possible. It makes failure easy and cheap, so CEOs can take more risks. Every CEO is looking for the best path forward – there are numerous paths and simulation will help figure out the best one.

And what about your relationship with Hall & Partners?

So, marketing messages that resonate with a healthcare professional, for example, are very different to those that resonate with a brand manager of a major communications service provider. That’s where the collaboration with Hall & Partners is going to be so important for us. They have a deep appreciation of brands and data-driven decision-making. But they also understand creativity – the ‘soul’ of brands – and, as brand strategist, they’re best equipped on how to apply this science to brand advantage. Simudyne understand science and mathematics and are providing the tools to experts who can best use them to craft great strategies.

Justin Lyon
CEO of Simudyne
www.simudyne.com
Neuroplasticity and your mobile device

*Mobile devices change what matters to consumers, says Jim Forrest*

Our brains are amazing things, constantly adapting and reshaping. The term neuroplasticity (as defined in Wikipedia) refers to the ‘changes in neural pathways and synapses which are due to changes in behaviour, environment and neural processes’. In layperson’s terms, the brain and its structure literally change in response to what a person sees, hears, feels and thinks.

For the first time in history, the structure of the human brain is changing at a global scale, in a matter of a few short years. And this is happening due to the way we’re now interacting with technology, particularly mobile technology. From the streets of the world’s biggest cities to remote rural areas, from developed to developing markets, the mobile revolution is changing the way people process information.

Consider one well-documented behavioural change resulting from the introduction of mobile devices – the idea that today’s consumer is ‘always on’. In days past, when someone waited in line at the coffee shop, they were primarily, well … waiting. Today, they’re likely to be on their phone, checking messages, texting, playing games, connecting through social media and sometimes, maybe, even making a call.
As marketers, the first thing we think about is how this presents opportunities for a branding moment that can offer relevance and immediacy. But, if we think beyond that, let’s consider the implications of this behavioural change – in particular, what people value, and what matters to them.

Mobile technology, for example, helps kids to learn more efficiently by enabling collaboration and creating lasting experiences related to what they’re learning. An implication is that collaboration and learning through experience becomes an expectation for all of our ‘learning’ activities. Reading the news is no longer a solitary pursuit; it’s a social activity. Getting to know a brand is no longer a passive, linear process; instead, like many of our social interactions, it is a non-linear, collaborative experience.

Even in consumer research, as we try to gain the insights that matter for brands, we need to consider how people learn and communicate today. We’re starting to see a tidal shift in the way we engage people to understand what matters to them. Two methods in which consumer research is starting to engage people in ways that are consistent with their daily lives are through collaborative investigation and gaming.

We need to consider how people learn and communicate today.
COLLABORATION AND EXPERIENTIAL RESEARCH

Mobile research is all the rage. We need to access consumers on the device that they spend the most time with – and the ‘always on’ smartphone is that device. But, as Richard Owen told us in ‘Connect’, that doesn’t mean we simply take the survey we were doing ‘online’ and put a shorter version of it on a mobile device. People’s behaviour has changed due to mobile devices. That’s why at Hall & Partners, our mobile research platform is built with collaboration and experience learning in mind. It’s not about asking questions; it’s about being part of a conversation and experience that yields insights that matter.

GAMING FOR RESEARCH

Looking to the future, we see gaming as a key trend in research, even more so as people move to mobile. Researchers have talked about ‘gamefication’ of surveys for a long time but that approach still anchors you to the survey, merely trying to make it more engaging. What if instead we have people playing actual games, with the games themselves yielding insights into how people feel and make decisions? People love games on their phones. In fact, Distimo reported that a third of all app downloads are games, resulting in two thirds of total app revenue. Going beyond ‘gamefication’ and using actual games may be a way for marketers to get the insights that matter, while at the same time providing value to consumers.

There are interesting times ahead as we adjust our methods and approaches to gather the insights that matter, by engaging people in ways that matter to them.

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Ceci n’est pas une pipe
Dr Alex Gordon talks about the role of semiotics in assessing a brand’s cultural relevance

It was French sociologist, Pierre Bourdieu, who first coined the phrase ‘cultural capital’ in 1973 to refer to individuals who were able to raise their social status through other ways than simple financial muscle. Examples he gave included education, intellect, style of speech, dress and physical appearance. In other words, Bourdieu asserted that there was a range of intangible cultural assets that made the man not just the size of his wallet. Brands also have cultural capital which they gain, retain or squander at their peril. What matters is understanding how that process works. Any brand that’s culturally relevant will have strong cultural capital. But any brand that fails to retain cultural relevance will lose its cultural capital, and will lose market share and ultimately, its profits.

Semiotics is a key tool in the research armoury to understand and calibrate that intangible component of a brand so vital to its success – cultural relevance.
As is now well known, semiotics is an investigation into how meaning is created and communicated. Its origins lie in the academic study of how signs and symbols (visual and linguistic) create meaning.

The word comes from ‘semeion’, the ancient Greek for ‘sign’, and has come to be associated with visual imagery. Commercial semiotics for marketing purposes helps brands understand how to make themselves culturally relevant and thereby more meaningful to consumers. Peoples actions and thoughts – what they do automatically – are often governed by a complex set of cultural messages and conventions, and are dependent upon our ability to interpret them instinctively and instantly.

Everyone's a semiotician, because everyone’s constantly unconsciously interpreting the meaning of signs around them – traffic lights, balloons on doors, colours of flags, shapes of cars, architecture of buildings, design of cereal packaging. However, we need to understand the context in which a sign is communicated in order to comprehend its real meaning. What’s going on around the sign is usually just as important for us to know as the sign itself.

Semiotics is a key tool to ensure that intended meanings (of, for instance, a logo or piece of advertising) are unambiguously understood by the person on the receiving end. Usually there are good reasons if someone
doesn’t understand the real intention of a message and semiotics can help unravel that confusion, ensuring clarity of meaning and hence cultural relevance.

The subtle nuances and complexity of this journey are illustrated in the following example: if I suggest to you that I’d really like to eat an orange, you understand that I’m referring to an orange-coloured spherical citrus fruit. For most of us, the word ‘orange’ clearly refers to the fruit – or, in semiotic terms, we understand the relationship between the signifier (orange) and the signified (spherical orange-coloured citrus fruit). That’s an easy one for us to agree on, despite the relative sophistication of the sign system at play in that conventional linguistic structure. We’re all agreed, for instance, that the signifier ‘apple’ doesn’t have the same corresponding signified (meaning) as the signifier ‘orange’.

However, things become a little more complicated when we move on from those conventions to think about the values that many global brands want to stand for and communicate to consumers. What’s the definition of premiumness, healthiness, naturalness, joyfulness, masculinity, femininity or beauty? What imagery and
language should be chosen to represent those values, not just in a single market, but in 30 or more markets across the world? You could ask a very large number of people the same question and not get any agreement about what the signifieds/meanings of the signifier ‘beauty’ are. In this sense we’re a long way from talk of an ‘orange’!

And, of course, these aren’t just words plucked out of the air, but actual values that major global brands want to stand for. Most importantly, they want to own these values in a way that significantly differentiates them from their competitors.

In often crowded categories, the choice of the most relevant and appropriate imagery can make all the difference between a brand communicating its values and identity meaningfully and one which fails to gain consumer attention. Ultimately a brand whose imagery inspires consumers to make unconscious, culturally-relevant associations will gain category stand-out and cut-through.

In other words, the right sign can convey a great deal, which can be hugely beneficial to a brand. But, equally, the wrong sign or imagery can inflict significant damage, undermining consumer connection and reducing marketing effectiveness.

Ce n’est pas une marque
We can therefore characterise brands that have successfully grabbed, or retained market share as having considerable cultural capital. They stand for culturally-relevant values and frequently employ a brand mark or advertising campaign to communicate such relevance. Typically, for the world’s most successful brands, cultural capital resides in a logo or mark. This phenomenon is demonstrated well in Interbrand’s Best Global Brands annual assessment. In their 2013 survey, Mercedes was ranked eleventh with their logo assessed as an intangible asset worth $20 billion – far more than the tangible asset of their car manufacturing business.

So for semioticians, the consumer (at least in the West) establishes the meaning of the Mercedes brand (and similarly any other brand) through an instantaneous assimilation of the wide range of associations triggered by that brand’s cultural touchpoints. In Mercedes’ case it’s the logo, but it can also be a brand’s comms, retail space or printed collateral. This process is inevitable because we’ve been educated to interpret the cultural value of those branded symbols by many (sometimes hundreds of) years of social and cultural conventions.

So, this cultural richness creates deeper connection to the brand without us even realising it. It’s not just the products, it’s the story wrapped around them – and those multiple narratives are bound together to create and establish the cultural capital of a brand.

While the bottom line will remain king, how you get there is still up for debate. Measuring a brand’s cultural capital matters, and semiotics is the key tool in assessing the presence, or absence, of that intangible value.

Dr Alex Gordon
Founder and CEO of Sign Salad
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I love brands. They really work. For the brand owner they reduce price elasticity and store up value for future profit. For the brand user they facilitate the pathways that streamline choosing and help to create meaning in life. This reciprocity is vital to their continuing success.

Yet I see storm clouds on the horizon. Brand owners have access to data in galactic quantities and algorithms which help them to make offers aimed at individuals. Brand users are increasingly using price comparison websites and following online retailer recommendations. The Internet of Things promises to remove the human from choice in many replenishment transactions!

Brands owners fail to invest in long-term brand values, brand users buy only on offer. Spiral of despair. Brands no longer store value for their owners or confer meaning for their buyers. Reciprocity broken.

This opens an interesting opportunity for a new generation of market research. Market research has become synonymous with the questionnaire and the focus group. Market research should be taking in data from everywhere, not just the survey; this was behind the rebranding of...
research as ‘insight’ but too often it made no difference.

We need to start researching the market from all angles – the sales data, the social media noise, the economic and market conditions as well as the survey research. Most importantly, we need to wrap all of the data in a cultural context if we’re to give real meaning to the numbers and trends.

What are we looking for? I think it’s wrong to prejudge exactly what we’ll find. Certainly we should work with hypotheses, jointly generated with brand owners, which is a more efficient way of approaching large amounts of information. But different brands work in different ways and operate in different circumstances. We sometimes focus too much on change when stability would be more valuable and more efficient to achieve.

What we have to locate is what really matters to brand users; sometimes this will be a higher purpose, but it may equally be that availability or size are what really matter in a particular brand.

But we mustn’t stop at ‘the findings’. How’s the brand owner going to use the knowledge of what matters to sustain or build the brand relationship? This is part of our job too. The understanding we’ve gained in the process, and the feeling for culture and context, make us best placed to help in working out how to manage brand relationships that matter.

If a brand can show that it understands what matters to its users then it will be chosen above others, it will defend against price elasticity, and it will lodge itself (or remain) deep within the brain where decisions are made. We can re-establish the reciprocity between brand owner and brand user that means brands will continue to be valuable to both well into the future.

We can re-establish the reciprocity between brand owner and brand user

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Building relationships that MATTER
Connect with us

Wherever you are, we work there too. And we hope to hear from you. We’re ready to start a new conversation and help you build relationships that matter.

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