



WARC TRENDS

2012 TOOLKIT

(SAMPLE VERSION)





# New challenges, new ideas

**Introduction >>**  
New challenges,  
new ideas

**1 Consumers >>**  
The new middle  
classes

**2 Brand  
Management >>**  
Global-plus

**3 Integration >>**  
Orchestration

**4 Innovation >>**  
Corporate creativity

**5 Effectiveness >>**  
Return on  
sponsorship

**6 Buzz >>**  
The many,  
not the few

**7 Content >>**  
Brand journalism

**8 Metrics >>**  
Social ROI

**9 Data >>**  
Real-time planning

**10 Insight >>**  
Cultural connection



Welcome to Warc's 2012 Toolkit – a guide to new ideas and best practice in marketing from around the world.

The goal of this report is to highlight some of the key challenges marketers will face in 2012, and to look at ways major brands are responding. We have selected ten areas of concern to brands – from metrics to content, and effectiveness to innovation, and in each one looked at the latest thinking and best practice. The basis is the wealth of analysis published on warc.com – our editors have highlighted the most interesting new ideas and recurring themes they've seen on our site and in our publications.

This report is not a straightforward 'trend prediction' piece, nor is it a retrospective; it is designed as a toolkit to give marketers some insight into how the world's best brands are responding to changing demands, and to highlight ways other brands can follow their lead.

We used two key criteria when compiling this report. First, we looked for ideas that affect multiple markets. The trends and challenges

we highlight in this report are not country-specific. Some have very different implications depending on the market, but we think that marketers all over the world will recognise the ten challenges we list here.

Second, we looked for areas where we could provide real-life examples of companies rising to the challenge. Warc's basis is 'ideas and evidence for marketing people', and we hope both are on display in this report.

## A work in progress

Finally, it's worth pointing out that there are no simple answers to many of these issues, and no silver-bullet solutions. Marketing best practice has always been a work in progress, and never more so than now.

2012 promises to be a turbulent year for marketers all over the world. Ongoing economic pressures and new technology have called into question the role of marketers, and the skillsets they need to succeed. We hope this document will aid both brand owners and agencies as they look for answers.

**David Tiltman**  
International Editor, Warc  
[david.tiltman@warc.com](mailto:david.tiltman@warc.com)

## About this report

The 2012 Toolkit is divided into ten chapters, each of which covers a different marketing topic. Each chapter looks at a key trend or challenge that we think brands and agencies will face in 2012; they show how companies around the world are responding, and offer some tips on how to do the same.

Each chapter includes:

- ▶ A briefing on the challenge facing brands, plus the trends that are driving it.
- ▶ A 'Tell me more' section that looks at the subject in more detail and provides links to further reading.
- ▶ Case studies and data to support the argument.
- ▶ Action points drawn from the analysis and case studies on warc.com.

## LINKS

To find out more about the ideas in this report, click on the links highlighted in blue in the text. Most will take you to content on warc.com

Warc is a subscription service. Subscribers will need to [log in](#) to access the articles. Non-subscribers can take a [free trial](#) of the service in order to view the pieces.



# Economy and technology dominate

Introduction >>  
New challenges,  
new ideas

1 Consumers >>  
The new middle  
classes

2 Brand  
Management >>  
Glocal-plus

3 Integration >>  
Orchestration

4 Innovation >>  
Corporate creativity

5 Effectiveness >>  
Return on  
sponsorship

6 Buzz >>  
The many,  
not the few

7 Content >>  
Brand journalism

8 Metrics >>  
Social ROI

9 Data >>  
Real-time planning

10 Insight >>  
Cultural connection

## EXECUTIVE SUMMARY

Two major trends lie behind the ideas in this report.

The first is the changing shape of the global economy, and the rise of markets in Asia and Latin America as the key drivers of growth for multi-national brands.

Shifts in economic power are influencing the way companies organise brand strategy. They have to identify emerging groups of consumers – both in established markets and emerging ones (1 Consumers). They have to think more deeply about what a brand stands for both internationally and locally (2 Brand management). They have to look for new sources of insight (10 Insight).

The second mega-trend is, of course, the impact of new media technology. Mobile, tablets, gaming, social networking – the impact of these on all areas of business, not just communications, is still being played out. And marketers have only just begun to work out what to do with the data they produce (9 Data).

This new environment poses huge questions of brand owners. How do they measure these channels, and benchmark marketing programmes

that use them (8 Metrics)? What is the most effective way to combine them with traditional channels (3 Integration)? How can brands become content-providers rather than advertisers (7 Content)? How can they plan for word-of-mouth recommendations (6 Buzz)?

### Reasons to be cheerful

Despite the uncertainty, there is plenty to be positive about. New markets and new channels mean greater scope than ever for creativity – not just in communications, but across products and services (4 Innovation).

And 2012 is, of course, an Olympic year, and some of the world's biggest brands will be rolling out showpiece marketing programmes. Calculating a return on sponsorship remains tricky, but the new tools available to marketers make activating a tie-up more rewarding than ever before (5 Effectiveness). In fact, expect the Olympic activations to underline many of the themes of 2012 – global platforms with locally relevant implementation, content and word-of-mouth strategies at the forefront, and a new understanding of how different types of media can work together.

There is plenty to look forward to.



Lipton targets Hispanic consumers (1)



Iceland turns to word-of-mouth (6)



Jimmy Choo's social treasure hunt (8)

“  
New markets  
and new  
channels  
mean  
greater  
scope than  
ever for  
creativity –  
not just in  
communica-  
tions, but  
across  
products  
and services



# At a glance: the Toolkit on one slide

**Introduction >>**  
New challenges, new ideas

**1 Consumers >>**  
The new middle classes

**2 Brand Management >>**  
Glocal-plus

**3 Integration >>**  
Orchestration

**4 Innovation >>**  
Corporate creativity

**5 Effectiveness >>**  
Return on sponsorship

**6 Buzz >>**  
The many, not the few

**7 Content >>**  
Brand journalism

**8 Metrics >>**  
Social ROI

**9 Data >>**  
Real-time planning

**10 Insight >>**  
Cultural connection

**1 Consumers >>**  
**The new middle classes**  
In the US, multicultural consumers are the new growth market; in China and India rural and small-town populations are the focus.  
» Case studies: Procter & Gamble, US; Intel, India.

**2 Brand management >>**  
**Glocal-plus**  
The relationship between global and local is becoming more complicated as emerging markets become central to brand growth.  
» Case study: Stella Artois.

**3 Integration >>**  
**Orchestration**  
New research shows brand-led 'orchestration' is the most effective form of integration. TV and social media are a particularly effective combination.  
» Case study: Kraft, US.

**4 Innovation >>**  
**Corporate creativity**  
Product or service innovation is becoming a key marketing tool. Customer experience is the main driver of the net promoter score.  
» Case study: Tontine, Australia.



*Heineken's 'Star player' app is an example of using sponsorship to deliver emotional engagement (5)*

**5 Effectiveness >>**  
**Return on sponsorship**  
Sports and entertainment sponsorship spend is rising globally, but there is still a 'measurement gap'. Sponsorship is becoming more focused on emotional engagement.  
» Case study: Heineken, Europe.

**6 Buzz >>**  
**The many, not the few**  
Integrating offline and online word-of-mouth is a growing challenge. Some brands are adopting a 'social by design' approach to marketing communications.  
» Case study: Promote Iceland.

**7 Content >>**  
**Brand journalism**  
Some brands are thinking less like advertisers and more like publishers. Brand journalism is a useful approach to the paid/owned/earned model of media.  
» Case study: Nissan, Japan.

**8 Metrics >>**  
**Social ROI**  
Marketers lack clear metrics for marketing in social media, but it's clear that different types of social activity will require different measures.  
» Case study: American Express, US.

**9 Data >>**  
**Real-time planning**  
Although there's plenty of talk about real-time planning, there are few examples and no clear definition. Responding to 'live' data requires flexibility in budgets and process.  
» Case study: Wieden & Kennedy, UK.

**10 Insight >>**  
**Cultural connection**  
Cultural insight is in fashion. The goal is to create brands built around more than a generic emotional positioning.  
» Case study: Cadbury, India.



4 INNOVATION

# CORPORATE CREATIVITY

>> How do you use innovation to drive marketing return on investment?



# Innovation meets communication

## Introduction >>

New challenges, new ideas

## 1 Consumers >>

The new middle classes

## 2 Brand Management >>

Glocal-plus

## 3 Integration >>

Orchestration

## 4 Innovation >>

Corporate creativity

## 5 Effectiveness >>

Return on sponsorship

## 6 Buzz >>

The many, not the few

## 7 Content >>

Brand journalism

## 8 Metrics >>

Social ROI

## 9 Data >>

Real-time planning

## 10 Insight >>

Cultural connection

## BRIEFING

**W**hat's the best way to generate a return on marketing investment? Recently, there's been a lot of work proving the link between creative communications and effectiveness. But now, brand strategists are looking to apply creativity more broadly; product or service innovation is becoming a key and effective marketing tool.

That was certainly the case in the 2011 Jay Chiat Strategy Awards; the common theme behind the winners was "entrepreneurship" – coming up with great business ideas rather than

great communications ideas. Winners included a campaign for Puma that included product development.

Consumer technology is providing opportunities for service innovation. Apps have given brands new (and cheap) ways to be useful to consumers. Twitter has transformed the customer service strategy of brands such as Best Buy, and near-field communication and image recognition offer more opportunities in the future.

In an age where marketers are looking at buzz and word-of-mouth, innovating the product or service experience may be a better bet than being creative in communications.



*Puma's award-winning campaign incorporated product development*



*In just 12 months, we've seen the need for strategists to think more in terms of the complete business opportunities*  
Andrew Delbridge,  
Jay Chiat Awards

## TREND DRIVERS

- ▶ Companies that are creative across the organisation, not just in their communications, have been shown to outperform the competition in share price.
- ▶ Technology, such as apps or cloud computing, produces huge opportunities to innovate in terms of service and delivery.
- ▶ Creative corporations drive word-of-mouth, and that is now seen as the key to effectiveness.
- ▶ As more brands use the net promoter score as a key metric, creativity in product and service will be just as, if not more, important than creativity in advertising in driving this measure.



# Applying creativity throughout a business

## Introduction >>

New challenges, new ideas

## 1 Consumers >>

The new middle classes

## 2 Brand Management >>

Glocal-plus

## 3 Integration >>

Orchestration

## 4 Innovation >>

Corporate creativity

## 5 Effectiveness >>

Return on sponsorship

## 6 Buzz >>

The many, not the few

## 7 Content >>

Brand journalism

## 8 Metrics >>

Social ROI

## 9 Data >>

Real-time planning

## 10 Insight >>

Cultural connection

## TELL ME MORE

Product innovation is now a huge priority for consumer goods and food and drink firms, as it is key to driving revenue growth. But evidence suggests that brands should be looking at both product and service innovation closely. Creativity, it is argued, should not be a niche; it should be applied across an organisation.

The case for corporate creativity is [set out by James Hurman](#), Planning Director at Colenso BBDO. He says creativity is most effective when applied across an organisation and, at a time when measures of recommendation or word-of-mouth are becoming more important, product or service innovation are crucial.

### Entrepreneurial shift

It's worth reading [the analysis of Andrew Delbridge](#), Chairman of the Jay Chiat Awards, who argues that 'entrepreneurial' strategies came of age in 2011. He cites cases from this year's prize that demonstrate the way brand strategists are thinking.

There is plenty of literature on apps. Some of the most interesting examples are brands in low-interest categories using apps to engage



*The I Lohas bottle positioned the brand*

consumers in a way they never could through advertising. [Clorox's myStain.app](#) is a great example.

### Winning innovations

Coca-Cola's Japanese I Lohas brand showed the power of innovation, using a crushable bottle to give it an eco-friendly positioning. The launch won the inaugural Warc Prize for Asian Strategy in 2011, and case study author [David Elsworth discussed the findings with Warc](#).

Expect to hear more about this topic in 2012. Unilever marketers recently unveiled a ten-year plan they termed 'more magic, less logic'. The goal was to boost innovation, particularly around use of technology, and to be more open to trying and failing. Similar views have been voiced by the Chief Consumer Officer of Mars Chocolate, who offered a [10-point guide to innovation](#).

Also, look at [Coke's 70/20/10 rule for marketing investment](#). 70% goes on tried-and-tested ideas; 20% on innovating based on what has worked; and 10% on new innovations.

Watch out for more on this subject when the [Warc Prize for Innovation](#), a \$10,000 global case study prize, concludes in early 2012.

“When you are working on '10% ideas', you have to overinvest in measurement because you are unlikely to have the familiar benchmarks and metrics

Jonathan Mildenhall, Coca-Cola



# Customer experience drives NPS

**Introduction >>**

New challenges, new ideas

**1 Consumers >>**

The new middle classes

**2 Brand Management >>**

Glocal-plus

**3 Integration >>**

Orchestration

**4 Innovation >>**

Corporate creativity

**5 Effectiveness >>**

Return on sponsorship

**6 Buzz >>**

The many, not the few

**7 Content >>**

Brand journalism

**8 Metrics >>**

Social ROI

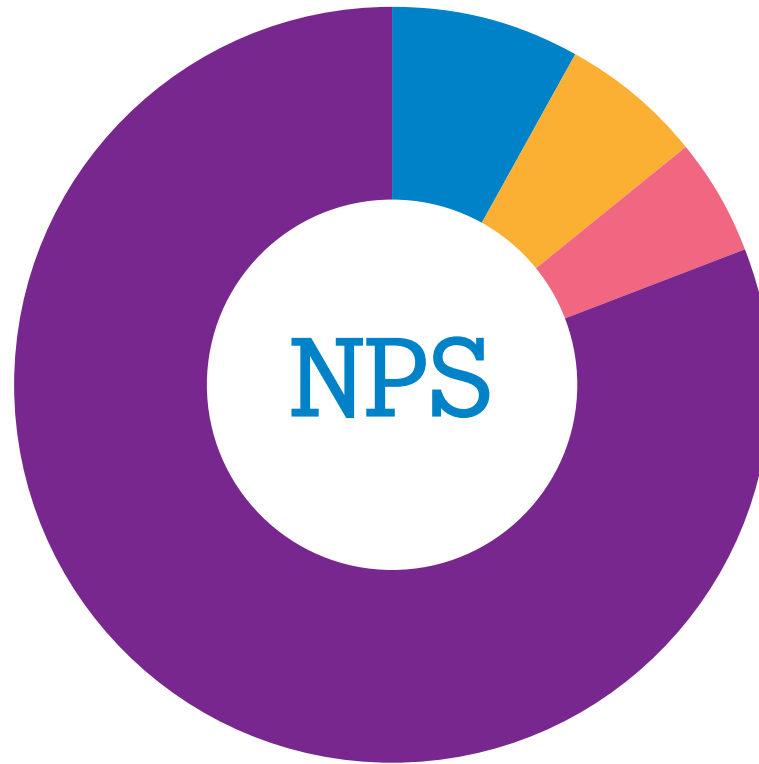
**9 Data >>**

Real-time planning

**10 Insight >>**

Cultural connection

## WHAT INFLUENCES THE NET PROMOTER SCORE?



Customer experience **81%**      Word-of-mouth **8%**  
 Competitive activity **6%**      Communications **5%**

## KEY FACTS

- There is evidence to support the link between product and service innovation and positive word-of-mouth.
- In New Zealand, one study asked consumers what made them most likely to recommend a brand (via a net promoter score measure).
- By far the biggest influence was customer experience – it had a score of 81% on a measure of factors influencing NPS scores.
- A brand’s communications, in contrast, scored just 5%.

Source: Colenso BBDO, [quoted by James Hurman](#)



# Case study Tontine

## Introduction >>

New challenges, new ideas

## 1 Consumers >>

The new middle classes

## 2 Brand Management >>

Glocal-plus

## 3 Integration >>

Orchestration

## 4 Innovation >>

Corporate creativity

## 5 Effectiveness >>

Return on sponsorship

## 6 Buzz >>

The many, not the few

## 7 Content >>

Brand journalism

## 8 Metrics >>

Social ROI

## 9 Data >>

Real-time planning

## 10 Insight >>

Cultural connection

## EXPIRY DATE

A great example of applying creativity to the product rather than the ads comes from Australia, where pillow manufacturer Tontine won the Grand Prix at the 2011 Effies.

Tontine had more than a 50% share of the pillow market, but the category was stagnant with little differentiation, retailers' own-label was stealing share, and price promotions were the dominant form of marketing. In this environment, the

brand wanted to boost sales by 30%, re-energise the category and take a leadership position.

The starting point was to encourage consumers to replace their pillows more regularly – beyond two years, pillows become unhygienic, but few people know that.

Rather than run a 'you need a new pillow' campaign, Tontine used the product itself, printing expiry dates on the pillows.

The date stamps were at the heart of a media and PR campaign that included TV spots in the evening and 'pillow exchange' events.

The campaign ran for just five days, but the concept delivered lasting value – brand health metrics rose and sales jumped across the category. And, as the pillows have expiry dates on, they will serve as a reminder to users to change them.

[View the full case study](#)



*The First Pillow With An Expiry Date campaign saw Tontine re-energise the Australian pillow market*

## Advertiser

Tontine

## Agency

Happy Soldiers

## Market

Australia

## Other examples:

[Gatorade](#),  
G-Series Product  
Launch, US  
[Fiat](#), Fiat Mio,  
Brazil



# Action points Innovation

**Introduction >>**

New challenges,  
new ideas

**1 Consumers >>**

The new middle  
classes

**2 Brand  
Management >>**

Glocal-plus

**3 Integration >>**

Orchestration

**4 Innovation >>**

Corporate creativity

**5 Effectiveness >>**

Return on  
sponsorship

**6 Buzz >>**

The many,  
not the few

**7 Content >>**

Brand journalism

**8 Metrics >>**

Social ROI

**9 Data >>**

Real-time planning

**10 Insight >>**

Cultural connection

**1** Small innovations can have big results if they are grounded in consumer insight. Apps, for example, are cheap to make, but a good one can deliver huge benefits.

**2** Set budget aside to test new product or service ideas and be prepared for a high failure rate.

**3** Think about the metrics you want to drive – they may be different to measures for communications campaigns.

**4** Think differently about the role of the marketing function. It should be more than the home of creative communications.

# About Warc's 2012 Toolkit

This is a sample version of the 2012 Toolkit from Warc. The full report is available only to subscribers of [www.warc.com](http://www.warc.com).

The 2012 Toolkit gives you current thinking and best practice in marketing from around the world. It features ten comprehensive chapters, each including case studies, data and actionable points.

Key highlights:

- ▶ Pinpoints the ten biggest challenges and trends facing marketers in 2012.
- ▶ Practical insight into how the world's best brands are responding.
- ▶ Real-life case studies of companies rising to the marketing challenges they face.
- ▶ Available in two convenient formats: PDF and PowerPoint.



Warc Trends >> 2012 Toolkit >> Effectiveness

### The benefits of long-term tie-ups

**TELL ME MORE**

A marketing success of the appointment is now and research published by Warc in that advertisement has in the response. The research suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign. The research also suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign. The research also suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign.

**MEASUREMENT**

As the long-term tie-up is a more effective way to get the message across than a one-off campaign, it is important to measure the effectiveness of the tie-up. The research suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign.

**Salva Vida**

Salva Vida uses football in its advertising.

**\$700m**

Salva Vida's advertising spend in 2011.

[www.warc.com](http://www.warc.com)

Warc Trends >> 2012 Toolkit >> Consumers

### Case study P&G

**ETHNIC EXPERTISE**

P&G's success in the ethnic market is due to its expertise in understanding the needs of different ethnic groups. The research suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign.

**Gain**

Gain's success in the ethnic market is due to its expertise in understanding the needs of different ethnic groups. The research suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign.

**Agency**

Agency's success in the ethnic market is due to its expertise in understanding the needs of different ethnic groups. The research suggests that the long-term tie-up is a more effective way to get the message across than a one-off campaign.

[www.warc.com](http://www.warc.com)

Warc Trends >> 2012 Toolkit >> Innovation

### Customer experience drives NPS

**WHAT INFLUENCES THE NET PROMOTER SCORE?**

**KEY FACTS**

- ▶ Customer experience 41%
- ▶ Word of mouth 3%
- ▶ Competitive activity 6%
- ▶ Communications 5%

**NPS**

Net Promoter Score (NPS) is a key metric for measuring customer loyalty and is a leading indicator of future growth.

[www.warc.com](http://www.warc.com)

## ABOUT WARC

Warc is the resource of choice for brand owners, agencies, media owners and market researchers worldwide. Warc gives you access to more than 6,000 case studies, marketing intelligence, consumer insight, and industry trends. With material from more than 90 countries, we provide a truly international perspective.

Take a free trial at  
[www.warc.com/trial](http://www.warc.com/trial)

## LONDON (HEAD OFFICE)

85 Newman Street  
London  
W1T 3EX  
United Kingdom  
+44 (0) 20 7467 8100  
[enquiries@warc.com](mailto:enquiries@warc.com)

## SINGAPORE

31 Pekin Street  
03-01 Far East Square  
048761  
Singapore  
+65 3157 1214  
[asiapacific@warc.com](mailto:asiapacific@warc.com)

## WASHINGTON DC

2233 Wisconsin Ave NW  
Suite 535  
Washington, DC 20007  
United States  
+1 202 778 0680  
[americas@warc.com](mailto:americas@warc.com)

