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# The New Brand Manifesto

5 ways to rethink your brand platform and marketing to meet today's consumers' higher standards

By Kathy Oneto

#### Introduction

Times are calling for a new brand order, one driven by consumers seeking elevated brands that meet a higher standard. While the world around us goes through dramatic change and trust in institutions and business declines, there is an opportunity for businesses and brands to step up and fill the void that is being created. Consumers are looking for steadying and organizations that take responsibility and action. They want to see that businesses care about people and society beyond just their shareholders.

For example, a Harvard University survey found that over 50 percent of Americans 18-29 years of age don't support the system of capitalism. Some believe it's the system of capitalism itself, as articulated in this Fast Company article by Dr. Jason Hickel and Martin Kirk. But one could say that it's more about how the system is currently functioning and how it isn't serving the people and society's needs anymore.

#### Consider also these data points:

- 79 percent of consumers prefer to purchase products from a company that operates with a social purpose. (Source: Economist Purpose Study 2018)
- 56 percent of adults globally agree "I'd rather pay double for a product than buy it from a brand that I think is harmful to society." It increases to 63 percent for the age 18-29 demographic. (Source: Looking Further with Ford Trend Report, 2018)
- 94 percent of consumers said they'd be more loyal to brands and 73 percent said they'd pay more for a product that are completely transparent. (Source: Label Insight 2016 Transparency ROI Study)
- 75 percent of consumers expect brands to make more of a contribution to their wellbeing and quality of life. (Source: <u>2017 Meaningful Brands®</u> <u>Global Study, Havas Group</u>)

#### What should brands do?

Here are 5 actions to reorient your brand proposition to what consumers are seeking today.

#### 1. Stand for and do more, getting beyond the bottom line.

First, today more than ever, a brand needs to be clear about its purpose—its ideology, its beliefs, and why it will resonate and connect with its consumers. Consumers want companies and brands to stand for and do more. They want tangible actions that demonstrate brands are taking responsibility for the role they play in consumers' lives.

This means a brand's business objectives need to be broadened. It's too easy to claim it's all about the bottom line. While that barometer might simplify decision-making, it can cause businesses to ignore both opportunities and threats being created by this consumer mindset. Even BlackRock, the \$6 trillion investment firm, recognizes that consumers have increased their expectations of businesses. In January, the founder and CEO, Laurence D. Fink, raised the company's expectations, demanding that businesses contribute to society:

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Society is demanding that companies, both public and private, serve a social purpose.... To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.

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Some companies have been willing to embed more "bottom lines" and stakeholders into their governance becoming B Corporations, even a few owned by publicly traded companies, such as Ben & Jerry's owned by Unilever and Plum Organics owned by Campbell's. This has not always been consumer-driven, but rather determined by the companies themselves based on their ethos. Consumers are attracted to these companies for their genuine desire to contribute in positive ways.

Other companies recognize and take responsibility for the role they play in society and communities, such as Starbucks and Apple. For example, Starbucks has had initiatives around employing <u>veterans</u> and <u>refugees</u>, championing diversity and inclusiveness, and providing <u>college tuition</u>

<u>support</u> to its employees. Founder Howard Schultz in a 2016 interview with the <u>Washington Post</u> articulated how the company accepts its responsibility as being a part of the global community in which it operates, while believing and demonstrating it can still drive financial performance.

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We can't be in business just to make money. We must balance profit with conscience and humanity and benevolence and do what's right for our people and our communities. And we are living proof over a 24-year history as a public company we can do all those things and create long-term value for our shareholders.

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Angela Ahrendts, SVP of Retail at Apple, wrote an <u>article on LinkedIn</u> at the beginning of 2018 in which she explains that given the impacts—positive and negative—of technological innovation, the company is taking responsibility to help people connect, learn and get retrained, and express creativity through initiatives being implemented at Apple stores. It's one way they are contributing beyond the bottom line.

Still other companies may recognize that their products can have a significant, negative impact on our societies, such as Facebook. Is it any wonder that at the start of 2017 Mark Zuckerburg announced a <a href="mailto:new">new</a> Facebook mission centered around Community? Some might ask if the company's doing enough still.

To articulate your ideology and define your purpose so you can stand for and do more, you need to understand your "why"—why the company does what it does beyond selling stuff and making money. What are your beliefs? Why will the consumer connect to your brand and want to be in relationship with it? Where is there a shared goal, on an emotional-level, social-level, or identity-level? How does this connect to something bigger? What is your why? Ask it again and again until you have clarity. And don't just go through the exercise to check it off the list. You have to be ready to take action against it. Ask what you need to start, stop, and continue to do to be in alignment with your newly articulated purpose and get your organization activated against these new initiatives.

### 2. Build trust through human-centricity and transparency in product design and development.

Your product must also be consistent with the new brand order. Product is foundational, lest one think that what you make and how doesn't matter. According to a quick snapshot we did with ProdegeMR in an Omnibus study with U.S. consumers, we found that first and foremost people still prioritize quality and value in terms of what they seek from brands. When asked, "What do you want most from brands today?," 37 percent said "Make the highest quality products" and 29 percent said "Make products of the best value," both factors that are about meeting functional consumer needs.\*

So today, it's important that your purpose be built into the what and how of your business by demonstrating empathy and understanding for consumer problems, needs, and aspirations and by building solutions that are human-centric, not simply focused on interesting technology or the bottom line. Consider, for example, FMCG food brands that have been losing relevancy to fresh, start-up brands managed with higher principles and guardrails such as KIND and Plum Organics. Or, think about the company Learners Guild, which is investing in talent by training and teaching people to code and supporting them in getting employment. People don't pay for the service until they get a job that pays at least \$50,000 per year.

Today consumers also reward transparency in product development. <a href="Everlane"><u>Everlane</u></a> has gained traction and continues to grow with its Radical Transparency retail model, while brands like The Gap and Banana Republic struggle to maintain differentiation and relevancy, still operating and engaging with consumers primarily on a functional level and having to play the deep discount promotional game. Despite likely efforts by the corporate company to improve and uphold ethical manufacturing standards, it's not central to the company's message and branding, thus gets no credit from consumers.

Like Everlane, brands can build transparency directly into their business model and product proposition. As reported in Monocle, Alexander Stutterheim founded John Sterner, a Swedish knitwear company. When launching his brand, Stutterheim started by buying a sheep farm, because he wanted to control the wool supply for his products. To further build this understanding into his products, Stutterheim is building an app for consumers to track and learn all the details about where and how the textile material and final products are created. Making the case for transparency, he was quoted as having said:

<sup>\*</sup> Data from an omnibus study conducted by ProdegeMR with 750 U.S. adults ages 18+, January 2018.

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I don't think you can start a company today without thinking how the world is turning in the wrong direction when it comes to environmental stuff; knowing where something comes from is important.

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## 3. Deliver more responsible communications focused on motivations vs. expectations.

What do businesses sell to consumers? Simply stuff? Or, are they selling solutions to problems or alignment to a self-goal or self-concept, such as aligning to attitudes, beliefs, core motivations, and emotions? This is a critical concept to consider when it comes to marketing execution. For marketing communications selling your product line, what's more responsible, and we believe more successful, is to meet the consumer where they are, rather than set an expectation for them to meet.

Thus, it's time for brands to start to operate from a more positive, responsible position and align their marketing communications to consumers' motivations and goals, not external expectations. It's a more respectful and helpful way to interact with consumers. Do you want them to reach societal or business goals or meet their own? This marketing approach can be similar to behavioral economics where people design processes to elicit positive behaviors that benefit the individuals themselves.

Consider how Unilever shifted its positioning and marketing communication for the <a href="Axe">Axe</a> men's grooming brand. It walked away from its attraction and conquest-focused advertising and moved towards a more compassionate understanding of men and a modern view of masculinity that is not contrived based on limiting, old stereotypes of gender roles and identity. <a href="As articulated by Danny Feeney">As articulated by Danny Feeney</a>, strategy director from 72andSunny, the agency that developed the brand's campaign:

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The big shift was moving the marketing model away from positioning [to focus] on purpose."

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Or, consider the announcement from CVS stating that the company will no longer edit beauty images used in its marketing. It's a purpose-driven and responsible act focused on reducing expectation-setting influences. Helena Foulkes, president of CVS Pharmacy and EVP, CVS Health said:

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As a woman, mother and president of a retail business whose customers predominantly are women, I realize we have a responsibility to think about the messages we send to the customers we reach each day. The connection between the propagation of unrealistic body images and negative health effects, especially in girls and young women, has been established. As a purpose-led company, we strive to do our best to assure all of the messages we are sending to our customers reflect our purpose of helping people on their path to better health.

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## 4. Ensure a fair exchange between consumers and companies through richer experiences.

A brand's marketing execution is not just advertising, but the full experiences delivered to consumers for engaging with the brand. What is a brand providing to deliver on that core consumer motivation? How are they building a relationship with consumers in a way that demonstrates that they value the relationship?

Engagement between brands and consumers is deeper today than in the past. It's not simply an exchange of money for product. Often consumers unwittingly give up their personal data and privacy rights to companies with a belief they'll get something in return. And yet, one wonders if the free use of services, marketing offers, and the user experience itself, for example, are an equal exchange for what consumers provided. The quality of the experience just isn't worthy of the data exchange. Given all the recent security breaches while companies still seek to gather even more consumer information, the value exchange needs to be taken more seriously and be more equal.

Stitch Fix, the online personal styling service that went public in 2017 and is reported to have sales of about \$1 billion, is a company that seems to have gotten this value exchange right and is succeeding in delivering

richer experiences based on deep customer understanding and utilization of AI and machine learning. The company's mission puts consumer understanding and personalization at the center:

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It's our mission to change the way people find clothes they love by combining technology with the personal touch of seasoned style experts. The Stitch Fix experience is not merely curated—it's truly personalized to you. We're here to help you save time, look great and evolve your personal style over time.

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Stitch Fix has a large data team that analyzes a significant amount of customer data the company collects from the initial styling quiz, customer purchase behavior, and additional customer responses. They then use this data to not only personalize what a customer receives in each of its shipments, but also to design new clothing and to optimize their inventory and supply chains for delivery to the right customers at the right time.

Read more about how Stitch Fix explains its approach to meeting consumers' needs and wants, creating an overall better and richer experience, based on its use of the data exchanged.

Again, the consumer-brand relationship is more entwined than ever before. Consumers certainly can influence and push brands, yet companies still hold a lot of power. Many accumulate consumer data and have the opportunity to deliver better products and experiences in exchange for the relationship and purchases they seek from consumers.

## 5. Act with an authentic brand character—have a sense of self and execute with integrity.

Finally, to govern how your brand shows up in the world, it's important to clearly define a brand character and execute in accordance with it. Today it takes on more importance, because of consumers' lack of trust in organizations.

Authentic and character are perhaps the same concept, yet we use both to hammer the point home. Authenticity may be an overused word when it comes to brand character and personality, but here it means that your brand should operate in accordance with its purpose, act responsibly, and communicate directly with no hidden agenda. How a brand shows up authentically is unique to each brand. Similarly, character is demonstrated

through actions—decisions and activity that are consistent with your distinctive brand identity and belief structure, earning an understandable, good reputation.

<u>Patagonia</u> is a prime example of a brand that acts with authentic brand character. Here's a little bit about how the company speaks about itself and its mission:

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Mission: Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

For us at Patagonia, a love of wild and beautiful places demands participation in the fight to save them, and to help reverse the steep decline in the overall environmental health of our planet. We donate our time, services and at least 1% of our sales to hundreds of grassroots environmental groups all over the world who work to help reverse the tide.

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REI, another outdoor company, also has a strong sense of identity that has guided its brand activity. Its oft mentioned <u>#OptOutside</u> campaign is just one example that demonstrated its ethos and connection to the outdoors. Another is their 2017 <u>"Force of Nature" campaign</u> focused on encouraging women to get outdoors with a component about changing how women were represented in outdoor industry marketing. The company also provides in-depth content on outdoor topics, providing valuable information to further consumers' experience and enjoyment of the outdoors.

## Align your Brand Platform to the New Brand Manifesto

To address the new brand manifesto and elevate your brand to the new brand standard, you have to revisit your brand platform and come at it from a new angle that puts the consumer, the most powerful stakeholder, at the center, along with society at large. It starts with establishing your more expansive why and then making sure your what and how of product and production are in alignment. Then get clear on your brand character and have that guide how your brand shows up in the world through marketing communications and brand experiences. These, too, must be consistent and go back to your why and be responsible to your consumers. Having this all clear and documented is a good first step, but it really comes down to brand activity, as these five actions suggest. You need to develop a new operational plan based on this purpose-driven orientation. Make no mistake—creating a new brand platform kicks off a new strategy.

A business and brand leader could either see this as an inconvenient threat or as a significant opportunity to ensure relevancy and vibrancy of their brand and to build sustaining brand value. It may seem unnecessary and just a bit too much. But the world is changing, along with consumers and their needs, desires, and expectations. Best take this on before your competitors and new upstarts get ahead of you and make your brand irrelevant to consumers.



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