Dear Friends of Millward Brown,

In today’s fast-moving digital world Millward Brown continually leverages new technologies. For the past five years, we’ve published Perspectives, an annual compendium of our perspective on issues weighing on the minds of marketers around the world. In our latest issue, we’ve gone mobile with the release of our iPad magazine app, which we plan to update quarterly. If you’re reading this letter, you have already downloaded the app or the PDF from our website, and you now have the latest Millward Brown thinking at your fingertips.

When I say we leverage new technologies, I mean that on so many more fronts than just the mobile format we’re using to deliver thought leadership! You’ll see that nearly half of the articles in this edition of Perspectives touch on the role of digital and mobile channels in brand building. We hope you’ll follow us closely over the next year as we make a number of important announcements about our enhanced digital capabilities. We see 2013 as a particularly exciting year on this front.

This issue also features thinking on the fast growing BRIC markets, neuroscience, and the art and science of brand building – from the importance of brand ideals to our newly launched “Meaningfully Different” framework – and how both create financial value for brand owners.

As always, we’d love to hear from you regarding the pressing issues on your mind. Our goal is to use the collective learning and amazing talent of our teams, and our vast data assets to help you answer the big marketing questions of the day. Please do reach out to me or to any member of our extended team – Millward Brown, Dynamic Logic, Firefly Millward Brown, and MaPS – with suggestions on how we can best serve your evolving needs.

With warmest regards,

Eileen Campbell, Global Chief Executive Officer, Millward Brown
Eileen.Campbell@millwardbrown.com
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Point of View
While they are accustomed to changing the creative content of their campaigns on a regular basis, there is no automatic driver that encourages the adoption of new media channels, and marketers themselves may be disinclined to make changes. Changing established media allocations is risky; weighing the options requires time and effort. The fear of making the wrong decision can make exploration seem daunting.

But avoiding innovation carries its own risk. The world moves forward, and those who don’t advance with it will be left behind. Marketers need a way to embrace change without being swallowed up by it. How can they manage that process?

In 2011, Jonathan Mildenhall, vice president of global advertising strategy and content excellence at the Coca-Cola Company, introduced his company’s new approach to investing in creative content. Coke is implementing a model they call the “70|20|10 investment principle,” an adaptation of the established 70|20|10 protocol for apportioning resources or investment. Mildenhall explained that in its quest to double the size of its business by 2020, Coca-Cola would apportion its communications spend as follows:

- 70% would support low-risk, “bread-and-butter” content.
- 20% would be used to innovate based on what has worked in the past.
- 10% would fund high-risk content involving brand-new ideas.

We think this approach makes a lot of sense. It has worked for Google, where the company implemented it as a way to manage innovation, applying 70% of its workforce effort to core businesses, 20% to adjacent products, and 10% to highly experimental innovation for the long term.

We expect it will also work for Coke as they innovate in developing their creative content. Furthermore, we think that the application of 70|20|10 can go beyond creative content to media planning, specifically in terms of the allocation of resources to new channels such as mobile and social media. In fact, we believe so strongly in this approach that we are proposing it to our clients as the framework they can use to “change channels with confidence.”

Changing Channels with Confidence: A Structure for Innovation

New media channels are emerging all the time, and marketers are often unclear how to choose among them.
A STRUCTURED APPROACH TO INNOVATION

Amary's Law ii states that "we tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run." The adoption of a 70%|20%|10 approach is a way of counteracting both of these tendencies.

However, the 70%|20%|10 model should not be considered a strict formula. The precise allocations are not important; what is essential is that some fixed proportion of spend is regularly devoted to innovation. This practice will encourage forward thinking and experimentation in a disciplined and structured way. By using such a framework, brands can steer a safe and prosperous middle path while evolving both their media and their research budgets.

While 70%|20%|10 is new as a formal framework for media planning, some brands have already experienced great success in applying its principles. One example is Sheila's Wheels, a UK insurance brand targeted at women. When their first offering, car insurance, was launched in October 2005, the brand invested 30% of its TV budget into sponsoring drama. This was considered innovative at a time when most insurance brands focused almost exclusively on TV spot advertising. This venture helped Sheila's Wheels reach an awareness level of 75% just three months after launch, and to surpass its internal sales targets by 65% during the first year. Sheila's Wheels subsequently expanded its sponsorship allocation, and in 2008, when the company launched its home insurance product, it made sponsorship its largest platform by investing £10 million (equivalent to US$20 million) in one of British television's biggest sponsorships slots: the ITV National Weather broadcast. Thus in a short time, sponsorship became an important. 70% activity for the brand.

THE 70%|20%|10 ALLOCATION

70% – The Comfort Zone

For most brands, the 70% zone of low-risk, bread-and-butter marketing is likely to involve established channels such as TV, print, outdoor, and radio. But this will vary across categories and countries. A strong FMCG/CFG brand in the United States might use TV, outdoor, online display, and online video. A brand in a considered purchase category in Germany might use print, sports sponsorship, online search, and online display. A new service brand in Japan might use TV, event sponsorship, mobile display, and QR codes. For some brands, the 70% could also include word-of-mouth marketing.

But to say that 70% of the budget should fund communications in channels that are considered to be safe, familiar, and effective is not to say that 70% of a media budget should remain static from year to year. Based on ongoing learning and evolving brand objectives, channel composition within the 70% could vary significantly over time and from campaign to campaign.

20% – Innovating Around What Works

Innovating around media approaches that are known to be effective could include a broad range of options. It could mean taking a small risk, such as increasing your spend on a channel that seemed to work well in your 10% last year. It could mean spending behind a channel where you don’t have concrete research evidence of a return on investment. Or it could mean taking a risk in an established channel that is familiar to you, perhaps by sponsoring a sporting event for the first time when you have previously been known for associations with music festivals.

For many brands across a range of categories, social media currently falls into the 20% category. Brands have some practical experience and strongly believe in the exciting new ways social media allows them to interact with their consumers. But they still have questions about the return on their investment, and they are still learning how to create and deliver campaigns that are truly social by design.

10% – Into the Unknown

The 10% zone is the place where genuine experimentation takes place with new and emerging channels. But this risk-taking should be in line with brand and campaign objectives; iPhone apps and Pinterest pages are right for some brands, but not all.

For many brands, mobile currently falls into the 10% category. The mobile marketing landscape continues to evolve as ownership of smartphones and tablets grows rapidly around the world, and questions abound about the best ways to take advantage of these new opportunities.

Coke UK is reported to have a “mobile first” mentality in their planning process. Starting with the 10% not only ensures that 10% innovation happens; it also ensures that these projects are given due consideration and a chance to play an integral role in the overall campaign, rather than being seen as afterthoughts.
TABLE 1
70 | 20 | 10 FOR MEDIA AND RESEARCH

<table>
<thead>
<tr>
<th></th>
<th>COMFORT ZONE (70)</th>
<th>INNOVATE ON WHAT WORKS (20)</th>
<th>THE UNKNOWN (10)</th>
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<tbody>
<tr>
<td>GOALS</td>
<td>Reach target with intended messages.</td>
<td>Extend both reach and strategy.</td>
<td>See if it works!</td>
</tr>
<tr>
<td>MEDIA OUTCOMES</td>
<td></td>
<td></td>
<td>Practical learning and ideas for the future, with an occasional runaway success.</td>
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<tr>
<td>RESEARCH GOALS</td>
<td>Evaluate communication/ effectiveness of media mix.</td>
<td>Identify media impact.</td>
<td>Assess channel potential/gain ideas.</td>
</tr>
<tr>
<td>TYPE OF RESEARCH</td>
<td>Mainly established techniques.</td>
<td>Mix of newer and established techniques.</td>
<td>Brand-new approaches, trial and error.</td>
</tr>
<tr>
<td>OUTCOMES</td>
<td>Incremental optimization gains make a large absolute difference.</td>
<td>Optimize/extend use of channel.</td>
<td>Winners and losers identified (failure of campaigns is successful learning).</td>
</tr>
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</table>

THE 70|20|10 AND RESEARCH BUDGETS

Research and measurement are key drivers of innovation, so the 70|20|10 principle should be applied to the research budget as well. Table 1 summarizes the goals and outcomes for both the media and research choices within each of the three types of activity. However, as we stated at the outset, the critical element of the 70|20|10 approach is the commitment to consistently allocate resources to new channels, even if the proportions are not exactly 70|20|10. For research expenses, the proportions could vary widely, and they might not be the same as the proportions used for media. For measurement of the 10% and the 20%, you may end up “overinvesting” if research needs to be created specifically to measure the return from a new channel. To really understand how a new channel works, it may be necessary to spend as much on research as on the media itself.

However, we are not suggesting that researchers can afford to take their eyes off the 70%. Even when the media used are known to be effective, learning from research may call for incremental adjustments that will have significant effects. And there are very compelling arguments for investing in research that can help to optimize the mix across channels.

70|20|10 IN PRACTICE

When assessing how your current media budget stacks up against 70|20|10, it is important to consider all the costs involved in a particular channel. Projects in the 10% zone are likely to be relatively resource intensive even if media costs are low. Therefore, to ensure that the 70|20|10 approach is applied comprehensively and fairly across the full spectrum of paid, owned, and earned media channels, brands need to weigh all the costs associated with each channel, including not only hard media outlays but also the cost of support, production, and organizational expenses.

In large companies, experimentation may be spread across brand portfolios or markets. One sub-brand may attempt an augmented reality campaign while another builds a mobile app. In this way, improving the breadth of experimentation possible and helps speed progress in identifying the channels most likely to move from the 10% to the 20% in future years. Research budgets will likewise go further if partners can be recruited. Media agencies, media owners, and research agencies all have an interest in understanding how new channels work and might be eager to participate in joint projects.

CONCLUSION

Marketers consider channel optimization at every stage they plan new campaigns. Some are actively involved in changing their channel mix, while others leave these recommendations to their media agencies. Marketers that adopt a 70|20|10 approach will know that new channels will be given a chance to shine and that their media plans will evolve through a systematic process. By overlaying a comparable approach to research planning, companies can ensure that they extract maximum learning from this process. Marketing and insight-generation skills will evolve in parallel, and the ultimate result will be a meaningful difference in brand success.
POINT OF VIEW
The power of stories is demonstrated by the successes of BMW, and all Olympic Games, is to their fans. The stories that unfold over the course of the Games have the power to make even the most mundane events feel more meaningful. Stories make events more memorable and create a sense of awe that can only be experienced through sport. Stories can make a car feel like something more than just a vehicle; they can make a country feel like a place by the end of the first week of the Games.

By their very nature, brands are storytellers. Whether through sponsorships, advertisements, or product placements, they use the power of stories to connect with their audiences. The challenge for brands is to create stories that are not only compelling but also relevant to the Olympic ideal of "faster, higher, stronger." How can sponsors prove that their brands are relevant to the Games? How can they ensure that their stories align with the Olympic values of excellence, unity, and friendship? How can they create a lasting legacy for Britain and the world?

The ChallengE of Olympic Sponsorship:

The power to reach brand advocates through the tales, stories, and associations built up by the brand is what makes the classic brand so valuable. For many brands, Olympic sponsorship presents a unique set of challenges. First, there is the allure of being brand- and advertising-free. As many as 80,000 people were seen in the Olympic Village that had no exposure to advertising at all. Then there is the issue of sponsorship. How does a brand contribute to the overall Olympic experience? How do they "buy in" to the Olympic ideal of "faster, higher, stronger"? And how can they ensure that their stories align with the Olympic values of excellence, unity, and friendship? How can they create a lasting legacy for Britain and the world?

The brand of choice is BMW, the Official Automotive Partner for the Olympic Games. In 2012, BMW's campaign was enthusiastically received worldwide. In a stadium that was brand-and advertising-free, as many as 80,000 people were seen in the Olympic Village that had no exposure to advertising at all. BMW's campaign was perfectly aligned with the Olympic ideals. It is very easy for a sports brand to score high on functional relevance. If we consider the 2012 Olympic sponsors, Adidas was the only brand with a very obvious and direct link to sports. Adidas was very convincing, and Adidas was fortunate in being able to understand the power of stories. That's why brands work so hard to create stories that resonate with their audiences. Stories make us care. A powerful story can make us care and stay with us and inspire future generations. Stories unfold during the Olympics turn into legends that are set to leave its own lasting legacy for Britain and the world.

Companies are no doubt keen to invest in the Olympics. The Winter Olympic Games are eagerly anticipated by millions of people around the world. The Games offer a unique opportunity to reach a global audience and to build brand awareness and loyalty. But how can companies ensure that their investments pay off? How can they create stories that are not only compelling but also relevant to the Olympic ideal of "faster, higher, stronger." How can they ensure that their stories align with the Olympic values of excellence, unity, and friendship? How can they create a lasting legacy for Britain and the world?
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Invoke the story of the event and knit your brand into it. Create a relevant part for your brand, and the rewards will be great.

THE SPONSORSHIP GAMES: PLAY TO WIN

An Olympic sponsorship is a huge investment for a brand. And yet securing the sponsorship is just the beginning. Sponsorship rights are the steep entry fee you must pay for the chance to get your brand’s name on the program.

But tens of millions of dollars should buy more than just name recognition. To form meaningful and lasting associations that will build your brand, you need to dig deeper. Invoke the story of the event and knit your brand into it. Create a relevant part for your brand, and the rewards will be great: When the race is over, your brand will be embedded in the compelling stories that form the core of our Olympic memories.

Creative Storytelling: For Sponsors, an Olympic Sport
POINT OF VIEW
We must understand that more clients are using more media to communicate to more consumers in more ways. As Internet penetration grows worldwide, so do the opportunities for marketers to reach their target audience. Our estimates suggest that Internet-enabled people experience at least 40 percent more display ads. New players who enjoy lower entry costs for marketing are entering the competition. Yet, the average ad to cut through. Here the word “average” is important. Advertising that resonates with its intended target can significantly outperform weaker or random is that! How do you manage communications in such circumstances?

And we have seen the results. We have seen the impact different levels of TV clutter have had across countries. The more clutter there is, the harder it is for the average ad to stand out. Though the word “average” is already familiar in the context of Internet-based computing, it’s a certainty that brands will see this trend continue. The Cloud is the composite of all the influences that a person is exposed to that could possibly affect brand perceptions. Each individual’s Cloud consists of all the experiences, things other people have said or written in the media, and in-store behavior. Through social and search media, people have more ways to talk to each other, talk to the brand, and talk to the competitors. As my daughter would say, “How random is that!” How do you manage communications in such circumstances?

In today’s world, it’s a certainty that brands will encounter numerous uncontrolled interruptions as they try to engage and persuade people. We need to understand the impact of this clutter. In today’s world, it’s a certainty that brands will encounter numerous uncontrolled interruptions as they try to engage and persuade people. We need to understand the impact of this clutter. Clutter is the idea of a competitive or confounding message. As my daughter would say, “How random is that!” How do you manage communications in such circumstances?

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The Cloud is the computer space surrounding every person. Each individual Cloud contains all the influences that person experiences, and every person’s Cloud affects the others. Influences can affect the Cloud directly or indirectly via other influences. The Cloud is constantly in flux. Through those connections, brands can build the strong and enduring relationships that facilitate the purchase of products and services. 

In thinking about the complex infrastructure of tomorrow’s communications, we like the aforementioned metaphor of a “Cloud.” The Cloud is not the same as the computing term of the same name, but a metaphorical concept that we hope conveys an overall view from a long tail of connections—through which consumers piece together an influence stream. The Cloud consists of all the influences that person is exposed to at any time from anywhere. These influences could occur at any time and from any source, from communication activities, including digital media, to social media, to everyday, face-to-face interactions, to stories, to news, to books, and so on. The Cloud is always evolving, and its structure changes for each person, and each person’s Cloud is changing all the time. The Cloud’s components fluctuate over time as consumers piece together an influence stream. In this new way of thinking and the planning it generates, brands will be able to support the delivery of powerful and synergistic brand impressions.

CONSUMPTION PRINCIPLES FOR THE FUTURE

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Influences

Influences can come from many places in the Cloud.

- Direct involvement in a brand's marketing or other activities
- Indirect involvement in a brand's marketing or other activities
- Direct interaction with a brand's customers or other stakeholders
- Indirect interaction with a brand's customers or other stakeholders
- Direct interaction with a brand's competitors or other stakeholders
- Indirect interaction with a brand's competitors or other stakeholders
- Direct interaction with a brand's employees or other stakeholders
- Indirect interaction with a brand's employees or other stakeholders

Plan for meaningful coincidences

Sometimes people make intentional contact with a brand, as when they use a product or service, attend a seminar, or conduct an interview. These kinds of encounters are likely to be more meaningful than casual ones. It is important to plan for meaningful coincidences, such as when a person runs into a brand in the middle of a brand experience.

Experiment with different media opportunities

Identify the center of gravity

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Identify the center of gravity

In thinking about the complex infrastructure of tomorrow’s communications, we like the aforementioned metaphor of a “Cloud.” The Cloud is not the same as the computing term of the same name, but a metaphorical concept that we hope conveys an overall view from a long tail of connections—through which consumers piece together an influence stream. The Cloud consists of all the influences that person is exposed to at any time from anywhere. These influences could occur at any time and from any source, from communication activities, including digital media, to social media, to everyday, face-to-face interactions, to stories, to news, to books, and so on. The Cloud is always evolving, and its structure changes for each person, and each person’s Cloud is changing all the time. The Cloud’s components fluctuate over time as consumers piece together an influence stream. In this new way of thinking and the planning it generates, brands will be able to support the delivery of powerful and synergistic brand impressions.
Yet among the mindless white noise of modern marketing, a few brands stand out for their clarity and simplicity. Admired and prized for meaning, these truly iconic brands stand apart and make a lasting impact among their customers. They represent the gold standard of branding, the sale of which should be the ultimate goal for any brand. But for iconic brands to thrive, they must do more than just sell a product. They must also stand for something that people admire and consider meaningful.

In his book Brands Become Icons, former Oxford University professor Douglas Holt sheds light on the nature and origins of iconic brands. In that work, he asserts that iconic brands respond to a society’s desires and cultural tensions by drawing on their own unique myths and stories. However, the anecdotal nature of Holt’s approach makes his findings difficult to apply to today’s complex and busy world. Brand names are accepted as part of the scenery, these brand names don’t signify much to those who observe them.

In today’s complex and busy world, brand names are everywhere—plastered all over websites, inside subway cars, on the sides of buses, and even in public toilets. But most of the time, even though they’re iconic brands, they’re not instantly recognizable. Advertising icons such as the Pillsbury Doughboy, the GEICO Gecko, and Aleksandr Orlov (the meerkat that represents comparethemarket.com) make their brands recognizable without making them iconic. Recognition alone does not constitute iconicity. Iconic brands inspire passion and fierce loyalty. Admired and packed with meaning, these truly iconic brands stand apart and make a lasting impact among their customers. They represent the gold standard of branding, the sale of which should be the ultimate goal for any brand.

The Oxford English Dictionary defines an icon as “a person or thing regarded as representative of a quality or principle that is so outstanding as to be afforded great admiration or respect” or “a representation of that which is regarded in this way.” I believe this definition works well for iconic brands, it suggests that they represent the gold standard of branding, they also stand for something that people admire and consider meaningful.

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Meaningful marketing can also be achieved through symbols and sensory rituals. The Oreo has a characteristic appearance, but it also stands out in people’s minds for the sensory rituals they associate with eating it (twisting the wafers apart and licking the cream, dunking in milk) and the warm feelings of sharing those experiences with family and friends. The Oreo’s identity myths have become experiential and vital. For example, Red Bull was designed from the ground up to appeal to a specific mindset, and the energy drink has been marketed with unique advertising and a wide variety of comparethemarket.com) make their brands recognizable without making them iconic.

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The second of Douglas Holt’s iconic brand principles is that iconic brands develop identity myths that address people’s desires and anxieties. The Marlboro identity represents the values of the Western frontier: the open, independent, and capable. By presenting a consistent image over time, the brand has come to embody the lifestyle of the Western cowboy, which, according to Batey, is one of the constituents of brand meaning. In his book Brand Meaning, Mark Batey dedicates a lot of space to symbolism, which, according to Batey, is characteristic of iconic brands. Meaningful marketing can also be achieved through symbols and sensory rituals. The Oreo has a characteristic appearance, but it also stands out in people’s minds for the sensory rituals they associate with eating it (twisting the wafers apart and licking the cream, dunking in milk) and the warm feelings of sharing those experiences with family and friends. The Oreo’s identity myths have become experiential and vital. For example, Red Bull was designed from the ground up to appeal to a specific mindset, and the energy drink has been marketed with unique advertising and a wide variety of sensory rituals.

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A COMPELLING BRAND EXPERIENCE

An iconic brand is recognizable not because it has invested in decades of heavy marketing spend, but because it delivers a powerful brand experience that is founded in the brand's purpose. Oreo’s would not be iconic if people didn’t think they tasted good. And no matter how aesthetically pleasing Apple’s devices are, Apple would not be iconic if its user interfaces were clunky. As Holt proposes, iconic brands transcend functional benefits, but that does not mean that they have ignored functional benefits (or that they can afford to ignore them in the future). Therefore, in terms of evaluating a brand’s iconic potential, I would first look at the brand’s ability to meet a specific functional need. A brand that can meet a need or gratify a desire in a unique and meaningful way has an opportunity to build the strong emotional attachment that is the cornerstone of iconicity.

THE “PEOPLE’S CAR” THAT BECAME AN ICON

In 1933, Ferdinand Porsche was charged by German chancellor Adolf Hitler to develop a car for the masses. Critical requirements in the specs for the Volkswagen (literally, “people’s car” in German) included the ability to transport two adults and three children at 100 km/h (62 mph) and a price that would make it affordable for average working people.

First produced in 1938, the Volkswagen Type 1, later nicknamed the Beetle, became one of the most iconic vehicles of all time. The unique design was denigrated by some, but after World War II, the reliable, economical, and affordable vehicle was exactly what the impoverished people of Germany required. Those same characteristics later appealed to hippies and others who were pursuing alternative lifestyles during the 1960s. The Beetle appeared in many movies and spawned a number of other nicknames—a sure sign of a brand that’s embedded in popular culture. The 1998 reintroduction of the Beetle was successful in large part because it tapped into those positive feelings while bringing the product up to date.

THE POWER OF PURPOSE

In combination with its quirky looks, the Beetle’s ability to meet people’s transportation needs kindled the public affection that ultimately made the car an icon. Look behind the symbolism of most iconic brands and you will find someone with a vision of how a product could serve a specific need better than the existing alternatives. When a brand’s purpose or ideal resonates with a particular group of people, the brand moves one step closer to becoming iconic.

Google originated as a research project by Larry Page and Sergey Brin, an effort to find a better way to rank the relevance of search results than simply counting the appearances of a search term on a page. By redefining the way people used the web, Page and Brin addressed the need to “organize the world’s information and make it universally accessible and useful.” The intersection of the widespread need to find information quickly with the better solution offered by Google, which included a simple and uncluttered user interface, resulted in Google becoming the success it is today.

In his book Grow: How Ideals Power Growth and Profit at the World’s Greatest Companies (published in 2011), former Procter & Gamble CMO Jim Stengel describes the common feature he identified across dozens of highly successful brands: a brand ideal. A brand ideal is a purpose that goes beyond a product or service. It’s the higher-order benefit that the business provides to the world, the company’s most fundamental reason for being. Pursuing a brand ideal may not make your brand iconic, but it can be one step along that road—a step that, by offering people something that makes their lives better, will also motivate your workforce and help to ensure a healthy profit.
You can have the noblest purpose in the world but still fail to deliver against people’s expectations. Critically examine the experience your brand delivers. If your experience feels like the world’s still out to fail against your expectations, for example, environmentally responsible (“green”) brands want to ensure a better future for our planet, but all too often their functional performance fails to satisfy consumers, or their price is so high that trial is inhibited. One brand, however, stands out from other green brands in a way in which it not only delivers but leads the pack. The household cleaning brand Method packs a one-two punch: Its nontoxic and sustainable cleaners are just as effective as traditional cleaners, and Method’s unique design ethos enhances its products with packaging that is both distinctive and beautiful. These qualities could help Method become an iconic brand.

Identify the iconic elements of your brand

Icons are found universally in human culture. How do people recognize your brand? What are the specific cues that trigger recognition? Does your brand have a distinctive design ethos? Does your brand stand out from the crowd? A brand with powerful sensory cues has an intrinsic advantage over those that are just memorable for their logos and names. The world’s most iconic brands use their unique design ethos to enhance its products with packaging that is both distinctive and beautiful. These qualities could help Method become an iconic brand.

Balance the authentic with the contemporary

The power of a brand’s authentic heritage is undeniable, but so too is the power of being in sync with popular culture. One of the biggest challenges for brands is to stay contemporary without unnecessarily changing what has worked. The best brands find a way to connect their authentic heritage to what’s happening now. They are linked to the right brand. Provided the same recognition cues are found, these themes are recognized as authentic. However, when recognition cues are not found, consumers may not be able to link the brand to the heritage in its advertisements with scenes of the whiskey being made. Company-sponsored musicians and concerts that bring people together outside of the bar also reflect the spirit and backcountry myths of the brand.

Stay focused

Faced with aggressive competition, fragmented media, and ever faster feedback, brand marketers can be overly reactive. It may seem that doing something—anything—even the wrong thing—is better than doing nothing. But if you keep in mind what it is that your brand stands for, you can avoid this trap. Knowing what is truly meaningful to your customers will help you choose the right actions. By understanding the interests, desires, and beliefs of their core consumers, brands can bring people together and facilitate unprecedented levels of consumer engagement, pride, and activism. Red Bull, for example, focuses all of its events on the idea of uplifting mind and body, offering both a spectacle and an unparalleled experience that is true to the brand’s purpose. 

Build on sound foundations

Even if you never get to work on an iconic brand, as a marketer you can still apply the principles that underlie the success of iconic brands to help your own brand grow its financial value. But before you invest your time in advertising and a wide variety of adrenaline-inspired events, make sure you understand your brand’s heritage. For example, Jack Daniel’s, an integral part of today’s pop culture, features its heritage in its advertisements with scenes of the whiskey being made. Company-sponsored musicians and concerts that bring people together outside of the bar also reflect the spirit and backcountry myths of the brand.

The Red Bull energy drink has been marketed with unique advertising and a wide variety of adrenaline-inspired events. But if Jack Daniel’s, an integral part of today’s pop culture, features its heritage in its advertisements with scenes of the whiskey being made. Company-sponsored musicians and concerts that bring people together outside of the bar also reflect the spirit and backcountry myths of the brand.

Five principles for the everyday brand

Rushing iconic status is the lair of the marketing world, and the vast majority of brands won’t make it to summit. That said, critically referencing and seeking to improve your brand’s performance against the following principles can only bring benefits.

(Re)discover and stay true to your brand’s purpose

Many brands are founded and built around a specific purpose or ideal that is a major reason why they are able to motivate and engage customers. As Louis Gerstner details in his book Who Says Elephants Can’t Dance?, this is critical for a brand to turn a struggling brand around. But sometimes a company’s purpose has to change because the world around it has changed, as when 20 years ago IBM shifted its purpose from making computers and chips to building a smarter and more efficient planet. This sort of transformation requires a total commitment, as Lou Gerstner details in his book Who Says Elephants Can’t Dance? This commitment is critical in order to make changes to align structures with strategy as well as ensuring congruence between the two purposes in both internal and external communications.

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POINT OF VIEW
Social media: fans and followers are an end, not a means

The number of Facebook fans of our BrandZ study had over 16,000 fans each while airlines had barely 1,000. What’s more, fans are less than active on Facebook and Twitter compared to sites such as MySpace, where many people have over 500,000 fans. While 19.5 million people viewed the X Factor finale and 6 million voted for 'Killing in the Name', only 450,000 bought McElderry’s “The Voice” album. The effort had the authenticity borne of its grass roots. It was founded by real people: the anti-war band Rage Against the Machine. The news media picked up on the story, causing thousands of people to join the campaign; the number of fans on the RATM Facebook page exceeded 500,000 copies. While 19.5 million people (96 percent) expected to invest more time and money in social media in 2011, however, only a quarter (23 percent) said they were confident about the returns they get on these investments.

The purpose of social media campaigns is likely to prove just as ill-advised and imprudent. In other words, I think this uncertainty is warranted. Those who manage brands should learn from those who fail before they fail. I believe that the race to utilize social media channels is representative of the same sort of irrational exuberance that led the stock market to unprecedented heights and allowed people to have faith in incomprehensible financial instruments. For many brands, large-scale investment in social media campaigns is likely to prove just as all-achievable and insignificant. In other words, I think we may be looking at a social media bubble.

The characteristics of successful Facebook brands

I defined a successful Facebook brand as one that satisfied with their brand choices. My first observation was that the five different product categories attracted very different numbers of fans. In the soft drink sector, where the number of Facebook fans doubled but overall social media fans increased, consumption of the same product categories.

Websites and the media: people are looking for a sense of connectedness and belonging, for an entertaining diversion, and for a sense of control

Social media fans are for an entertaining diversion, and for a sense of control

I believe this is directly related to the number of people who are active with social media. The number of Facebook fans and the level of satisfaction with brands in a category also seemed to correspond with the number of fans the category attracted. On average, 27 percent of Facebook fans followed the social media—can Facebook or Twitter empower a consumer brand in a constructive way as well as they can give voice to social outrage? When the financial bubble that reached its peak in March 2001 burst, the economy dropped dramatically, blog readership increased, and a new phenomenon called Twitter exploded onto the scene. People are looking for a sense of connectedness and belonging—reach the top of the UK music charts. The campaign was started by bartender-and-wife team Jon and Tracy Morter as a protest against X Factor's pre-Christmas (ATM). The news media picked up on the story, causing thousands of people to join the campaign; the number of fans on the RATM Facebook page exceeded
My next observation was that in most categories, one or two brands attracted the lion’s share of fans. Those brands are not necessarily the biggest or the oldest, but rather the ones with a distinctive positioning that sets them apart from competitors. For example, in the case of domestic U.S. airlines, Southwest is the dominant brand, followed by Virgin America, a newcomer to the United States. I believe that Virgin’s commitment to excellent service and customer satisfaction and its obvious commitment to using social media are what enabled it to draw more fans than American Airlines, United, or Delta.

My final observation was that the playing field did not appear to be level for brands competing on Facebook. It seemed easier for some brands to gain traction simply due to their product category and their positioning. But there is an even larger obstacle to be overcome by many brands. Brands that are already leg and successful start with a major advantage in social media. Using the Millward Brown Brand Pyramid, I compared the composite brand equity of the two groups of brands (see Figure 1). The successful social media brands started with 50 percent more Presence (familiarity with what the brand stands for) and finished with five times as much Bonding (the strongest measure of attitudinal loyalty). They had an average of 1.6 million fans each, while the other brands had an average of just 140,000 fans each. So the more loyal customers you have, the more fans you tend to have on Facebook.

Figure 1

Social media: fans and followers are an end, not a means

Successful social media brands tend to be stronger brands

It is the big brands that get the most out of Facebook. The more loyal customers you have, the more fans you tend to have on Facebook.

MASS EXPOSURE IS AN IMPORTANT CATALYST TO SOCIAL MEDIA SUCCESS

One final element must be considered by brands thinking of marketing through social media: the need for mass media coverage. Most notable social media campaigns have relied on the mass media to gain critical momentum. Analysis of Twitter by HP’s Data Central finds that mainstream media outlets act as feeders of the most popular trends, and regular Twitter users then act as trend amplifiers. The Rage Against the Machine campaign would likely have languished unnoticed by the vast majority of people if the traditional media had not picked it up and publicized it. The same is true of some of the classics of viral marketing. Burger King’s “Subservient Chicken” benefited from widespread media support, and Dove’s “Evolution” was boosted by a strong PR campaign. On its own, Twitter did not kill the News of the World, but it did help create enough noise to pressure advertisers into pulling their support from the paper.

Integration of mass media and social media helps transcend the disparate personal connections that drive social media in order to achieve mass critical mass. In 2010, themortel AlexaKontsevleva was created to star in a TV campaign for the UK financial comparison site comparethemarket.com. As of August 2011, AlexaKontsevleva had close to 800,000 fans on the Facebook page that was created as part of the ad campaign. The combination of tightly integrated online and offline marketing heightened interest in the brand, drove traffic to comparethemarket.com, and increased quotes by 45 percent compared to the previous year.

BEYOND FACEBOOK

While Facebook is the biggest social media network, it is not a homogeneous community, nor is it the only channel through which brands can connect with consumers. In fact, Millward Brown identifies eight different types of social media: pure plays, blogs, syndication, peer-to-peer (P2P), wikis and collaboratives, open source, tagging and rating, and consumer reviews. Each type serves different purposes and audiences. Among the pure-play vehicles, a low-reach, high-engagement medium such as Twitter offers the chance to make that all-important ongoing and personal connection.

But Twitter users aren’t using the channel to be informed about brands. They are using it because they want to hear from people. Brands with social media savvy know this and often designate a lead tweeter to represent the company and engage people. Tony Hsieh, the CEO of online shoe retailer Zappos, is the archetypal corporate tweeter. With his tweets, which cover a wide range of subject matter—from getting kids to eat vegetables to entrepreneurship to the secret of living the good life—he engages people and gives them a sense of personal connection with Zappos.
FANS AND FOLLOWERS HAVE THEIR OWN AGENDAS

Dynamic Logic’s AdReaction 2009 study found that while 59 percent of Internet users are actively engaged with social networking sites, only 13 percent of those social media users actively follow or keep up with brands via social networks. Those that do follow brands do so in an average of three categories, and they do so to gain access to information, discounts, and giveaways.

Integration of mass media and social media helps transcend the disparate personal connections that drive social media in order to achieve critical mass

This presents a challenge for a brand. To pander to a small percentage of your target with discounts and added-value giveaways can undermine your brand’s status and profitability; what you should focus on is engaging people with new information and ideas that improve the customer experience.

BUILD A STRONG BRAND AND FANS WILL FOLLOW

Because people use social media to connect with people and brands that they know, respect, and admire, the social media make a great channel for engaging existing customers. But fans and followers are not a means to building a brand; rather, they are an end. Social media can’t help build brands without the other ingredients that make brands strong: an effective business model, a great brand experience, clarity of positioning, and the ability to disrupt the status quo in a product category.

As I stated in my Point of View “Make Friends, Don’t Pitch Them,” creating a strong presence in social media is a good vehicle for confirming a brand’s benefits and validating its commitment to its users. However, any marketers still considering how to construct a social media strategy that will build buzz, saliency, and a deeper engagement with loyal brand advocates would do well to ask themselves the following questions:

Integration of mass media and social media helps transcend the disparate personal connections that drive social media in order to achieve critical mass

Whatever your chosen strategy is, remember: There is no substitute for creativity and consistency. Find an idea that will resonate with your target audience and is in keeping with your brand’s positioning. Promote what you do widely, in whatever ways are most appropriate. Then listen to the response and respond in turn.

**Do people care enough about my brand and category to engage with it? If not, maybe social media is not a priority for you.**

**What types of social media sites offer the most potential? What would be the best bet—a pure play or a blog? An active presence on multiple sites might be necessary to engage even a small proportion of existing customers.**

**What value can your brand offer beyond freebies and discounts? Games, puzzles, and competitions were popular means to engage people with brands long before the advent of social media. Remember: While social media may be a new communication channel, the motivations, interests, and desires of the people who use it are not new, but the same as they have always been.**

**How do you sustain the initial engagement beyond a simple sign of affinity? Even large, successful brands must continually find new ways to engage fans that are consistent with their basic appeal; otherwise the novelty of “fandom” will quickly wear off. The research conducted with the World Federation of Advertisers found trust and transparency to be important to ongoing engagement, while variation, innovation, and a reasonable frequency of posting keep fans coming back for more.**

Whatever your chosen strategy is, remember: There is no substitute for creativity and consistency. Find an idea that will resonate with your target audience and is in keeping with your brand’s positioning. Promote what you do widely, in whatever ways are most appropriate. Then listen to the response and respond in turn.
Why Brand Personality Matters: Aligning Your Brand to Cultural Drivers of Success

For many years, researchers have been using the concept of brand personality to help marketers understand how they relate to consumers. More recently, using data from WPP's BrandZ study, we have looked at brand personality from a cross-cultural perspective and demonstrated that there is a relationship between the way brands express themselves and the cultural values and beliefs of the consumer relationship they generate.

We combined key outputs of BrandZ and CharacterZ to derive a set of brand archetypes. From these archetypes, we identified 10 dominant brand archetypes across local and global campaigns.

In Taiwan, being too straightforward can negatively affect Bonding, but straightforwardness is appreciated by consumers. Table 1 shows the countries for which each of these traits is positively correlated with the success of a brand. Marketers must take heed of these findings and use them to align their brand to cultural values and beliefs.

BrandZ, one of the key measures of a brand's strength, is the highest level of attitudinal loyalty; when people are bonded to a brand, they feel the brand is closer, more meaningfully different, and hence more valuable to them. When we correlated Bonding with our set of brand personality attributes, we found a range of significant results—from high positive correlations to surprisingly negative correlations that associated personality traits with weakness rather than strength.

We found that a brand's personality can be seen as differentially appreciated by consumers. Some global brands are characterized differently in different parts of the world. In India, Russia, and Korea, Seductress, but in Australia it is a Joker, and in Japan, a Dreamer. This discrepancy highlights the many factors that define a brand's personality. Not only do consumers draw on their own experiences, traditions, and circumstances, but they also perceive personality traits through the lens of cultural values and beliefs. Develop a brand's positioning that pays attention to the personalities that brands project; few characters have the power to transcend all cultures.

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which C of emphasis that are most important to you.

Consider the culture in your product category and country of origin, the following recommendations apply:

- Power Distance: The degree to which members of a society accept and expect that power is distributed unequally. Russia is high (very given to hierarchy) to low.
- Individualism: The degree to which societies believe people should be free to pursue their own interests without interference from others. Mexico is individualistic (freedom to do as one wishes) to collectivist (strong ties), and China is collectivistic.
- Masculinity: The degree to which society emphasizes the value of assertiveness (strongly masculine), femininity, and traditional gender roles for men and women. Japan is high (strong masculine) to low.
- Uncertainty Avoidance: The extent to which a society feels comfortable and fails or succeeds. Europe is high (low tolerance for uncertainty) to low (comfortable with uncertainty). Latin America and Asia are very high and low respectively.
- Long-term Orientation: The degree to which a society believes that both long and short-term goals are important, and those that are long-term are most important. Russia is high and China is low.

In the UK, there is an emphasis on individuality, achievement, and respect for equality (measured by the low Power Distance score), so both strong and assertive brands are successful. The UK is also high in Assertiveness, so both strong and assertive brands are also successful.

Table 2: Suggested Dimensions for Russia, China, and the UK

<table>
<thead>
<tr>
<th>Country</th>
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<th>Masculinity</th>
<th>Uncertainty Avoidance</th>
<th>Long-term Orientation</th>
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<tbody>
<tr>
<td>Russia</td>
<td>Low</td>
<td>Collectivist</td>
<td>High</td>
<td>High</td>
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<tr>
<td>China</td>
<td>High</td>
<td>Individualist</td>
<td>Low</td>
<td>Low</td>
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<tr>
<td>UK</td>
<td>Low</td>
<td>Individualist</td>
<td>Low</td>
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**Implications for Global Marketing**

In global markets, understanding the cultural dimensions of your target countries can help ensure that your strategy and communication is perceived correctly. For example, in China, the culture is characterized by collectivism, where success is measured by how well the group is served and how the group benefits. Cultures with high Uncertainty Avoidance tend to have less tolerance for ambiguity, while those with low Uncertainty Avoidance are more comfortable with uncertainty.

In the UK, where there is an emphasis on individuality, achievement, and respect for equality (measured by the low Power Distance score), both strong and assertive brands are successful. The UK is also high in Assertiveness, so both strong and assertive brands are also successful.

**Brand Personality Matters**

Brands are not just products; they are symbols that represent values and emotions. They become part of the consumer’s cultural identity and are used to build a connection with the consumer.

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**Implications for Global Marketing**

In global markets, understanding the cultural dimensions of your target countries can help ensure that your strategy and communication is perceived correctly. For example, in China, the culture is characterized by collectivism, where success is measured by how well the group is served and how the group benefits. Cultures with high Uncertainty Avoidance tend to have less tolerance for ambiguity, while those with low Uncertainty Avoidance are more comfortable with uncertainty.

In the UK, where there is an emphasis on individuality, achievement, and respect for equality (measured by the low Power Distance score), both strong and assertive brands are successful. The UK is also high in Assertiveness, so both strong and assertive brands are also successful.

**Brand Personality Matters**

Brands are not just products; they are symbols that represent values and emotions. They become part of the consumer’s cultural identity and are used to build a connection with the consumer.

<table>
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POINT OF VIEW
While they are growing and succeeding, Chinese consumer brands face a different environment outside of China. For example, Chinese brands need to clearly increase their levels of awareness and penetration. But beyond that, to actually achieve profitable growth, Chinese brands need to provide consumers with an experience that is meaningfully different.

Table 1: The China Top 50 – Top 10 Brands

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand Name</th>
<th>2011 Value $</th>
<th>% Change</th>
<th>Brand Value 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tencent Internet Service Portal</td>
<td>$12,624</td>
<td>+67%</td>
<td>$7,556</td>
</tr>
<tr>
<td>2</td>
<td>ICBC Financial</td>
<td>$43,910</td>
<td>+15%</td>
<td>$37,794</td>
</tr>
<tr>
<td>3</td>
<td>China Construction Bank</td>
<td>$21,981</td>
<td>+1%</td>
<td>$21,763</td>
</tr>
<tr>
<td>4</td>
<td>Baidu Search Engine</td>
<td>$16,256</td>
<td>+67%</td>
<td>$9,591</td>
</tr>
<tr>
<td>5</td>
<td>Sina Portals/E-Commerce</td>
<td>$16,256</td>
<td>+67%</td>
<td>$9,591</td>
</tr>
<tr>
<td>6</td>
<td>Wu Lian Ye Alcohol</td>
<td>$4,037</td>
<td>65%</td>
<td>$2,456</td>
</tr>
<tr>
<td>7</td>
<td>ChangYu Alcohol</td>
<td>$3,223</td>
<td>77%</td>
<td>$1,830</td>
</tr>
<tr>
<td>8</td>
<td>Mengniu Food &amp; Dairy</td>
<td>$3,446</td>
<td>66%</td>
<td>$2,046</td>
</tr>
<tr>
<td>9</td>
<td>PetroChina Oli &amp; Gas</td>
<td>$13,755</td>
<td>-3%</td>
<td>$14,125</td>
</tr>
<tr>
<td>10</td>
<td>Sinopec Oil &amp; Gas</td>
<td>$13,791</td>
<td>0%</td>
<td>$13,791</td>
</tr>
</tbody>
</table>

In contrast to the top 10 brands overall, the Top 10 Risers include three alcohol brands, two herbal remedy producers, a manufacturer of air conditioners, two Internet brands, and a manufacturer of cooking oil. The biggest increase in value—nearly as large as the combined values of the bottom 12 brands in the ranking—occurred with the Top 10 Risers. Search portal Sina Portals/E-Commerce—up $6.5 billion over the past 12 months—led the pack. The fastest-growing brands come from categories that have benefited from increases in discretionary spending, particularly alcohol, entertainment, and food brands.

Table 2: China’s Top 50 – Top 10 Risers

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<tr>
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<td>3</td>
<td>Moutai Alcohol</td>
<td>$9,129</td>
<td>58%</td>
<td>$6,013</td>
</tr>
<tr>
<td>4</td>
<td>Yunnan Baiyao Pharma</td>
<td>$1,897</td>
<td>49%</td>
<td>$1,285</td>
</tr>
<tr>
<td>5</td>
<td>Gree Air Conditioning</td>
<td>$1,632</td>
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<td>9</td>
<td>Tong Ren Tang Pharma</td>
<td>$1,026</td>
<td>89%</td>
<td>$537</td>
</tr>
<tr>
<td>10</td>
<td>Fulinmen Cooking Oil</td>
<td>$380</td>
<td>138%</td>
<td>$162</td>
</tr>
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</table>

While some HIV/AIDS research has shown that exercise can help reduce the risk of cognitive decline, further investigation is needed to determine the relationship between exercise and cognitive function. Additionally, more research is needed to understand the mechanisms by which exercise improves cognitive function and to develop effective interventions for improving cognitive function in older adults.

There are several potential mechanisms through which exercise may improve cognitive function. First, exercise can increase blood flow to the brain, providing more oxygen and nutrients to the neurons. This may help to improve the function of the brain and enhance cognitive performance. Second, exercise can increase the production of neurotrophic factors, which are proteins that promote the growth and survival of neurons. These factors may help to improve cognitive function by stimulating the growth of new neurons. Finally, exercise can help to reduce stress and improve mood, which may also contribute to improved cognitive function.

In conclusion, while exercise is widely believed to be beneficial for cognitive function, further research is needed to understand the specific mechanisms through which exercise improves cognitive function and to develop effective interventions for improving cognitive function in older adults.
OUTSIDE OF CHINA: CHINESE BRANDS LACK ROOTS

Though they have made great strides in China, most Chinese brands are still relatively unknown outside of China. Across the Top 50, foreign earnings average less than 5 percent. Millward Brown’s “Going Global” study helps to put those earnings figures into perspective. The staggering finding from that project, which investigated knowledge of Chinese brands in several key markets outside of China (including India, Malaysia, Australia, South Africa, the UK, and the United States), was that, overall, 83 percent of respondents could not name a single Chinese brand.

Among the few brands that did have name recognition was PC maker Lenovo, unusual among Chinese brands in that 50 percent of its sales come from abroad. Another relatively well-known Chinese brand was the appliance maker Haier. Respondents also had some knowledge of Tsingtao beer and Li-Ning, the sports shoes and apparel brand.

So it seems that the first challenge facing China’s brands as they venture into global territory is to gain familiarity. However, to compete effectively against established brands in well-developed markets, they also need to establish a meaningful point of difference.

HOW DIFFERENCE DRIVES VALUE GROWTH

Analysis of the BrandZ database, both in China and elsewhere, confirms that those brands that offer a meaningful difference are the ones most likely to achieve profitable growth. Offering an experience that is meaningfully different can enable a brand to support a price premium or to capture a higher proportion of sales at a price that is on par with the market.

Figure 2 shows an analysis that relates people’s perceptions of the qualities of “meaning” and “difference” to brand contribution scores. In BrandZ, we measure difference directly, with the attribute “different than others.” We captured the concept of meaning through a combination of the attributes “high opinion” and “appeal.” We took the 1,172 Chinese brands measured by BrandZ from 2008 to 2011, split the brands into three groups (according to tertiles) on both difference and our composite measure of meaning, and then calculated the average brand contribution scores for each of the resulting nine groups.

The three red boxes in the upper right contain the indexes for brands that score high on difference or meaning or both. Not even the brands in the top third on difference had relatively low brand contribution scores when they scored in the lowest third on meaning, indexing at 85.

Conversely, being in the bottom third of brands on either or both dimensions leads to significantly lower scores on brand contribution. The group that is low on both has an index of 55. Note that even the brands in the top third on difference had relatively low brand contribution scores when they scored in the lowest third on meaning, indexing at 85.

Figure 3 shows the analysis that relates people’s perceptions of the qualities of “meaning” and “difference” to brand contribution scores.
When we narrow our focus from all Chinese brands to the China Top 50, we see another example of Chinese brands moving in the right direction. The average brand contribution score for the China Top 50 improved from 118 in 2010 to 124 in 2011. This narrows the gap between the China Top 50 and the Global Top 100, for which the average brand contribution score in 2011 was 129.

Another difference we observe between the China Top 50 and the Global Top 100 is in the distribution of brands across the nine boxes. Only half the China Top 50 brands appear in one of the three upper-right-hand (red) boxes, compared to 70 percent of the Global Top 100 most valuable brands. So even though Chinese brands have made great gains, they can still improve on creating differentiation and meaning.

SOME MEANINGFULLY DIFFERENT CHINA SUCCESS STORIES

A meaningful difference is one that is considered to be important—one that provides a brand with a meaning that is likely to influence brand choice. As Nigel Hollis said in his January 2012 POV “Not Just Different but Meaningfully Different,” brand meaning can originate from many different sources: heritage, function, style, and price are a few of the possibilities. Therefore, a meaningful difference might be a tangible product-oriented quality, or it might be an intangible emotional benefit. Whether its tangible or intangible, a meaningful difference is a difference that is significant and influential.

Some of the brands in the China Top 50, most notably those among the Top 10 Risers, have done a great job of establishing a meaningful difference and should provide inspiration to other developing Chinese brands. Sina (No. 25 overall, No. 1 among the Top 10 Risers) has distinguished itself through innovation by creating a micro-blogging site, Sina Weibo. With 227 million users posting 86 million messages each day, Sina Weibo offers something unique and valuable to consumers and has helped rejuvenate the Sina brand.

Heritage can be another key differentiator, and Chinese brands have a rich and unique tradition on which to draw. Tong Ren Tang (No. 36 overall, No. 3 among top risers) is a traditional Chinese medicine manufacturer that was established over 340 years ago. Herbal remedy producer Yunnan Baiyao (26/10) leverages Chinese medicine by incorporating the ancient baiyao powder, which stops bleeding, into modern products such as toothpaste, bandages, and skin-care creams.

Trust is a critical issue, particularly for food brands, because of a number of quality issues and scandals in recent decades. Both Fulinmen (47/2), the leading cooking oil and rice producer, and Mengniu (18/6), a maker of dairy products, have benefitted from clear communication of their healthy provenance. Fulinmen has projected the caring and protective image of a wise mother, while Mengniu has connected the consumption of dairy products with the strength of the Chinese people.

Looking forward, the BrandZ™ China Top 50 brands 2011, collectively worth US$325 billion at the time of the study, testified to the fact that strong branding is the result of providing a great product experience and developing a trusted relationship with customers. But even though Chinese brands have made remarkable progress over the past 10 years, they have more work to do if they are to compete effectively in global markets. They must increase their strength in their home market by continuing to build perceptions of meaningful difference in the face of increased competition from multinational brands. Outside of China, they need to raise awareness and communicate their meaningful difference at the same time, and in so doing they must take into account the varying mindsets and attitudes toward brands that exist in other countries. A one-size-fits-all marketing plan will not be effective. However, the China Top 50 ranking showcases a number of Chinese brands that are acquiring and honing the skills that will make them successful overseas.
You may have some trinket or memento on your desk as well—something that doesn’t have any practical purpose and appears insignificant to others, but is meaningful to you. Your unique history with the object makes it special.

I think the fact that we can form such attachments with relatively inconsequential objects illustrates a too-often-overlooked concept that is important for brands and brand marketing: the concept of meaningful difference. A presentation I saw recently, created by the agency BBH, also focuses on the concept of difference. The presentation proclaimed that the “classic” communications model, in which communication that is relevant, different, and motivating leads to behavioral change, has given way to the “insight” model, in which changes in behavior are effected by communication that is simply relevant and motivating.

“We have forgotten the power of difference,” BBH asserted. I am afraid that they are right—and that this amnesia applies to both communication and branding. Many marketers today value relevance to the exclusion of difference—and to the detriment of their brands. Yet those who first demoted “difference” from its place of honor in communications may have done so for the right reasons. They may have realized that being different for the sake of being different was of little value. But the mistake they made was to throw out difference altogether and switch their emphasis to relevance. Successful brands are both relevant and different—but they are also more than that. Successful brands are meaningfully different.

So what’s a meaningful difference? I think of it this way. We humans find it impossible to judge anything in isolation. We tend to compare things to very close alternatives. A difference, a factor that distinguishes one item from another, gets our attention. And while a difference may be apparent to most people, it won’t seem important to everyone. A meaningful difference is one that is considered to be important—one that provides a brand with a meaning that is likely to have an influence on a person’s brand choice.

Meaning can originate from a multitude of sources. It could come from your personal history with a brand; for example, you might use the same brand of detergent that your mother used. Or it could come from functional characteristics; you might really like the intuitive interface of that tablet computer. You might be attached to your car because you think it looks hot or because it is economical and saves you money. Or a brand’s meaning for you might simply be that it is familiar when others are not. Meaning can be functional and tangible or emotional and intangible or all of the above. Meaning is in the eye of the beholder.

For many years, a smooth green stone has sat on my desk. It’s a piece of serpentine that I was given when, as a small child, I visited an artist’s workshop in Scotland. Truthfully, it’s a pretty unremarkable rock, and I doubt that anyone else would find it interesting. But it means something to me.

Many marketers today value relevance to the exclusion of difference—and to the detriment of their brands.
THE VALUE OF MEANINGFUL DIFFERENCE
Relevance is important. Millward Brown's BrandDynamics™ equity model shows that those who find a brand relevant—that is, who admit that the brand offers something they want or need at an acceptable price—are four times more likely to purchase it than those who don't. But because, on average, across a range of categories, people find as many as six brands to be relevant, they still need additional reasons to choose among them.

When people go beyond relevance to "bond" with a brand ("bonding" is the strongest degree of consumer affinity defined by BrandDynamics), they believe that the brand satisfies their needs better than others in the category. People who bond with a brand are over five times as likely to buy the brand as those who simply consider it relevant. When people say that an ad has made them more mindful of a brand—that it is different, that it is more appealing than others, and that they have a higher opinion of it—tend to have the highest predicted probability of purchase. In other words, they consider the brand to be different in a "good" or meaningful way. The three same attributes are an integral part of Voltage 2.0, a metric that has been proven to relate to both a brand's ability to command a price premium and the likelihood of future growth in market share.

WHAT CAN SOMETHING SO SMALL BE SO IMPORTANT?
In my recent point of view "It's Not a Choice: Brands Should Seek Differentiation and Distinctiveness," I cited a statistic from our BrandZ database about "difference." I said, "Among those that consider a brand acceptable, an average of 18 percent agreed that it was different from others . . . (Note: At this level, 'different from others' is one of the most discriminating attributes within our data set.)"

Several people have commented that an average of 18 percent does not seem very high. And it's unfortunately true that one of the heuristics by which we operate as humans is that big numbers seem more important than small ones. But actually, the fact that the majority of brands are not considered to be very different from each other makes "different" a very discriminating element. "Different" is not a generic, applies-to-every-brand-in-the-category characteristic that sets the brand apart and gives it the ability to attract new buyers while commanding a price premium.

WHAT IS A MEANINGFUL DIFFERENCE?
What really constitutes a meaningful difference, especially in developed markets where most brands are functionally equivalent? As I said earlier, a meaningful difference is one that is significant and influential. It might be a tangible product-oriented difference, or it might be an emotional and intangible difference that may seem trivial to some, but critical to others, for add that extra something that makes them choose that brand over others. A brand like Coca-Cola is unlikely to change its formulation, particularly that really constitutes a meaningful difference, especially in developed markets where most brands are functionally equivalent. It might be a tangible product-oriented difference, or it might be an emotional and intangible difference that may seem trivial to some, but critical to others, for add that extra something that makes them choose that brand over others.

This points up the roles that "difference" and "relevance" play in determining people's conscious responses to advertising. Perceived relevance is a fundamental factor in determining whether or not people find an advertisement persuasive, but it is not the only one. When people say that an ad has made them more likely to buy a brand, they are also likely to say that the message was relevant, new, credible, and different. Newness—that is, new news—is important in changing people's minds about a brand, while credibility and difference boost an ad's motivational potential.
It is when a meaningful difference is conveyed and delivered in a way that resonates with consumers that attitudes and behaviors can be affected.

MEANINGFUL DIFFERENCE IS ONGOING, NOT ONE-OFF

An intangible difference is not in advertising memories. It can be enough to get someone to try a brand. But to finish the job of winning over a new user, a brand has to deliver a rewarding experience. A positive experience will confirm the user’s belief in the brand’s unique value, perhaps to the extent of supporting a higher-than-average price.

In the absence of a meaningful difference, the cheapest brand may be regarded as the best choice. Lack of differentiation turns brands into commodities and consumer interest and fuel demand for a brand, even when that brand carries a significant price premium. In today’s complex, confusing, and increasingly impersonal world, people cherish meaning wherever they find it, whether it’s added significance onto them. Some of that added significance may be quite tangential to what originally motivated our interest in the brand, but it’s likely to be important to us nevertheless, just as the meaning that has accrued to my lump of serpentine over the years is important to me. So one of the most critical things a marketer can do is to continue to add meaning to a brand over time through events, sponsorships, and compelling communication. It is when a meaningful difference is conveyed and delivered in a way that resonates with consumers that attitudes and behaviors can be affected.

MEANING, NOT RELEVANCE, IS THE DIFFERENCE-MAKER

When we study today’s most profitable and successful brands, the importance of meaningful difference becomes obvious. The world’s strongest brands are not the ones that are most relevant. On the contrary, the most successful brands don’t try to be all things to all people. Apple’s MacBook and iMac are not just different but meaningfully different. Burberry and Tiffany have both delisted cheaper items that were attracting the “wrong” type of customer. And sometimes customers make their own choices. Not everyone wants to shop at Walmart.

Relevance, on its own, is not a difference-maker. It’s necessary but not sufficient for brand success. Relevance alone won’t motivate purchase, especially when consumers command.

In some categories, like salty snacks, carbonated soft drinks, and confectionary, it may be enough for a brand to be perceived as fresh and new. But in other markets are still relatively small, held in check by the price premium Apple commands. But Apple sits near the top of the Brand Top 100 Most Valuable Brands. Society tends to buy from brands that they like computers, insurance, and airlines, marketing communication will need to provide a more coherent story of why a brand is different and better, if only to reassure people that they are making a good choice.

In the absence of a meaningful difference, the cheapest brand may be regarded as the best choice. Lack of differentiation turns brands into commodities and successful brands don’t try to be all things to all people. Apple’s MacBook and iMac are not just different but meaningfully different. Burberry and Tiffany have both delisted cheaper items that were attracting the “wrong” type of customer. And sometimes customers make their own choices. Not everyone wants to shop at Walmart.
Even people who might normally tune out a full-page ad in a magazine, or a space ad in a newspaper, can be deeply engaged by a powerful message, especially one that is personally relevant to them. Research has shown that an ad that features a piece of personal information about the viewer can transform that viewer into someone who will act on the message.

The characteristics of the medium vehicle used to deliver a message can change the way people respond to the message itself. A broadcast can turn down just about any creative at the last minute; a newspaper is different; a movie is more flexible; an ad in a magazine can be an integrated part of an overall strategic plan; the message is possible to be far more personal, different, and emotionally impactful. And therefore, create a plan an important role in making communications memorable.

DRIVING EFFECTIVENESS THROUGH MEDIA

Most media plans are specifically designed to deliver brand communications, and often will fail to deliver the right people at the right time. The characteristics of the medium vehicle can affect how much attention the message gets, and whether the message is relevant, different, and emotionally impactful. On the other hand, create a plan an important role in making communications memorable.

On-air advertising

Research has shown that the ability of a message to make a difference in people's lives—different patterns of channel performance. In a recent study, online video had the greatest impact on one group, while cinema had more effect on another. This is because different media perform with different groups. Among groups of people who are more or less predisposed to a brand or category, we usually observe different patterns of channel performance. Our CrossMedia research has confirmed the value of understanding in detail how different media perform with different groups. Among groups of people who are more or less predisposed to a brand or category, we usually observe different patterns of channel performance. Our CrossMedia research has confirmed the value of understanding in detail how different media perform with different groups.

The success of marketing communication is judged on a variety of factors, and one of the fundamental criteria is that people remember the ideas conveyed. So much is obvious. But assuming that a brand has an appropriate target audience and a creative execution that is powerful, different, and emotionally impactful; it is not necessarily so simple. Many people assume that the first three qualities—relevance, difference, and emotional impact—are enough; but this is not really so simple. So much is obvious. But assuming that a brand has an appropriate target audience and a creative execution that is powerful, different, and emotionally impactful; it is not necessarily so simple. Many people assume that the first three qualities—relevance, difference, and emotional impact—are enough; but this is not really so simple.

Media effectiveness across groups

Different media can influence different target audience in different ways. A still photo of a product in a magazine can transform that viewer into someone who will act on the message. On-air advertising

Frequently, the medium vehicle used to deliver a message can deeply engage the viewer. And in the digital arena, Dove's viral video "Evolution," didn't need a TV campaign. And in the digital arena, Dove's viral video "Evolution," didn't need a TV campaign. So much is obvious. But assuming that a brand has an appropriate target audience and a creative execution that is powerful, different, and emotionally impactful; it is not necessarily so simple. As much as is obvious. But assuming that a brand has an appropriate target audience and a creative execution that is powerful, different, and emotionally impactful; it is not necessarily so simple.

A TV ad can be a powerful communications device. But so can a full-page ad in a magazine, or a provocative or eye-catching poster. The success of marketing communication is judged on a variety of factors, and one of the fundamental criteria is that people remember the ideas conveyed. So much is obvious. But assuming that a brand has an appropriate target audience and a creative execution that is powerful, different, and emotionally impactful; it is not necessarily so simple. As much as is obvious. But assuming that a brand has an appropriate target audience and a creative execution that is powerful, different, and emotionally impactful; it is not necessarily so simple.
relevance of a brand's right people at the right time.

Moving beyond TV, radio, and print media to embrace new forms of media and associating with activities that are particularly popular can help avoid the perception of something not being seen as ‘cool’ or ‘in’ at that particular moment. The type of media used and who it reaches should align with the brand’s message.

Brands can leverage the medium’s ability to deliver relevance to target their messages to the right people at the right time. The key is to understand the context in which the medium is used and the message that needs to be sent. The medium can play a role in amplifying the uniqueness of the message by being more contemporary or youthful and giving a stronger sense of trustworthiness. The medium can also help brands develop a point of view that may not be part of the campaign, but that can help to differentiate the brand.

Engaging content leads to increased attention to ads, we think it reasonable to indirectly by enhancing a brand’s messages, or directly by evoking feelings in a context that can help a brand get through a context that is better than expected.

Emotional Transference from Associated Content
The role of media in delivering relevance and difference is fairly easy to understand. Even media that are traditionally perceived as being less sophisticated or younger can provide new opportunities for reaching a more sophisticated audience. For example, advertising or sponsorship around specific and distinctive vehicles within a category enables marketers to get the most out of their communications investments.

A strong brand sets itself apart by offering a brand experience that is meaningful difference. The travelers who were already aware of their shoes, but they also subtly reinforced brands to advertise in the bins used for screening carry-on luggage in airports. The contrast made what Zappos offered look better than ever. The association lent a sense of glamour and sophistication to Baileys and, by Baileys when it sponsored “Sex and the City” over an extended period. As most campaigns run across a multitude of content types, it has been difficult to go beyond the question of just how much to spend. All GRPs are not created equal.

The medium is a very significant part of the message. Therefore, advertisers need to consider placements may do considerable harm. This just makes getting it all the more important. In fact, a great media choice may do all of these at once, reaching relevant people throughout.

Moving beyond TV, radio, and print media to embrace new forms of media and associating with activities that are particularly popular can help avoid the perception of something not being seen as ‘cool’ or ‘in’ at that particular moment. The type of media used and who it reaches should align with the brand’s message.

In developing new challenger brands, the marketer needs to be careful to avoid the perception of being a ‘me-too’ brand. The medium can play a role in amplifying the uniqueness of the message by being more contemporary or youthful and giving a stronger sense of trustworthiness. The medium can also help brands develop a point of view that may not be part of the campaign, but that can help to differentiate the brand.

Engaging content leads to increased attention to ads, we think it reasonable to indirectly by enhancing a brand’s messages, or directly by evoking feelings in a context that can help a brand get through a context that is better than expected.

Emotional Transference from Associated Content
The role of media in delivering relevance and difference is fairly easy to understand. Even media that are traditionally perceived as being less sophisticated or younger can provide new opportunities for reaching a more sophisticated audience. For example, advertising or sponsorship around specific and distinctive vehicles within a category enables marketers to get the most out of their communications investments.

A strong brand sets itself apart by offering a brand experience that is meaningful difference. The travelers who were already aware of their shoes, but they also subtly reinforced brands to advertise in the bins used for screening carry-on luggage in airports. The contrast made what Zappos offered look better than ever. The association lent a sense of glamour and sophistication to Baileys and, by Baileys when it sponsored “Sex and the City” over an extended period. As most campaigns run across a multitude of content types, it has been difficult to go beyond the question of just how much to spend. All GRPs are not created equal.

The medium is a very significant part of the message. Therefore, advertisers need to consider placements may do considerable harm. This just makes getting it all the more important. In fact, a great media choice may do all of these at once, reaching relevant people throughout.
POINT OF VIEW
The evidence is in Jim Stengel’s new book, Grow: How Ideals Power Growth at the World’s Greatest Companies. With the help of Milward Brown Optimor, Jim identified the 50 brands that ranked highest on both consumer bonding and value creation over the past decade. He assumed that what made these brands so successful and fueled their growth, we observed that the best businesses are ideals-driven.

**What Is a Brand Ideal?**

A brand ideal is a higher purpose of a brand or organization, which goes beyond the product or service they sell. It explains why the brand exists and the impact it seeks to make in the world. A brand ideal actively helps shape a business and organization in three distinctive ways. First, ideals lead to the creation of more meaningful products, services, and customer experiences. Second, ideals align the organization and its culture behind a common purpose. And finally, ideals lead companies to rethink the way they engage and communicate with consumers; ideals move them beyond selling and telling consumers what to do to inviting them into dialogue.

**A Brand Ideal is NOT...**

Not a mission statement. Mission statements tend to be narrow, business-oriented statements such as “Be the leader in customer satisfaction” or “Be the most innovative company.” Mission statements tend to be confusing and give access to the information of the world, and Discovery Channel’s ideal is to satisfy curiosity.

**Less than a company’s DNA.** Through my interviews with Jim to understand what made these brands so successful and fueled their growth, we observed that the best businesses are ideals-driven.

The brands in the Stengel 50, though they come from both public and private companies in B2B and B2C businesses, and include established as well as younger, smaller, fast-growing companies, all have a clear sense of purpose. The brands in the Stengel 50, though they come from both public and private companies in B2B and B2C businesses, and include established as well as younger, smaller, fast-growing companies, all have a clear sense of purpose. The ideal is a core principle inherent in a brand, something that guides every decision of the leaders and employees in every department, from HR to finance to marketing to product development. Ideals, we found, help shape a business and organization in these distinct ways. First, ideals lead to the creation of more meaningful products, services, and customer experiences. Second, ideals align the organization and its culture behind a common purpose. And finally, ideals help companies rethink the way they engage and communicate with consumers; ideals move them beyond selling and telling consumers what to do to inviting them into dialogue.

**The Ideal is the Brand’s Inspirational Reason for Being.**

A brand ideal is not a mission statement. Mission statements tend to be narrow, business-oriented statements such as “Be the leader in customer satisfaction” or “Be the most innovative company.” Mission statements tend to be confusing and give access to the information of the world, and Discovery Channel’s ideal is to satisfy curiosity.

**Not an empty slogan.** Our research recently conducted by Millward Brown found that, when asked to name brands that were based on ideals, people mentioned the brands in the Stengel 50 more than other brands. We also have proof that ideals-driven businesses deliver higher performance. As shown in the chart below, Stengel’s top 50 brands outperformed the market on ideals, people mentioned the brands in the Stengel 50 more than other brands.

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**400%**

**60%**

**50 brands**

**Long-term performance**

**The Stengel 50 outperformed the market.**

**The ideal is the brand’s inspirational reason for being.**

It explains why the brand exists and the impact it seeks to make in the world. A brand ideal actively helps shape a business and organization in three distinctive ways. First, ideals lead to the creation of more meaningful products, services, and customer experiences. Second, ideals align the organization and its culture behind a common purpose. And finally, ideals help companies rethink the way they engage and communicate with consumers; ideals move them beyond selling and telling consumers what to do to inviting them into dialogue.

**How Brands Ideals Light the Way**

When a brand ideal is at the heart of a business, it serves as a light from within that guides every decision of the leaders and employees in every department, from HR to finance to marketing to product development. Ideals, we found, help shape a business and organization in these distinct ways. First, ideals lead to the creation of more meaningful products, services, and customer experiences. Second, ideals align the organization and its culture behind a common purpose. And finally, ideals help companies rethink the way they engage and communicate with consumers; ideals move them beyond selling and telling consumers what to do to inviting them into dialogue.

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**Ideals: The New Engine of Business Growth**

*Doing well by doing good*—is that really attainable? We have always thought so, but now we have proof. The most successful brands and businesses in the world are built around something other than just making profit; they are built around ideals.
A brand ideal serves as a light from within that guides every decision in every department, from HR to finance to marketing to product development. To live up to their ideal, companies create processes that allow employees to be true to the ideal. For example, Red Bull has set unique hiring guidelines. They don’t put a premium on hiring people with industry backgrounds; instead they focus on athletes, DJs, and former Red Bull student ambassadors—people who believe in and live the ideal. Even the work environment is designed to encourage creativity. Red Bull’s London headquarters has skateboard ramps and slides from floor to floor! Starbucks turned itself around by going back to living its ideal—nurture the human spirit, one person, one cup, and one neighborhood at a time. Automatic espresso machines reduced the need for face-to-face interactions. An emphasis on speed and efficiency interfered with employees’ ability to connect with customers, and the company had lost its soul. Drive-through windows didn’t foster face-to-face interactions. After years of rapid growth and expansion, in 2007 the chain found itself overexpanded and confused about its purpose. Was Starbucks meant to promote human connection or simply to maximize profits through speedy and efficient service? After years of overexpansion and confusion, in 2008 Starbucks was inspired to return to its beliefs and ideals. Schultz worked to remove operational and structural barriers to realizing the ideal and to reinforce the “big why” of Starbucks—to inspire and nurture the human spirit, one person, one cup, and one neighborhood at a time. Starbucks turned itself around by going back to living its ideal—nurture the human spirit, one person, one cup, and one neighborhood at a time. The sense of meaning that comes from delivering on an ideal inspires a higher level of dedication to producing the best possible brand experience for customers. Product performance, innovation, packaging, design—all of it are inspired, inspired, and refined in the light of the ideal.

Method, the household cleaning company, was built on the ideal of inspiring a home revolution to create happy, healthy homes. Every aspect of each product is inspired by the ideal: the non-toxicity, the natural scents, the beautiful “cosmetic-like” packaging. Each product is inspired by the ideal: to make the planet smarter, whether it’s to help consumers grow their own food, to help create a sense of community. Automatic espresso machines reduced the need for face-to-face interactions. An emphasis on speed and efficiency interfered with employees’ ability to connect with customers, and the company had lost its soul. Drive-through windows didn’t foster face-to-face interactions. After years of rapid growth and expansion, in 2007 the chain found itself overexpanded and confused about its purpose. Was Starbucks meant to promote human connection or simply to maximize profits through speedy and efficient service? After years of overexpansion and confusion, in 2008 Starbucks was inspired to return to its beliefs and ideals. Schultz worked to remove operational and structural barriers to realizing the ideal and to reinforce the “big why” of Starbucks—to inspire and nurture the human spirit, one person, one cup, and one neighborhood at a time. Starbucks turned itself around by going back to living its ideal—nurture the human spirit, one person, one cup, and one neighborhood at a time. The sense of meaning that comes from delivering on an ideal inspires a higher level of dedication to producing the best possible brand experience for customers. Product performance, innovation, packaging, design—all of it are inspired, inspired, and refined in the light of the ideal.

Zappos has set up processes that allow employees to be true to the ideal of delivering happiness. Employees don’t have quotas or time limits for customer calls, because they are allowed to help customers in need, whatever it takes. There are stories of employees sending flowers to customers in distress and helping customers order pizza in the middle of the night. For Zappos, inclusivity is no longer just a buzzword. The company has sold 10 million sales. The CEO exceeded the $1 billion mark this year and has the highest loyalty rate of all online retailers.

Finally, Starbucks set about reengaging with consumers in a more meaningful way. Instead of simply communicating the benefits of their coffee, they started communicating with consumers. For example, Starbucks was built on an ideal—to create human connections. From a few stores in Seattle, the chain grew into being the centerpiece of every neighborhood in America and around the world. Howard Schultz realized that growth became a distraction that got Starbucks into trouble—until it returned to its beliefs, values, and ideal.

The best companies align their organizations and culture behind their ideals. By being purposeful (beyond making money and growing market share), they provide a higher meaning to all employees. The ideal provides clarity for every decision. For example, Red Bull’s London headquarters has skateboard ramps and slides from floor to floor! Zappos has set up processes that allow employees to be true to the ideal of delivering happiness. Employees don’t have quotas or time limits for customer calls, because they are allowed to help customers in need, whatever it takes. There are stories of employees sending flowers to customers in distress and helping customers order pizza in the middle of the night. For Zappos, inclusivity is no longer just a buzzword. The company has sold 10 million sales. The CEO exceeded the $1 billion mark this year and has the highest loyalty rate of all online retailers.

BARBADOS

The message was clear: “We are not a coffee company. We are not in the business of making money. If we were in the business of making money, we have no reason to exist. “ said Schultz, “but without coffee, we have no reason to exist.”

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WHAT LIGHTS UP YOUR BRAND?

The best brands have navigated by the light of their ideals for decades. Some brands were organized around an ideal from their inception, while others chose to consciously and deliberately reorient their businesses around a higher purpose. So we believe that all brands and businesses, whether they are presently driven by the loftiest ideals or the most mundane purposes, can learn from studying brands like those in the Stengel 50. Consider the following questions.

Why are you in business?

Does your company operate around a brand ideal? If not, did it ever? Don't try to "invent" an ideal—a true brand ideal can't be developed by a task force. But your company may have been founded on an ideal that will still be relevant once it's unearthed. Consider your company's heritage. What did your founders believe in? Why did they get into business? What need did they set out to address? Why do employees believe in what they do?

Is your ideal clear, and are you acting on it?

Whether or not your company offers a higher-order benefit to the world, everyone in your organization should have a clear understanding of your brand's purpose and be empowered to act on it. Does your ideal guide decision making? Does it inspire innovation? How does the ideal impact your products and services?

Is your organization aligned around your ideal?

Take a look at your organization's structure. Does it facilitate the expression of your ideal? Are employees in all functions able to keep it in view? Is the achievement of short-term goals balanced against the long-term fulfillment of the ideal? In light of your ideal, how do you hire and promote?

How often do you revisit your ideal?

A brand ideal that is kept under glass will not serve your organization. Scrutinize every action, decision, and significant change in light of your ideal. Only by constantly referring back to your company's reason for being can you avoid the creeping incrementalism that undermined Starbucks.

BRAND IDEALS: THE NEW PATH FOR GROWTH

The brands that will survive and thrive in the decades to come will be those that are based on ideals. The brands that will survive and thrive in the decades to come will be those that are based on ideals.
The promise of mobile marketing is staggering. And for good reason: Despite an overwhelming lack of enthusiasm for it, audiences respond to it. According to the latest AdReaction report out today from Millward Brown and its Dynamic Logic and Firefly Millward Brown units, one-third of mobile users report taking action in response to mobile advertising. Almost half report interacting with a brand on their mobile device following recommendations from friends or family members. And one-third of users say that receiving deals or promotions via mobile improves their opinion of the brand.

While these engagement figures are undoubtedly promising, the fact that only 11 percent of smartphone users and 16 percent of tablet users indicate they are favorable toward mobile advertising signifies a fairly deep chasm between effectiveness and love. Why is that? Here is what we heard:

A mobile device is also a tool, and the mobile web a personal space. Users are goal-directed. Non-user-initiated contact temporarily derails them from their goal, and they want tangible value in exchange.

Response to various ad formats varies significantly by demographic and psychographic variables. Understanding where flexibility or openness exists is essential.

Users expect mobile marketers to know who they are and to target them accordingly. Close to 40 percent are willing to share their location and interests in exchange for the right content and promotions. To the chagrin of mobile users, many marketers still don’t target effectively or appropriately.

Many mobile sites or apps simply don’t work. Users who take action on an offer or recommendation are often sent to a site or app that, at best, doesn’t meet their mobile needs or, at worst, doesn’t work correctly. Users have extremely high expectations of mobile’s technical competence.

No one likes “rude intrusion.” Marketers often overreach by asking for too much personal information, delivering irrelevant ads or brand posts, or not offering consumers a simple way to opt-out. Not surprisingly, this behavior is then imputed onto the brand itself.
Correcting these drivers of mobile dissatisfaction sounds simple, but many mobile marketers have yet to improve their tactics, despite an audience so open to being wooed. The solution? Commitment to 10 principles that are key to winning over audiences and building lasting value for brands.

MOBILE DISPLAY
1. Offer a clear call-to-action. No medium is more primed to engage a consumer on the spot. Make sure your mobile ad does everything possible to prompt a response.
2. Target the person, the moment, the location. Users have an expectation of mobile’s built-in intelligence, and poor targeting suggests that brands are too lazy to send “the right ads.”
3. Develop integrated mobile campaigns. Mobile ad units are a layer of the mobile continuum – not a strategy. Use display ads to drive traffic to an optimized website or app for continued engagement.

MOBILE WEBSITES
4. Be fast. Be clean. Be functional. Don’t feel compelled to outdo your online website, but optimize it for the mobile platform and across devices. Embrace the goal-directedness of the mobile user and minimize taps. Subaru’s mobile site is a great example — two taps delivers location-based deals.
5. Don’t value entertainment over competence. Deliver functionality first and reward later.
6. Keep the latest news on top and tailor to the location.

MOBILE APPS
7. Make apps easy to acquire, user-friendly, crash-proof and free.
8. Be relevant. Design with the core target, primary use and operating system in mind. Answer the when, where and why about your app. A great example is Home Depot’s app that allows users to scan QR or UPC codes in the store, read product info or reviews, and share or add to a shopping list.
9. Be mindful of using audience resources. One-third of users say apps drain their battery while one-in-five feel that apps want too much info.
10. Once you’ve done the above, aim to surprise and delight. Users report only using half their apps regularly. Provide a reason for them to come back. One respondent in the study said, “The Sam’s Club app was like eye candy. I would seriously consider getting a membership based on how cool their app was. It made it so easy to shop.”

Mobile marketing, when done right, can measurably improve consumers’ opinion of a brand. Normative data from Dynamic Logic indicates that mobile ads can typically increase brand awareness, message association and purchase intent four times that of online ads.

The appetite for effective mobile marketing is here today – in a very big way. Respecting the wants and needs of consumers and the distinctiveness of the platform is essential and can be the difference between damaging your brand and inspiring immediate action – and maybe even a little love.
While everyone was getting excited about the potential of the BRIC nations, Africa quietly emerged as the real growth story, and with apologies to Star Trek, Africa may just be “the final frontier”. No other continent offers the same growth potential. Africa boasts tremendous mineral wealth, holds 60% of the world’s uncultivated arable land, and recorded real growth throughout the recession. According to the latest UN World Population Prospects report, Africa will be the fastest-growing continent “by any measure” over the course of the 21st century, and investors are understandably interested.

The rise of Africa is an indicator of the changing orientation of the global economy. Africa’s raw materials have attracted the attention of China, both as a lender and trade partner, and China’s investment has been a critical driver of current growth. As major socio-economic changes occur across the continent, the wealth of African society is growing, fueled by the emergence of the middle class. According to The Economist, over the past 10 years, six of the 10 fastest-growing economies were in Sub-Saharan Africa, and in the next five years, seven Sub-Saharan economies are expected to make the list. Truly, the next decade belongs to Africa.

While many wonder if the current flood of growth can continue, recent developments on the African continent suggest that it can. Political stability, particularly within the DRC, Angola and Mozambique, has encouraged investment in these large and growing markets (Mozambique has been the fastest-growing non-oil economy in Sub-Saharan Africa over the past 15 years). Macroeconomic stability has enabled broad-based economic expansion, attracted Foreign Direct Investors (FDI’s), and sustained aid flows to fund social and physical infrastructure. Increasingly stringent oversight from FDI’s has required African governments to improve fiscal planning, and as a consequence, general inflation in Africa has fallen from levels exceeding 20 percent to single–digits. Widespread privatization has eventually proved bountiful despite the initial hurdles encountered. And the professionalization of core service deliveries such as telecommunications has had positive knock on effects in other sectors.

Figure 1: World’s ten fastest growing economies - Annual average GDP growth

<table>
<thead>
<tr>
<th>Country</th>
<th>2001-2010 (%)</th>
<th>2011-2015 (Forecast)</th>
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<tbody>
<tr>
<td>Angola</td>
<td>11.1</td>
<td></td>
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<tr>
<td>China</td>
<td>10.5</td>
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<tr>
<td>Myanmar</td>
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<tr>
<td>Nigeria</td>
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<td>Mozambique</td>
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<tr>
<td>Myanmar</td>
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<tr>
<td>Vietnam</td>
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<tr>
<td>Tanzania</td>
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<tr>
<td>Ghana</td>
<td>7.0</td>
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<tr>
<td>Zambia</td>
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<tr>
<td>Nigeria</td>
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Sources: The Economist, IMF

Figure 2: GDP Growth, unweighted annual average, %

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<td>African Countries</td>
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Macroeconomic stability has enabled broad-based economic expansion, attracted Foreign Direct Investors (FDI’s), and sustained aid flows to fund social and physical infrastructure. Increasingly stringent oversight from FDI’s has required African governments to improve fiscal planning, and as a consequence, general inflation in Africa has fallen from levels exceeding 20 percent to single–digits. Widespread privatization has eventually proved bountiful despite the initial hurdles encountered. And the professionalization of core service deliveries such as telecommunications has had positive knock on effects in other sectors.
While growth is exploding throughout its various regions, Africa remains a very diverse continent on many scores. The population of Africa exceeds 1 billion people, who:

The continent’s dynamism is evident in its economic achievements:

- The emergence of large African companies, notably
- 20 African companies with revenues of at least $3 billion
- More than 100 companies with revenues of at least $1 billion
- More than 316 million new mobile phone subscribers have signed up with over 50 mobile service providers since 2000

Growth is expected to continue in all areas:

- Africa’s collective GDP will increase from $1.6 trillion to $2.6 trillion by 2020. Over the same period, consumer spending will grow from $860 billion to $1.4 trillion
- Agricultural output will increase from $280 billion today to $880 billion by 2030
- The number of Africans of working age will exceed 1 billion by 2040, when the continent will be home to one in five of the planet’s young people and its labour force will be the largest in the world, topping both China and India
- On average, African workers are currently half the cost of their counterparts in Central Asia, Latin America and Eastern Europe, and this presents vast opportunities for factory investments in over 30 markets (only restrained in the North where strict Islamic code makes for tough business).

GETTING A FOOTHOLD IN AFRICA: DOES ONE SHOE FIT ALL?

It is imperative that companies recognize that Africa isn’t one economy or homogenous population block. It is a conglomerate of 53 countries which, more often than not, don’t share policies and attitudes, and have evolved differently through their social and economic pasts. Successful brands on the continent are those that have made strategically compatible entries into select African markets, depending on the product category and the economic stage of the country in question.
It is in groups 2 and 3 that we have seen the most phenomenal growth. The members of Group 2 are referred to as the urban poor; it is not until you reach Group 3 that you can start referring to the middle class (using financial sector classification based on a household income of $5000 pa).

In Africa, the Living Standards Measures (LSM) has been developed to better determine the socio-economic groups. In South Africa, a national socio-economic classification system has been developed and adopted. These measures are valuable tools that are used extensively around the world to segment national consumer markets. For example, the South African system has 17 levels of living standards, from LSM1 (lowest) to LSM17 (highest). Using LSMs, we can broadly classify the African consumer into 5 groups:

1. **Group 1**: LSMs 1, 2, and 3
2. **Group 2**: LSMs 4, 5, and 6
3. **Group 3**: LSMs 7, 8, and 9
4. **Group 4**: LSMs 10, 11, and 12
5. **Group 5**: LSMs 13, 14, 15, 16, and 17

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African household spent a combined $800 billion in 2008, slightly more than that of Russia and over $100 billion more than India. It is this increase in the lower-middle and upper-middle LSM consumer base that has created the differentiation between the BRIC countries as options for investment for corporations looking to expand further into emerging markets.

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Without doubt, Africa has been at the forefront of telecommunications development over the past decade and a half. The opportunity in this sector attracted Asia’s biggest player, Airtel, into the continent, making it the latest significant market addition to Africa after MTN. MTN is the first African brand to be listed in the 2012 BrandZ™ Top 100 Most Valuable Global Brands study published annually by Millward Brown.

Nokia rediscovered itself on the continent after flagging sales saw it lose its market leadership in Europe. Today they enjoy a massive 6.2 million subscribers.

MTN, 100 million subscribers in Africa

In a place where the challenges of infrastructure and environment have thrust millions of people into marginalization, mobile networks arrived to connect individuals and societies, providing the ability to communicate and access information. In Africa, the accessibility of basic voice telephony that we know and take for granted, had a transformative effect on these people and countries.

In the telecommunication sector, the key factor here is time to market. Nokia has shown how this can truly be a profitable tactic. SABMiller has been an influential brand in Africa after MTN. MTN is the first African brand to be listed in the 2012 BrandZ™ Top 100 Most Valuable Global Brands study published annually by Millward Brown.

"SABMiller’s tactic has been to buy local brands and then invest intelligently in emerging markets rather than exporting one homogeneous brand to every corner of the globe. The origins of the company initially enjoyed an influential brand presence in this strategy. We were also the first global company to see the beer market as a series of local brands, identifying that you can’t impose a brand, a way of thinking or business; the key is to customize things to the local market."

Jonathan Oates

The retail sector on the continent has been abuzz with the entry of Walmart. Walmart’s $4.2-billion purchase of 51% of Massmart gives the world’s biggest retailer access to African markets. But it’s been South African based chains that have been setting the pace on the continent! For African brands to break through, they must build brands and distribution network – you have to be patient on the continent!

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Mobile telecommunications has proven to be a life-and-society-changing phenomenon, and as MTN entered country after country, the brand embraced its role as the champion of everyman. And at the heart of this African business was a clear vision – not just to spread and proliferate products or services, but to speed up the progress of the emerging world. Companies that deliver infrastructure, like mobile telephone networks, play a much bigger role than in just the marketplace.

There are places in Africa where communities are yet to experience running water or electricity. Yet they have access to an MTN Village Phone, and therefore access to the world. MTN is also one of the biggest employers on the African continent, training local people to deliver on a global brand, yet keeping the company rooted and involved in society.

Through such innovative distribution and promotional activities, MTN has been able to capture a significant proportion of the lower LSMS, which is a critical entry point to the African market. Half of the continent’s 1 billion population own a mobile phone (making Africa the fastest growing mobile market in the world after Asia), but their use extends far beyond just telephony. The power of the mobile is forging a new enterprise culture in Africa from banking, to agriculture and healthcare.

2. The Banking sector

UBA United Bank for Africa (UBA) is one of Africa’s leading financial institutions offering banking services to more than 7 million customers via 750 branches in 18 African countries. With offices further afield in New York, London, and Paris, UBA is connecting people and businesses across the world through retail and corporate banking, innovative cross-border payments, trade finance, and investment banking.

Over the past three years, UBA has undergone a period of rapid expansion that had seen affiliate banks in 16 African countries come on board. The consolidation of UBA’s affiliates under one brand and the implementation of consistent policy and standards enabled the bank to make phenomenal changes between 2008 and 2010. This was especially meaningful given that during that period Nigerian Banks experienced a run from customers that forced the Central Bank to intervene and culminated in jail sentences for some senior managers. The success of the Bank has seen Tony Elumelu, the MD during this volatile period, become a much sought-after business and motivational speaker across the continent.

3. Retail Sector – Shoprite

The Shoprite group is today Africa’s biggest food retailer, with operations in 16 countries, including Angola, Botswana, Ghana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Nigeria, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe and the Democratic Republic of the Congo.

Shoprite began by consolidating its market leadership in its home market of South Africa by uniquely targeting the middle to bottom end of the local food retail market. In addition, the group sought further efficiencies through employing a central distribution strategy.

Essentially, central distribution involves owning a series of warehouses to which suppliers make their deliveries. Trucks are then sent out to stores as stock is required, rather than depending on suppliers’ schedules or reliability.

This not only ensured that Shoprite controls its own supply chain but has also reduced the costs associated with stock needing to incorporate enormous loading and storage areas to hold large inventories. Shoprite also diversified into other target market outlets, with the result that the retail outlet became a one-stop convenience store and their money market counter provided links to other service providers.

WHERE THE CONTINENT IS HEADED

Foreign investors are no longer just interested in oil wells and mines in Africa, but are looking at medium-sized bets on consumer goods. Analysts are consistent in identifying Retail, Banking and Telecoms as sectors that will drive the African economies forward in the next decade, and these sectors are consistent with the identified growth paths taken by key African economies.

Global companies are including Africa in their growth strategies as consumer demand in more mature markets struggle post the global recession, and the growth of the African continent is driven as much by commodities and technology as it is by improving governance and the spread of democracy. And economic change has made life more rewarding for Africans themselves. The continent is truly opened for business!

Luxury brands are thriving as consumers save their money for special items. **Nick Cooper**, Managing Director of Millward Brown Optimor, Europe, explains which brand strategies work best.

**EMERGING LUXURY STRATEGIES**

Insights from BrandZ
Luxury brands grew by 15% in this year’s BrandZ Top 100 Global Brands, more than any other category. Louis Vuitton bagged the top spot as the world’s most valuable luxury brand with a value of $25.9bn.

The Most Valuable Luxury Brands 2012

<table>
<thead>
<tr>
<th>Category rank</th>
<th>Global rank</th>
<th>Brand</th>
<th>Value in $ million</th>
<th>Brand value change from 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21</td>
<td>Louis Vuitton</td>
<td>25,920</td>
<td>+7%</td>
</tr>
<tr>
<td>2</td>
<td>32</td>
<td>Hermès</td>
<td>19,161</td>
<td>+61%</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Rolex</td>
<td>7,171</td>
<td>+36%</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Chanel</td>
<td>6,677</td>
<td>-2%</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Gucci</td>
<td>6,420</td>
<td>-14%</td>
</tr>
<tr>
<td>6</td>
<td>NEW</td>
<td>Prada</td>
<td>5,788</td>
<td>n/a</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Cartier</td>
<td>4,843</td>
<td>-9%</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Hennessy</td>
<td>4,596</td>
<td>-8%</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Moët &amp; Chandon</td>
<td>4,217</td>
<td>-8%</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Burberry</td>
<td>4,090</td>
<td>+21%</td>
</tr>
</tbody>
</table>

Underlining the health of the sector, Hermès at number two in the luxury category, with a 61% rise in brand value to $19.2 billion, gained the most places in the Top 100 ranking of all brands. It is now ranked 32nd, up 39 places.

A number of factors are behind the success of the luxury sector. After several years of economic difficulty, North Americans and Europeans who could afford luxury indulged. In addition, in China and other fast-growing markets, sales rose as the expanding middle classes continued to indulge their appetite for luxury brands.

While shoppers have become smarter in the way they choose brands – with considered rather than conspicuous purchasing – they are still determined to spend, but spend more wisely. Many have focused less on collecting luxury labels and more on creating a unique personal look that often mixes luxury brands with more affordable options. What luxury brands have to do is tick the key boxes of quality craftsmanship, heritage and history – and thereby meet the expectation of being seen as a good investment, with the trend towards classic pieces rather than high fashion. In particular, young professionals who are increasingly unable to purchase property, are spending their disposable income on affordable products from luxury ranges offered by brands such as Prada, D&G, Hermès, Gucci and Louis Vuitton.

Despite the economic turmoil, luxury brands are thriving.
Louis Vuitton designed a store on Marina Bay in Singapore to resemble a cruise ship, reflecting the brand’s travel heritage.
LUXURY TRENDS

There are a number of emerging trends that are visible in the 2012 figures, or are becoming more powerful drivers of performance.

• First, given that most luxury brands are European in origin, the continuing decline in the value of the euro has prompted extra sales volumes as they become more affordable.
• Second, the decisive movement of luxury brands into digital offerings has created added interest and accessibility.
• Third, products for men have grown dramatically, outpacing the larger market for female products.
• Fourth, the fact that luxury brands do have overt heritage and craftsmanship as part of their DNA has been leveraged more explicitly, with significant movement of high-end manufacturing returning to Europe (a trend also helped by the weakening euro).

With healthy demand, brands have expanded their presence. They have opened new stores, engaged with e-commerce and invested in advertising. Burberry, for example, extended the brand’s appeal, creating a youthful virtual world in which customers experience the brand by viewing fashion shows, for example. The brand added a new twist to its iconic trench coat with Burberry Bespoke, an online facility that enables the customer to assemble a unique trench coat online, selecting style, fabric, colour and other individualizing options.

Brands have also attempted to unify the advertising and online expressions of the brand with the in-store experience. Louis Vuitton, for example, designed a store on Marina Bay in Singapore to resemble a cruise ship, reflecting the brand’s travel heritage, which is also celebrated on the LV website. Many luxury products companies want to take greater control of the brand, shifting away from licensing and franchising. Burberry, Prada and Hermès are good examples.
EMERGING STRATEGIES

The core conundrum facing luxury brands, however, remains the same. They must achieve the right balance between protecting the exclusivity that, to an extent defines luxury, and making the brand experience accessible to a wider audience. The implications will vary from brand to brand but it is possible to identify five clear themes for luxury strategists:

• While a great deal of focus is going into expanding owned-stores networks in fast-growing markets, leading brands are investing significantly in creating new or revamped flagship stores in Europe. Nothing beats the cachet of buying a luxury brand in its home market.
• As demand grows, many brands are more clearly segmenting their ranges, whether it is by age or price or gender, in order to preserve the aspirational appeal of the mother brands, as well as taking direct control of the customer experience through owned-stores networks.
• Luxury brands are finding they need to become experts in managing wide-ranging portfolios. The leading luxury brands are now enormous businesses in their own right, and have to reconcile the competing demands of the artistry and specialization that created the brands in the first place with the pressures of managing and generating momentum for big business.
• The distinction between luxury and fashion brands is becoming increasingly blurred, which opens up new opportunities. Indeed, a common hallmark of successful luxury brands is the ability to bridge multiple product sectors. Those that stay too wedded to their roots risk being left behind. Standing still is not an attractive option.
• Finally, the increasing accessibility of major luxury brands (whether it is through growing store networks, wider product ranges and prices, or successful social media initiatives) is creating opportunities for niche, super-exclusive brands to spread their wings. It will be fascinating to see how the future competition between Rolex and Patek Philippe will develop, for example.

The one certainty for the luxury market is that the appetite of the world's middle and upper middle classes for luxury products is a long way from being sated.
Grey Group is among the world’s top 10 media companies and has been building brands it provides opportunities to connect with consumers through social networks or particularly social networking, and entertainment. This devotion to social networking networks to learn more about products and services, and most of all and consumers link to brands through them. Consumers use social media players and tablets have become necessities rather than luxuries. Home computers and Internet connection are common. And the consumer has become more engaged with technology. Going out to dine or have a special offer or promotion. In Chile, however, 41 percent of consumers are more interested in finding out further information about a product or service. In most markets, consumers decide to become a friend of a brand because of videos. And 45 percent of the online population view these videos on a weekly basis.

More and more, Chileans are using social media for a more equitable education system. The retail scandals involving retailers and by protests against the government have helped improve the lives of most Chileans, providing greater access to products by providing credit. Retailer credit cards are accepted widely and are twice as numerous as bankcards. They also have helped improve the lives of many Chileans, providing greater access to products and services. For example, when the Costanera Center is inaugurated, not only is it Chile’s tallest building in Latin America. The 70-story tower is part of a mixed-use complex of retail and shops, and a symbol of how rapidly the country is reaching higher levels of development, with fast highways, enormous shopping malls and tall skyscrapers.

Figure 1: Internet Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment (Chilean Pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>30 bi</td>
</tr>
<tr>
<td>2009</td>
<td>25 bi</td>
</tr>
<tr>
<td>2008</td>
<td>20 bi</td>
</tr>
<tr>
<td>2007</td>
<td>15 bi</td>
</tr>
<tr>
<td>2006</td>
<td>10 bi</td>
</tr>
</tbody>
</table>

Chilean society enjoys greater access to products and services that are accepted more widely and are twice as numerous as bankcards. They are also helping improve the lives of many Chileans, providing greater access to products and services.

Nonetheless, needing more information (from the traditional “name and number” approach to experiential and a shoppers’ need, such as how they’re used to by consumers) is engaged on social networks. Internet investment reached 35 billion Chilean pesos (US$68 million) in 2011, compared with only 5 billion Chilean pesos growing sharply because such a large proportion of the population has Internet access and is engaged on social networks. Internet investment reached 35 billion Chilean pesos in 2011, compared with only 5 billion Chilean pesos.
Consumers in Colombia are rapidly becoming more engaged with brands. The change reflects the country’s new economic reality. Consumption in Colombia increased 12.8 percent during 2011, and GDP grew 6.1 percent, according to Colombia’s National Federation of Traders (FENALCO). The country’s overall economic development, including increased foreign investment and consumer access to credit, continues to stimulate strong growth.

As consumers encounter brands more often at many multi-channel touch points, Colombia is shifting from a country where consumers simply purchase products to a market where consumers identify with brands. This heightened awareness of brands has created a more demanding shopper and a more complex marketplace with brands competing to best understand shoppers and most effectively meet their needs and wants.

TIME SPENT ON SOCIAL MEDIA GROWS
An important cultural shift—increased technical literacy—informs this greater involvement with brands. As PC use and Internet access expands rapidly, the exposure to information and knowledge produces profound societal change.

In the last 15 years, Colombia transformed from a closed country to a partner in free trade agreements with some of the world’s largest markets. Internet and cable TV superseded television as the preferred electronic medium, providing Colombians with wider exposure to products and services—and brands.

More than 96 percent of Colombia’s online population uses social networks sites, according to ComScore. The use of social networks to communicate with consumers is experiencing double-digit growth, according to the Colombia’s Interactive Advertising Bureau. Also, among all countries in the world, Colombia ranks seventh in numbers of hours spent on Facebook, averaging 8.4 hours per month, surpassing even Mexico and Brazil, according to the 2011 Firefly Millward Brown global study of social media. This penetration reflects how social media connects with a national culture that values entertainment, social connections and a sense of belonging.

These findings have driven increased interest by brands to better understand how to develop the appropriate digital strategies to maximize ROI. Brand marketers have a great opportunity to reach Colombian consumers on social media for two reasons.

First, Colombian consumers are actively engaged in social media. The country has one of the highest Internet penetration rates in the region. Second, the country has one of the lowest investment rates in digital media. In 2011, only 0.9 percent of the communication investment was in digital compared with 7 percent in Mexico and 6 percent in Brazil, according to GroupM research.

There probably are several reasons for this disconnection between the high level of consumer digital engagement and the low level of investment. The most likely explanation is that Colombia’s image, as a country gripped by violence, has not caught up with Colombia’s new reality as a fast growing economy.

The conclusion for brand marketers should be clear: In Colombia, there’s a large group of potential customers online who are interested in brands and there’s relatively little clutter preventing you from reaching them.
the rising middle class increasingly drives the growth of Brazil’s economy and the overall rise in consumer spending on brand products. The rising middle class increasingly drives the growth of Brazil’s economy and the overall rise in consumer spending on brand products.

Brazil’s rising middle class increasingly drives the growth of Brazil’s economy and the overall rise in consumer spending on brand products.
Mexico offers excellent conditions both for business and leisure travel. \textit{[Fernando Alvarez Kuri, Director, Millward Brown Optimor]}

With over 113 million inhabitants, Mexico is the largest Spanish-speaking country in the world. The country is disproportionately large—430,000 square miles and one-quarter of the nation’s land in one of its cities. About 30 million live in Mexico City, making it the world’s most populous metropolitan center with over four million inhabitants. With a median age of 24, Mexico is relatively young.

And people are connected, with 8.6 million mobile phone subscribers and 1.1 million cable and satellite TV homes. Internet users total 24.4 million. Open to international trade, Mexico ranks second in the world in number of free trade agreements. These agreements grant access to over one billion customers in 43 countries.

Mexico is the world’s largest silver producer and ranks sixth in oil production. It’s a major tourist destination, having the most UNESCO World Heritage Sites in the Americas and ranking fifth worldwide.

ECONOMIC OPPORTUNITY TO INNOVATION FOCUS

The Mexican economy is evolving to the third and most evolved stage of economic development, a focus on innovation, according to the Global Competitiveness Report 2011-2012 of the World Economic Forum, which places countries such as Argentina, Brazil and Chile in the same category.

New consumer trends emerge as economy expands

In addition to the ever-growing consumption spending by middle-class consumers, the large, broad-based young population is also leading to a consumer-centric economy. One of our concerns is the way that security continues to be a difficult issue. Many companies have been transferring manufacturing processes to Mexico as a result of the perception that the country can lead, but at the same time they are concerned with the potential for crime and violence.

The report also credits Mexico for reducing government regulations and improving its image as a country to do business in, although it notes that security continues to be a difficult issue. Many companies that are transferring manufacturing processes to Mexico say that security continues to be a difficult issue. Companies such as Coca-Cola and Apple are still the most popular among the general population. However, there is a large group of brands that is migrating towards a “niche” or “specialist” space in which they serve a specific group of people. In a country as large as Mexico, it’s hard to find brands that appeal to the general population. Two recent brand trends reflect changing consumer living styles and focus especially on two areas: practicality and personal health.

People are busy. They hardly have enough time in a day to get things done and have to rely on the help of others and abbreviate their lives. This practicality is apparent in products like ready-to-eat meals, such as granola bars and drinkable yogurts, as well as in all-in-one shampoo and conditioner and fast-dry, long-lasting nail polish. People also now realize that while leading busy lives they’ve adopted some unhealthy habits. They’re looking for ways to improve personal health. This practicality and desire to find time for themselves. They look for time-saving products that help them better manage their busy lives. This practicality is apparent in products like ready-to-eat meals, such as granola bars and drinkable yogurts, as well as in all-in-one shampoo and conditioner and fast-dry, long-lasting nail polish. People also now realize that while leading busy lives they’ve adopted some unhealthy habits. They’re looking for ways to improve personal health. This practicality is apparent in products like ready-to-eat meals, such as granola bars and drinkable yogurts, as well as in all-in-one shampoo and conditioner and fast-dry, long-lasting nail polish. People also now realize that while leading busy lives they’ve adopted some unhealthy habits. They’re looking for ways to improve personal health.

This interest can be seen in products such as vitamin-enhanced cereals, body lotions made with natural ingredients, low-sugar soft drinks and chocolate bars and more natural foods. This interest can be seen in products such as vitamin-enhanced cereals, body lotions made with natural ingredients, low-sugar soft drinks and chocolate bars and more natural foods.

TV REMAINS KEY BUT INTERNET GROWING FAST

Of all product categories, personal health products lead in advertising spending, followed by lifestyle services and banks (lemmons Lair, a pharmaceutical company in Mexico’s market opinion survey: spending more than P&G, Unilever, Colgate Palmolive and Bank, the bakery brand, together).

TV remains the predominant media channel with overwhelming dominance. TV accounts for 62.5 percent of advertising media investment, followed by radio at 34.9 million. Mexico has the highest share of the country reduced their labor costs significantly. They credit the country’s infrastructure for helping to optimize distribution. The infrastructure includes 500,000 kilometers (310,000 miles) of roads and 52 crossing points to the US.

Mexico offers excellent conditions both for business and leisure travel.
PP social media monitoring company, Visible Technologies, carried out an audit of the digital social and traditional buzz for each of the Top 100 brands over the last year. From this we have created an “Earned Buzz Index”, weighted by positive mentions, together with the Millward Brown BrandZ™ measure of online fans (FanZ Index).

As might be expected, the brands with more fans created more “Earned Buzz.” But the crucial finding is that brands with more fans and “Earned Buzz” levels are much more valuable. And brand value growth is significantly better if buzz is better. The Top 10 “Earned Buzz” brands grew on average by 5 percent in value last year, while the bottom 10 declined 8 percent.

The future also is brighter. The Brand Momentum Index measures the prospects of future earnings on a scale of 1 to 10, 10 being the most positive score. The Top 10 “Earned Buzz” brands averaged a score of 8 in Brand Momentum compared with a score of 6 for the bottom 10.

SO WHAT ARE THE “EARNED BUZZ” TOP 10 BRANDS?

They are completely dominated by US technology brands, and even the one retailer, Amazon, is fundamentally a technology brand. The entertainment brand Disney is also becoming heavily dependent on the digital space.

Every brand has a personality. It’s part of how consumers perceive the brand and how the brand differentiates itself from the competition. Accurately understanding brand personality is important to brand success. That’s why we created a vocabulary for quantifying and describing brand personality. Recently we’ve added a related visual language called Brand Toys (Please see Brand Toys).

Being able to measure something as important—but as intangible—as brand personality enables brand owners to ask important questions that can strengthen competitive advantage:

- Understanding brand personality also helps select the most appropriate message and media, or more effective and suitable sponsorships or partnerships.
- Ultimately, understanding a brand personality enables the brand owner to deliver a consistent brand experience that connects with consumers and leaves a deeper and more sustainable impression.

Brand personality characteristics often suggest a brand’s latent appeal. When identified and cultivated they can effectively guide the creative tone of communications. For example, Mercedes is relatively “assertive” and “in control,” while BMW is more “sexy” and “desirable.”

Brand personality characteristics are combined into 10 brand archetypes, which are then arranged around two axes. Source: BrandZ™ data

<table>
<thead>
<tr>
<th>Brand Archetypes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOKE</td>
<td>Fun, playful</td>
</tr>
<tr>
<td>SEDUCTRESS</td>
<td>Desirable, sexy</td>
</tr>
<tr>
<td>HERO</td>
<td>Adventurous, brave</td>
</tr>
<tr>
<td>WISE</td>
<td>Trustworthy, wise</td>
</tr>
<tr>
<td>STABILITY</td>
<td>In control, assertive</td>
</tr>
<tr>
<td>FRIEND</td>
<td>Socially friendly</td>
</tr>
<tr>
<td>MAIDEN</td>
<td>Innocent, kind</td>
</tr>
<tr>
<td>DRINKER</td>
<td>Straightforward, friendly</td>
</tr>
<tr>
<td>JOKER</td>
<td>Idealistic, different, creative</td>
</tr>
</tbody>
</table>

Brand personality characteristics are often suggested to a brand’s latent appeal. For example, Mercedes is relatively “assertive” and “in control,” while BMW is more “sexy” and “desirable.” The brands have different and differentiating personalities.

Mercedes confidently plays on its heritage with the fitting tagline, “The Best or Nothing.” In contrast, “The Ultimate Driving Machine” accurately captures the BMW personality.

As part of our extensive and on-going global BrandZ™ research, we measure the personality of thousands of brands. We base the research on authoritative psychological personality profile testing. Adapting the results to be relevant for brands, we ask, if the brand were a person what kind of personality would it have? We begin with 20 personality characteristics. Then we combine the characteristics into 10 brand personality archetypes (Reference: Brand Archetypes chart below). For example: The related personality characteristics “generous” and “caring” combine into the brand personality archetype “Mother.” Similarly, we use the brand archetype “Hero” to represent brands that are “adventurous” and “brave.”

When we take one more step. After combining brand personality characteristics into brand archetypes, we show how the archetypes relate to each other by lining them up along two axes: the polarities of one axis are stability and change; the other, well-being and challenge. For example: The archetypes “Dreamer” and “Joker” are associated with change, while “King” and “Wise” are more about stability. Finally, the archetype “Mother” represents a mix of stability and well-being.

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Brand personality characteristics are combined into 10 brand archetypes, which are then arranged around two axes.

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<td>WISE</td>
<td>Trustworthy, wise</td>
</tr>
<tr>
<td>STABILITY</td>
<td>In control, assertive</td>
</tr>
<tr>
<td>FRIEND</td>
<td>Socially friendly</td>
</tr>
<tr>
<td>MAIDEN</td>
<td>Innocent, kind</td>
</tr>
<tr>
<td>DRINKER</td>
<td>Straightforward, friendly</td>
</tr>
<tr>
<td>JOKER</td>
<td>Idealistic, different, creative</td>
</tr>
</tbody>
</table>
ARCHETYPES AND SUCCESS
Brand archetypes don’t by itself determine success. And successful brands can fit anywhere on the spectrum of archetypes. But inevitably some brands are just more compelling. The recent BrandZ™ Strength of Character analysis of over 14,000 brands worldwide identifies several archetypes that, in diverse ways, are associated with brand success.

The “Wise” archetype (particularly trustworthy) is most unequivocally correlated with brand success. “Wise” brands include Google, China Mobile and Visa. The Seductress brand (sexy and desirable) is more of a specialist but revels in being distinct, different and attractive. It describes L’Oreal, Louis Vuitton and Zara.

In contrast, the “Maiden,” “Innocent” and “Kind,” is not as strong. Many retailer own brands fit this brand archetype. “Friend” brands are “friendly” and “straightforward”, and usually very well known. They include Airtel, the Indian telecom, Home Depot and KFC. But “Friend” brands generally are declining in equity.

ARCHETYPES AND EQUITY
Brand archetypes correlate with brand equity. Brands with these archetypes—“Seductress”, “Wise”, “King” and “Mother”—typically have strong brand equity. In personality, the Top 100 brands are on average, significantly more “in control,” “assertive,” “trustworthy,” “wise” and “creative.”

On average, the BrandZ™ Top 100 most valuable global brands fall in the middle of the Strong Equity quadrant of the Strength of Character map, between the “Wise” and “King” with a strong dose of the personality characteristic “desire,” which is an aspect of the “Seductress” archetype. In personality, the Top 100 brands are on average, significantly more “in control,” “assertive,” “trustworthy,” “wise” and “creative.”

In terms of brand archetype, the Top 100 can be summarized as “Wise Kings.” This summary is especially true of the B2B leaders. IBM is a “King” because of its high levels of “trust” and “wisdom” together with its “idealistic” positioning. Exxon Mobile is also a “King” but less “idealistic” and much more “assertive,” while Royal Bank of Canada is an “in control” “King.”

Understanding a brand personality enables the brand owner to deliver a consistent brand experience that connects with consumers and leaves a deeper and more sustainable impression.

As noted, there are exceptions to the rule and they include some of the most valuable brands that define their category. As the approachable “Joker,” Facebook is “fun,” “playful” and “friendly.” The “Dreamer” Apple is “creative,” “adventurous” and “desirable.” Red Bull, the “Rebel,” is “adventurous” and “brave,” if a bit “arrogant.” Being “straightforward,” which implies honesty, is a key characteristic of the “Friend” archetype, which describes Amazon because of its great service, range and recommendations. Being seen as “generous,” “kind” and “caring” makes Colgate the ultimate “Mother” brand archetype.
Brand Personality

Brand Toys provide a new tool for understanding brands

As visual representations of brand personality, Brand Toys stimulate creative thought that can lead to new marketing and strategic insights.

Brand Toys are created based on brand personality characteristics from BrandZ™ data combined with an index of social media buzz. This information dictates the Brand Toy’s size, shape and expression. Eyes widen to indicate charisma, while height increases and legs thicken to project trustworthiness, for example. Various body shapes signify the brand's potential and its familiarity. Expressions change or accessories are added to suggest various qualities. Depending on style, a hat might symbolize assertiveness or caring.

For example: BrandZ™ data says Coca-Cola is particularly “desirable,” “adventurous” and “fun.” The Coca-Cola Brand Toy has the sunniest disposition, a “smiley” badge, a “lipstick” kiss on its cheek and is clearly a fun toy. The Brand Toys visualization is as effervescent as the drink. It overflows with smiles. Although the Coca-Cola brand is more than 125 years old, its Brand Toy reflects the ever-youthful image that helps Coca-Cola hold its own in brand value with newcomers such as Google, Amazon and Facebook. It commands a good price premium but is rated as very well priced because of the immense desire the brand creates. Happiness for the shareholders comes in an investment that is Coca-Cola shaped.

In contrast, UPS, which is particularly “in control,” “trustworthy” and “wise,” is an approachable hulk, with thick trustworthy legs, bright open eyes suggesting considerable charisma, and a careful tie and prize winning ribbon, which also recognizes trust. The Brand Toy is holding a timepiece to show reliability and punctuality in taking care of you and your shipping.

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www.brandtoys.com


d effectiveness studies have been used for more than a decade to measure the branding impact of online campaigns. Results from these studies, as well as aggregate industry knowledge, have helped advertisers design better media plans for future campaigns. Enter real-time data, which allows us to learn what’s working in a specific campaign, and make changes while it’s still in market. These changes help advertisers save money by reducing wasted, ineffective impressions and ensuring that the right message is delivered to the right consumers. But, there are rules that should govern the correct way of optimizing online branding campaigns and at the end of the day, optimization is part data and part instinct. The numbers alone shouldn’t be the exclusive guide to your decisions. Common sense and experience are often just as important and should guide you through the following considerations for campaign optimization:

**DEFINE CAMPAIGN SUCCESS CRITERIA AND KEY PERFORMANCE INDICATORS**

How will you know that your campaign is effective or not effective? What should you be looking for? Is any incremental increase in the metrics going to be sufficient? These are all important questions to answer prior to making any changes to your campaign mix. When assessing performance of sites or creative formats, benchmarks are inherently built into the campaign because you can compare each one against each other. However, shifting impressions around within a failing campaign is a waste of time. Campaign-level normative benchmarks are useful to assess whether your campaign, as a whole, is among top or bottom performing campaigns in the brand’s industry. Normative databases can be used for benchmarking as well as planning what magnitude of change to expect. It’s important to use not only normative data, but also your own experience with the brand, to create hypotheses of what results you expect from the campaign. This will give you something specific to test against. Often, testing a more quantitative goal, such as “increase purchase intent by X points,” results in more insightful findings than just “increase purchase intent.”

**ASSESS WHAT YOU HAVE THE POWER TO CHANGE**

Sites’ insertion orders usually include an impression level commitment, so a change as drastic as pulling a site from the campaign usually isn’t possible. However, agencies can usually move impressions across sections or placements within a site. Agencies with longer-term site contracts can also sometimes shift impressions from one campaign to a future campaign if the site appears to be a poor fit for the campaign in question. If there are multiple creative executions in the campaign, agencies can easily shift impressions between iterations, especially within the same site unit. If a campaign is really performing poorly, though, often a change to the creative design is needed. Ideally, creatives should be pre-tested to ensure that the best executions go into field to begin with, minimizing subsequent changes.

There is a lot of emphasis in our industry on mid-campaign adjustments because online creative can be re-used inexpensively and relatively quickly. The reality, however, is that this seldom happens and results in a lot of money being wasted on ineffective media. The best practice is to put pre-tested creatives into field, and include the creative agency in your optimization plan so that they can be “on call” to make tweaks to the design if the results suggest it’s needed. When setting up an ad effectiveness study for your campaign, remember to communicate in your research partner what types of changes you’re considering so that they can design an appropriate sampling plan, survey, and results dashboard against the objective.

By Michelle Eule
Senior Vice President, Digital Solutions, Millward Brown

**Why Optimization is Part Data and Part Instinct**

Ideally, creatives should be pre-tested to ensure that the best executions go into field to begin with, minimizing subsequent changes.
The ability to optimize should never replace thoughtful media planning prior to the campaign.Throwing everything in and waiting to see what works will result in a lot of wasted media spend. The best campaigns will usually be those with the best initial media plan, and optimization will involve simply fine-tuning the mix. Complete overhauls should be limited to rare disasters, and most campaigns should require limited changes.

Don’t make hasty decisions

It’s tempting to start making changes just a few days into a campaign in order to benefit early from optimization and reduce waste. But, branding effects don’t set in overnight. Frequency is one of the most important factors in campaign performance. A comparison of message association impact on CPG campaigns shows incremental increases in impact from the first exposure to more than 10 exposures.

Lauren Hadley, associate director of integrated insights at Starcom says, “Let the campaign build how it was planned to build. Don’t optimize prematurely.” Optimal frequency levels vary by industry, brand tenure, campaign objective, and even creative format. For example, the results in the chart above suggest that changes shouldn’t be made before at least four exposures have been delivered to a majority of a CPG campaign’s audience. Analyze historical normative data first before you adjust on the optimal frequency level to expect for your brand’s campaign.

Don’t be tempted by cheap studies that sacrifice the quality of the data that’s delivered.

Don’t be tempted by cheap studies that sacrifice the quality of the data that’s delivered. Shorter surveys are best for optimization because they garner higher response rates and, therefore, earlier results. But a survey that’s too short simply asks one or two questions can leave you in the dark about who the audience is, and whether the results are reliable. In ad effectiveness studies, it’s critical that the control and exposed groups are recruited from the same sites and have similar audience profiles. Demographic and category usage questions, and some amount of weighting, are usually needed to further match the two groups. Look for a research vendor that weights the data in real-time so that you can view valid data at any point during the study.

Consider the relative cost per placement

When evaluating the relative performance of each creative, site or placement, consider the relative price paid for each. While video units may often perform better than standard display units, for example, the higher cost may not justify the incremental branding impact. According to Joe Rose at MediaVest, “Cost-per-increase is a better measure of success than branding metric increases on their own, and is more in line with how we interpret performance for direct response campaigns.” When designing a branding effectiveness study, talk to your research partner about incorporating prices to calculate cost-per-increase metrics.
espite the strong growth of online advertising over recent years, brand advertisers continue to punch well below their weight when it comes to share of online advertising spend. New Australian data from Dynamic Logic, a Millward Brown company, has found that while online advertising can help to build brands, advertisers need to understand the balance between impact and over exposure, particularly when it comes to the use of video.

The MarketNorms data, which was based on more than 80 Aussie brand campaigns conducted over the last three years, has found that a strong online brand campaign can be up to four times more effective than an average-brand campaign. With such a huge discrepancy, it’s worth diving deeper to understand the three key components that combine to make a strong online brand campaign.

It’s worth first noting that behavior-based online metrics such as impressions, clicks, and acquisitions, while important for direct response, do not measure changes in attitudes and perceptions towards advertised brands, so they should be of little concern for brand advertisers.

The first element of a successful online brand campaign revolves around the use of video and rich media to create impact. Just one appearance of a video ad was found to perform better than any other treatment when it comes to persuasion, building brand favourability and increasing purchase intent. Interestingly, other high-impact placements such as OTPs and skins have shown equally positive impacts in Australian online brand advertising.

While the research shows that video and high-impact formats support positive results, marketers need to walk a fine line. Both Australian and global data shows that with over-exposure, high impact formats can actually drive attitudes down for a brand, particularly in regards to purchase intent.

These results lead to the second element of success for an online brand campaign—integrated planning using multiple formats. The data shows that high impact placements used at low frequency but complemented with standard banner placements, can extend the life of a campaign. The Australian data from an FMCG case study found that purchase intent increased 4.3% when pre-roll was combined with flash banners—a better result than either pre-roll or flash banners alone.

The third element of success, strong creative, would seem quite obvious to most marketers but is often overlooked. In the online banner world you only have one to two seconds to grab a viewer’s attention and communicate the brand and message. All the frames of an ad will rarely be viewed as a linear story. Data from our MarketNorms database shows much stronger brand results for creative that follows two simple rules:

1. Grab attention quickly and stand out on the page – think “visual hook” and make use of white space and simplicity. Cluttered or wordy banners often get lost on the page.

2. Make every frame of the creative work to convey both the brand and key message.

Before you move to dismiss these elements as self-evident consider this: nearly 40% of Australian campaigns measured did not feature the brand on every frame and over half did not have the message present across the creative.

With more dollars moving to digital advertising, the savvy marketers are gathering online branding insights, not just behavioral measures, to improve performance in both media and creative campaign planning.

By Mark Henning
Director, Media & Digital Solutions, Australia, Millward Brown

Chinese brands must work hard to improve differentiation and overseas recognition if they are to take on the multinationals, BrandZ™ data shows.
Ten years ago, China joined the World Trade Organisation, and some observers say one hundred years’ worth of societal and economic transformation has occurred since. Millions of Chinese citizens have evolved into consumers, and China’s contribution to the world economy is now universally acknowledged.

Chinese brands have evolved too. The 2012 BrandZ™ Top 50 Most Valuable Chinese brands ranking was published in December 2011 by WPP and Millward Brown. Six of the Brands in the ranking, collectively worth $50 billion, didn’t exist 10 years ago. In the 2011 global ranking, the BrandZ™ Top 100, 12 of the top 100 brands are from China.

But it is not all smooth sailing for Chinese brands. They not only encounter competition from multinational brands on the domestic front, but also face challenges in launching themselves overseas. The gap between Chinese brands and foreign brands is narrowing. Over the past decade, Chinese brands steadily increased in value, and the proportion of earnings driven by brand and consumer preference edged upward. Comparing 2011 and 2012 Top 50 rankings, 16 brands improved their brand contribution scores (which indicate the extent to which the brand is responsible for earnings), and none declined.

This shift demonstrates Chinese brand building achievements: improvements in innovation, marketing, image building and the ability to keep pace with rapidly changing consumer expectations for improved products and services. An example is the online portal Sina, which created the Sina Weibo Microblog in response to evolving communication needs in the internet era.

Not simply a Twitter clone, Sina Weibo is adapting to the market, and its success is reflected in its ranking. Mengniu, a dairy brand, tackles food safety fears by emphasising its healthiness. Fulinmen, a producer of edible oil and rice, conveys a brand personality evoking a mother’s concern over the health of her family.

Sportswear brands such as Anta and 361° have achieved massive brand salience and have a formidable head start on multinational brands such as Nike and adidas in lower-tier cities.

By Jason Spencer, Managing Director, Shanghai, Millward Brown, Sirius Wang, New Solution Director & AMAP Knowledge Manager, Millward Brown and Adrian Gonzalez, COO, AMAP, Millward Brown

FIGURE 1 Creating meaningful difference is still the biggest challenge for Chinese brands

| CHINA TOP 50 BRANDS | 50% |
| GLOBAL TOP 100 BRANDS | 70% |

Source: BrandZ™ database
Among the Chinese Top 50, half the brands achieved a score in the top tertile on one or both of those dimensions, while among the Global Top 100, 70% achieved such scores. Chinese brands are still seen as cheaper, while foreign brands are considered different in a meaningful way.

Every brand must have a purpose. It must resolve a consumer need, which may be functional, emotional, aspirational or societal. And brands that do this in ways that are meaningfully different from other brands have the opportunity to build significant value.

Yunnan baiyao, a brand with a century-long heritage of traditional medicine, is an example. Its brand value comes not just from heritage, but also from the differentiation that heritage can confer. Brands that can genuinely claim a long and unique history and combine that history with meaningful differentiation can build brand relationships with consumers that are strong enough to sustain premium prices and withstand threats from imitators. Pingan, China Merchant bank and Hainan airlines are also good examples of differentiating from local competition by emphasizing customer service.

Multinational brands have already felt the increasing success of Chinese brands. A recent survey by The Economist, conducted among 328 senior executives at non-Chinese MNCs, found that only 22% of respondents considered Chinese firms “not a threat”. That’s a third of the percentage who were unconcerned about Chinese brands in 2004.

The BrandZ database – the world’s largest brand equity database – shows similar findings. Conducted in China since 1998, the BrandZ study has surveyed over 350,000 consumers on more than 1,000 brands, and over time the data shows a narrowing gap between Chinese and foreign brands. This is especially apparent in the second- and third-tier markets, where Chinese brands dominate many categories.

**SPOT THE DIFFERENCE**

‘Meaningful difference’ is still the biggest weakness. Chinese consumers are becoming more demanding and discerning in their brand expectations. They are increasingly judging Chinese brands against the large array of foreign brands now in China and are expecting them to deliver more than just price and category entry benefits.

However, even though BrandZ shows that the gap between Chinese and foreign brands is narrowing in China, a gap still exists. Chinese brands are less likely to achieve high scores on having a clear image and being different.

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a hundred years worth of societal and economic transformation has occurred in a decade
GOING GLOBAL

Success in their enormous domestic market has allowed many Chinese brands to gain enough strength to enter international markets. Nearly half of the brands in the 2012 Top 50 have overseas revenue that accounts for more than 5% of their total revenue. Lenovo, one of the most well-developed of China’s global brands, makes about 50% of its income from overseas and is now the world’s second-largest PC manufacturer.

However, Chinese brands still have very low awareness among foreign consumers. Beginning in 2010, Millward Brown conducted two large-scale studies to understand the performance of Chinese brands in overseas markets. When people outside China were asked to name Chinese brands, 83% could not name one. Clearly the main problem facing Chinese brands abroad is familiarity. BrandZ™ results indicate that in any market, to become a leading brand, an awareness level of at least 90% is necessary. Chinese brands still have a long way to go in international markets.

Interestingly, developed and developing countries did not show much difference in their familiarity of Chinese brands. Apart from neighboring Malaysia and Australia, countries that are relatively familiar with Chinese brands, developing and developed countries have very limited knowledge of brands from China.

MATCHING THE MINDSET

However, our global study found differences between developing countries and developed countries in some categories, such as mobile communications, financial institutions and insurance. Chinese brands in these categories are not accepted in developed markets, but have some success in less-developed countries.

To be successful in overseas markets, Chinese brand managers need to recognize that foreign consumers have a different mindset than Chinese consumers. Chinese brand managers will need to develop a global perspective and adjust their thinking and strategies if they want to make foreign consumers feel comfortable with Chinese brands.

One of the common misconceptions held by Chinese brand managers is that the unique cultural elements that support their brands’ success in China can be rolled out globally. This is not often practical. Chinese provenance may be acceptable in some categories, such as apparel, where China’s heritage may be an advantage, but in other categories, such as consumer electronics, China is still perceived as an OEM (original equipment manufacturer).
In China, consumer loyalty is driven by perceptions of popularity

Chinese brands also face another challenge: consumer-brand relationships are driven by different factors in different countries. In China, consumer loyalty comes from perceptions of popularity and what the brand communicates to the world about the consumer. Products and marketing campaigns are crafted to convey this.

However, in developed markets, consumer loyalty is derived from a more personal relationship with a brand. Consumers care less about status than about having their own personal needs met.

There are always exceptions, but Chinese brand managers only need to look at the mistakes that multinational brands made in their early days in China to understand that misunderstanding consumers can hurt brand building.

If they are to succeed overseas, Chinese brands must develop emotional connections with foreign consumers. Take a recent campaign for Haier in Australia.

In a series of advertising campaigns for refrigerators, washing machines and other products, Haier leveraged its brand image of low price into an advantage, addressing the needs of more practical customers.

It conveyed the idea that Haier allows consumers to have more money to spend on other pleasures, since they don’t have to pay a premium for Haier.

Chinese brands have made remarkable progress over the past 10 years. Chinese consumers appreciate the quality and innovation now available to them, and those who manage multinational brands in China and elsewhere have developed a healthy respect for competitive Chinese brands.

But though their growth has been impressive, Chinese brands have more work to do if they are to compete effectively in global markets. Their work must start at home, building perceptions of meaningful difference. They need to raise awareness among foreign consumers and recognize the varying mindsets and attitudes towards brands in other countries. A one-size-fits-all marketing plan will not be effective.

However, the China Top 50 ranking showcases a number of Chinese brands that are acquiring and honing the skills that will make them successful overseas.
When you can connect with friends all over the world on Facebook and familiar brands greet you in malls across the globe, it is tempting to think that the time is right for truly global campaigns. Ones that are originated and implemented in the same way everywhere.

But the superficial evidence belies significant differences across markets. So, unless your brand is one of the few that targets a homogenous global audience, then you must plan from the ground up and your measurement should reflect that local mindset. The “think global, act local” mantra applies to all aspects of the planning process, from identifying a common global platform on which to build a campaign, to assessing its in-market effectiveness.

Today, many brands aspire to implement consistent, global communications platforms that drive sales, boost brand strength and have a real impact on the bottom line. Expecting the same efficiencies that are realized in manufacturing, operations and supply chain standardization companies hope to use the same advertising strategy and executions around the world.

But all too often the results are disappointing. A campaign that had great promise in one region fails to move the needle in others. The problem is that, while many companies operate on a global basis and have become accustomed, if not comfortable, with working across countries and cultures, most consumers live very local lives. They shop locally, drop their kids off at the local school and hang out with friends at the local bar. More importantly, they watch local television stations, read local newspapers, and, increasingly, surf local digital content. It is not just a matter of which media channels to use.

Media consumption differs by country even within channel. In London, most people commute by bus or the Underground, so smaller posters predominate. But in cities such as Los Angeles, where commuters spend hours on clogged highways, bigger billboards are the norm. And in São Paulo, outdoor advertising is banned altogether, forcing marketers to seek alternatives to reach their audience.

Media buying is forced to reflect the diversity of local markets. Even if we wanted to reach a pan-European audience, the resulting plan would be a patchwork of different channels and properties. There are very few media properties with even regional reach. And, in spite of many advertisers’ desire to use the same executions across countries, advertising effectiveness reflects the same diversity. Our research suggests that very few creative executions have the ability to effectively transcend differences in brand status and cultural boundaries, no matter how much advertisers might wish otherwise.

If the role of planning is to bring the consumer into the process of developing advertising (content and media), then it needs to start with the local markets and work up, combining knowledge of the target consumer within category insights, competitive reviews, and cultural understanding to synthesize an effective campaign that will work across countries and cultures.
If global planning starts from the ground up, so too must our measurement of its effectiveness. And that means starting at the beginning of the development process, not just when a campaign runs. Unless the strategy and creative idea are relevant and resonate with the intended audiences, the finished campaign is unlikely to prove effective.

Increasingly, advertisers are seeking to identify a communications platform that will inform all creative executions irrespective of media channel or country. But identifying a big idea is a big task even before you contemplate the complexity offered by different countries and cultures. Dove’s Campaign for Real Beauty resonated well in Anglo-centric cultures but failed in Asian cultures, where concepts of beauty are still defined by outward appearance. A big idea fails when it is incomprehensible viewed through a different cultural lens. Research of all types – qual and quant, observational and interactive – can all help inform whether or not an idea is likely to work across cultures.

In order to develop a global positioning for its Powerade brand, Coca-Cola adopted a two-stage approach. In the first stage, respondents used an online forum to discuss their sports participation and give their reactions to different Powerade positioning concepts and the extent to which these resonated with their own experience. Insights from this research were then used to refine five concepts for the next stage of quantitative research. Importantly, the first stage helped shift the focus of the campaign away from “winning” to a globally resonant theme of “performing at your best”.

Not only did the research inform the global decision, market-level data provides the individual markets with information on how best to implement the campaign in the way that best fits the local culture and competitive context. Even when you have identified an idea that resonates consistently around the world, the next challenge is to execute against that idea. Johnnie Walker may espouse a consistent global idea of progress, but executions are developed appropriate to the local culture. If they did not, the global campaign would not be as effective. A recent ad developed for the Brazilian market shows the mountains of Rio de Janeiro transforming themselves into a giant that strides across the ocean. The slogan is: ‘The giant is no longer asleep. Brazil, keep walking.’ The ad captures the pride Brazilians feel that their country is playing a more powerful role in the world.

But not every brand has the luxury of developing local content and even the largest global brands will seek to redeploy ads for markets with a lower volume potential. In cases like these, the brand must identify the execution most likely to transfer from one country and decide whether or not adaptation is necessary. Measurement can play a key role in informing decisions related to ad transference. Two main hurdles must be overcome for an execution to be effective across countries and cultures. The first is brand status. All too often an execution works in one country because it fits the local knowledge of the brand and its competitive standing. But transfer that ad to another country and the context may undermine both comprehension and effectiveness. Consistent measurement of brand equity and positioning across countries helps ensure that copy is deployed only in countries where the brand’s standing is likely to encourage success.

The second hurdle is differences in culture. We have all heard the stories about ads that fail because of inappropriate translation, but far more frequent is failure due to incomprehension. For instance, many ads seek to create enjoyment through the use of humour. But what is funny in one country may be thought childish, banal or even offensive in another. And often it is the subtle things that have the most influence: values, customs or lifestyle. Unsuccessful transfer of an ad from one country to another may be determined by something as simple as an idiom that is understood in one country and not the other. The only solution, other than originating ads locally, is to pre-test ads to see whether they will be well-received by the intended audience.
Turning now to assessing the in-market effectiveness of a global campaign, we are once again steered back to the local level where the necessary media and sales data are measured. For this reason, brand and media tracking, cross-media effectiveness research and econometric modeling are all conducted on a local market basis. You might expect social media listening to prove to be the exception to this rule but, in reality, measuring a global picture proves messy, not least because platforms and measurement services are regionally fragmented. And, if you care enough about a market to advertise in it, wouldn’t you like to know how the campaign is received by all your target audience, not just the vocal minority?

The market-level approach allows us to understand the effectiveness of media selection and copy within country, but what about the global picture? The same campaign may stimulate a very different response across markets depending on consumer attitudes to ads, media clutter, category growth rates and brand sales elasticity. To look at a global picture, we must first compare performance with country databases and then look at normalized results to draw conclusions about campaign effectiveness. Unfortunately, this approach may seem unnecessarily complex to the end-user but it is absolutely critical if sensible comparisons are to be made between countries. For instance, on average, Scandinavian tend to be more negative in their response to advertising than Poles or Mexicans, while Indians and Indonesians tend to be far more positive. This, in part, reflects cultural differences, but also attitudes to advertising in general. This type of difference is not just apparent in attitudinal data. The sales elasticity to advertising will differ within a product category depending on the relative wealth of the population and the economic growth rate.

This said, consistent patterns do emerge from the data, particularly with regard to cross-media effectiveness. One and again, in many different countries - we see a key role of TV in “priming” mass audiences. This significantly increases response to further communications exposure outside TV and, in that sense, we have a global “rule”. However, the clutter levels by country differ greatly, consequently changing the planned frequency needed to “cut through” and the volume of GRPs one can put behind an ad before reaching diminishing returns. This is not just about the size of the media budget and media owner deals; large sums of production money are bet, very early, on the number of ads to produce, their length, their rotation, all based on anticipating frequency and diminishing returns once deployed on TV.

In a growing number of countries, there is increasing value in planning audiovisual ad exposure across TV and other media, such as online, mobile, tablet and even digital posters in Tier One cities in China. We see that digital AV ads frequency and some additional reach among lighter TV viewers. However, the returns and consequent investment levels must take into account quite different local audience penetration and a variety of online media environments, sometimes less cluttered than TV, sometimes much more. Such changes then happen as a global rule often cannot be applied in the Chinese market. However, the end-user may find this to be a necessary complexity.

In these days of doing more with less, the message that effective measurement needs to be conducted from the ground up is unlikely to prove popular, but neither does it make it untrue. If you really want to understand how people respond to your campaign ideas, executions and in-market deployment, you have to do so at the local market level.

CONCLUSION

Global brands are increasingly being challenged in countries like China, India and Brazil by more culturally appropriate local brands. Their proximity to their customer gives them an important advantage, not least an innate understanding of their culture and the local media and shopping environment.

If marketing communication is the equivalent of a brand’s conversation with the world, global brands must be well-informed and tapped into local cultures if they are to remain successful. That means measuring effectiveness from beginning to end, and from the ground up.

MEASURE IN-MARKET EFFECTIVENESS

The world is still an incredibly diverse and complex place, and you ignore that geography simply opens up opportunities for competitors to take advantage of global gaps. Global brands are increasingly being challenged in countries like China, India and Brazil by nimble and more culturally appropriate local brands. Their proximity to their customers gives them an important advantage, not least an innate understanding of their culture and the local media and shopping environment.

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Dynamic Logic and Millward Brown have long known how to measure attitudes and habits as a result of any marketing activity. We do it primarily through survey-based research. In this voice, the research is guided, quantifiable, structured and replicable. With the proliferation of social media data running through platforms like Facebook and Twitter, we can now listen to another voice of that same consumer, which is observational, unsolicited, un-moderated, and completely fluid. This social voice reveals new information and thus new avenues of insight and analysis.

We’ve also long known that the attitudes expressed in the survey have other cousins – opinions and actions that potentially don’t surface in surveys. The future of brand measurement is an exploration into how new social platforms and technology can garner meaningful attitudinal and behavioral insights that complement and supplement our established survey based methodologies. It’s certainly possible that one day (perhaps not long from now) this implicit data-driven measurement could even supersede traditional survey methodologies.

WHERE DOES THE DATA COME FROM, AND WHAT DOES IT MEAN?
The social data universe is hard to size – no one knows how big it is, how much there is, or in some sense, even what the definition is of social. But even as that universe expands, it’s also becoming more centralized in some significant ways.

In the past seven years, Facebook has won the battle of supremacy: it definitively owns our social graph. With over 750 million users and growing, our real-life social networks, personal and professional, have been mapped. Its near-universal adoption in most countries means it’s easier to innovate without worrying about replicating those same networks from scratch with every new application or utility. Nearly every platform, whether it’s Twitter, Foursquare, or this week’s hot new startup now takes advantage of Facebook Connect, to bolster user experience and adoption, and to create more value for the service and its users.

Deep integration means much more than just a rich user experience: it also means users are constantly generating a stream of data which can give us more thorough insight into habits and attitudes than we’ve ever seen before. Major brands and services have caught on – everyone from Groupon to Ticketmaster to Starwood Hotels recognize the power of these rich data streams, and they are looking to harness them in a meaningful way that can build their brands and grow their businesses. This is the age of Big Data, and brands are eager to capitalize on it.
With Facebook’s identity so thoroughly enmeshed in the development of new applications and platforms, it facilitates aggregation of this data while Twitter's functionality as an information-sharing platform means it also captures a wide variety of data, as new platforms push select data through to Twitter. This unified social graph will give rise to new brand value generation across many categories and many platforms. Mining those platforms for explicit, implicit, and analytic consumer data will become a core measurement approach for brands.

**HOW CAN YOU MEASURE THE IMPACT OF SOCIAL MEDIA THROUGH SOCIAL MEDIA?**

If the bounds of social media and the data it generates are seemingly limitless, it becomes necessary for us as researchers to be able to identify key points of significance in that data that can serve as surrogates for the larger set. From there, we can extrapolate more broadly to measure the impact of that media on a brand.

To understand how we can frame social research alongside attitudinal research, it’s helpful to think of the traditional purchase funnel. We propose, through early validation work, that just as there’s a purchase funnel that helps explain consumer attitudes and decisions, there also exists what we call a “Passion Funnel” — a parallel social research construct that helps marketers understand brand social performance in the same framework as they understand overall marketing performance.

This research construct makes it possible to measure brand activity more broadly in social media. Through our VerveIndex work using Twitter data we’ve seen that using integrated platform data can yield powerful results, including insight into both campaign effectiveness and brand performance. So many other data sources flow into Twitter — from original Tweets to blogs to location data to photo and video sharing — that by decomposing the stream, we’re able to track brands across a multitude of platforms from one very rich data source. As broad as social media may be, we can isolate, identify and amplify which elements of which platforms serve us signals for marketing success.

When we identify the significance of each of these elements and assign appropriate weights, we’re able to use this data as a proxy for understanding brand performance not only in the entire social universe but also more holistically across all marketing activity. As adoption of social media becomes more widespread in the general population, marketers are also simultaneously increasing its role in their broader media mix. Just as social media should be a component of a brand’s overall strategy and media mix, so should social media measurement be held to the same standardization as the rest of a brand's measurement mix. As new platforms launch, grow and evolve, so will their data generation; for each of these data sets, we must always seek to identify a common understanding of them through a stable analytical lens.

Yet to make sense of the breadth and depth of the big data social media affords us, it is ultimately critical to tie brand performance and marketing activity into standardized metrics that can function across the broader reach of media that's paid, earned or owned. Decades of research have taught us much about the consumer path to purchase, and those findings and research constructs still serve as the backbone of our industry and our understanding of it.

Social media measurement is not a new research paradigm; it is another data source to help us understand and support the paradigm we use consistently across all other market research. Just as social media should be a component of a brand’s overall strategy and media mix, so should social media measurement be held to the same standardization as the rest of a brand's measurement mix. As new platforms launch, grow and evolve, so will their data generation; for each of these data sets, we must always seek to identify a common understanding of them through a stable analytical lens.

### T turning Big Data into Brand Data

**Purcha s Funnel**

**Passion Funnel**

- The ebb and flow of marketing messages is reflected (and when done well, amplified) in social media, making it a robust data source for catching the pulse of brand performance.
- Yet to make sense of the breadth and depth of the big data social media affords us, it is ultimately critical to tie brand performance and marketing activity into standardized metrics that can function across the broader reach of media that's paid, earned or owned. Decades of research have taught us much about the consumer path to purchase, and those findings and research constructs still serve as the backbone of our industry and our understanding of it.
- Social media measurement is not a new research paradigm; it is another data source to help us understand and support the paradigm we use consistently across all other market research. Just as social media should be a component of a brand’s overall strategy and media mix, so should social media measurement be held to the same standardization as the rest of a brand's measurement mix. As new platforms launch, grow and evolve, so will their data generation; for each of these data sets, we must always seek to identify a common understanding of them through a stable analytical lens.
The future of #social for brands

By Duncan Southgate

Five suggestions for keeping fan pages fresh

1. **Maintain a social media presence**: Building a strong fan page is a costly investment in time and resources. However, once a fan base has been established, there can be real synergy between TV and digital creative, and fan pages can be used to build interest in the launch of a new product. For example, the Facebook page for Globalstar’s satellite phone was unveiled three weeks before the physical phone was launched, with a further Facebook promotion to celebrate the new phone release. As well as generating interest, social media can provide strong reasons to purchase. If fans have a positive relationship with a brand, they are more likely to purchase its products and services than those who don’t engage with the brand. So social media can be really successful when run well.

2. **Fan pages: impactful, and growing in scale**: Facebook’s offerings allow for a huge range of multi-channel integration, from stand-alone pages to integrating the Facebook and Twitter feeds into your website. For example, Coca-Cola’s page has 3.5m fans, but fans can also visit the Coca-Cola website from the page. Or fans can visit the Coca-Cola website from the page, or vice versa. This cross-platform integration can provide strong reasons to purchase. If fans have a positive relationship with a brand, they are more likely to purchase its products and services than those who don’t engage with the brand. So social media can be really successful when run well.

3. **Viral video campaigns**: The Facebook and Twitter “share” and “retweet” mechanisms are simple, but fans/share what they like and fans/share what they think. So fan pages can be used to create a buzz around new brand launches. The integrated nature of these services means that the power of viral video campaigns can be really powerful, especially for the companies who can leverage the power of potent viral video campaigns on Facebook. For example, a recent study by Millward Brown for Britvic showed that Facebook fans for the brand were particularly likely to engage with the brand’s Facebook page. The study found that fans were more likely to engage with Facebook pages than fans for other brands and that Facebook fans were more likely to engage with Facebook pages than fans for other brands.

4. **Deepening brand loyalty among fans**: “Value of a fan” studies have shown that innovation and variety are important, as well as engagement. For example, a recent study by Millward Brown for Britvic showed that Facebook fans for the brand were particularly likely to engage with the brand’s Facebook page. The study found that fans were more likely to engage with Facebook pages than fans for other brands and that Facebook fans were more likely to engage with Facebook pages than fans for other brands.

5. **Engage if brand effectiveness is not to fall over time**: So keep probing new areas to see what content sparks most engagement. For example, a study by Millward Brown for Britvic showed that Facebook fans for the brand were particularly likely to engage with the brand’s Facebook page. The study found that fans were more likely to engage with Facebook pages than fans for other brands and that Facebook fans were more likely to engage with Facebook pages than fans for other brands.

**Summary**

Fan pages are particularly useful for brands which understand their audience, identify their core target. Only when social is considered in the totality of the brand communication strategy is social media measurement part of the brand measurement tool kit. For example, a recent study by Millward Brown for Britvic showed that Facebook fans for the brand were particularly likely to engage with the brand’s Facebook page. The study found that fans were more likely to engage with Facebook pages than fans for other brands and that Facebook fans were more likely to engage with Facebook pages than fans for other brands.

**The importance of measurement**: Social media measurement is now well understood by many brands and is increasingly being integrated into the brand’s overall measurement strategy. For example, a recent study by Millward Brown for Britvic showed that Facebook fans for the brand were particularly likely to engage with the brand’s Facebook page. The study found that fans were more likely to engage with Facebook pages than fans for other brands and that Facebook fans were more likely to engage with Facebook pages than fans for other brands.

**Fandemonium**: The Facebook page for Globalstar’s satellite phone was unveiled three weeks before the physical phone was launched, with a further Facebook promotion to celebrate the new phone release. As well as generating interest, social media can provide strong reasons to purchase. If fans have a positive relationship with a brand, they are more likely to purchase its products and services than those who don’t engage with the brand. So social media can be really successful when run well.
A century ago, the renowned merchandising and advertising mastermind, John Wanamaker, uttered that iconic phrase. Decades before radio and television, Mr. Wanamaker opined about the fundamental weakness with advertising—the difficulty of reaching potential consumers through traditional advertising. He didn’t have the tools or the information to make informed decisions about what advertising works best.

When you think about how electricity would literally shock his world, consider how digital is affecting yours; how consumers are defining their media through new digital devices on a personal level. Digital technology (set top boxes, smart phones, tablets, PCs) links content to the consumer faster than ever before. Technology is redefining the new reality in television, and digital technologies are empowering consumers with the greatest choice of content, in the highest quality, delivered when and where it is most convenient—welcome to the consumer age of television.

The challenge of evaluating advertising effectiveness today has intensified as consumers are more actively multi-tasking on digital devices, exponentially increasing the likelihood of potential lost audiences and ad avoidance. But 100 years later, we have an advantage over Mr. Wanamaker—the digital devices can “talk.” They can collect usage data and send it back. To give some context, we now collect tuning on over 2.3 million commercials—so we can see in last year’s Super Bowl if anyone actually stayed with those expensive ads.

As more digital media advancements enable efficient targeting capabilities, advertisers can send more relevant messages to the right consumer. Since digital devices communicate with a high fidelity of return path data (RPD), we have an unprecedented opportunity to “mine & combine” this usage data so marketers can understand the new digital media landscape and improve their advertising effectiveness.

Mr. Wanamaker was making the case to demand greater accountability for advertising. Kantar Media and Millward Brown have combined two key databases to understand the acceptance of an ad and the subsequent audience behavior when the ad appears to help minimize ad avoidance or audience tuneaway. This enabled us to provide an additional measurement system with enhanced accountability and insight for advertisers.
Understanding whic...
UNDERSTANDING MEDIA PLACEMENT

But how important is the media in terms of the whether viewers watch or “tune into” watching the commercial? As we have learned, it is critical. The effectiveness of an ad being ‘tuned into’ depends largely on where and how that commercial is received, or its media “environment.” Media placement can be measured by the measurement of factors, or media influences, relating to the buying strategy employed. For the purpose of our study, we used our second by second audience analysis to identify the most important reasons why people tune away from commercials. These include: program, network/channel, daypart, commercial length, the pod within the program, position in pod and product category.

We were then able to see some very interesting trends. For example, ads which are shown first in a commercial pod (the grouping of commercials in a program) tend to have higher levels of tuneaway. The specific program also affects the ad’s performance as does the network/channel, daypart, commercial length, the pod within the program, position in pod and product category.

Many consumers will intuitively change the channel as soon as the commercial break starts, and certain programming is better at retaining audiences.

From a creative standpoint viewers generally have to really dislike an ad or have it not be relevant to actively change the channel. From a media standpoint, there are multiple factors which will impact whether an ad drives audience tuneaway analyses, complemented with other commercial performance measures provide an additional diagnostic to understand the ad’s potential to retain or lose viewers.

THE REAL VALUE – COMBINING CREATIVE AND MEDIA PLACEMENT MEASUREMENT

The real power lies in combining media and creative aspects to understand how they interact. We built a structural equation model across the combined datasets to isolate the effects of creative and media placement on audience behavior tuneaway. While we know creative is a critical role, the model illustrated an amazing observation - media plays an even stronger role, accounting for 75% of tuneaway.

Many consumers will intuitively change the channel as soon as the commercial break starts, and certain programming is better at retaining audiences. For example news or sports, may impact the way in which the commercials within it are consumed, compared to a genre such as drama which usually requires continuous engagement to follow a storyline through a commercial pod. However, the creative remains critical. Audience tuneaway does not provide an additional diagnostic to understand the ad’s potential to retain or lose viewers.

ACTIVATING THE MODEL TO HELP ADVERTISERS

While our study enabled us to understand the overall trends and causes of audience tuneaway, we are also able to analyze the performance of individual campaigns and pinpoint areas of strength and weakness. We found examples of campaigns which scored well creatively but performed poorly in terms of their tuneaway, and others which were weaker creatively but managed to minimize ad avoidance. Examples such as these enable us to understand the relationship between creative and media and to identify specific elements that contributed to this performance and areas for improvement.

In one specific case, we found the advertiser had an opportunity to improve both the creative and media strategies to reduce ad avoidance. From a creative standpoint, they needed to convey a more credible message and make changes to reduce the negative emotional reaction. Their media strategy could be enhanced by better rotating spots in different pod positions as well as modifying the way in which the commercials within it are consumed, compared to a genre such as drama which usually requires continuous engagement to follow a storyline through a commercial pod. However, the creative remains critical. Audience tuneaway does not provide an additional diagnostic to understand the ad’s potential to retain or lose viewers.

OVERALL CONCLUSIONS

Consumers will continue to evolve with digital media, actively selecting relevant video content and consuming it on their own terms. To understand audiences in this digital evolution, programmers and advertisers need additional measurement practices to provide enhanced accountability and insight. Commercial tuneaway does represent a significant loss in both audience reach and media investment, and there are metrics required that can help analyze campaigns from both a creative and a media placement standpoint, to manage and reduce ad avoidance.

Can’t you just see Mr. Wanamaker smiling?

Social Media Best Practices

Chris Maier & Nicki Cunliffe

1. BRAND AND MESSAGING

Brands should align their social media messaging with the Steinhart ideal. An attractively presented and relevant social media strategy can help attract and engage customers.

2. CUSTOMER SERVICE

Reaching customers through social media can help brands stay ahead of their competitors. "It pays off to stay engaged with customers," says Wang. "Your brand will be rewarded for your efforts."

3. CONTENT HOOKS

Increasing awaremess of a company's brand through social media can lead to increased sales. "Social media can help to create a buzz around a new product or service," says Wang. "But you need to make sure that the content you are sharing is engaging and relevant to your audience."

4. SEO FOR SOCIAL MEDIA

Social media should be integrated into a company's overall SEO strategy. "SEO for social media can help to improve search engine rankings and drive traffic to your website," says Wang. "But you need to make sure that your social media content is optimized for search engines and includes relevant keywords."

5. SOCIAL MEDIA AND LOCAL

Social media can be used to connect with customers in local communities. "Social media can help to build relationships with local customers and increase brand awareness," says Wang. "But you need to make sure that your social media content is relevant to your local community and includes local events and activities."

6. SOCIAL MEDIA AND MOBILE

Social media should be accessed through mobile devices. "Mobile devices are becoming more and more popular, and social media can be used to reach customers on the go," says Wang. "But you need to make sure that your social media content is optimized for mobile devices and includes responsive design."

7. SOCIAL MEDIA AND VIDEOS

Social media can be used to share videos. "Videos can be used to share customer stories, product demonstrations, and other content," says Wang. "But you need to make sure that your social media content includes videos that are engaging and relevant to your audience."

8. SOCIAL MEDIA AND REVIEWS

Social media can be used to share customer reviews. "Customer reviews can help to build trust and increase sales," says Wang. "But you need to make sure that your social media content includes reviews that are honest and informative."

9. SOCIAL MEDIA AND INTEGRATION

Social media should be integrated with other marketing channels. "Social media can be used to complement and support other marketing channels," says Wang. "But you need to make sure that your social media content is integrated with other marketing channels and includes consistent messaging."

10. SOCIAL MEDIA AND BEST PRACTICES

Social media can be used to share best practices. "Best practices can help to improve social media performance and increase sales," says Wang. "But you need to make sure that your social media content includes best practices that are relevant and useful to your audience."

The study of Steve Top of a local brand's social media presence provides the basis for the evolving marketing of social media. The study focuses on the dynamics of social media and the ways in which brands can use social media to engage customers and create loyalty.

The study of Social Media Best Practices by Chris Maier and Nicki Cunliffe presents a comprehensive guide for brands looking to leverage social media. The study provides best practices and insights to help brands create effective social media strategies and implement them successfully.

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A recent report concluded that there is a very strong link between creativity and effectiveness: ‘The Link Between Creativity and Effectiveness’ (IPA, 2011, Peter Field). Field’s analysis sheds an interesting light on an old debate about creativity and sales effectiveness. We’ve long felt there was a connection: when we look at the best ads we have ever tested, it is clear they all have the power to involve and be enjoyed, and it is clear even subjectively that they all harness creativity, albeit in different ways, to great effect.

To explore this issue further, we’ve recently conducted our own analysis. We undertook a painstaking trawl through the winners of IPA Effectiveness Awards from 1996 to 2010, Effies from 2007 to 2010, and Cannes Lions from 2002 to 2011 to identify campaigns for which we had conducted Link, our global pretest. The IPA and Effie awards are given for effectiveness, while Cannes Lions are given for creativity.

In total, we identified 251 ads covering 92 brands. For brands for which we had researched more than one ad, we used the average scores across all the ads. We indexed the Link results to enable legitimate comparisons of ads from different countries (because the Cannes Lions cover ads from around the world, and average scores vary across countries). An index of 105 or more puts the ads into the top third tested; an index of 114 or more puts the ads into the top 10%.

Figure 1 shows the results on a selection of key Link measures for IPA Effectiveness winners. Overall, these results include 153 ads for 46 brands; the “base” column shows the number of brands represented. (Because Link has evolved over the years, we don’t have all the measures for all the ads.)

Compared to our overall average, the television commercials for the winning brands tend to be more involving and enjoyable (an index of 105 puts the ads into the top third we’ve tested on these measures), and different to other advertising. They also have slightly better branding. They are less likely to be seen as conveying new, relevant, or unique information designed to make people feel differently about the brand. The persuasion scores of these award-winning campaigns are on a par with norm.

Some may be surprised that advertising can work without persuading people. We’ll explore this further later in the paper.
Turning to the Cannes Lions (covering 43 ads for 30 brands; some
ads were tested in multiple countries), they too perform well above
average on enjoyment and involvement (Figure 3), but they are
also far more likely to be different to other ads (an index of 115
puts them in the top 10% of ads we test on this measure). On the
other hand, branding scores are on a par with the norm while the
persuasion scores are below the norm.

So it seems that both creative and effective ads benefit from
enjoyment and involvement. The finding that shows that persuasion is not necessary for effective
advertising may seem surprising; both Millward Brown and some of
our competitors have published evidence that such advertising can
produce sales effects (‘An Analysis of How Effectively Advertising
research Can Predict sales’, Twose and Smith, 2007). However, this is
understandable in light of the evidence that a persuasive ad tends to
affect sales in the short term, while effectiveness awards tend to be
given for long-term brand-building campaigns.

The Millward Brown measure of persuasion, which asks respondents
whether the ad makes them more likely to buy the brand, tends to
closely replicate the results of pre-post persuasion shift approaches
(‘Persuasion shift Testing: Putting the genie Back in the Bottle’ Farr,
1993). We have also observed that ads which performed well on
persuasion also tended to convey relevant, credible, differentiating
news (‘What Makes an Ad Persuasive?’).

A new, relevant, and credible claim will always
have a dramatic sales effect. But
such advertising will wear out quickly:
persuasion is a “one-off” event. We either
get the consumer to make a mental note
to try the brand again, or we do not.
An ad that did not get this response at
the first three showings is unlikely to at
the fourth. So, while persuasion is one
route to produce a substantial sales effect in the short term, this
effect is unlikely to register strongly in the long term. In fairness, we
should also acknowledge the possibility that advertising agencies
are more likely to submit highly creative campaigns to the IPA
Effectiveness Awards, and less likely to submit campaigns based on
establishing a new, relevant factual claim.

It does seem that persuasion is not necessary for long-term brand
building. This highlights the need to be clear in setting advertising
objectives either in terms of short-term sales effects or longer-term
brand-building goals.

In 2005, after an extensive review of the literature, we compiled a
list of 16 emotions to represent the range of emotions advertising
can generate. (‘The Emotional Drivers of Advertising success:
Page, 2005).

We’ve now had considerable experience of these measures, and
we have found them extremely helpful in understanding ad
performance.

While the base of brands covered is admittedly low, the average
responses for the IPA Effectiveness Awards seem to mirror the
UK norms (Figure 4).

A new, relevant, and credible claim will always
have a dramatic sales effect.
Looking at the winners shows the same pattern (Figure 5): the story line with the highest scores among all brands scored 40 on ‘attracted’ versus an average of 20, an FMCG brand scored 44 on ‘affectionate’ versus an average of 24, one beer brand scored 46 on ‘inspired’ versus an average of 34, one beer brand scored 55 on ‘content’ versus an average of 45, and a beverage brand scored 52 versus an average of 35.

The base sizes for this analysis are not as robust as we would wish. Still, we do believe that the analysis adds a useful contribution to the debate.

The Cannes versus global data is problematic, because we are adding together results across countries, and again the base sizes are low. However, overall, the Cannes winners have broadly similar responses. Looking at the Effie winners shows the same pattern (Figure 5); the winning advertising highlights that there is no one emotion to which advertising should always appeal; but there is no single emotion which works better than others.

**SUMMARY**

The analysis presented here helps to explain the overlap we observe between creative advertising and effective advertising. Advertising which is enjoyed, found involving, and stimulates the emotions in a way that other advertising doesn’t, should be encouraged and rewarded. But that doesn’t mean advertisers should pursue creativity at the expense of all else.

Brand imaging is a critical element of advertising. Advertising which leaves vibrant memories, but which ultimately doesn’t deliver, is of no value. Advertising which leaves memories, but which ultimately does not deliver, is of no value.

While creativity cannot be prescribed, its effects can be captured. The variety of different emotional responses obtained by award-winning advertising highlights that there is no one emotion to which advertising should always appeal; but there is no single emotion which works better than others.

**WHAT MEANS FOR ADVERTISERS**

This analysis serves as a celebration of creativity advertising which is enjoyed, found involving, and stimulates the emotions in a way that other advertising doesn’t, should be encouraged and rewarded. But that doesn’t mean advertisers should pursue creativity at the expense of all else.

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Here are six important guidelines for making sure your brand is 2042-compliant

Culturally progressive brands have already pounced on every niche when its come to improving the brand environment with the always exciting, new niche. They go all out, but for its performance reviews and business. Sustainable performance indicators for ethnic market growth are established in advance, but to stay competitive, companies must stay up front, and be open to the best ideas that each agency brings to the table, and be open to the best ideas lengths that each agency brings to the table, and be open to the best ideas.

Establishing a multicultural marketing department can be an important step in the planning process. Marketing managers and the design team are now responsible for making sure that ethnic marketing efforts are well integrated with the main marketing efforts. It's important that any ethnic marketing efforts are fiscally sustainable and not just a marketing practice.

When this vision is achieved, a variety of metrics will be quantifiable. Change in culture is sometimes slow, but it's a long-term investment that's essential for long-term success. But, to stay competitive, companies must stay up front, and be open to the best ideas lengths that each agency brings to the table, and be open to the best ideas.

For businesses that engage both general and ethnic agencies, the process involves an integration and alignment of the business strategy and cultural strategy to create a comprehensive and cohesive approach to multicultural marketing. This involves identifying the desired outcomes for multicultural marketing efforts, such as increased brand awareness and sales, and translating those outcomes into specific, measurable, and achievable goals for the agency to work towards.

It’s essential that the organization’s leadership team fully understands and embraces the multicultural marketing strategy, and actively supports its implementation. This includes setting clear leadership buy-in and accountability, and providing training and resources to help employees effectively implement the multicultural marketing strategy.

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The first stage of the ValueDrivers model focuses on the definition of a brand’s meaningfully different experience. The second stage focuses on how a brand experience that is meaningfully different can best be amplified—that is, brought to life and made more compelling to a wider audience. The work that goes into these two stages leads, in a number of different ways, to the generation of value described by the third stage of the model.

The model helps us address two key issues facing brand marketing today:

1. **Today’s markets are complex. Categories are crowded.** New categories are being created to meet the changing needs of consumers, and the retail environment is changing as well. One consequence of this increase in complexity is that businesses sometimes focus so intensely on communication, distribution, and pricing that they neglect to ensure that their brand is clearly defined and differentiated.

2. **Go-to-market options have exploded in recent years.** Marketers can communicate with consumers in virtually any place at any time, through means that didn’t exist—and in some cases were not even imaginable—until recent years. There are more ways than ever to make brands available to people. With so many possibilities, marketers sometimes have difficulty thinking through all of their options in the right order. The result is that they may simply repeat the choices they made in previous years, or they may focus too much on new and unique marketing techniques.

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**Value Drivers Model:**

How Brands Drive Value Growth

By Nigel Hollis, Chief Global Analyst and Gordon Parkinson, Chairman, Global Solutions

Introduction

We have developed a framework to help businesses understand how to grow the value of their brands which we have called ValueDrivers.

**FIGURE 1: Drivers of Value Growth**

*Value Drivers Model:*

By Nigel Hollis, Chief Global Analyst and Gordon Parkinson, Chairman, Global Solutions

*Introducing the framework to help businesses understand how to grow the value of their brands which we have called ValueDrivers.*

The result of extensive analysis of our brand equity database and re-evaluation of our own and other models, ValueDrivers has now been reviewed and used by many businesses around the world. It has formed the basis for workshops to help individual brands realize their potential and has provided the springboard to a new brand equity measurement system. It has been applied to real-life marketing problems helping businesses to manage the financial value of their brands.

The ValueDrivers model proposes that brands maximize their potential for growth by delivering a brand experience that is meaningfully different from others, and then using all available mechanisms to amplify that.

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**DEFINE**

**DEFINING A MEANINGFULLY DIFFERENT EXPERIENCE**

People choose brands that they believe are meaningfully different from others, provided that the difference is meaningful to them. Offering a brand experience that is meaningfully different can help a brand build value, either by enabling it to command a price premium, or to capture a higher proportion of sales.

Whether a brand is perceived in this way will depend upon the interaction of the four factors shown in the model. For a brand to be perceived as meaningfully different, it must offer something its competitors do not, and that offer must resonate with customers. This is most likely to happen when a business is clear about the purpose of the brand, and the brand delivers the differentiated experiences it promised.
A brand must have a purpose. It must be intended to make some difference in people’s lives. And to justify existing in today’s complex and crowded categories, a brand needs a purpose that sets it apart from others. What does this brand offer that others do not? At minimum, a brand must have some basic functional purpose; it must provide something consumers want or need. A brand can satisfy emotional needs along with practical ones when it triggers associations related to things like love, caring, or security. A brand’s purpose can also be informed by the brand’s story or heritage. Some brands are able to elevate their purpose to the level of an ideal that goes far beyond the functional delivery of the product to address higher-order needs such as fulfillment, identity, affiliation, and societal or environmental good. For example, Jack Daniels helps to affirm its drinker’s individuality. Pampers is devoted to helping ensure babies are happy and healthy. Method, the U.S. household cleaning products company, is dedicated to inspiring a healthy revolution in home cleaning. A brand’s purpose should be clear to everyone in the company. When an understanding of a brand’s purpose permeates an organization, it will be much more likely to be single minded in its focus and to speak with one voice. A leader who is passionately concerned about the brand can elevate its purpose, inspiring as well as commanding others to follow.

Differentiation is most potent when it is intrinsic, that is based on relevant and tangible advantages and when it is powered by the declared purpose of the brand. Intrinsic differentiation can come through the look, feel, sound, smell, or taste of a product. The delivery of an outstanding brand experience depends on attention to all of the details: the consistency of the product, the functionality of the brand’s website, the clarity of its usage instructions. For service businesses, the human delivery is at the heart of the brand experience. A company culture built around the brand’s purpose or ideal will help to ensure consistent service delivery. However, human factors contribute to the experience of other types of brands as well—for example, the brand representatives encountered at retail outlets, car dealerships, and through call-centers. Differentiation can also be extrinsic, not based on what the product is or does but upon how it feels. Brands have personalities created by their product experience but conveyed through what they do and say. Brands often have associated rituals and all have iconography that makes the brand identifiable and conveys its character. Brands can exploit the senses beyond those that are engaged directly by the product. Increasingly, social and environmental responsibility can all form the basis of extrinsic differentiation. Outstanding design can add aesthetic power to the intrinsic functionality.

Customer resonance becomes more difficult to achieve as the definition of the target audience broadens. The art of marketing is to make the brand as relevant as possible to as many people as possible without losing clarity about what the brand stands for. While a brand can’t control its competitive context, it must continually be responsive to it. Successful brands that want their brand’s offer to be meaningful and relevant to consumers. They fail to respond to a changing landscape and so lose their original meaningful differentiation.
This article is based on research conducted using Millward-Griffin's model, October 2011.

The brand should be refreshed and enhanced by innovation that aligns with the differentiated experience it offers consumers. Without adequate distribution, a new brand introduction will fail, and can extend the brand to new categories and countries.

Without large increases in penetration. Raising prices will have a direct effect on the bottom line since no additional production costs are incurred, and communication channels and the creative content should be based on the existing brand franchise and pricing. Without continued meaningful difference, but at different price points. The brand should be priced appropriately for its target audience.

The brand should be priced appropriately for its target audience. It is important to recognize that this strategy carries risks as well as opportunities.

Vitality is found there. A brand's meaningful difference is amplified between the brand's existing meaningful differentiation and the new experience.

The interaction of price and meaningful difference is a major opportunity to drive value growth. A way of growing brand value is by extending a brand that initially successful and extend it to new countries and customers.

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sing social media and creating a regularly updated brand fan page is not necessarily right for all brands. Marketers want to understand in advance whether their investments will be justified. This article helps marketers understand whether fan pages are right for their brand and category.

Brand fans are important because they are generally the most valuable consumers of any brand. BrandZ™ data based on interviews with more than 100,000 consumers globally in 2010— in categories from banks and cars to shampoo and coffee—show that bonded consumers are more likely to become fans of the brand in social media: liking it on Facebook or following it on Twitter.

What do these figures mean for marketers like you? Do you need to make substantial investments in building social media pages and acquiring as many fans as possible? How likely is it that your brand will be able to build a large social media fan base? This article provides general guidelines on the key factors to take into account when answering these questions.

Fan and non-fans share of wallet (%)

<table>
<thead>
<tr>
<th></th>
<th>19</th>
<th>31</th>
<th>37</th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fans</td>
<td>100</td>
<td>67</td>
<td>62</td>
<td>49</td>
</tr>
<tr>
<td>Non-fans</td>
<td>83</td>
<td>37</td>
<td>31</td>
<td>19</td>
</tr>
</tbody>
</table>

On average, fans will spend more than four times as much of their total category budget on their favored brand than non-fans.

This also means that fans of a brand are more likely to be bonded to it. Because these fans are more emotionally loyal to brands, they also spend more on them.

Factors to consider when investing in social media

**Factor 1: Country**

**Factor 2: Category**

**Factor 3: Brand Perception**

By Graham Staplehurst, Global BrandZ® Director, Millward Brown; Duncan Southgate, Global Brand Director, Digital, Millward Brown; and Leonid Dvoretsky, Senior Account Researcher, Millward Brown

Does your brand need social media and brand fans?
First of all, the number of fans gained by the average brand in different countries varies significantly. Our unique FanZ score is based on the percentage of relevant category users who are a social media fan or follower of any one brand in that category.

For example, if you are choosing which countries to use a fan page to support your multinational brand, we generally see larger relevant fan bases in Korea, Sweden, USA, and Poland. Currently, in countries like India, Hungary, and Mexico it is comparatively more difficult to acquire a large number of social media fans.

Much of the variation we see in the FanZ score correlates with levels of internet access and social media use in each country. Beyond this, social media users are converted into brand fans more easily in some countries than others. Investments in countries where the conversion is easier will be most efficient.

Average number of fans within a category, ranked by country

<table>
<thead>
<tr>
<th>Country</th>
<th>FanZ Score (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>16.6</td>
</tr>
<tr>
<td>Sweden</td>
<td>11.9</td>
</tr>
<tr>
<td>USA</td>
<td>11.7</td>
</tr>
<tr>
<td>Poland</td>
<td>11.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>10.2</td>
</tr>
<tr>
<td>Australia</td>
<td>9.7</td>
</tr>
<tr>
<td>Spain</td>
<td>9.3</td>
</tr>
<tr>
<td>China</td>
<td>9.3</td>
</tr>
<tr>
<td>UK</td>
<td>8.6</td>
</tr>
<tr>
<td>Italy</td>
<td>8.6</td>
</tr>
<tr>
<td>Canada</td>
<td>8.4</td>
</tr>
<tr>
<td>Germany</td>
<td>7.4</td>
</tr>
<tr>
<td>Japan</td>
<td>6.9</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5.7</td>
</tr>
<tr>
<td>France</td>
<td>5.6</td>
</tr>
<tr>
<td>Russia</td>
<td>4.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>4.5</td>
</tr>
<tr>
<td>Mexico</td>
<td>2.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.0</td>
</tr>
<tr>
<td>India</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Given current levels of social media usage, fandom conversion is particularly high in Korea, Brazil, and China; while acquiring a fan in Hungary seems to be particularly difficult.
The category also matters. The categories with the highest average levels of fandom globally are IT software, IT hardware, diapers, communication providers, mobile phones and cars.

Four out of the top six categories are connected with technology, which is unsurprising since consumers of these categories are likely to use the web more. Brands in technology-related categories have embraced social media to engage with their audience and provide consumers with the latest brand information.

It is also unsurprising to see diapers in the top list as this category embraces a very specific type of consumer. Parents are very concerned about their children so look for additional information, connection and reassurance through social media, and are highly willing to discuss brands.

The car category has always been one of the most popular subjects for offline discussions in many countries. With the growth of internet usage, we have seen a natural transition of discussions to the online arena (in social media, forums, blogs, etc.), and brands naturally want to leverage their own communications through discussion.

In contrast, categories such as motor fuel or detergents are much less popular topics for discussion (whether offline or online). This is clearly a barrier to generating large numbers of fans in these categories.

The country and category rankings given previously can be used by your brand as a general guide to evaluate potential audience scale in social media.

However, it is important to always keep local market specifics in mind since the categories with the most fans in a specific country might differ significantly from the global picture.

For example, the car category in Poland evokes especially high fandom. Nine car brands appear in the top 100 list of Polish sites with the most fans.

Brand fandom levels can also vary significantly across countries. For example diapers evoke incredibly high fandom in the US relative to the global norm. This is primarily due to the impact of Pampers and Huggies, which have almost 900,000 fans on Facebook.
Brand Value Perception is correlated with fandom. Good value brands that are able to justify their premium price tend to have the most fans. Since fan pages provide the opportunity to keep in touch with brands, it is not surprising that consumers reach out more to desirable but attainable brands.

Brand Personality Perception is another factor that is also correlated with brand fandom. Brands that have more fans tend to be perceived as particularly creative, trustworthy, and desirable.

If your brand already has this kind of personality you might find it easier to attract fans.

CASE STUDIES
Let’s now look at several brand pages with high fandom from the perspective of these three factors: country, category and brand perception.

iPhone in USA
Apple iPhone is one of the most followed brands in the world. There are hundreds of iPhone-related pages on Facebook and the “Facebook for iPhone” app page has more than 77 million active users a month. The mobile handsets category has a large number of followers and in the key US market, iPhone is characterized as a creative brand, which helps to justify its premium price.

Blackberry in Brazil
Facebook is clearly the major global social networking platform currently; it can even help brands build fan bases in markets, such as Brazil, where the popularity of the local leading site Orkut outstrips that of Facebook. BlackBerry has built a strong social following in Brazil and has the third-highest number of Facebook fans in the country. The country, category and brand type are well suited to social media and this growing brand has taken advantage of this and attracted more than 150,000 fans in Brazil by creating a easy-to-use page with quality
Does Your Brand Need Social Media and Brand Fans?

Mango in Spain

With more than 2.1 million fans on Facebook, the clothing brand Mango has the second-largest number of fans in Spain. The brand is seen as “good value” and described by consumers as sexy, creative, and desirable. This is reflected in the Mango Facebook page, which provides information about the brand and its objectives, shares photos and videos with fans, informs fans about special events and features an “Emotions Ranking” app which allows women to share their mood and find out how other “Mango women” are feeling.

McDonald’s in Hungary

Although Facebook offers potential global reach, your brand may need to consider extending beyond this to enjoy global social media success. Brands that want to maximize their global fandom also need to embrace other local social platforms. For example, McDonald’s has an exceptionally strong brand position in Hungary, however, the level of McDonald’s fandom is very low compared to other countries.

FanZ Scoring - Learn from Brands that are Already Succeeding

By covering the same brands and categories in the BrandZ research across more than 20 countries we are able to create a global ranking of the most followed brands in the world.

### FanZ Score (%)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Score</th>
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<tbody>
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<td>Microsoft</td>
<td>10.5</td>
</tr>
<tr>
<td>Pampers</td>
<td>8.0</td>
</tr>
<tr>
<td>Apple</td>
<td>5.9</td>
</tr>
<tr>
<td>Nike</td>
<td>3.8</td>
</tr>
<tr>
<td>McDonalds</td>
<td>3.5</td>
</tr>
<tr>
<td>HP</td>
<td>3.5</td>
</tr>
<tr>
<td>Visa</td>
<td>3.5</td>
</tr>
<tr>
<td>Sony</td>
<td>3.4</td>
</tr>
<tr>
<td>Amazon</td>
<td>3.2</td>
</tr>
<tr>
<td>Heineken</td>
<td>3.1</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>3.1</td>
</tr>
<tr>
<td>EA Games</td>
<td>3.0</td>
</tr>
<tr>
<td>BMW</td>
<td>3.0</td>
</tr>
<tr>
<td>Dell</td>
<td>2.8</td>
</tr>
<tr>
<td>Nike</td>
<td>2.8</td>
</tr>
<tr>
<td>Starbucks</td>
<td>2.6</td>
</tr>
<tr>
<td>Samsung</td>
<td>2.5</td>
</tr>
<tr>
<td>Acer</td>
<td>2.5</td>
</tr>
<tr>
<td>Toyota</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Levels of fandom vary around the world: there are more social media brand fans in China, Russia, the USA and Brazil, and considering the wider absolute penetration of social media, a proportionately larger number in Brazil and China.

### FanZ Score (Global Average Fan)

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As we would expect, stronger brands generate more fans, but we also found that the brands which generate the most fans tend to be more creative, trustworthy, and desirable personalities. Premium brands that are able to justify their high price may also find it easier to build a large fan base.

Some categories tend to generate more brand fans, such as technology and also other categories that have always experienced more word-of-mouth communication.

### Summary - lessons for marketers

- Some categories tend to generate more brand fans, such as technology and also other categories that have always experienced more word-of-mouth communication.
- Levels of fandom vary around the world: there are more social media brand fans in China, Russia, the USA and Brazil, and considering the wider absolute penetration of social media, a proportionately larger number in Brazil and China.
- Fans are very valuable; they have more reach than social media than non-fans. For an average of 1.4 percent of fans, the reach of the fans can outweigh social media reach. For example, a car brand may have 15 percent among reach, but fans spend four times on the site and are a fan of the brand compared to other fans. This is not something we would attribute to the fan page itself, rather it is due to the brand relationship which leads someone to become a fan in the first place. This benefit to the fans is often in-depth and personal and the relationship among people who are already very positive about the brand.

### RESEARCH DETAILS

This report was compiled using 2010 BrandZ data – a total of over 100,000 consumer interviews and over 6,000 brand cases. These interviews were carried out across more than 20 countries with an average of more than 18 categories per country.

The FanZ score is based on the percentage of relevant category users who are a social media fan or follower of any one brand in that category.

The FanZ question was only asked among social media users (people who participate in any online social networking groups - e.g. Facebook, Myspace, Bebo, Twitter or other online communities, groups or blogs).

To enable cross-category comparisons we factored the data based on web penetration across countries.
Ethnic Targeted Marketing: Do We Really Need It?

To target or not to target? That is the question marketers often ask themselves when trying to reach a targeted audience. Should I develop a separate strategy for each of the targeted audiences? Or is there a single strategy that could have a universal appeal? There are a number of approaches that are proving to be successful in unifying a universal approach in various segments. However, targeted advertising does not guarantee success. To be effective, targeted advertising must fit the cultural and psychological assumptions that define consumers as human beings, and certainly not always the most relevant. Practice discretion in how and when you use it—a process that I call “intelligent targeting” in my book, “The Modern Marketing Mindset”.

1. DON’T BE A IGNORER

Virtually all marketers subscribe to the importance of ethnic significance in today’s marketplace. However, ethnic recognizes in those powerful geographic enclaves that are not targeted by anyone or all of the efforts. Limit their audience, those assumptions are based on stereotypes. So whether you represent a brand that is geared toward someone other than themselves, even if they whites don’t necessarily view so-called ethnic communications as within the context of the new mainstream. A concern marketers had when targeting an ethnic consumer, but always make sure your casting selection flows nicely within the story.

2. TRY TO FIND THE RIGHT BALANCE BETWEEN CULTURALISM AND STEREOTYPISM

Similar to traditional marketing channels operating in a national environment, ethnic consumers have their own cultural standardization and customization. Fitting for this in one direction can be crucial for reaching success. Atypical direction can cause your perception to become less relevant to your environment. Unlike the international discipline, however, the fact that and ethnic marketing campaigns are more likely to be culturally relevant, but sometimes more profound actions are required, which include making sure your casting selection flows nicely within the story.

3. DETERMINE THE ETHNIC PERSPECTIVE IN YOUR BRAND’S MARKETING MIX

It is common for brands to develop their marketing strategies based on the assumption that consumers are the same in every market they enter. The strategies then used to address the market. This approach is different. However, here are some important guidelines that can help you successfully navigate today’s multicultural marketplace:

- Cultural customization and standardization. Going too far in one direction can lead to the development of products that can help you successfully navigate today’s multicultural marketplace.
- Cultural relevance is not synonymous with having diverse casting. What does it mean to be culturally relevant in the world of today? It is not only interested in the way it fits the story. It is not only interested in the way it fits the story.
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4. ENGAGE YOUR AUDIENCE IN A CULTIVARILY INTELLIGENT WAY

Plenty of data shows that targeted advertising is likely to do the most significant and impactful things. However, targeted advertising does not guarantee success. It is common for brands to develop their marketing strategies based on the assumption that consumers are the same in every market they enter. The strategies then used to address the market. This approach is different. However, here are some important guidelines that can help you successfully navigate today’s multicultural marketplace.

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5. DON’T MINIMIZE THE ROLE OF CULTURE TO CULTIVATING

Ethnic consumers are required to both targeted and mainstream audiences. Unfortunately, media channels focus on the targeted audience and provide a culturally relevant context for your communication. However, there are also other factors that define who defines your audience and what their cultural strategies are. These factors include their demographic and psychographic characteristics. The end result is happening even less than this. Unfortunately, media channels focus on the targeted audience and provide a culturally relevant context for your communication. However, there are also other factors that define who defines your audience and what their cultural strategies are. These factors include their demographic and psychographic characteristics. The end result is happening even less than this.

6. DON’T LIMIT YOUR CONVERSATION WITH ETHNIC CONSUMERS TO THE MEDIA

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Rik’s book illustrates both the complexity of neuroscience as a field and the crucial implications it has for brand owners as they seek to make their brands more desirable to consumers and win in the marketplace. It is, therefore, unsurprising that marketing and advertising conferences now incorporate a strong neuroscience emphasis, and many recent papers and articles maintain that scientists’ increased understanding of the brain will change marketing and the way we measure it. Buy-ology, by Martin Lindstrom, makes similarly strong claims: that neuroscience will play a revolutionary role in research and marketing in future. As a result, many marketers challenge accepted modes of brand and advertising development and research on the grounds that “neuroscience says” that what we’ve done before is wrong.

Similarly, we now see neuroscience being cited in many brand and advertising decisions. The phrase “neuroscience proves...” is increasingly being used to justify a new model of advertising response, brand strategy or advertising research tool (though it’s often useful to examine just how much actual proof follows such statements). Most crucially, over the last few years there has been a blossoming of neuromarketing agencies who claim to deploy the methods used by neuroscientists to answer marketing questions in a way that conventional research cannot.

So we’d be forgiven for believing that traditional qualitative (focus group-based) and quantitative (survey-based) techniques are not sufficient anymore and that we need to turn to the methods used by cognitive neuroscientists, such as brainwave measurement (EEG), brain scanning (fMRI) and other biometrics, to really understand how consumers will respond to marketing.

However, despite all the discussion about neuroscience, the vast majority of brands and ads are still researched using traditional methods. Likewise, over the last few years, papers have periodically emerged that question the value of the whole area. So who’s right? Are we poised at the start of a revolution or is neuromarketing overhyped wishful thinking?

Editor’s Note: This article is a chapter written by Graham Page excerpted from The Branded Mind by Erik du Plessis.
THE CURRENT STATE OF PLAY

Our firm, Millward Brown, conducted its first neuroscience project in 2004, and since then we have reviewed all the key methodologies available in this area, working with our clients, neuromarketing practitioners and academics. Our experience is that marketers are increasingly turning to neuromarketing and they will continue to do so more and more. But this has been a gradual process for several reasons:

• Marketers are rightly being cautious.
  Neuromarketing is new and to some people controversial. So they are working with partners who they trust to do their homework before adopting more widely.

• There are still significant practical hurdles.
  The technologies are not available everywhere, and the logistics of brainwave measurement or brain scanning are not trivial. Testing robust numbers of participants is often expensive - or worse, not done.

• The extreme claims of some of the early practitioners in the field have inspired some skepticism.

• Many of our clients believe their work in this area has the potential to generate significant competitive advantage and so are understandably coy about sharing too much publicly.

• Most marketers quickly realize that neuroscience methods in isolation can be hard to interpret and don’t stand alone.

This last point is crucial. Over the last six years we have examined all the main techniques in the area and compared them to the existing qualitative and quantitative work we do to ensure a realistic perspective on what the science can and can’t say. We’ve seen that there is clear and significant value in certain neuroscience methods, but only when used alongside existing methods rather than as a replacement and only if interpreted with care by people with experience in the field.

To this end, in 2010 we created a dedicated neuroscience practice to ensure that, as a business, we would implement neuroscience-based approaches in a realistic manner that added to our insights about consumers.

APPLIED TESTS

When deciding which methods to use, we have applied the following tests:

• Does the method tell us something meaningful about brands or marketing?
• Does the method tell us something we don’t already know (and enough to justify the costs)?
• Is the method practical and scalable?

There are neuroscience-based methods that meet all three of these tests. These are: implicit association measurement, eye-tracking and brainwave measurement.
While not strictly speaking a neuroscience technique, what it shares with more biometric methods is the principle of inferring consumers' responses rather than asking direct questions. The approach measures consumers' reaction times or accuracy on tasks that are systematically biased by their reactions to brands or ads. At first this sounds strange, but the approaches capitalize on the way the brain stores information - as a network of connections rather than isolated units. It is for this reason, that, for instance, thinking about the idea of a “doctor” means you will tend to respond faster to a related idea like “nurse” than an unrelated one like “plumber.”

Similarly, if you feel positive you will tend to respond faster to positive words and slower to negative ones, but this is reversed if you feel negative.

Implicit association methods have a long history of use in cognitive psychology to infer unstated processes and responses, especially in researching socially sensitive areas, such as people's biases towards different races or genders. They offer market researchers a window to the raw ideas and feelings stirred up by brands and ads, prior to any filtering for sense or social desirability, which still may play a role in shaping consumers' responses.

We have used these methods in a variety of markets and with a range of clients to understand the implicit associations activated by brands, by ads and by hard-to-discuss stimuli such as brand logos. For instance, we recently used this approach to research an award-winning Australian TV ad for Allen’s (a confectionery brand). The spot featured a giant doll walking the streets, blowing bubbles which turn into the product and rain down onto a crowd of children and parents. The ad was designed to reinvigorate the brand, which, although a long-time favorite, had lost some relevance and presence in the market, by reminding consumers of the magic of childhood.

The ad proved to be hugely engaging but the implicit association test identified that the ad worked in a way somewhat different from that expected. While explicitly consumers played back messages of fun and happiness, implicitly, the spot also communicated irresistibility and playfulness.

Also, while explicitly the ad was not directly persuasive, the implicit measures revealed that it strongly reawakened the emotional connection to the brand. Therefore rather than being a simple nostalgic look at a trusted favorite, the ad functioned very strongly as a modernizing ad while highlighting the playfulness of childhood and reinvigorating the emotional resonance of the brand.

Similarly, in Poland we recently conducted some logo research for a financial services client. Logos are a topic that consumers find difficult to talk about as they are not usually subjects of much thought but they are full of nuance and symbolism. Although the results from explicit ratings correlated with results from this implicit test, the implicit method pulled out a much clearer winner, suggesting that this is a useful approach for this type of research.
On the whole, we’ve found this type of approach allows us to see in more depth whether a brand is achieving its desired positioning, or if a campaign or logo has the potential to shape a brand’s perceptions in the intended way.

EYE-TRACKING RESEARCH

Eye-tracking technology is now widely used, partly because it has become simpler to implement and cheaper than in the past. The benefits are clear: eye movements indicate the focus of visual attention with more detail and accuracy than self-reported answers. However, the method doesn’t reveal why a particular area of an ad catches the eye or how people respond to it, which is why it can be difficult to interpret in isolation.

We have used this approach in a number of markets and have found it a useful additional diagnostic technique that helps explain advertising or packaging performance as measured via conventional survey methods. In one example, we tested a particular scene from a well-known Skoda Car ad in which the car is built entirely from cake. This ad was shown to be powerfully branded to Skoda in our Link survey work and eye-tracking helped illustrate why. Visual attention was clearly focused on the Skoda badge when it is affixed to the front of the cake-car. However, this contrasted with dispersed visual attention at the end of the ad when the Fabia nameplate is mentioned, which was a useful diagnosis of the weaker nameplate-branding we saw in the survey results. In a similar project for RoC skincare, we found a powerful illustration of a communication barrier due to misdirected attention during a key scene. Using this information the client was able to re-edit the ad and generate a much stronger final film.

BRAINWAVE MEASUREMENT

Brainwave measurement is perhaps the most complex area in neuromarketing, due to the variety of systems and companies offering them. Millward Brown conducted one of the first large-scale commercial EEG projects in the U.K. for the Newspaper Marketing Agency in 2005. Since then we have partnered with U.S.-based EmSense to integrate EEG and other biometrics with survey tools. Using a headband with dry electrodes, EmSense collects EEG and secondary biometric data, such as heart rate, respiration, blink rate and body temperature. This method not only makes the equipment less intimidating for participants and simpler to apply, we have found it is also more cost-effective than conventional EEG equipment, which tends to use full-head skullcaps and gel to make connections with the scalp. Consequently, it enables full quantitative testing (e.g., samples of over 100 versus the 20 or so typically used in conventional EEG) and so allows cross-analysis with explicit questions and metrics.

We have therefore deployed this technology in several countries and it has become an important component of the ad development work that we do. This is because brainwave data can provide a powerful diagnostic of people’s reactions to an ad or brand experience on a moment-by-moment basis, revealing responses that are so quick or fleeting that respondents may not even remember them, let alone be able to objectively report them. This can also be particularly useful in markets such as India, China and Latin America, where the tendency for research respondents to be positive on surveys...
is stronger and where we may miss some negative responses as a consequence.

We conducted Link survey based research on the Dove “Evolution” film - an engaging, emotionally resonant and powerful communicator of the core idea of encouraging real beauty. The EmSense data illustrates the journey consumers take to get to that set of responses and which creative elements drive this response. While the model is being made-up, positive emotion actually rises (which is not something viewers report verbally). There is also a crescendo of both positive emotion and cognition at the moment it is revealed that the film is about the making of an ad; as understanding blossoms and the cleverness of the idea is apparent. This is crucial to the overall positive reception the film generates. However, it is also clear that as the implications of this moment sink in, positive emotions decline as the point of the ad is considered, which is what gives the communication such power.

Work using this form of EEG with other clients has helped reveal and address issues such as weak communication, branding or disengagement with key protagonists. It has also evidenced which elements of an ad should be retained in cutdowns of long-form ads and which elements to pull out for use in other parts of campaigns. While we have focused on these three approaches, it is important to remember that there is no one-size-fits-all neuroscience-based technique; depending on the individual client issue one approach will be better suited than another.

For instance, we have used fMRI with the Royal Mail for a project about the effect of physical versus virtual media in marketing effectiveness. However, it is limited in its scalability so we have used it less extensively than the other methods outlined above. It is important, however, that marketers use the right tools for the issue they face, rather than treating neuroscience as a single entity and trying to use one tool to do everything.

NO SUBSTITUTE FOR TALKING TO PEOPLE
It is a misconception, and a scary one, that marketers will be able to (or want to) just measure people’s responses to brands via electrodes and work out what they really want. There is still no substitute for talking to people, as this is the only way we can understand the whole meaning of their relationships with brands and products. The point of market research is to generate insights that lead to more desirable brands, rather than to use the latest methods for the sake of it. For this reason we don’t believe neuroscience methods can ever replace the need for conversation with consumers, though we do believe they can be a powerful complement to it. In addition, on a practical level, survey-based techniques have been shown over many years to have a demonstrable link to consumer behavior - and such linkages are still being forged for neuroscience methods.

TURN THEIR BACKS
We don’t believe that marketers need to turn their backs on tried-and-true research techniques in favor of neuroscience, but we do believe that neuroscience can offer an additional perspective on consumer responses and motivation.

Therefore, the approach we’ve taken has been to roll out neuroscience-based methods alongside - and integrated with - existing tools, rather than as a replacement. Each method is used when it will add value and when it is relevant to the client issue.

When should neuroscience-based techniques be used? Neuroscience-based techniques will tend to add the most value under certain circumstances:

Dealing with sensitive material. This is when qualitative/survey methods are most vulnerable to distortion, so methods that don’t rely on explicit questions can reveal unstated attitudes more effectively.
Dealing with abstract or higher-order ideas. Consumers face challenges when trying to talk about the often complex ideas at the heart of many brands’ positioning. Implicit association methods, in particular, can be useful at probing for ideas that participants think sound strange or overblown on a survey or which they might discount as irrelevant when answering explicit questions.

Probing for transient responses to ads or brand experiences. Consumers are great at talking about the gist of an ad or brand or experience but they may not be able to articulate all the steps in the process that got them there. Biometric methods, such as EEG, can add value in pinpointing the emotional or cognitive highlights and low points in a piece of creative, or the focus of attention, which can provide useful insights for developing more effective campaigns for brand experiences.

Giving more detail on consumers’ feelings. Feelings can be difficult for people to talk about, though qualitative and survey-based methods can help people do this. However, neuroscience methods can add an additional level of detail here, about the depth of emotional response, the timing of these responses and the elements of an ad or brand that are driving the way consumers feel. Given the importance of emotion in motivating behavior, these methods have a role to play here.

In terms of specific research applications, the differing advantages of each method mean they lend themselves to different areas of research. Implicit association measurement is well-suited to brand strategy work, product testing, concept testing and assessment of communication from marketing campaigns. Eyetracking is strong on in-store and online marketing optimization and advertising development. Brainwave measurement adds greater detail in these areas, especially regarding emotional and cognitive responses, and thus lends itself to advertising optimization.

BEST PRACTICES
Based on our experience researching and implementing these methods, we suggest the following best practices to get the most out of neuroscience:

Be critical. The technology can be alluring, but the same questions (detailed above) that would be asked of any conventional research technique should be asked of these methods. Ask for proof.

Look for experience. This is a complex area, so familiarity with the approaches and a scientific perspective is important to understand what is claim versus reality and when neuroscience adds most value. Likewise, experience in drawing together neuroscience and conventional research is key to maximizing the value.

Integrate. Neuroscience-based methods do not reveal the inner truth; rather they provide additional perspective on consumers’ responses to brands and marketing, which needs interpretation in the light of other information. A holistic approach reveals greater insight than conventional or neuroscience methods alone.

A STANDARD TOOL
Our experience suggests that in the future, neuroscience-based research will be a standard tool in the researcher’s toolkit but it won’t be the only tool. Neuroscience techniques on their own can’t fully explain consumers’ responses. The most complete understanding will come from integrating information rather than looking at one perspective alone and using the right tool at the right time.
KNOWLEDGE POINTS

Knowledge Points are drawn from the Knowledge Bank, consisting of our databases of over 150,000 brand reports and 95,000 ads, as well as 1500 case studies.
emotions often act as how many GRPs they can put behind an ad before it ‘stops working’. They also wonder if past copy can be rerun or if it has no longer appeal and freshness.

During the first burst, 71 percent reported enjoying the ad. But by the third burst, the enjoyment score had plunged to 56 percent, as the current pop song, which aired in three bursts over a two-year period.

When we do see attitudinal wearout, it tends to occur when an ad that some viewers find irritating is aired with heavy spend. For example, we tracked an ad that featured a celebrity — for example, if a featured celebrity falls out of favor with the public. But another more common cause of apparent wearout is heavy media spending over a short period of time. When this occurs, multiple exposures will net more repeat viewings than the brand has advertised. Our evidence suggests that in this respect, TV ads very rarely wear out. We analyzed 450 ads that aired in two or more bursts over a two-year period. However, factors external to the ad itself can occasionally make early.

Most of the time, attitudes toward an ad hold steady over bursts. However, factors external to the ad itself can occasionally cause wearout in the sense that. One factor could counter the ad’s content. For example, if a featured celebrity falls out of favor with the public, wearout is heavy media spending over a short period of time. When we did see attitudinal wearout, it tended to occur when an ad that some viewers found irritating is aired with heavy spend.

Conceivably, an ad might wear out in its ability to accomplish any one of the basic advertising tasks. An ad could wear out in terms of:

• Generating engagement, i.e., making people aware that the brand has advertised.
• Creating an attitudinal or empathic response among viewers.
• Generating messages or impressions.
• Producing a brand response, including sales.

Millward Brown measures Engagement through the Awareness Index, a metric that describes a brand’s ability to make people aware that the brand has advertised. Our evidence suggests that in this respect, TV ads very rarely wear out. We analyzed 450 ads that aired in two or more bursts over a two-year period. However, factors external to the ad itself can occasionally cause wearout in the sense that advertising awareness.

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COMMUNICATION
In terms of communication, the effectiveness of TV ads tends not to change over time. The messaging does not wear out, as shown in the chart above, and the agencies who spend on the bulk of their ad revenue are likely to achieve a high level of awareness. This consistency is due to the fact that viewers don't change their positions; they either see the ad once and take it or they see it several times and then ignore it.

The table below shows the spending for selected countries on a per capita basis. The data is from 2021 and represents the average spend for each country.

<table>
<thead>
<tr>
<th>Country</th>
<th>Spending (GRPs)</th>
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<tbody>
<tr>
<td>Philippines</td>
<td>7000</td>
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<tr>
<td>Vietnam</td>
<td>2400</td>
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<td>China</td>
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<td>Japan</td>
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<td>USA</td>
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</table>

BRAND AND SALES RESPONSE
The area in which TV ads are most likely to wear out is in their ability to generate responses to brand measures and thus to motivate new purchases. This type of immediate response can be measured through our persuasion questions, and wearout in this type of brand response is likely to occur in ads that depend on news. Ads with new and different messages will typically convert all the consumers they are capable of converting in a fairly short time. This happens because people who do not notice the first burst of advertising will not be likely to notice it or find it more relevant with subsequent viewings. Thus the “news” quickly ceases to be new, and there are no viewers left to be persuaded.

This is illustrated in the following example, where the level of news and persuasion decline over time, even though enjoyment of the ad holds steady.

<table>
<thead>
<tr>
<th>Year</th>
<th>News</th>
<th>Persuasion</th>
<th>Enjoyment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>88%</td>
<td>67%</td>
<td>88%</td>
</tr>
<tr>
<td>2022</td>
<td>85%</td>
<td>50%</td>
<td>85%</td>
</tr>
<tr>
<td>2023</td>
<td>61%</td>
<td>55%</td>
<td>61%</td>
</tr>
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</table>

RECOGNIZING AND DEALING WITH WAREOUT
If we have demonstrated, wearout sometimes occurs—or appears to occur—in engagement, when saturation of media weight over a short space of time creates the impression that the ad is no longer having any impact. These cases, where spend produces increased frequency at the expense of coverage, shouldn't be regarded as wearout. Rather, the apparent decline in ad impact is an effect of diminishing returns. The failure of the ad to reach its intended audience is most likely to occur—in engagement, when saturation of media weight over a short period of time creates the impression that the ad is no longer having any impact. The area in which TV ads are most likely to wear out is in their ability to persuade, as measured through our Immediate Persuasion question. Can we predict the point at which an ad's ability to persuade has worn out? Every case will be different, even within each country, the variability in the effectiveness of the advertising that viewers see is enormous. But we can say that wearout is likely to occur when the ad's reach has been maximized. Once the ad has been noted by its likely viewers, its news value will dissipate.

We can provide some general country-specific guidelines based on our knowledge of how advertising awareness builds in response to two different bursts of advertising. This consistency is due to the fact that viewers don't change their positions; they either see the ad once and take it or they see it several times and then ignore it.

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FIGURE 3: The table below shows the spending for selected countries on a per capita basis. The data is from 2021 and represents the average spend for each country.
We should emphasise that this type of wearout relates only to ads dependent on news for their effectiveness. Also, these are generalized guidelines only. The actual effects of any wearout that occurs will vary by a whole host of factors relating to the ad, brand, category, and market. Each of these factors can have a meaningful impact on the rate at which the ad wears out as well as the effectiveness it retains after the “wearout” has failed.

When assessing campaign wearout, some specific issues need to be taken into consideration. First, wearout is closely linked to specific executions rather than the campaign as a whole; a new ad may be more effective than an existing ad, and will that increased effectiveness justify the cost of creating that ad?

Campaigns can wear out in the same ways that individual ads can. In one example illustrated by the chart below, a long-running campaign featuring a particular celebrity with the potential to irritate. Irritation did grow over the course of the campaign; this was particularly evident in ad L, but even ad P, in which strenuous efforts were made to address the irritation issue, was still found to be considerably more irritating than the early ads in the campaign.

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In times of economic uncertainty, marketers tend to cut back on advertising in favor of short-term sales. However, lessons from recent recessions prove forcefully that managing uncertainty about the economic climate, especially the speculation that one may experience a double-dip recession, is vital in maintaining both consumer trust and customer loyalty.

During the 2008 downturn, there were major shifts in consumer spending. For example, two-thirds of Australian consumers reduced their spending on non-essentials in 2009. Yet, as the recession deepened, the desire for then came, the United States, spending on credit cards increased markedly in areas of high unemployment, and low-income consumers repaid their credit card bills in full every month.

During times such as these, the focus on pressure points becomes critical. As a result, many marketers respond by developing short-term solutions, such as cutting investment in long-term advertising and marketing budgets. The importance of this approach is understandable, but it doesn’t bode well for brands in the long term.

An example of a brand that addressed a vulnerability is Barclaycard. In the UK, Barclaycard ran a successful celebrity-based campaign for card holders, and advising brands, we can make five recommendations for marketing and maintaining brand health in uncertain times.

1. **Review your marketing plans**
   - It is never a bad idea to review your marketing plan, but during challenging times, this is especially important. Based on our decades of experience studying marketing and advising brands, we can make five recommendations for maintaining brand health in uncertain times. Clearly, brand strength needs to be nurtured and maintained through good times and bad. Based on our decades of experience studying marketing and advising brands, we can make five recommendations for maintaining brand health in uncertain times.

**MARKETING IN UNCERTAIN TIMES**

**The Decline of Woolworths**

Exhibit 3: Portfolio vs. S&P 500 (Apr 2006-2011)

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<tr>
<td>2009</td>
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While reducing advertising spend can seem to be a logical way to bolster short-term profitability during a recession, it can also deliver negative consequences. This is in part because advertising has both long- and short-term effects on brands. On average, the ratio of long- to short-term effects is about 3:1, though this varies widely across campaigns, and we have seen campaigns with ratios as high as 5:1. (Note: Short-term effects are generally defined as those that occur in the eight weeks following the start of advertising.)

While brands that “go dark” don’t seem to suffer major shifts in brand perceptions, 60 percent of them deteriorate on at least one key aspect. Such losses can herald problems in the future, since once declines set in, they can be hard to reverse. The chart below provides an example. A brand came off air in one region (Region B) while it continued advertising in the rest of the country. Within a year, market share had dropped 2 percent in Region B while it held steady elsewhere. And—critically—even when advertising resumed in the dark region, the share in that region continued to lag behind the rest of the country in the two subsequent years.

The long-term effects of advertising are also illustrated by the relationship between share of market (SOM) and share of voice (SOV). It has been proven that when a brand’s SOV exceeds its SOM, the brand is more likely to gain share in the following year. Decreasing spend might cause your SOV to slip and leave your brand vulnerable. On the other hand, if you increase your marketing investment at a time when competitors are reducing theirs, you should substantially increase the saliency of your brand. This could help you establish a long-lasting advantage.

A Millward Brown analysis of 354 brands, summarized in the chart below, highlights the value of maintaining advertising investment. Brands were ranked according to their spend in relation to their market share. Then, according to this rank order, they were combined to form 20 groups (the first group consisting of the brands with the highest difference between SOV and SOM, the second group, the next-highest difference). This measure is represented on the horizontal axis of the chart below. Each group of brands is positioned on the vertical axis according to the percent of brands in each group that lost market share in the subsequent year. The declining trend line clearly shows that relative under-investment is linked with a greater risk of market-share decline.

Increasing ad spend at a time when other brands are cutting theirs may seem unnecessary or even wasteful. But at such a time—when demand for media time and space is decreasing—in media costs are likely to go down, and you may be in a strong position to strike a good deal. In the UK, Audi, with a new campaign, increased its media spend by 10 percent from 2008 to 2009, as a result, its order book was up 79 percent. Also in the UK, Heinz increased its weight of spend in 2009 to address the threat posed by store (shop’s own) brands; as a consequence, Heinz became the fastest growing major CPG company in the UK.
3. Ensure your copy is working as hard as possible
While ideally you should aim to at least maintain your level of spend, you may be able to compensate for reduced spend with stronger copy. That is, with more impactful creative, you may be able to maintain or increase your level of ad awareness, even with a reduced budget. The chart below summarizes the brand outcomes for various combinations of share of awareness and share of voice. When both of these measures declined (lower-right quadrant), brands tended to lose share. When they both increased (upper-right quadrant), brands tended to gain share. However, when share of awareness increased and share of voice declined (the lower-right quadrant), more brands gained share than lost it. Thus strong creative can provide powerful leverage for your spend.

So then the question becomes – how do you increase ad awareness with lower spend?

The answer is “creativity.” Great advertising is memorable. By 2009, Barclaycard’s “Waterslide” campaign was recalled by 46 percent of people, and ranked among the top 10 publicly voted “Ads of the Decade.”

Analysis of our Link copytesting database shows that overall average scores did not change during the recession. Despite tightened belts, people continued to find advertising to be relevant or irrelevant, enjoyable or not enjoyable, involving or not involving, in the same proportions as before. The rules of effective communication do not change during a recession; great advertising is still great advertising, even in uncertain times.

4. Be creative with media
Careful and innovative use of media channels can pay dividends, particularly with the recent increases in the number of media channels. While the Barclaycard “Waterslide” campaign aired on TV, it also aired in cinemas, and was supported in print, online, and with PR. Additionally there was an iPhone game, and the ad went viral on YouTube, with over 7 million hits.

If you use a particular vehicle to make contact with customers, use that vehicle to deliver special offers, relevant news, and information. During Brazil’s 2002 recession, Unilever launched a customer magazine, Diva, to communicate with key customers. The result of extensive research, Diva contained articles on money-making ideas as well as Unilever brands. It also incentivized readers to buy Unilever brands by offering to pass some of the profits on to charity.

5. Don’t get defensive; use promotion sparingly
The use of price promotions to help generate consumer spending, while common, can damage brands. One brand that had reduced media expenditure reported increasing share in line with promotions. Analysis showed that, in fact, the share increases were entirely due to the price promotion.

The brand’s underlying base sales for the brand were in decline, and this decline was tracked by tracking study measures. In product categories where the brand is less important (such as motor fuel, mineral water and grocery stores), price promotions are more likely to be effective, but even so, these are likely to erode brand equity. In the UK, as a result of a price war in an over-the-counter (OTC) brand category, the total volume sold on promotion increased by 15 percent in one year. The result was that value was driven out of the market—the total value of the category fell by 14 percent. At the same time, loyalty to specific brands declined; while 81 percent of buyers were “loyal” to a brand before the price war, just over half (55 percent) remained so afterward.

Premium brands may feel threatened when consumers are keeping a tight grip on their wallets, but being premium in itself isn’t necessarily a problem. When the premium car brand Audi reoriented its campaign around the rational message of fuel efficiency, its brand desirability increased. With positive and proactive management, brands—even premium brands—can ensure their long term success even during uncertain times.

Some of the examples and case studies used in this article are from the IPA Effectiveness Awards.
The voiceover is a very common feature of TV advertising across the world. Of the ads we saw in our database, 89 percent include voiceovers. Since they are so common and can be edited relatively easily, voiceovers are a worthy topic for scrutiny.

WHAT VOICEOVERS DO WELL: COMMUNICATION OF INFORMATION
Voiceovers can travel the message to those who can see but do not read, and they can do this effectively. On attributes related to news and information, ads with voiceovers score slightly but consistently higher than ads without voiceover. Not only are key messages communicated better, but ads with voiceovers score higher on credibility, conveying new information, relevance, and persuasion. The indices on these measures for ads with and without voiceovers are compared in the table below.

![Table showing the comparison between ads with and without voiceovers on various attributes.]

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<td>95</td>
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A change in voiceover can lead to dramatic improvements in an ad’s performance. When a target message came through only weakly in the original, it was often amplified with a voiceover, which created a substantial difference. In the original, the ad intended message reached 44 percent of the audience, while for the voiceover version, it shot up to 62 percent. When this new voiceover was added: “delicious but does not leave the mouth feeling dry,” communication of the taste message shot up to 53 percent. When the voiceover was modified further, to “really delicious,” communication of the taste message shot up to 61 percent. However, voiceovers do not always aid communication, particularly when they seem out of context or are overly long, because they are less likely to be understood. So in deciding how and when to use a voiceover, keep your key objectives in mind.

### Voiceovers should be focused on the story being told on the screen, because they did not serve as a voiceover.

Changes made to a voiceover can lead to dramatic improvement in an ad’s performance. When supported by the voiceover, the message was more than twice as high for the ad with voiceover, 44 percent versus 17 percent, as shown in the chart below.

![Chart showing the comparison between ads with and without voiceovers on various attributes.]

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YOU DON’T DO IT ALL!
Voiceovers are often used to convey information, and they can do this effectively. On attributes related to news and information, ads with voiceovers score slightly but consistently higher than ads without voiceover. Not only are key messages communicated better, but ads with voiceovers score higher on credibility, conveying new information, relevance, and persuasion. The indices on these measures for ads with and without voiceovers are compared in the table below.

### Voiceovers should work with the story.

Voiceovers don’t always communicate, particularly when they compete with ads engaging or compelling story being shown in the ad. An Indian ad was designed to communicate that the brand contained ingredients that helped enhance immunity. The commercial showed a husband feigning sickness and his wife catching him in the lie. A change in voiceover also made a huge difference for a personal care brand. Two versions of an ad were tested. Both had the same end frame, “is developed with experts,” The takeout of the message was more than twice as high for the ad with voiceover, 44 percent versus 17 percent, as shown in the chart below.

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TIMING WITH VISUALS

The voiceover needs to complement the visual content of the ad. If it doesn’t, the message it intends to communicate is unlikely to register. This is the most common problem we have observed with voiceovers. One personal care brand tried in several ads to convey that it was 75 percent more efficient, but in none of the executions did the visual content support the message, and as a consequence, the message was lost. Ads tend to communicate far more successfully when they both show and tell—i.e., when the visuals dramatize what the voiceover is saying. One personal care ad in Indonesia was failing to communicate its intended message. The ad was revised to cut down the voiceover, and to tie the communication of the key “confidence” benefit with a relevant scene. Communication of the “confidence” message improved from 58 percent to 73 percent, and the revised ad was more persuasive.

Television tends to be a far more expensive medium than radio—this is partly due to its wider reach, but it is also because it gets moving images, accompanied by sound, into people’s homes. You pay more for those images, which are often the most memorable parts of the ad, so it is crucial that the voiceover and visual content work well together.

LESS CAN BE MORE

Voiceovers should be used sparingly. Of the ads in our database that use voiceovers, 63 percent use them only during certain parts of the ad, or at the end only. Pauses and silences can help add emphasis, and allow time for the message to be absorbed. When we focus on ads that use continuous voiceovers, we see that they tend to be less involving (indexing at 99) than ads that have no voiceover or a voiceover at the end only (indexing at 103). It seems that continuous voiceovers can wash over viewers and lull them into inattention.

We tend to see issues with continuous voiceovers more often with translated ads; when an ad is translated into another language, sometimes it takes more words to explain certain concepts (especially when the concept is one that has special resonance in the ad’s original market). A UK deodorant ad that had performed well in research was subsequently translated into Polish and tested again. In the Polish version, viewers did not play back the differentiating message; instead, they took out a generic deodorant message about efficacy. As a result, the ad did not convey its news, and failed to create a sense of differentiation. A comparison of the audio soundtracks of the two ads showed that the Polish version was tonically “busier.” It provided less aural down time to allow viewers to process the ad’s message.

Another ad for a new deodorant scored poorly on all key metrics. Analysis showed the ad had a comprehension problem, with over a third of respondents finding it at least somewhat difficult to follow. Since the ad was already in a finished film state, the main changes made to the ad related only to the voiceover. The English voiceover in the original ad had a French accent. The revised version featured an English accent. But the voiceover was leaner only 69 words, versus 80 in the original. In addition there was a title card, setting up the story from the opening shot. Comprehension improved dramatically with only 9 percent having comprehension problems, and the ad’s persuasive strength moved from low to high. The subsequent launch was a success.

THE VOICE IN THE VOICEOVER

The voice in the voiceover can make a big difference. One ad, with local translations and voices, was tested in the UK, France and Italy. In the UK the ad received a high level of dislikes, which further investigation showed to be largely due to the voiceover. The voice was regarded as “silly,” so the key message was not communicated. However, in France and Italy, there were almost no mentions of “silly voices.” In the UK, persuasion was greater among those who did not mention the silly voices compared to those who did mention them.

Regional accents can often add to enjoyment, especially when they are used in a playful manner. However, if an accent is too strong, it can be hard to understand, and this can lead to lower comprehension and enjoyment for the ad. Also, since people tend to be proud of their accents, if the accent is over-exaggerated and clearly not genuine, it can annoy people from that region.
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