



WARC TRENDS

# 2012 TOOLKIT





# New challenges, new ideas

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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.

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## 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

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# Economy and technology dominate

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## 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 multinational 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 communications, but across products and services





# At a glance: the Toolkit on one slide

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**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.

## Key highlights:

- The full report is available only to subscribers of [www.warc.com](http://www.warc.com). For a sample copy of the report, sign up for a trial at [www.warc.com/trial](http://www.warc.com/trial)

**WAVE TRENDS >> 2012 TOOLKIT >> Innovation**

## Customer experience drives NPS

**WHAT INFLUENCES THE NET PROMOTOR SCORE?**

**KEY FACTS**

- There is evidence to suggest the first transaction and service interaction and positive word of mouth.
- New Zealand consistently ranked lowest in the world, thus most likely to experience its brand from its perspective area research.
- 80% for the largest affects the customer experience. That is a score of 10 is a measure of a brand's offering NPS score.
- 1 score increments in customer, cost past 2%.

**Legend:**

- Customer experience 41%
- Competition activity 9%
- Word of mouth 36%
- Communication 14%

Source: Kantar 2011, Kantar Worldpanel, Kantar

#### 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.

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