



WIE | Brands in ***Motion***

Innovation, Ethics and Reason
The Grounding Forces in a World of Motion

September 2018

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Executive Summary

Our 2018 Brands in Motion study finds consumers and B2B decision-makers have even higher expectations for how brands use technology to make their lives better than they did last year.

At the same time, respondents across the eight countries in the study also have overwhelmingly high expectations that brands will exercise ethics and responsibility when using technology.

What's driving this call for responsible and ethical innovation? Global headlines and dialogue on topics including Facebook's entanglement with Cambridge Analytica, YouTube and Google's content moderation struggles, Europe's GDPR, and the risks and rewards of disruptive technologies such as AI, blockchain and autonomous vehicles.

We are also witnessing intense debates (and the accompanying hyperbole) around the future of the European Union and NATO, the viability of a post-Brexit Britain, the ratcheting up of global trade tensions, loud debates on nuclear deals, the proliferation of "fake news," continued drama around immigration and the unyielding train that is the #MeToo movement.

It is against this backdrop of technology-related fears and hyperbolic headlines that consumers are raising their expectations for greater rationality and greater responsibility in their long-term relationships with brands.





Brands in Motion 2018 sees three major themes emerge



INNOVATION MEETS ETHICS

Consumers have high expectations for brands to use innovative technologies, but most are afraid of how those same technologies might disrupt their lives. These fears are causing consumers to demand accountability. **97% said it's a brand's responsibility to use technology ethically.** And if brands can't do it right, then **94% said it's the government's job to ensure the ethical use of tech.**



SHOW DON'T TELL

How are consumers responding to an increasingly chaotic and uncertain world? By demanding proof over promise. Average global scores for rational drivers of brand motion are up 16 percent and average scores for emotional drivers are up 14 percent, indicating that **consumers' needs for reason are outpacing their needs to feel emotionally connected to a brand.** In addition, consumers still want a balance between purpose and functionality, but in 5 of the 6 countries for which we have year-over-year data, **people in 2018 over-index toward brand functionality over brand purpose.**



CONSUMER LOVE IS BINARY

WE's Brands in Motion findings indicated that most people have strong convictions—one way or the other—about both sectors and brands. **Consumers around the globe are reserving their greatest love and appreciation for a smaller number of brands**—it is harder this year to score high emotional and rational marks from global consumers. This means that competitors of a beloved brand may have a hard time drawing their share of consumer affection.

Context: A world in motion

All brands are in motion either driven by, or in relationship to, the technologies that dominate their markets and that impact their stakeholders.

That motion is relative to the markets in which brands sit, the categories they're a part of, their competition, their employees, their investors, and current and future customers. It's also driven by environmental factors over which brands have little or no control: global economies, regulatory environments, crises, cultural zeitgeist and politics.

In 2018, those external forces have become more turbulent and much more influential. Globally, we see two major groups of environmental forces exerting pressure on brands: sociopolitical forces and technological forces.

Three sociopolitical forces driving motion in 2018



TRADE TENSIONS

The United States' escalating trade war with China and increased trade tensions with NAFTA and European Union allies, as well as anxiety over what a post-Brexit United Kingdom will mean for both the U.K.'s and the EU's economies are contributing to further global strain.



POLITICAL UNREST

The past 12 months have seen mounting chaos in both multinational alliances and individual governments around the world. The U.K.'s looming Brexit may reshape Europe, and tensions are rising among NATO allies and within other longstanding multinational alliances. In Asia, nuclear weapon concerns on the Korean peninsula and China's militarization and economic diplomacy remain under a microscope.



#METOO

The #MeToo movement and high-profile comeuppance of abusers in the entertainment, media and tech industries have caused brands to be more cognizant of how they treat women and minorities, both internally and externally.

RESULT

Consumers want stability in these uncertain times, and they're looking for less promise and more proof from brands and industries.

Three technological and platform forces driving motion in 2018



GDPR

The E.U.'s General Data Protection Regulation affected how every company operating in the E.U. uses consumers' personal data, upping the legal consequences for data breaches and mismanagement of personal information.



FACEBOOK AND CAMBRIDGE ANALYTICA

Facebook took a hit after journalists discovered that a digital political consulting firm called Cambridge Analytica had acquired access to millions of users' personal data to create psychographic profiles they used to sway political outcomes in the U.S. 2016 election, the U.K.'s Brexit vote and elsewhere.



TOXIC CONTENT

Unilever threatened to pull its ad dollars from YouTube and Facebook over the tech companies' inability to police content. Twitter continues to dominate headlines based on the poor behavior of some of its biggest users and its hands-off approach to moderating.

RESULT

Responsibility and ethical treatment of personal data along with content moderation have been at the forefront of tech coverage this year. Consumers are demanding that brands use technology ethically and that they exercise discretion in their content.

This world of social and technological turmoil is where brands are moving, operating and reaching their consumers.



Brands in Motion: The study

Brand positioning gives way to brand motion

The traditional concept of brand positioning assumed your brand is moving to a fixed positioning destination and that once it arrived, your goals were achieved. This doesn't take into account that everything else in the environment is moving: your competitors, your consumers and their expectations,

the regulatory environment, the global economy, the media ecosystem and more. Brands in Motion updates the static concept of "brand positioning" into "brand motion," by understanding and mapping those shifting environmental factors from the point of view of the customer.



8 Countries



U.S.



U.K.



South Africa



China



Singapore



India



Germany



Australia

8 Categories



Health & Wellness



Prescription Health



Food & Beverage



Finance & Banking



Automotive



Computing Devices



Smart Home



Business Tech
Solutions

Emotional and rational drivers

Respondents rated each brand on 10 emotional and 10 rational drivers. Categories were rated on six emotional and four rational drivers.



EMOTIONAL DRIVERS

- Customer experience*
- Overall impression*
- Defend/shame*
- Social impact*
- Disappeared*
- Love/hate*
- Forgive/not forget
- Shared values
- Life impact
- Buzz

RATIONAL DRIVERS

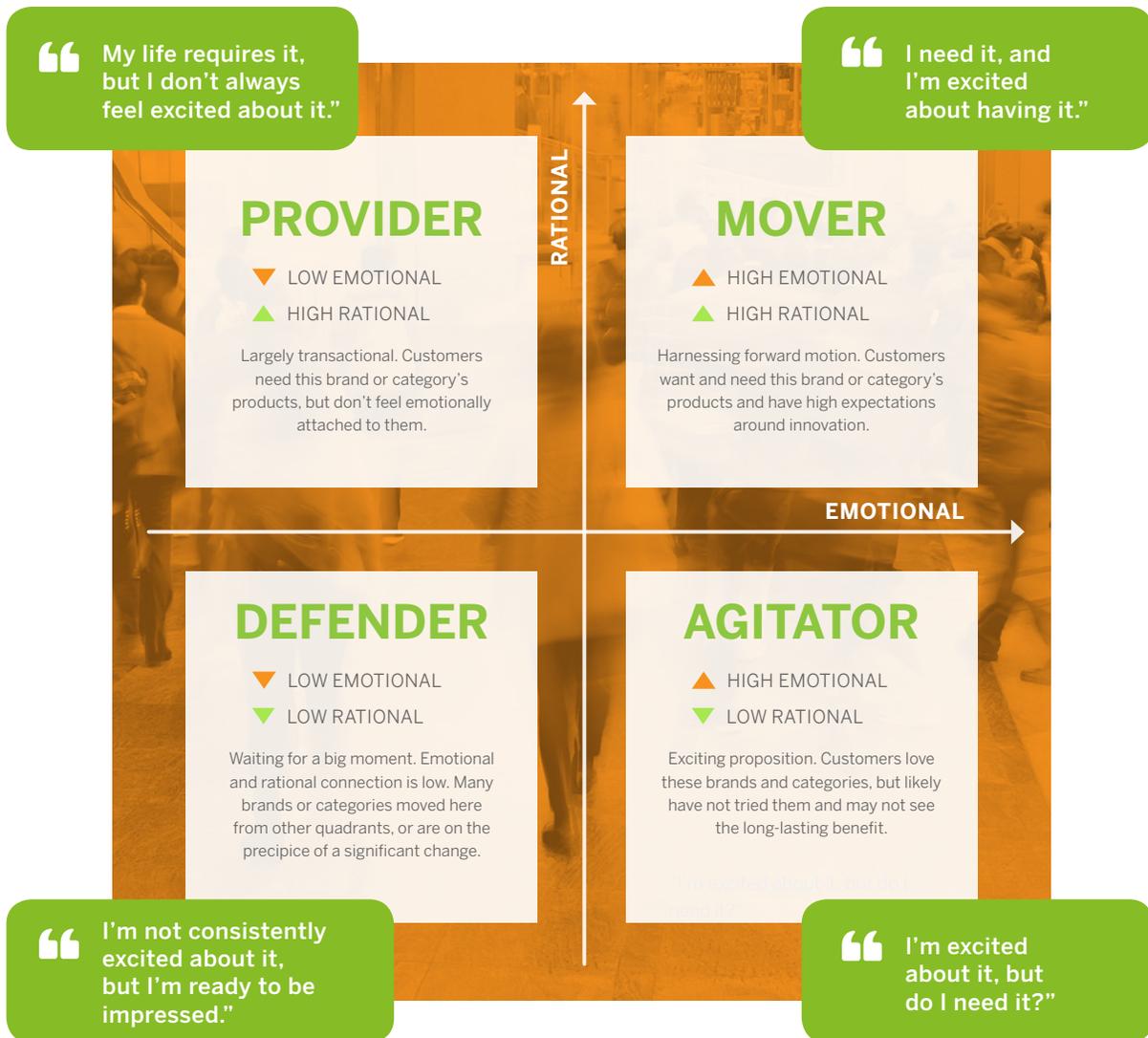
- Executive behavior*
- Intent to purchase*
- Necessary*
- Innovative*
- Financial performance
- Easy to work with
- Industry leader
- Value provided
- Responsible
- Quality

*Drivers measured at category level.

The Motion Matrix

The Motion Matrix is Brands in Motion's diagnostic tool, a quick visual way to understand how brands, categories and markets compare on the drivers of motion. The x-axis plots the average scores of a brand or category's emotional drivers. The y-axis plots the average of rational drivers.

The Motion Matrix is divided into four quadrants:



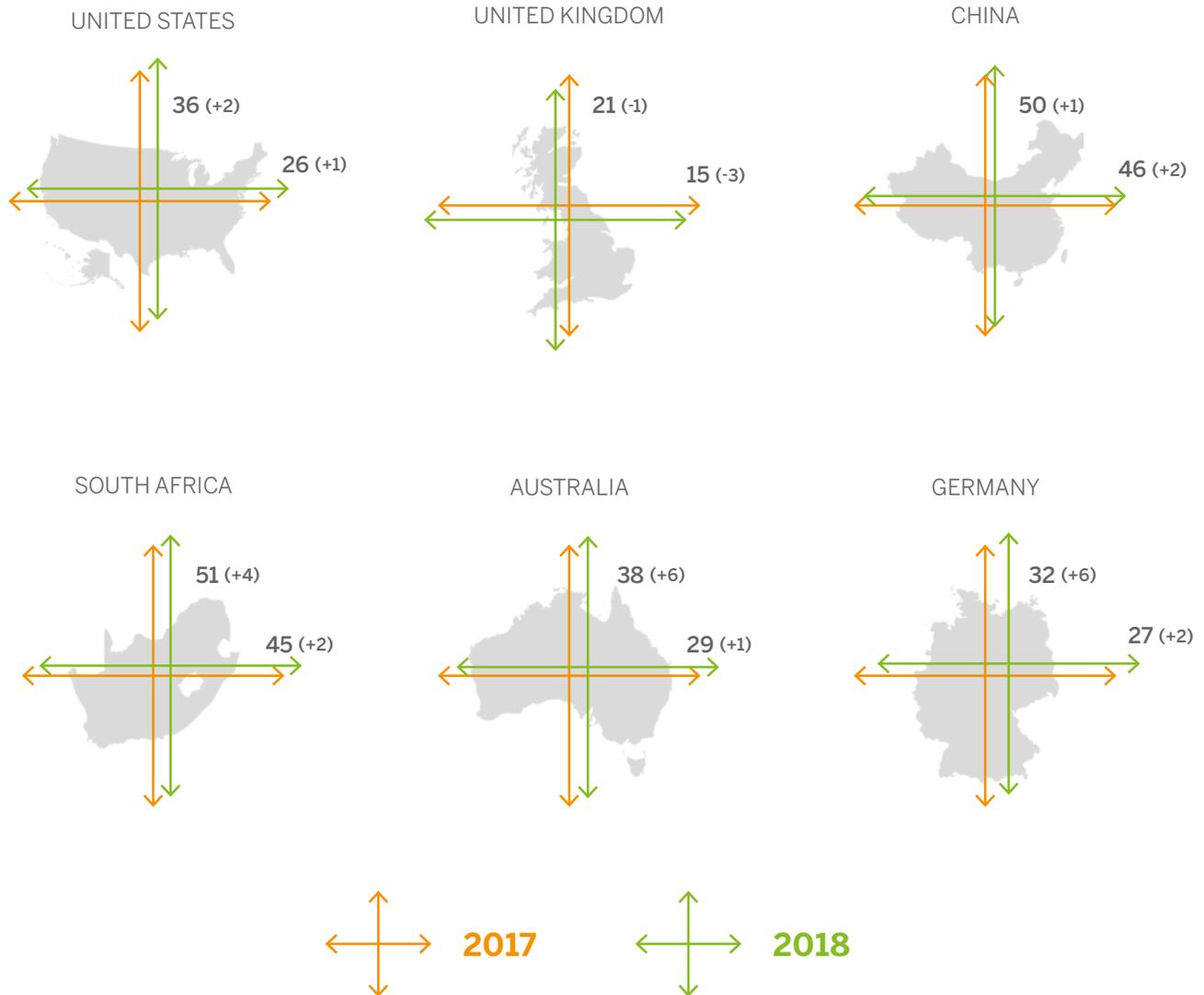
Notice something different? We've changed two of the quadrant names in 2018: 2017's "defender" quadrant is now "provider," and the old "survivor" quadrant is now called "defender." Why the change? We felt "survivor" had a negative connotation, and many successful brands fall within that category. Just because a brand scores low in emotional and rational drivers of motion doesn't mean it's not seeing strong business outcomes.

Markets in motion

Every market has its own Motion Matrix, calibrated to the averages of the respondents' scores in the geography provided. The matrix is indicative of two things. First, it shows year-over-year changes in the way study participants in individual geographies respond to brands. Second, it allows us to compare markets to see how reactions to brands and categories vary across the globe, and to understand relative optimism or pessimism in each market.

In our inaugural Brands In Motion study in 2017 we covered six countries: Australia, China, Germany, South Africa, the United Kingdom and the United States.

The illustrations below show you what we found in 2017 and what changed in 2018.



What does this tell us?

DIFFERENT MARKETS, DIFFERENT REACTIONS

China and South Africa saw high average rational and emotional driver scores, indicating they're optimistic about the future of brands and industries. The U.K. and Germany were much more pessimistic — perhaps due to Brexit anxiety in the case of the U.K. Australia and the U.S. fell somewhere in the middle, cautiously optimistic about the power of brands, but more tempered in their response than emerging markets.

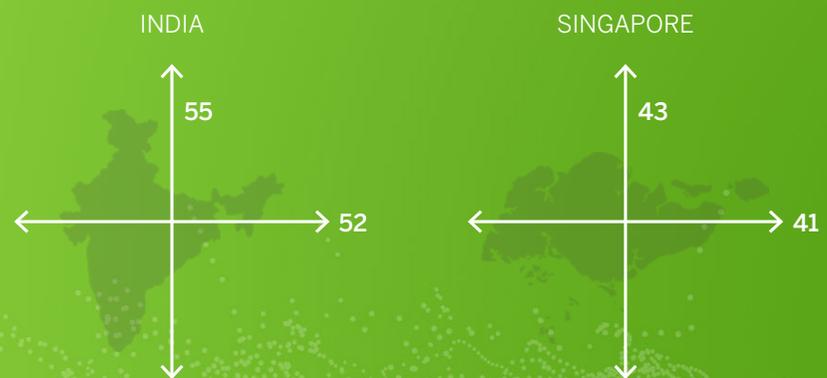
GLOBAL CONSUMERS' RESPONSES ARE UP

In 5 of the 6 markets for which we have year-over-year data, average rational and emotional responses to brands are up — and rational drivers are outpacing emotional drivers. For more on what this means, see page 16.

THE U.K. IS EVEN MORE SKEPTICAL THAN BEFORE

2018 saw increased average rational and emotional scores in every country for which we have year-over-year data, except in the U.K., where emotional and rational scores actually went down. See page 22 for analysis as to why. Fellow skeptic Germany responded much more positively on both rational and emotional drivers than it did in 2017.

In 2018, we added India and Singapore.



What does this tell us?

EMERGING MARKETS ARE MORE OPTIMISTIC

India and returning markets China and South Africa all share similar characteristics: higher average emotional and rational scores indicating more optimism toward brands and categories, stronger expectations around technology, and higher levels of fear about disruptive technologies. Singapore, while it's not an emerging market, shares these opinions as well.

Four realities of motion

In 2017, WE identified four realities of brand motion. In 2018, the realities still hold true — some truer — and underpin our key Brands in Motion findings. For a deeper dive into the data behind each of these realities, please see the appendix on page 29.

Reality #1

Stability is an element of motion

During uncertain times, there's an opportunity for brands to step up and provide much-needed stability. In 2018, consumers' expectations around brands providing stability remained high. Globally, more than half of the respondents believed that businesses and brands can provide stability. In 2018, respondents said that stability extends beyond products and services to important issues. In fact, a global average of 74 percent of respondents indicated they expect brands to take a stand on important issues.

Reality #2

Cutting edge is transcendent

Being viewed as cutting edge — whether enabled by technology or inspired by it — leads to positive brand outcomes in areas that transcend product. In 2018, we continue to see strong positive correlations between consumers seeing brands as cutting edge and

- Thinking they're out for the common good
- Having pleasurable experiences with their products or services
- Loving them





Reality #3

Good product, good purpose

A majority of consumers we spoke to seek a brand that balances product functionality with brand purpose. This year, consumers are slightly more likely to over-index toward pure functionality. For more on how this reality has changed in 2018, see our second key takeaway on page 16.

Reality #4

Love you today, shame you tomorrow

No matter how much consumers say they love a brand or category, if the company steps out of line, consumers will gladly shame them. In 2018, despite consumers across markets loving 60 percent of surveyed industries, they would still shame a brand in 94 percent of situations, as opposed to 97 percent in 2017. The increased willingness to defend may be linked to the global rise in average emotional and rational driver scores. Despite fears over disruptive tech and sociopolitical unrest, consumers love brands and industries more than ever.

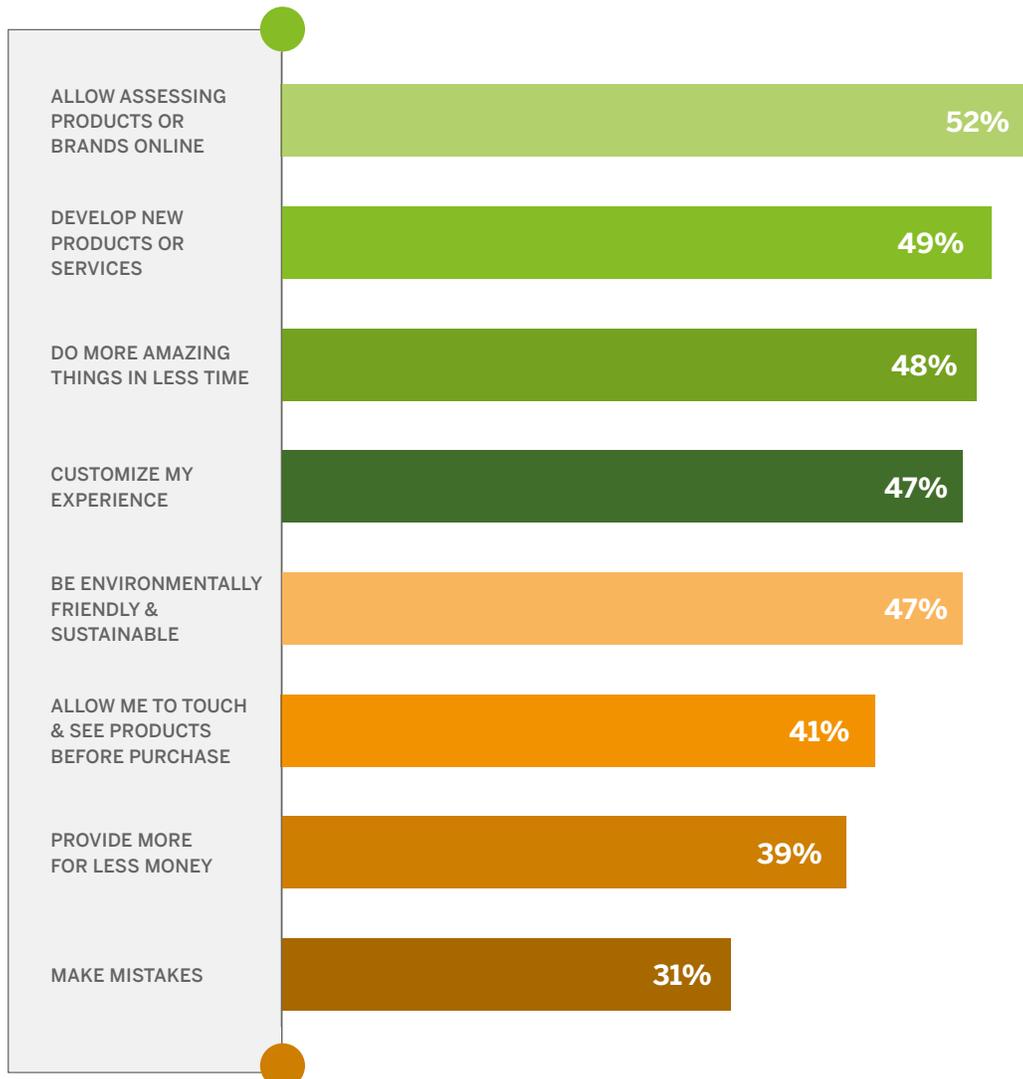
Key 2018 takeaways

Innovation meets ethics

Consumers have very high expectations for brands to continue driving innovation with technology.

Q Over the next few years, to what extent do you think technology will allow companies and their products/services to ...?

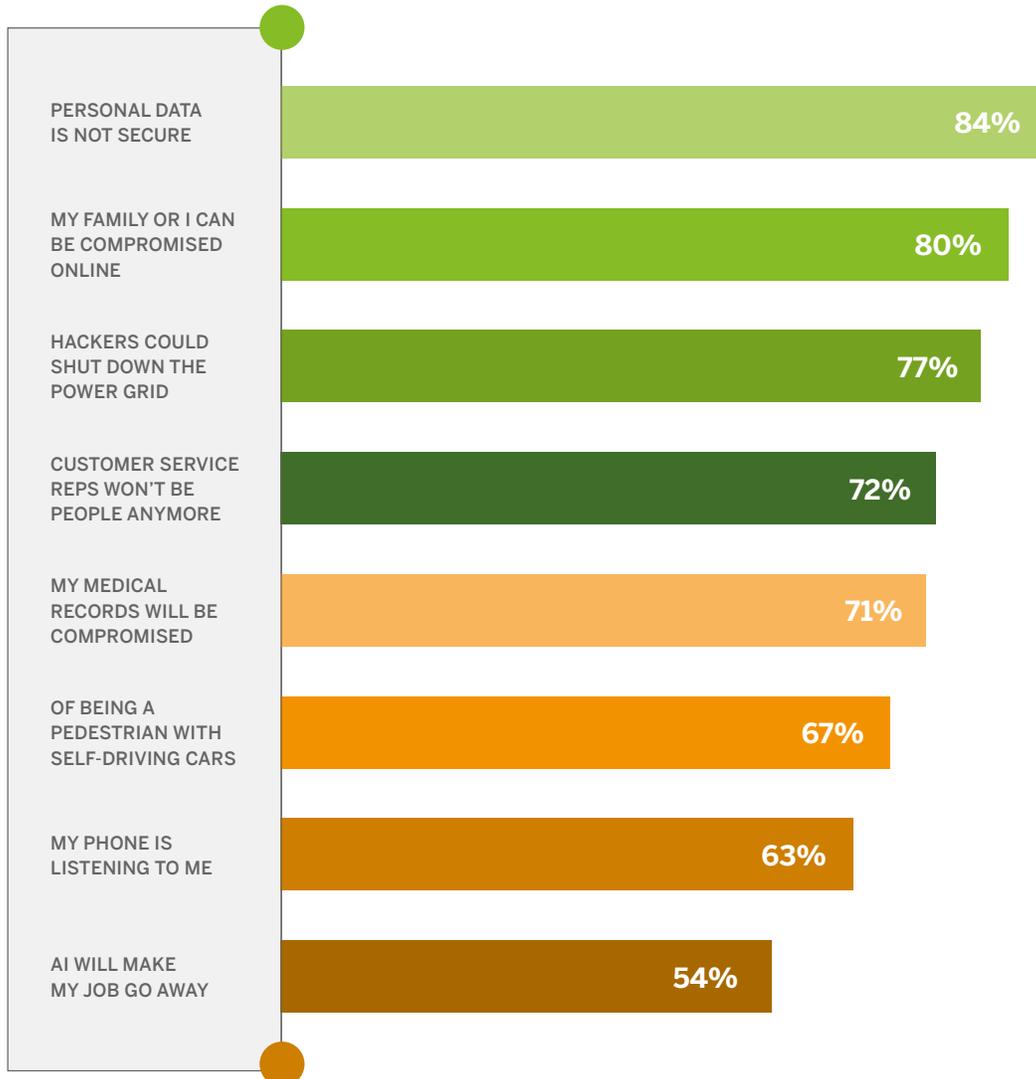
% of global respondents replying "Absolutely will"



But in 2018, people are also afraid of how technology could disrupt their lives.

Q To what extent do you agree, I am fearful ...?

% of global respondents replying "Strongly agree" or "Somewhat agree"



And people are demanding that brands address these fears. Not only did almost every person surveyed say that brands are responsible for their own ethical use of technology, but 94 percent said that if brands can't do it on their own, then government should ensure that they do.

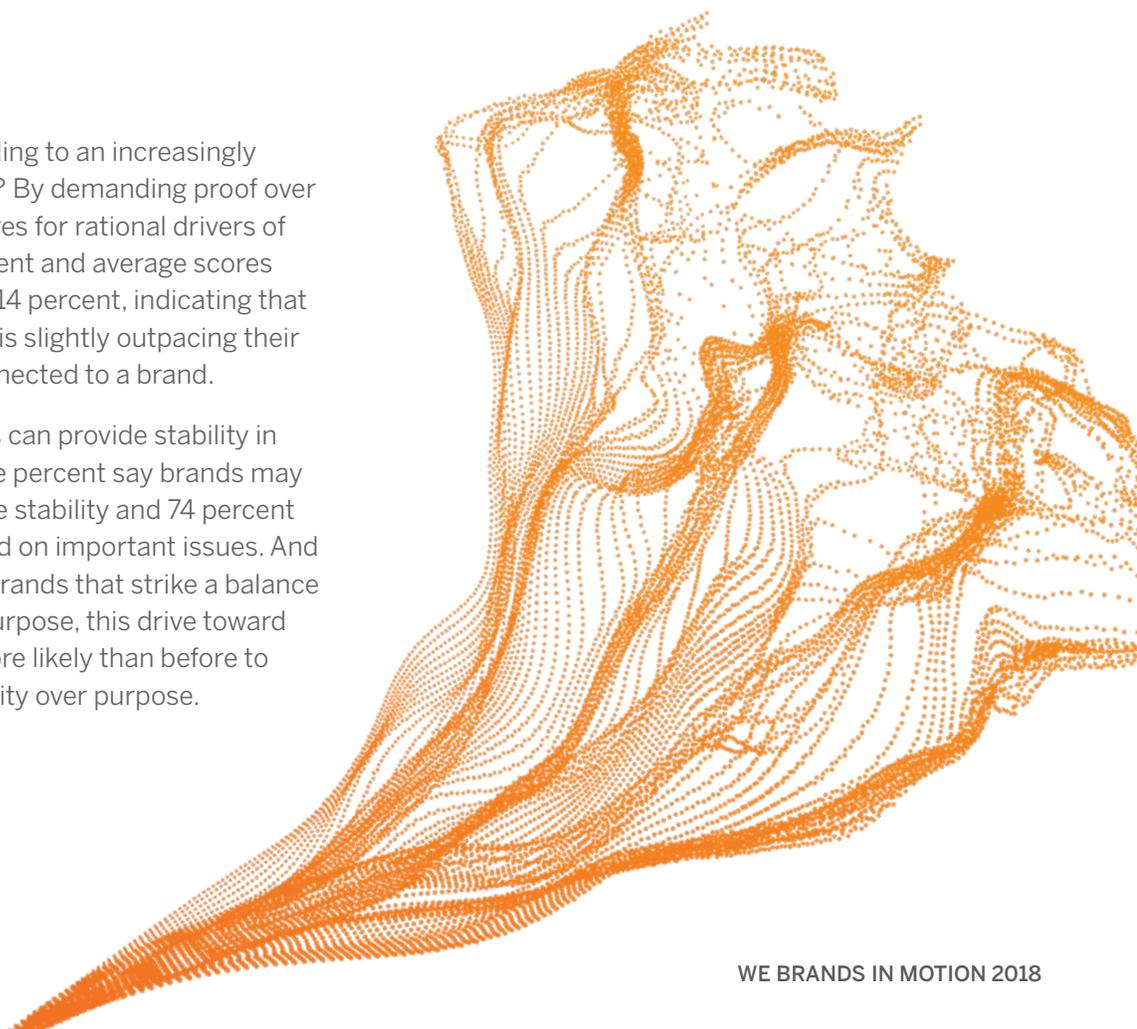


It's not enough to talk about data privacy or ethical third-party usage policies — customers want proof, and if a brand doesn't provide it, reality #4 tells us that they're willing to shame them, regardless of how they feel about the industry. Consumers are giving brands an ultimatum: Regulate or be regulated.

Show, don't tell

How are consumers responding to an increasingly chaotic and uncertain world? By demanding proof over promise. Average global scores for rational drivers of brand motion are up 16 percent and average scores for emotional drivers are up 14 percent, indicating that consumers' need for reason is slightly outpacing their need to feel emotionally connected to a brand.

Consumers still think brands can provide stability in uncertain times. Eighty-three percent say brands may have the capability to provide stability and 74 percent expect brands to take a stand on important issues. And although people still prefer brands that strike a balance between functionality and purpose, this drive toward rationality means they're more likely than before to over-index toward functionality over purpose.



Q Are you more likely to support a brand that has a high level of purpose/participates in activism, or a high level of functionality/provides personal effectiveness?

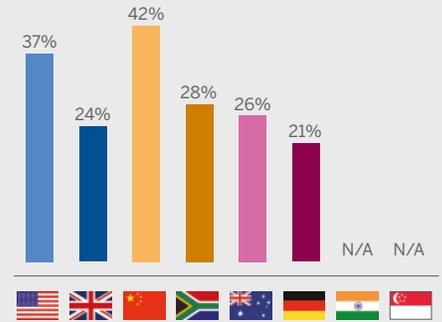
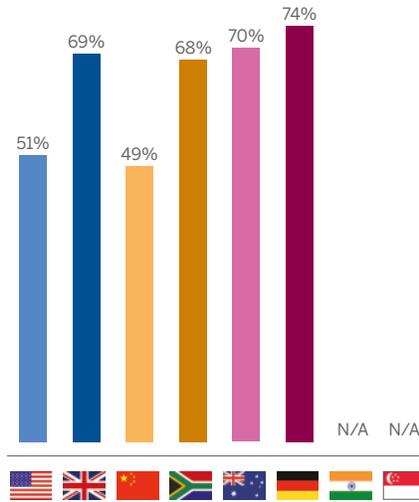
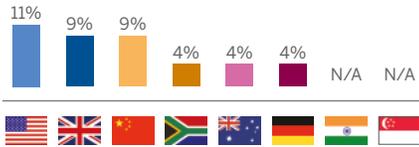
Respondents responded on a scale from 1 to 9, with 1 being completely purpose-driven and 9 being completely functional.

2017

Purpose (1, 2, 3)

Both (4, 5, 6)

Functionality (7, 8, 9)

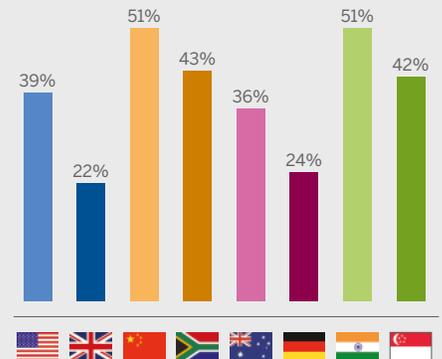
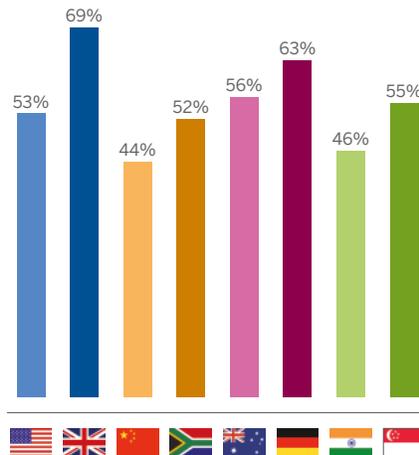
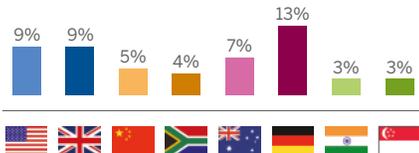


2018

Purpose (1, 2, 3)

Both (4, 5, 6)

Functionality (7, 8, 9)



It's important to note that this doesn't signal a decreased emphasis on brand purpose as much as it signals an increased emphasis on functionality. A majority of consumers in 6 out of 8 markets (excepting China and India) still want brands to balance function with purpose.



6 out of 8 markets still want brands to balance function with purpose.

Brands in Motion data shows that consumers want brands to be able to check these three boxes:



Functionality is foundational. It's **what** the brand delivers. If a brand doesn't provide a high-functioning product or service, the vast majority of consumers won't be interested.



Ethics/Responsibility reflects a brand's ability to adhere to legal compliance and behavioral expectations in the markets in which they operate. It's **how** brands do what they do while keeping their customers safe.



Purpose is the framework of **why** a brand is doing what it's doing. It's intrinsic to the company itself and that organization's values.

The mover-defender binary

Not only do people expect more from brands than ever before, they are also more binary in their reactions to brands and categories.

Consumers are reserving their greatest love and appreciation for a smaller number of brands — it is harder this year to be a mover and to stay a mover. And, while the space for movers is shrinking, the space of defenders is growing. As a result, we're seeing brands and categories cluster in the mover and defender quadrants with most consumers having strong convictions — one way or the other — about both sectors and brands.

Check appendix 1 on page 25 to see where categories fall in every market.

Category and market highlights



Computing devices and tech B2B

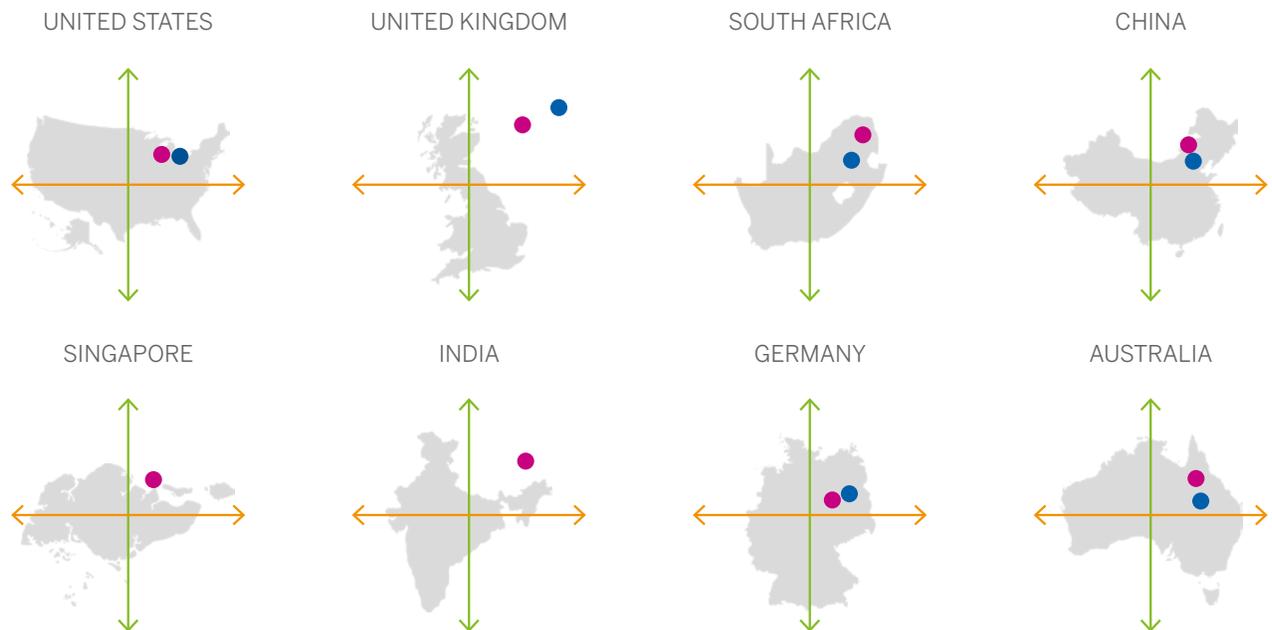
Consumers in established markets aren't as sure about the computing devices and tech B2B categories as they were in 2017. These two categories — the undisputed kings of consumer love and appreciation last year — are still in the mover quadrant in most markets, but in established markets they're much lower, and if the trend continues in 2019, these categories could fall out of the mover quadrant entirely. Tech B2B is seeing declines in more markets than computing devices. The tech halo is strong, but fear over disruptive technologies may be stronger. Only time will tell.



COMPUTING DEVICES

● 2017

● 2018

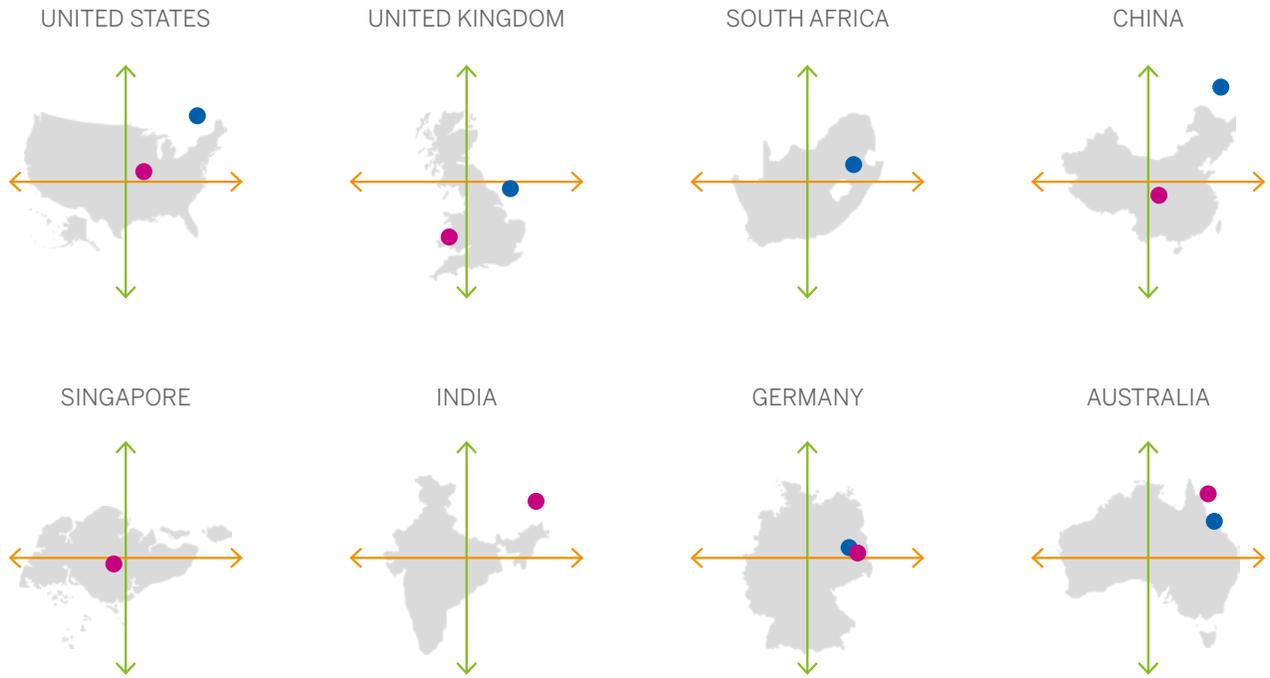




TECH B2B

● 2017

● 2018



“The tech halo is strong, but fear over disruptive technologies may be stronger.”

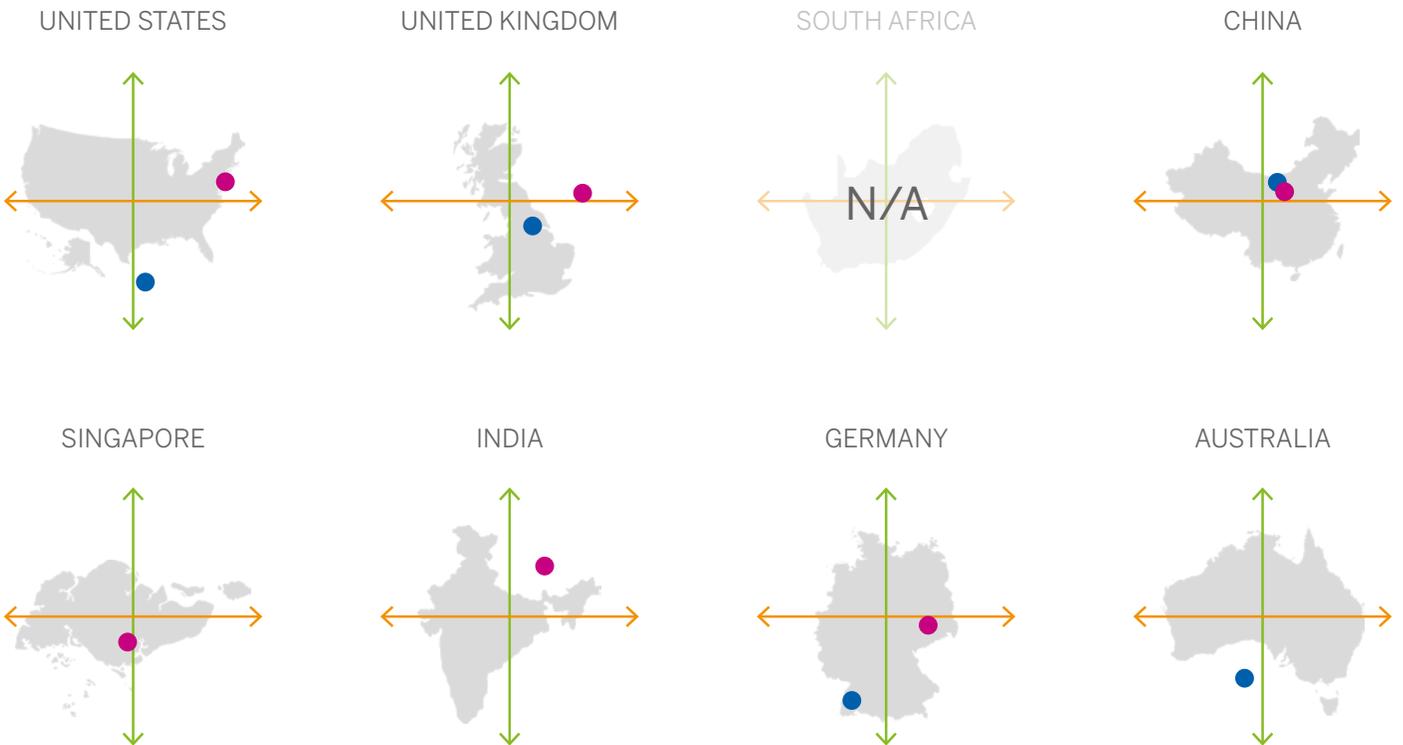
SMART HOME

Smart home — the category that seems like it would have the most to lose in conversations about tech disruption, data privacy and security — is ascendant. Despite the fact that 63 percent of respondents were afraid their phone was listening to them and 84 percent feared their personal data wasn't secure, smart home made the biggest year-over-year jump, and is now a mover in 4 of 6 markets in which we surveyed the category.



● 2017

● 2018

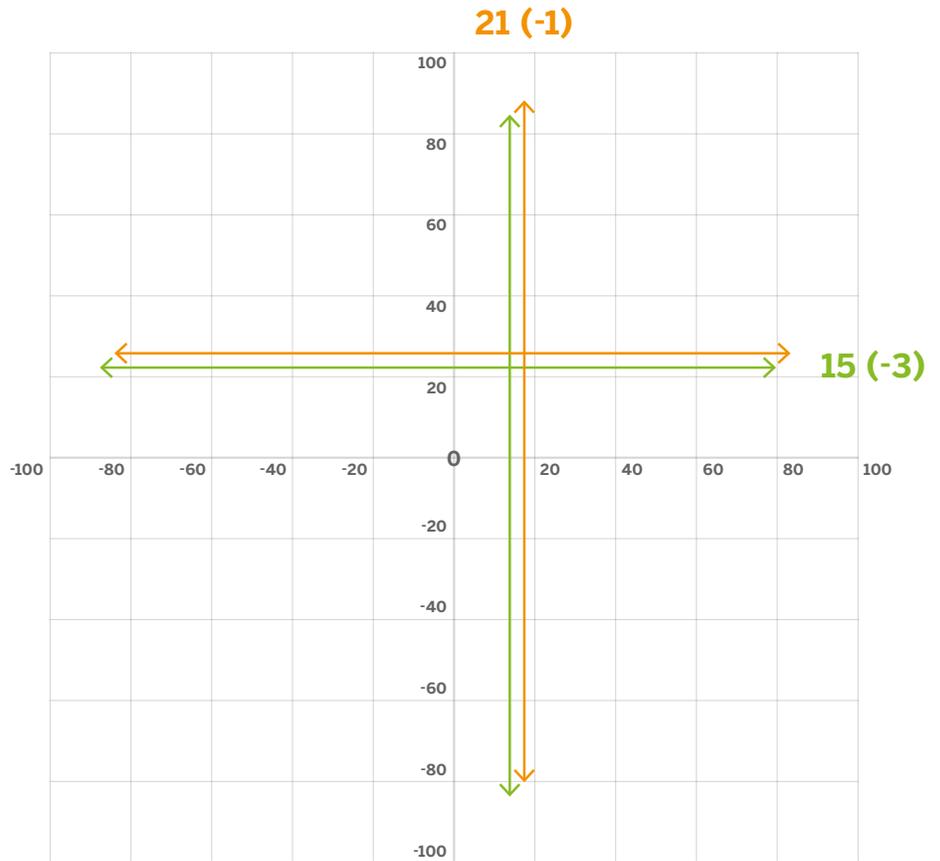
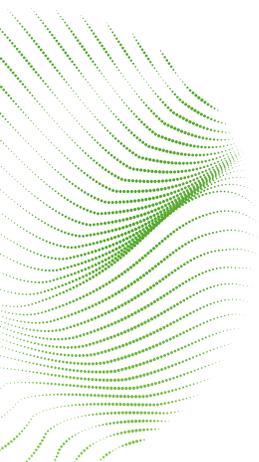


“Smart home is ascendant.”

United Kingdom: Even more skeptical

Every market we surveyed last year saw its average rational and emotional driver scores increase — every market but one.

In the U.K., average emotional responses went down three points, and average rational responses went down one.



2017

CATEGORY	EMOTIONAL	RATIONAL
Computing Devices	33	37
Smart Home	17	15
Automotive	15	16
Finance	7	29
Health and Wellness	15	19
Food and Beverage	12	16
Technology B2B	24	20
Prescription Health	25	27
MATRIX AXIS (AVERAGE)	18	22

2018

CATEGORY	EMOTIONAL	RATIONAL
Computing Devices	25	33
Smart Home	22	22
Automotive	12	12
Finance	6	27
Health and Wellness	20	24
Food and Beverage	21	31
Technology B2B	12	12
Prescription Health	6	11
MATRIX AXIS (AVERAGE)	15	21

Brexit is causing unprecedented consumer pessimism and chaos in the U.K. One in seven EU companies with suppliers in Britain have moved their business out of the country entirely. Brexit uncertainties have put off international buyers, causing instability in the housing and real estate markets. The plummeting value of the pound has impacted international trade. Expect continued chaos in the U.K.'s Motion Matrix until international trade has stabilized post-Brexit.

Managing a world of motion

This study and Motion Matrix are designed to provide c-suite executives, marketers and communicators with a framework for managing long-term relationships with customers and stakeholders. The realities frame the environment in which brands operate; the Motion Matrix provides a diagnostic tool to view where brands sit across markets relative to other brands and industry sectors.

To put this study to work for you, here is what we recommend:



UNDERSTAND YOUR IDEAL PLACEMENT ON THE MOTION MATRIX

Not every brand needs to be a mover. Many are most successful as providers, agitators or defenders. The key is to understand where your customers and competitors are moving and how you want to move.



UNDERSTAND HOW YOU COMPARE TO YOUR CATEGORY

Are your emotional or rational scores significantly below your category or competitors, or significantly higher? Mapping this against your share and sales data provides your brand with a motion map.



CHOOSE A BALANCE IN TERMS OF FUNCTION AND PURPOSE

Understand your mix of product- and service-related communications and communications around CSR and other purpose-related areas. Functionality brings your customers in the door; high standards of behavior and purpose keep them there.



USING TECHNOLOGY TO MEET AND EXCEED CUSTOMER DEMANDS IS IMPERATIVE

Consumers want unfettered innovation and a thoughtful, ethical approach to that innovation. Your brand must find a balance.



CONTACT WE

We're experts in navigating motion. Drop us a line and discover how you can find your momentum.

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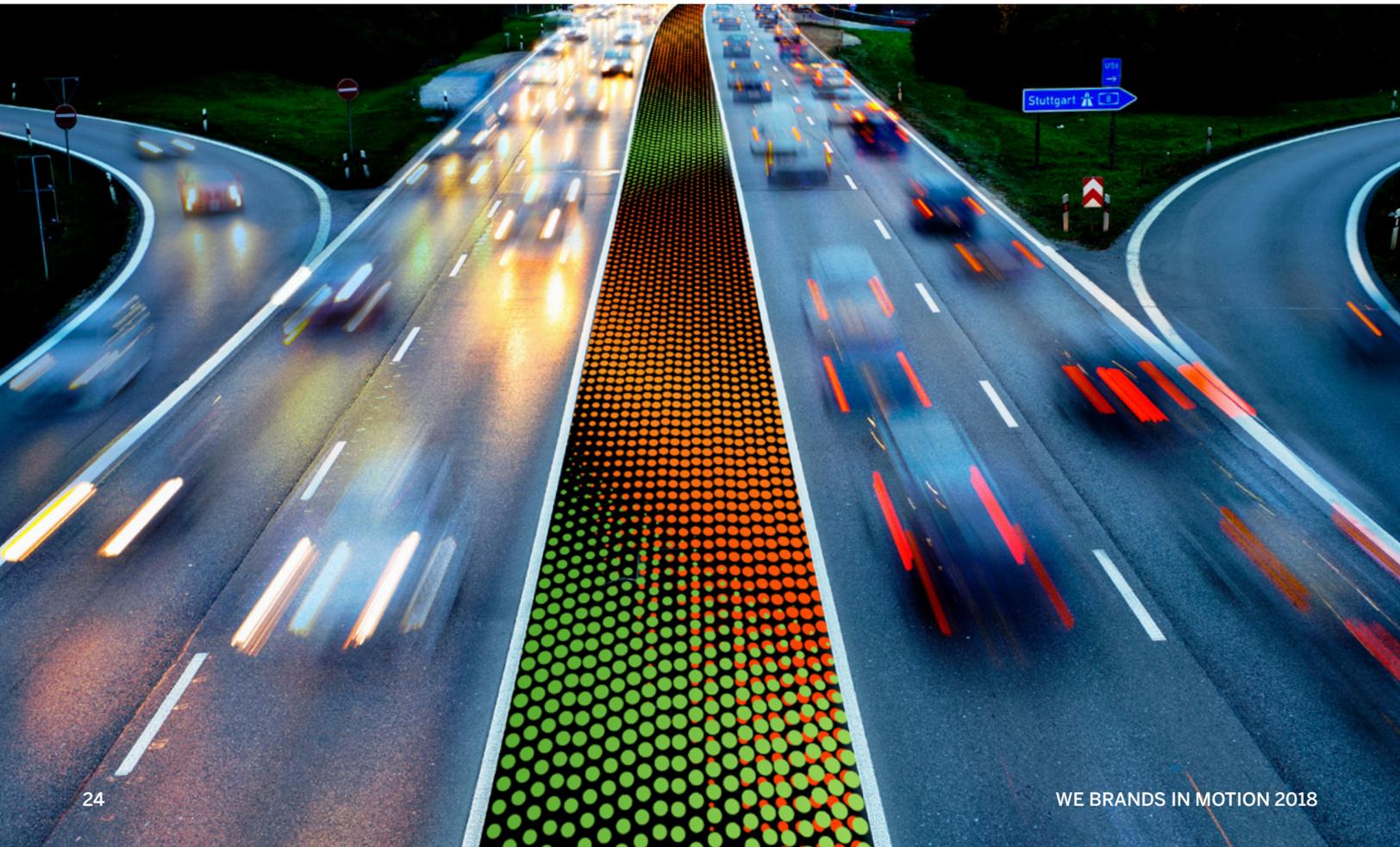
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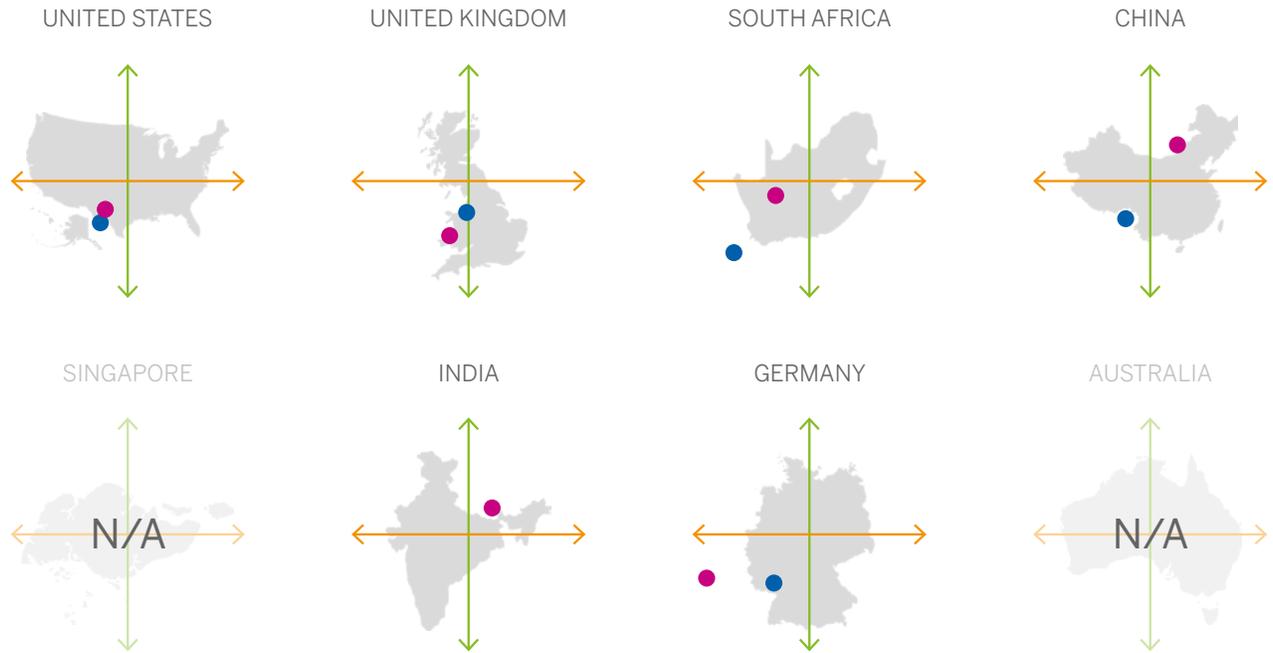
Managing Director, U.K., allchurch@we-worldwide.com



Appendix 1: Categories by Market

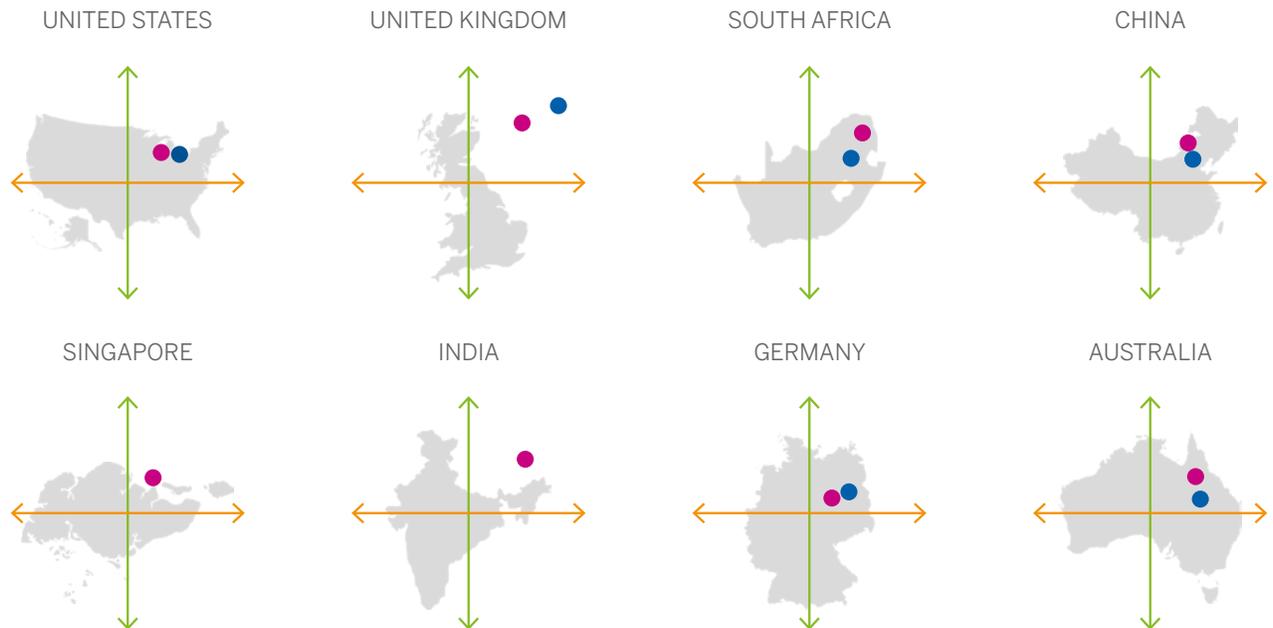
AUTOMOTIVE

● 2017 ● 2018



COMPUTING DEVICES

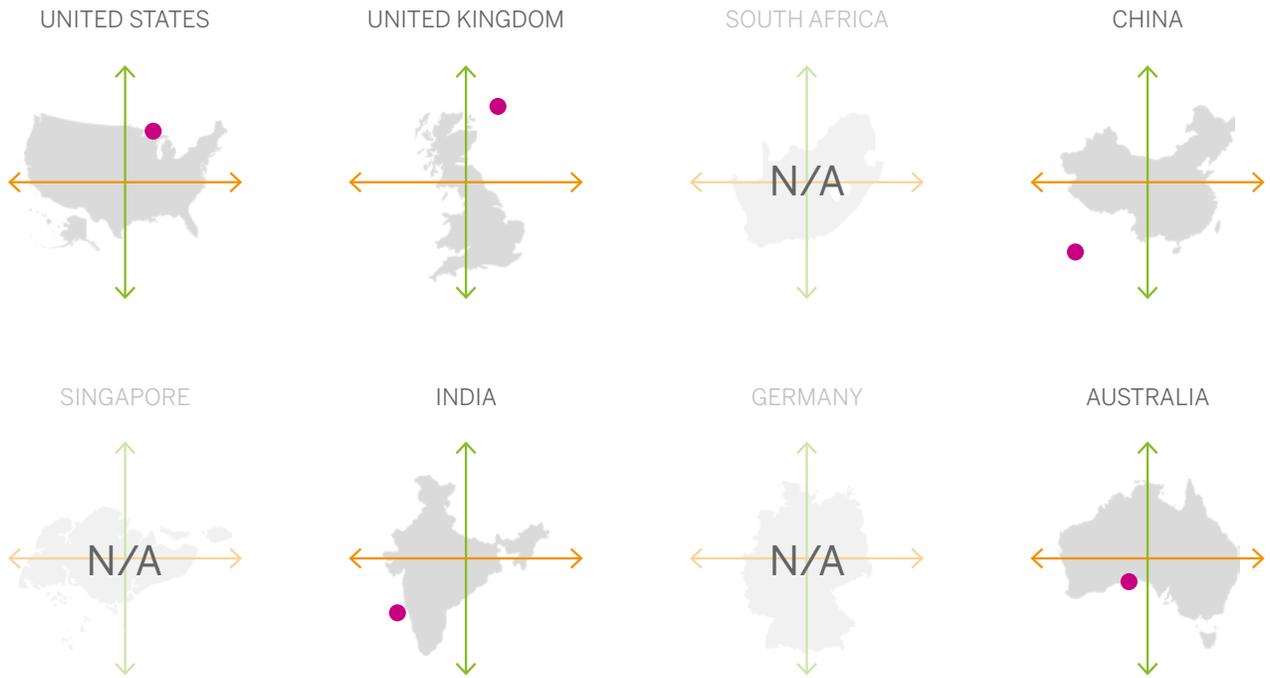
● 2017 ● 2018



FOOD & BEVERAGE

● N/A

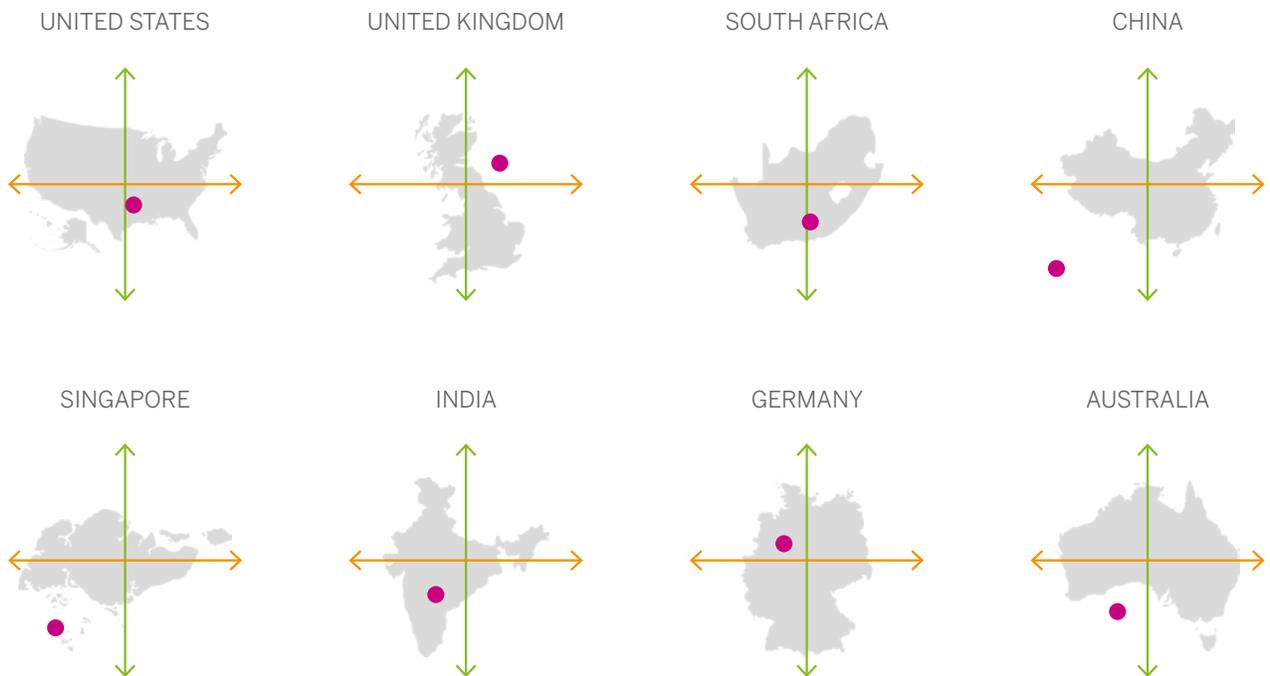
● 2018



HEALTH & WELLNESS

● N/A

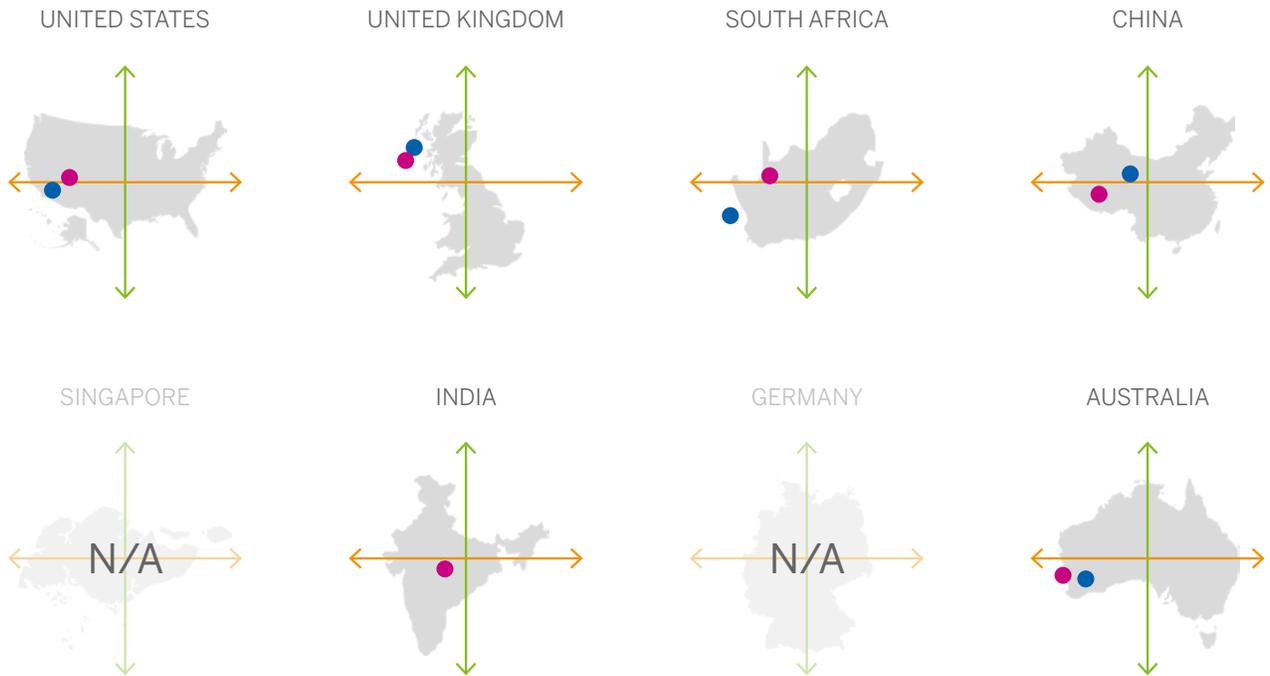
● 2018



FINANCE AND BANKING

● 2017

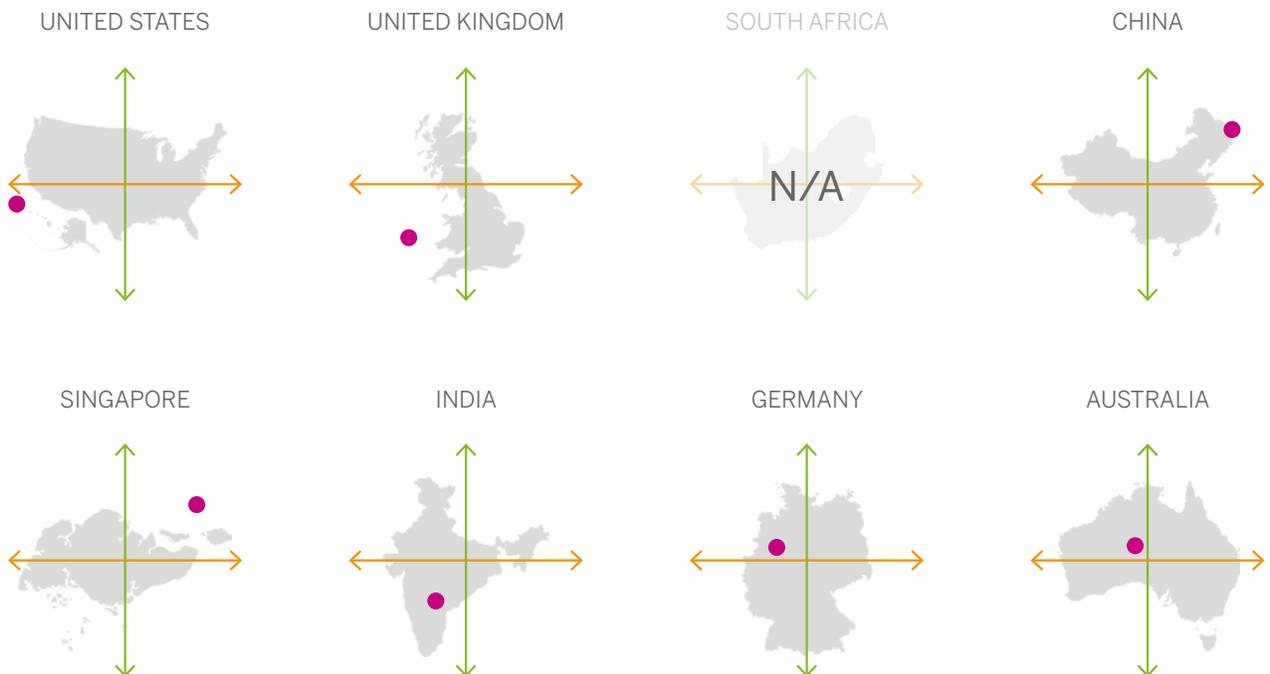
● 2018



PRESCRIPTION HEALTH

● 2017

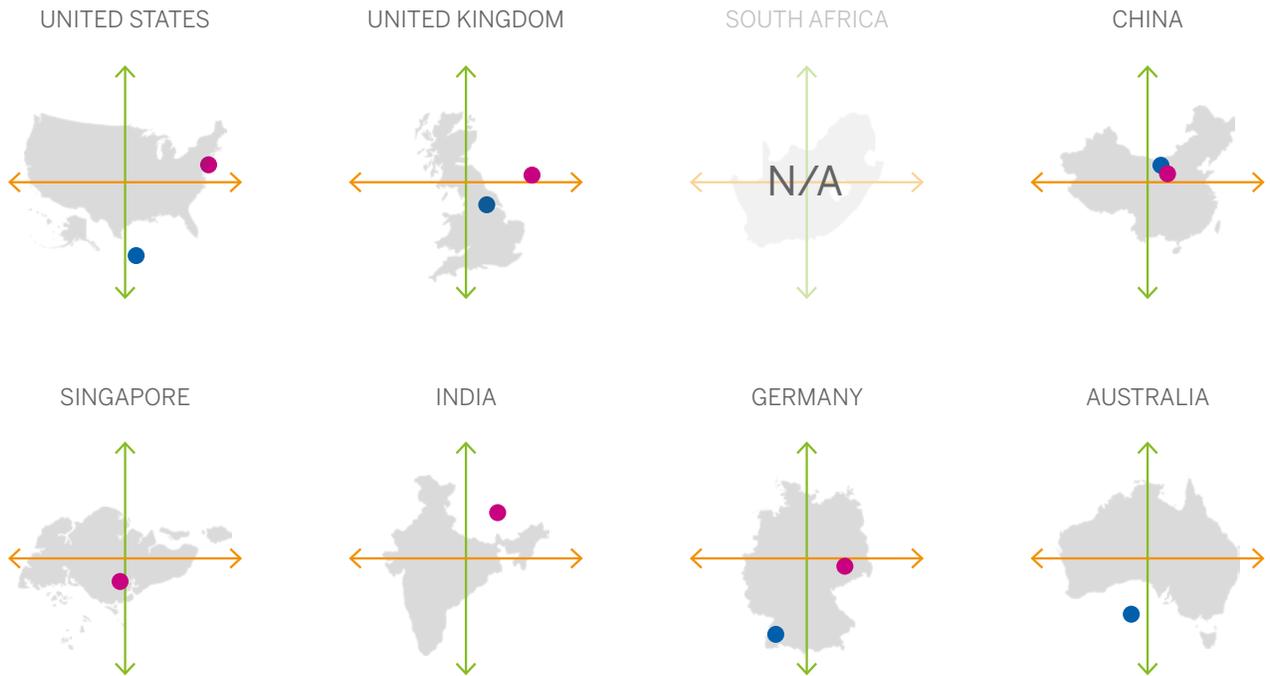
● 2018



SMART HOME

● 2017

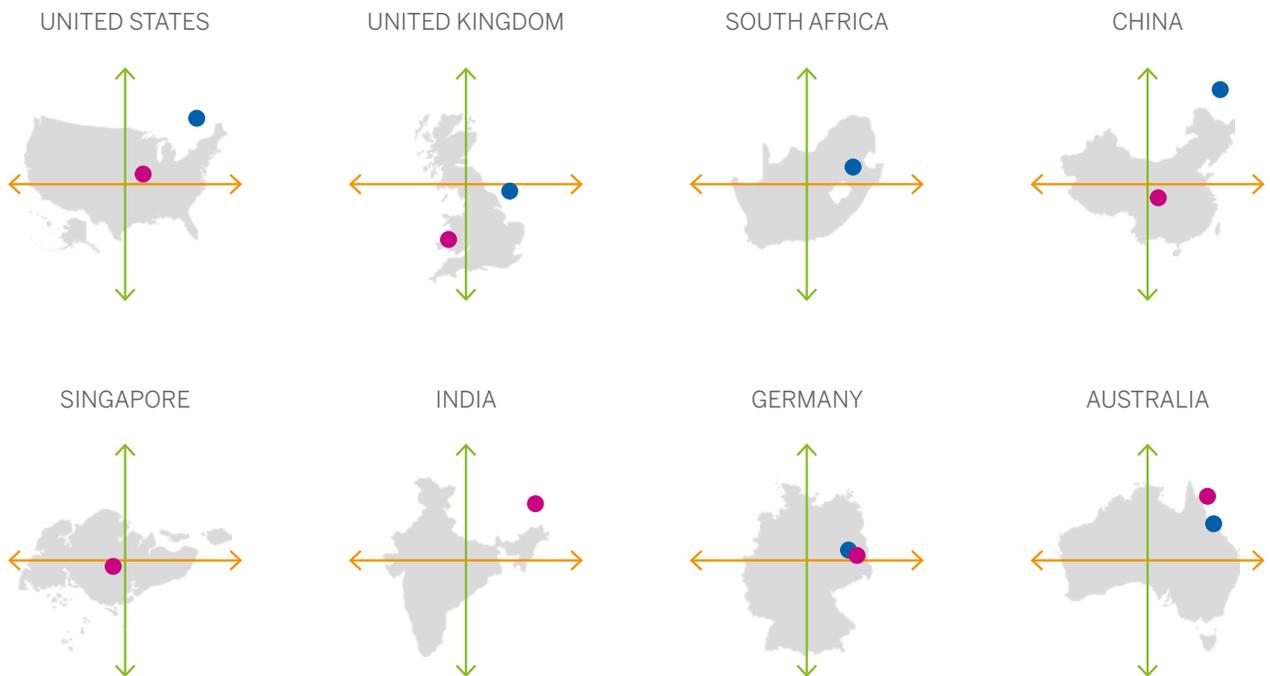
● 2018



TECH B2B

● 2017

● 2018

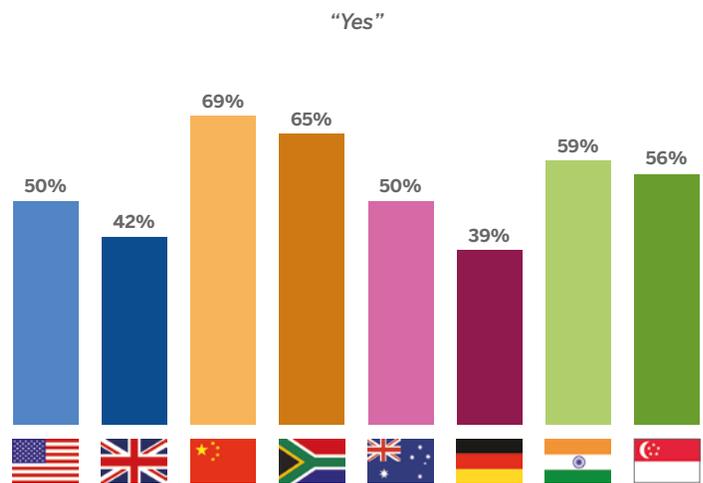


Appendix 2: The four realities of motion

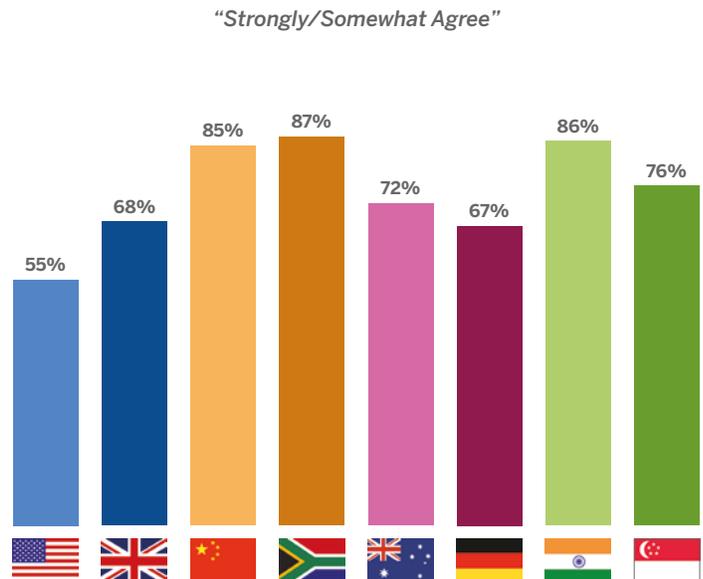
Reality #1

Stability is an element of motion. During uncertain times, there's an opportunity for brands to step up and provide much-needed stability.

Q Do brands have the capability to provide stability?



Q How much do you agree with the statement "I expect brands to take a stand on important issues?"



Reality #2

Cutting edge is transcendent. Being viewed as cutting edge—whether enabled by technology or inspired by it—leads to positive brand outcomes in areas that transcend product.

HOW THEY CORRELATE WITH INNOVATION

COMMON GOOD OR DOES HARM	0.63	0.59	0.65	0.52	0.63	0.52	0.56	0.62
IT'S A PLEASURE OR COMPLETELY MISERABLE	0.61	0.57	0.69	0.61	0.64	0.54	0.64	0.69
LOVE OR HATE	0.67	0.61	0.69	0.62	0.68	0.58	0.62	0.68










Correlations above 0.5 are considered strong; above 0.7 are considered very strong

Reality #3

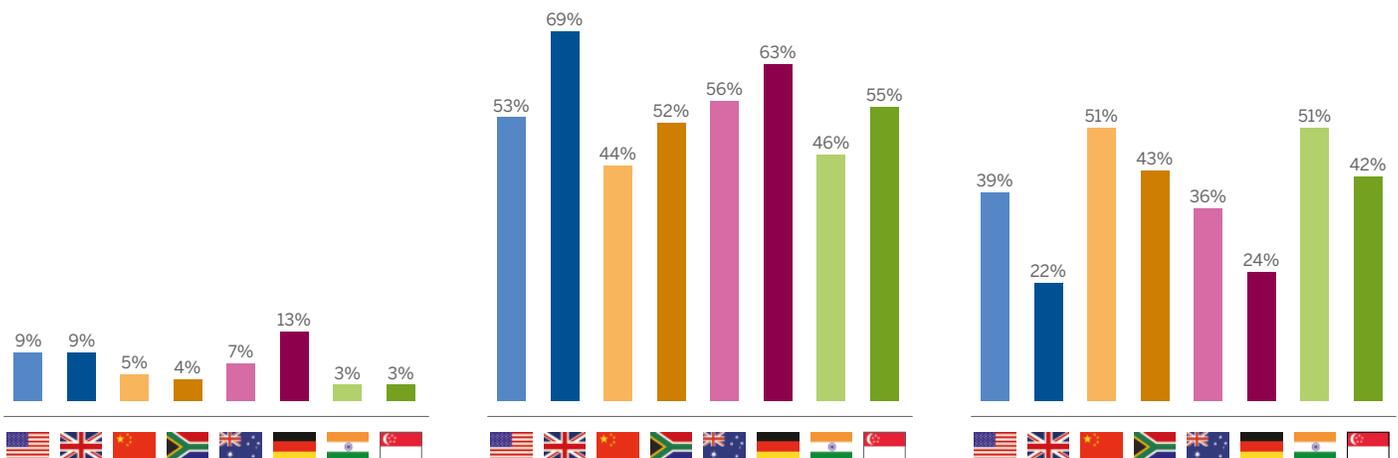
Good product, good purpose. A majority of consumers we spoke to seek a brand that balances product functionality with purpose.

2018

Purpose (1, 2, 3)

Both (4, 5, 6)

Functionality (7, 8, 9)



Reality #4

Love you today, shame you tomorrow. No matter how much consumers say they love a brand or category, if they step out of line, consumers will gladly shame them.

CATEGORIES CONSUMERS LOVED AND CATEGORIES THEY HATED

AUTOMOTIVE								
TECHNOLOGY B2B								
COMPUTING DEVICES								
FINANCE AND BANKING								
FOOD AND BEVERAGE								
HEALTH AND WELLNESS								
PRESCRIPTION HEALTH								
SMART HOME								

CATEGORIES WILLING TO DEFEND OR SHAME BRANDS IN RESPECTIVE CATEGORIES

AUTOMOTIVE								
TECHNOLOGY B2B								
COMPUTING DEVICES								
FINANCE AND BANKING								
FOOD AND BEVERAGE								
HEALTH AND WELLNESS								
PRESCRIPTION HEALTH								
SMART HOME								

Appendix 3: Survey methodology

YouGov conducted the Brands in Motion global study using an online interview administered to panelists who have agreed to take part in surveys. They sent emails containing a survey link to panelists to invite them to take part. The responding sample was weighted to reflect the demographic characteristics of each market by gender and age based on industry accepted data.

On median average, respondents completed the survey in 13 minutes and 26 seconds, and answered 39 to 64 questions, depending on their qualifications. Respondents to the survey were 18 years of age or older, did not work in advertising/PR/marketing/market research, qualified to rate one of the categories based on purchase history and purchase intent, and qualified to rate at least one of the brands surveyed based on awareness. A total of 26,897 responses were collected across eight markets in May/June 2018, as follows:

COUNTRY	SAMPLE SIZE	FIELD DATES
United States	4,297	5/21 - 5/31
United Kingdom	3,910	5/30 - 6/11
China	3,990	6/4 - 6/15
South Africa	1,964	5/31 - 6/14
Australia	3,073	5/30 - 6/14
Germany	3,104	5/31 - 6/15
India	3,950	5/30 - 6/15
Singapore	2,609	5/31 - 6/14



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