

BRAND FORUM 2008

ESOMAR WORLD RESEARCH FORUM

PARIS / 1 - 3 DECEMBER 2008



HIGHLIGHTS

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BRAND NEW WORLD

The new media revolution and current economic conditions are making it harder than ever to build brands that are memorable, lovable and durable. ESOMAR's Brand Forum explored how consumers' relationship with brands is changing, and what it takes to get into their hearts – and their wallets. It seems it's not the product, the ads or – even now – the price that matters most. It's the human quality of a brand, and its ability to tell a great story.



Brand Forum opening

At its heart, the challenge facing brand managers today is the same as it's been for decades – to understand consumers and how brands can make meaningful connections with them. What's changed is the speed at which people's preferences are changing, the variety of ways they seek information and entertainment, and the pressure on discretionary spending that growing numbers of consumers are now feeling.

But, as we've seen before, inspirational and entertaining brands are those that emerge strongest from a crisis. "The context of uncertainty doesn't change the fundamentals of creating value for brand owners," said Mark Whiting, Director of Marketing Intelligence Services at Moët Hennessy and a member of the Brand Forum's Advisory Board.



Mark Whiting, Director of Marketing Intelligence Services at Moët Hennessy

A brand gives consumers a reason to desire, and Millward Brown's Peter Walshe, who runs the BrandZ global study of brand value, said branding accounts for two-thirds of all sales. The correlation between having a high-value brand and a healthy bottom line is not to be overlooked.

"If you'd invested in the S&P 500, which is a good proxy for the brands covered by BrandZ, up to the middle of this year, you would have seen a gain in the last three years of 3%," he said. "If you'd made a portfolio of BrandZ strong brands, you would have made 23%. Having a strong brand is a really powerful asset. It means money."



Peter Walshe, BrandZ Director, Millward Brown

Sophie Romet, Managing Director of brand and design consultancy Dragon Rouge, said brand value was the most important issue marketers currently face. "Brands have never been as sought after ... but at the same time, they've never been as challenged."



Sophie Romet, Managing Director, Dragon Rouge

BRAND ON THE RUN

News travels fast, copycatting is a real threat to many brands, and the pace of change in consumers' lives means product cycles are getting shorter. At the same time, private labels have been improving their quality and value for money, and now account for about half of all sales based on volume, according to Gilles Pacault, Vice-President of the association for the promotion of brands in France, Prodimarques.

"A company's success depends on winning the public's approval every day in every country where your product is sold. Safety and quality are not enough. There's no guarantee of consumer loyalty. Consumer preference has to be earned, every day of the year," Pacault said.



Gilles Pacault, Vice-President, Prodimarques

Consumers are increasingly elusive, and there's a new tide of awareness about the companies they interact with. They want not just a great brand experience, but the knowledge that it's with a socially and environmentally responsible company. In France alone, public trust in brands fell 12 percentage points between 2007 and 2008, according to French research agency Credoc.

"There's a genuine trust crisis on a scale that's been unheard of for decades," said Tim Girvin, keynote

speaker at the Forum and Principal of design and brand strategy consultancy Girvin. "People are increasingly looking for the truth, there's a new expectation of honesty ... and if there's a proposition that doesn't ring true, they'll say straight away, 'that sounds like bullshit'."



Tim Girvin, Principal of design and brand strategy consultancy Girvin

Such is the pressure on brands that Prodimarques has, since, 2006, been running an annual, nationwide multi-brand advertising campaign to promote the advantages of branded goods over private labels.

Brands' fortunes have an impact beyond the results of the companies behind them. Philip Sheppard, Public Affairs Manager of AIM, the European Brands Association, said 48% of European exports were upmarket, branded products. "Europe's competitiveness depends on our being able to sell high-added value products around the world, and this requires branding and marketing," he said.



Philip Sheppard, Public Affairs Manager of AIM, the European Brands Association

The effectiveness of traditional advertising is, however, in rapid decline, as choice, distraction and ad-skipping technology attacks the power of advertising media plans. Ana Sofia Alves, Senior Marketing Manager, Brand Development and Innovation at Kimberly-Clark Europe, noted that while next-day recall of TV ads was 34% in 1964, by 2007 it had fallen to just 7%. "The 30-second spot is no longer the solution," she said. "Consumers are replacing 'prime time' with 'my time'."



Ana Sofia Alves, Senior Marketing Manager, Brand Development and Innovation at Kimberly-Clark Europe, Philip Sheppard and Gilles Pacault.

GOT PERSONALITY?

All of this makes the task of branding a tough one, but not impossible. Consumers do still fall in love with

brands and, even in times of economic hardship, that love can overwhelm concerns about price. So, what's the difference between a good brand and a great one?

"It's all about a story – a personal, emotional connection," Tim Girvin said. "When someone says, 'I just love this brand', there's always a story right after that shows you the personal connection." A story, he said, is the fire at the heart of the brand; its character and its soul. It resonates with people, and is a tool for positioning the brand and setting it apart from the competition.

"How do you compete in a world where going into a supermarket means 30,000 brand exposures, minimum? There has to be something that can hold you and make that link of memory," said Girvin.

The value of a story to the company behind the brand is in its ability to stand out, and, Girvin said, to give it a much greater chance of business success. "You can't steal a story; it's an asset that can live unto itself," he said. "The brands that have the most meaningful, enduring connections and that people love tend to have more of a soul."



*Tim Girvin and Jolie Hellings,
Branding Director, Microsoft Surface*

MIRROR, MIRROR

Finding your brand's inner story can be as simple as looking at its founders or its current leaders and what they stand for. Think Enzo Ferrari or Yves Saint Laurent.

Apple's Steve Jobs is a strong example of a modern,

person-driven brand story. "With Steve, there's a balance between passion and terror," Girvin noted. "Steve is a little bit scary to be around, but it's that slightly wild quality that's really the spirit of how he runs that company ... you either love it or you don't."

When there's no strong brand story or public person to work with, a new story can be built around reflections of the stories that consumers themselves tell. For instance, American women identified as "beauty junkies", changing hairstyles and outfits several times a day, were recruited to help define the story of a high-end beauty brand. "We look for consumers to tell us how they live, and then we look for a bridge. A kind of empathic passion ensues, and the storytelling, the brand building, begins."

LOVE IN THE TIME OF CRISIS

Millward Brown's Peter Walshe compared the relationship between people and brands to those of romantic love. "If you have a strong relationship with a brand, you're much more likely to buy that brand. It's just like dating."

At the outset, your consumer (or potential partner) has to know you exist, you must be present in their lives. After that you make a quick assessment of whether they're relevant to you – are you in the same league. Then comes the first date or trial of the brand, a gradual growing closer, then eventually, you have eyes only for that particular brand. The further a brand is in this process, the higher share of wallet they'll get.



*Peter Walshe, Sophie Romet and
Philip De Wulf, Managing Fellow, Psyloggy*

“The analogy is a good one,” said Walshe. “There’s a significant difference in behaviour if you have a strong relationship with a brand rather than just a passing one. Brands that stand for something, that are unique and have a great clarity about what their personality is, probably exhibit some feeling of dynamism, and those are brands that do extremely well.”

None of this, he said, changes significantly in a downturn. A brand’s value might go down in the BrandZ calculation because the financial value of the company, which is part of the equation, may be down, but the contribution that brand makes to sales may well remain steady or even increase. “Consumers have long and deep relationships with brands and that’s not usually thrown away,” Walshe said. “Particularly in tougher times, when consumers might be more conscious of their decisions and spend more time deciding, that’s precisely the time to concentrate on brand.”

Tim Girvin said value for money could be a strong part of a brand’s story, but not enough to work by itself, even in the current economic climate. “Price will be an issue for many people,” he said. “But I think they will do a split between cherished brand relationships and commodity relationships, so they’ll say, ‘I’m going to buy cheap salt, but I love this ginger Mozambique sugar, so I’ll hold on to that’. Pricing is not a long-term connection.”

SUPER MODELS

Inspiration for brand stories – and the best ways of telling them – can come from some unlikely quarters. Richard Rees, Managing Partner at North and South Ideas, recommended some “professional squinting” at other brands’ communications, looking for universal messages and common patterns of success.

“Steal with pride,” he urged. “Wherever possible, go beyond your product and look for new rules.” A beer brand, for instance, could learn plenty from a jeans brand targeting young men. A bank looking to expand in the youth market could learn from the beer brand, and a luggage brand could learn from a watchmaker.

Semiotic analysis of brand positioning can help create new messages. Rees said that within luxury, there are themes common to several brands that can be applied elsewhere. Louis Vuitton, Glenfiddich and Johnnie Walker share the theme “life’s a journey; we

journey together” while Moët & Chandon and Jaguar – younger and more aspirational brand – are more about “living the dream”, lounging, and have an air of hedonism about them. Brand managers should ensure they spread their brand portfolio across several different themes, and look for themes in one category that could have similar success in another.



Richard Rees, Managing Partner at North and South Ideas

Sophie Romet said Dragon Rouge research into how luxury branding works had identified four dimensions of luxury: quintessence, timelessness, individuality and desire. These pillars of luxury had been successfully used to inspire the branding of French toiletries producer Le Petit Marseillais and premium coffee brand Carte Noire.

The fashion industry, too, has much to offer brands outside its sector, brand strategy consultant and author Michel Jansen said. “They have long understood the idea of value creation, they have to deal with the same situation we’re all in now – they have to come up with something new four times a year and deal with copycats.” They work fast, creatively and foster originality, and tell a desirable story.



Michel Jansen, Brand Strategy Senior Consultant, High-Value

MAKE IT SING

To give your story resonance, it needs to be communicated in a way that consumers will not only notice and endure, but enjoy. Michael Boumendil, head of audio branding consultancy Sixième Son, said sound and music should be used more effectively to give brands momentum.

“For a brand, music is a way to be appreciated, to be unique, to be recognised and to be yourself,” he said. “Audio branding that works creates not only value for the brand, but for the people listening.” His work with French train company SNCF led to the creation of a sound identity based on the company being a conduit for movement, for taking you places. When a Charleston-style version of the music was posted on the web site to mark the company’s 70th anniversary, 20,000 people downloaded it on the first day. “When you’re on the mobile phone of your client, you know you’ve made a connection,” Boumendil said.

Branded entertainment is another great way to connect with increasingly ad-resistant consumers, according to Lucian James, president of Agenda Inc, a strategic consultancy for luxury brands. Branded entertainment – essentially product placement done well – provides not just exposure but real entertainment. It allows for what James describes as a “more seamless connection to a brand” as the brand is integrated into the story, than traditional product placement, which can become annoying with lingering shots over sponsors’ logos.



Lucian James, president of Agenda Inc

One of the most inspiring of this emerging genre, James said, was a campaign for a show on Court TV in the US, called Parco, P.I., which began with a billboard message, signed by an angry “Emily”, threatening her cheating husband with divorce. The campaign spread online and gradually, the link between the fictitious couple and the show’s storyline was unravelled. “This is the future of branded entertainment,” James said. “This really shows the potential for brands to take a completely medium-agnostic view.”

James said any brand could have a big impact with branded entertainment. “What hopefully will happen is that we’ll return to the traditional idea of advertising ... the power of the big idea. The question is: what do people find entertaining, and how can your brand be involved in that?”

ASKING THE RIGHT QUESTIONS



Peter Walshe

What’s your brand worth, what’s your story and how do you best tell it in a way that will have meaning for those who hear it? Big questions emerged from the Brand Forum – big questions that market researchers can play a pivotal role in helping clients answer.

What was clear, however, was that clients want research that goes beyond the ordinary; they want to see consumers as people, and get a real grasp of the richness of their lives. They want non-traditional techniques used that get under people’s skin and provide truly actionable results.

“Don’t tell me just that people like coffee; I can’t do anything with that” said Anneke Sipkens, former VP Innovation and Global Brands with Sara Lee. “Tell

me that people like fresh coffee made by the cup but can't do it easily at home."

Girvin's advice was to go smaller but deeper with consumer research, meeting people face to face, watching them and listening to them. "The idea of sitting in a room and showing people a couple of boards is dead," he said.



Tim Girvin

Non-traditional research techniques, such as ethnography – allowing researchers to read between the lines – not only generate some great insights but also tend to have a bigger impact on clients than charts and written reports might.

"The key to market research in this environment really involves understanding consumers from a much more holistic point of view," Lucian James said. "You become less interested in what they think about your soap powder, and more in how your soap powder can be involved in what they're doing already."

The value of research in times of uncertainty is particularly strong when looking at media measurement, and in putting a value on a brand that can be monitored. The point of the BrandZ rankings, for instance, is to be able to show the boardroom that marketing and brands are both accountable and extremely valuable.

So, while there are many challenges for brands, there are also huge opportunities, and similarly for the market researchers who support them.



Mark Whiting

"It's been said that a time of crisis is the time to innovate. We're in a time of crisis, and hopefully it will prove to be a time of innovation," Mark Whiting said. "It's only by having a clear understanding of what consumers expect and value from brands that marketers will be able to develop winning strategies and invest with confidence."

In building these forums ESOMAR offers a setting where strategic concerns are addressed in a broader business context and the role of research in helping decision making is highlighted. These forums do not present research methods and techniques but help identify research challenges and opportunities through a mix of personal stories and lively debates. This report provides some highlights from the presentations and debates that took place in Paris.

ABOUT ESOMAR

ESOMAR is the world organisation for enabling better research into markets, consumers and societies.

With 5,000 members in over 100 countries, ESOMAR's aim is to promote the value of market and opinion research in illuminating real issues and bringing about effective decision-making.

To facilitate this ongoing dialogue, ESOMAR creates and manages a comprehensive programme of industry-specific and thematic events, publications and communications as well as actively advocating self-regulation and the worldwide code of practice.

ESOMAR was founded in 1948.

ABOUT ESOMAR MEMBERSHIP

ESOMAR is open to everyone, all over the world, who believes that high quality research improves the way businesses make decisions. Our members are active in a wide range of industries and come from a variety of professional backgrounds, including research, marketing, advertising and media.

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Membership benefits include the right to be listed in the ESOMAR Directory of Research Organisations and exclusive use of the ESOMAR Membership Mark. Registration to all ESOMAR events, including the Annual Congress, is available at preferential Members' rates as well.

Members can also access a range of publications (either free of charge or at a preferential rate) and receive a complimentary subscription to Research World - the only magazine for market research professionals worldwide to provide news and views from all industry sectors.

Full details on latest benefits and application are available online at www.esomar.org.

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