

LOVEMARKS: THE FUTURE BEYOND BRANDS

Kevin Roberts

Brands were a fantastic idea when they were invented last century. For decades they transformed products, consumer choice, innovation and retail, and pumped the economy. But the twentieth century is history and today brands are struggling for relevance in a dramatically changing world.

Consumers today are spoiled for choice. Consider that the average supermarket has 30,000 to 40,000 products on the shelves. A shopper chooses around 20 of them and they certainly don't spend time working out the differences between 83 types of shampoo or 77 washing powders. What is the usual way retailers and manufacturers deal with these limitations? They increase the number of products. How does this affect consumers? It simply convinces them that shopping is a chore and to get out of the store as fast as possible.

Brands were invented to create a premium and return higher margins. But over time competition has gone mega, products have proliferated, innovation has become more incremental and differentiation has become harder and harder. As a brand manager I spent 30 years watching brands fight a losing battle to stay relevant and generate sustainable value.

After starting out in the late 60s with fashion designer Mary Quant selling cosmetics and clothes that redefined a generation (Mary created the miniskirt) and a formative tour of duty with Procter & Gamble in the 70s, I joined Pepsi as a brand manager in the Middle East in the early 80s. The region was in its infancy as a mass market and competition was growing in every category. Talking to consumers I could see that as people's choices grew wider, their loyalty to brands that didn't touch them in a personal way was tenuous at best.

Later I shifted to New Zealand, the country I call home, to market beer for Lion Nathan, where the problem with brands became clearer. There is no such thing as bad beer. They're all refreshing, taste great, and help to make for a great party. Beer brands – like all of the others – had nowhere to go.

Things came to a head for me when I became CEO of Saatchi & Saatchi in 1997. I had been managing brands for three decades and it was obvious that they were running out of steam. Parity had been reached across price, distribution, quality, design and value. Meanwhile marketers everywhere were obsessed with an appeal to reason. Products were marketed as whiter, brighter, cleaner, faster and newer, on a fast train to ‘cheaper’, the opposite of the healthy margin brands were designed to create.

My instinct along this journey was that brands needed to create loyalty *beyond* reason. Beyond price. Beyond attribute, and beyond benefit. We needed to go further. The defining insight came from neuroscientist Donald Calne: Reason leads to conclusions; emotion leads to action. This appealed tremendously. I knew from experience – whether selling diapers, detergent or fizzy stuff in bottles – that emotional, not rational, factors were the key to action, to winning a consumer to your cause.

The world had changed and now branding needed to change too. Revolutions start with language, and in 1998 we started one of our own with a new word: Lovemarks.

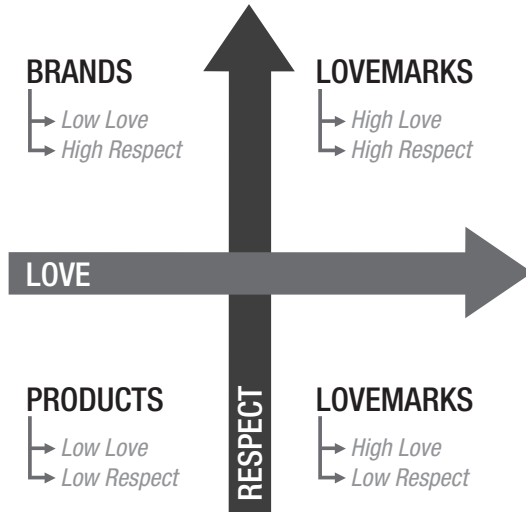
Lovemarks

Lovemarks are the brands, events and experiences that people love. Not just like or admire, but love. Only Lovemarks explain why some brands enjoy enduring relationships with consumers. Brands build loyalty for a reason. Lovemarks create loyalty *beyond* reason.

Of course reason still matters. All Lovemarks rest on solid foundations of performance, reputation, and sustainability. This is the foundation of Respect that brands have laid. A Lovemark will always be a great brand. But not all great brands are Lovemarks. Lovemarks are built on Love *and* Respect.

Saatchi & Saatchi’s Chairman Bob Seelert helped me to pin this down in visual form. We were waiting for a plane one day and I was talking about the leap I saw brands needed to make. To show what I meant I drew a line on a napkin, with Respect at one end and Love at the other. I saw this new kind of brand at the Love end.

Bob looked at it for a couple of minutes and said “There’s another way to show this to more effect.” Taking the pen he drew a second line, turning my first line into an axis.



The Love/Respect axis is a roadmap for showing where any product sits. At the bottom left are commodities. Low, respect, low love. Bottom right is for fads – high love, but fleeting respect. A flirtation rather than a romance. Here today, gone tomorrow. Top left are the brands we’ve come to know and respect but not love very much. Top right is the realm of Lovemarks – high love, high respect.

Lovemarks are owned by the people who love them. That means inspirational consumers, not companies or marketers. Lovemarks are the charismatic brands that people get emotional about and they can be anything consumers want them to be. On Lovemarks.com nominations range from cars and shampoo to people and places, from airlines to breakfast cereals. Take a brand away and it is replaced. Take a Lovemark away and you’ve got a protest on your hands.

Start with a Purpose

Lovemarks begin with a purpose. The question that consumers really want an answer to is: How will you improve my life? This means

understanding and responding to how she feels about her life, what is important to her, the truths about her problems and passions. It means shifting emphasis from selling product to adding experience and pumping excitement.

Toyota committed to a profound purpose when it launched the Prius in the 90s. The company didn't just want to sell an environmentally-conscious car – it wanted to express a deep commitment to a harmonious relationship between man, machine and nature. At a time when other automakers were reluctant to embrace change, Toyota listened to the voice of the consumer and created the first ever mass-produced petrol-electric hybrid vehicle. The Prius responds to the question 'how will you improve my life?' with a rich and beautiful answer: by caring for your world. Consumers love it, and have stayed loyal because of it. Prius sales are continuing to grow rapidly 14 years after the first model rolled off the production line in 1997. By 2008 Toyota had sold a million. By 2010 it was two million. Now the Prius is helping the company to reach its goal of selling a million hybrids *every year*. Why? Because Prius stands for a purpose.

People want to buy brands that deliver something bigger than just a benefit. They want something that makes their lives richer and more satisfying. Procter & Gamble calls this Purpose Inspired, Benefit Driven. It's a concept that redefines value. Where before the emphasis was on price-focused value, now the aim is priceless value. Here's how you reframe this:

Price-focused value	Priceless value
Caution	Courage
Deliver	Delight
Transaction	Relationship
Cut	Commit
Rational	Emotional

Priceless value is as ancient as modern. Excavating the ruins of the Roman town of Pompeii archaeologists found a well preserved bakery. Inside were 60 carbonised loaves. Above the oven was a travertine slab

with the inscription: “This is where happiness lives”.

Even the smallest business can deliver priceless value. I recently read the story of a 17 year old that’s funding his college education by running a car wash business. One of the ways that he wins over his customers is by keeping an eye on the weather and, if there’s a storm coming, telling them when *not* to get their cars washed. In the short-term, it costs him money. That takes courage. But it delights his customers. It puts the relationship ahead of the transaction. It shows commitment and it creates an emotional connection that builds loyalty beyond reason.

Mystery + Sensuality + Intimacy = Love

The key ingredients of a Lovemark are Mystery, Sensuality and Intimacy. These are the qualities that matter most in any emotional relationship. They are each fundamental to improving people’s lives. They let you connect emotionally with people in ways that you never dreamed possible. Mystery, Sensuality and Intimacy are the foundation of meaningful and sustained differentiation and premium pricing.

Mystery is about drawing together stories, metaphors, dreams and symbols. Most brands squeeze out Mystery with too much information. When we know everything, there is nothing left to surprise and delight. As Google puts everything we ever wanted to know at our fingertips, experiences infused with genuine mystery will earn a premium. Apple shrouds new product launches in mystery by dropping hints and letting the rumour mill fly at full speed. We are all drawn to what we don’t know.

Sensuality serves as a direct portal to the emotions. The five senses of sight, sound, smell, touch and taste shape our every thought and feeling. They work together to alert us and to take us to another place. Adidas is doing this with a touch screen wall that lets you preview more than 8,000 products in 3D. You can touch and drag to find your perfect sneakers.

Intimacy is the fine art of being close to family and partners, colleagues and consumers without getting in their faces. The qualities of empathy, commitment and passion create intimate connections that live on after features and benefits have faded away.

A world-famous campaign by our Argentinean agency, Del Campo Nazca Saatchi & Saatchi – 2010 AdAge International Agency of the Year – shows how powerful this combination of Mystery, Sensuality and Intimacy can be.

To help make Andes, a regional beer from the Mendoza province, into a Lovemark Del Campo Nazca created the Andes Teletransporter, a sound proof booth that simulates the ambient noise of hundreds of environments, like a traffic jam, a hospital, or an airport. If your girlfriend calls and you don't want to admit that you're out at the bar with your friends, just slip into the Teletransporter, choose a faux environment, make a call, and go back to your buddies – and your beer.

The idea harnessed Mystery: Teletransporters in bars were enigmatic, a source of curiosity and a place of secrecy; Sensuality: from its design to the realistic sounds it produced, the Teletransporter stimulated the senses in a myriad of ways; and Intimacy: the campaign spoke to the real-life personal and emotional conundrum that men face i.e. going against their girlfriend to hang out with the guys at the bar.

Teletransporters were installed in bars throughout Mendoza and word got out fast about these magical devices. As a result, brand preference increased by 10 points – becoming the largest “preference” within the InBev Group that owns Andes. Market research also showed that the more people associated Andes with excellent flavor, youthfulness, authenticity, prestige, and innovation. It was a love connection.

Lovemarks in the Age of Now

Once you've discovered your purpose and found a way to infuse your brand with Mystery, Sensuality and Intimacy, you need to meet consumers in the Now.

In the same way that products and brands have proliferated across shelves, advertising today is everywhere. As a result, marketing as we knew it is dead. We have moved from the Attention Economy – the Age of New – to a Participation Economy. This is the Age of Now, where consumers are “always-on”, making decisions in a heartbeat about who they choose to engage with. The Age of Now comes from:

The real-time web and mobile networks. The web has become a hot conduit to everything everywhere as it happens live, from revolutions and natural disasters to celebrity spotting and global sports events. During the 2010 FIFA World Cup fans posted 90,000 tweets on Twitter in the 30 second period after Japan scored against Cameroon.

This rapid, instant connectivity is supported by increasingly fast, sophisticated mobile networks penetrating into every part of the world. According to Cisco, global mobile data traffic nearly tripled for the third year in a row in 2010 and was three times the size of the entire global Internet in 2000. The growth is unstoppable. There are 48 million people in the world who have mobile phones, even though they do not have electricity at home.

The rise of instantly-delivered e-commerce. Online shopping is a phenomenon that is growing globally. In Latin America three out of five Internet users visit retail sites each month. In mature markets like the UK the Internet economy is likely to grow by 10% per year in the next five years. In China the e-commerce market is expected to be worth \$311 billion by 2015. Out on the frontier, the first stores are opening on Facebook.

The growing value of 'live' events and experiences, from Cirque du Soleil to pop concerts. Concert tours by bands like The Rolling Stones and U2 are pulling global audiences upwards of four million people.

In this new world, creating Lovemarks begins with a magic moment. Psychology tells us that people are happiest living in the Now, not dwelling on past regrets or getting lost in day dreams. The Holy Grail of marketing in the Now is a moment of participation that involves the consumer and starts a true relationship that involves continual give and take on both sides. Participation en masse transforms markets into movements. Here's what the shift from the Age of New to the Age of Now looks like:

Age of new	Age of now
Attention	Participation
Information	Inspiration
Distraction	Interaction

Age of new	Age of now
Selling Product	Adding experiences
Future Promises	Moments that Matter
Return on Investment	Return on Involvement
Pumping Markets	Creating Movements

Our London agency produced a brilliant Age of Now campaign in 2009 for T-Mobile: big on inspiration, interaction, magic moments and participation.

In a brutally competitive UK Telecoms market flooded with margin-eroding offers, T-Mobile needed a campaign to give the brand new purpose, direction and self-belief. The emotional lever was 'Life's for sharing', a campaign that played on the rich connectedness created by a great mobile service.

Dance, the first piece of work for the campaign, was described by the Sun newspaper as 'an epidemic of joy' and captured the British appetite for optimism in the teeth of recession.

In Liverpool Street Station at 11am on the 15th January, a single commuter started dancing. Moments later hundreds more joined in, including genuine members of the public. The public took out their mobile phones and shared what they'd seen with calls, texts, photos and videos. Dance became news in its own right, covered on national TV news, press, radio phone-ins and blogs.

The next event, Sing Along, was bigger and bolder. The date was posted on Dance Facebook groups, and text messages were sent to Dance fans from T-Mobile's customer base, inviting them to take part in the next Life's for Sharing event. 13,500 people (including P!NK, who was organised to make a surprise appearance) turned up at Trafalgar Square in the centre of London to belt out karaoke classics. Again the event was covered extensively on international and national news, YouTube and in the phones of thousands of revellers.

The results were huge. Dance led to a year-on-year sales increase of 52%, with T-Mobile acquiring 143,000 new customers. Crucially,

80% of these customers were the intended top end of the market, who spend more than £30 a month. Nationally, T-Mobile stores enjoyed record footfall, registering a year-on-year increase of over 12%.

Sing-along, more focused on Pay-as-you-go customers, led to an 11% increase in opt-ins during July-August. It matched the record low Cost per Response from Dance whilst continuing to drive increased footfall across the retail estate.

This is the shift from market to movement.

Connecting from Screen to Store

Maximising Return on Involvement in the Age of Now requires marketers to master emotional communication, to pull consumers into a relationship in an instant. And nothing does that more effectively than the electric combination of Sight, Sound and Motion.

This is what we used to call TV. Today we see it everywhere: on PCs, tablets, and mobiles, we watch it live and we download it. Is it TV? You bet! In the Age of Now, screens deliver TV lightning-fast: in the home, on the street, on the go, in-store, in the moment. How we get our dose of TV doesn't matter. What's important is that we love it. This reflects our basic makeup – human beings are highly visual creatures. We remember 20% of what we read, 80% of what we see.

On top of that, everything is mobilizing. YouTube streams 200 million mobile playbacks a day. Shoppers will increasingly have their screens on them 24/7. There will be exceptional growth of online streaming and mobile, increasingly mashing online searching with in-store experience.

Once upon a time a consumer made up her mind when she faced a store shelf and decided what to buy. Procter & Gamble calls this the First Moment of *Truth* and designs its marketing strategies from this point back: the idea being that the most important thing is that your concept works in the instant that a consumer is actually considering making a purchasing decision.

Google has coined a new term – *Zero Moment of Truth* – in recognition of the fact that purchasing decisions are increasingly informed by what happens before a consumer gets close to the store, in front of a screen somewhere.

In this context the job of marketers is not to satisfy, but to *inspire and surprise*, to build buying momentum throughout the journey from first impression in the home or on the move to when she buys in the store.

This is less about scale, more about intimacy. Intimacy transforms shoppers into buyers, and it takes supplier-retailer collaboration to deliver that perfect gesture. You need to work “shelf back”, partnering around a big transformational idea to reach back from the *First Moment of Truth*, and thrill and delight.

Shampoo brand Head and Shoulders brought together screen and store around a massive transformational idea by launching China's Got Talent, bringing the global talent show phenomenon to the world's most populous nation and biggest market. But more than becoming naming-rights sponsor of the show, Head & Shoulders co-owned it, reinventing the format to strongly connect Head & Shoulders with a sense of opportunity and aspiration.

Auditions were held in over 500 stores around China, giving people the chance to showcase their talent. Budding artists were invited to take part by Head & Shoulders brand celebrity Jolin, who appeared across all types of media, encouraging people to put aside their inhibitions and take their place on stage. The screen was an essential element of the campaign – in addition to the TV show, an online stage was also created, with blogs and video diaries of hopefuls.

The campaign was extremely successful, connecting consumers with the Head and Shoulders brand and converting emotion into sales at the moment of truth. Head & Shoulders was associated with opportunity, confidence and living without hesitation, while sales grew by 137% and 132% over two months, achieving a historical market share high of 18.5%.

Making Things Happen

As brands fade out and Lovemarks fade in, the entire human future is being created out of emotion, emotional health, happiness, partnership, experience, inclusion, fun and joy. Emotion is how people decide, how to start conversations and rouse movements. Emotion is the key to better decisions, to stronger value, to higher margins and profit.

The power of emotion has been borne out by Lovemarks research in 50 categories in over 80 countries, and the Lovemarks framework has been proven as the key to unlocking priceless value.

Mystery, Sensuality and Intimacy are proven concepts alongside Trust, Reputation and Performance, which together are the main influences on Love and Respect. Launching off this platform, Lovemarks-driven campaigns have delivered double-digit increases in the number of people who say they 'love' a company.

When consumers express how they feel about a brand this way it translates into the sustainable premiums that brands sought but found elusive for so long. A 2007 study found that over a 10 year period, firms consumers say they 'love' returned 1025% to their investors, compared to 122% earned by the S&P 500. When consumers become loyal beyond reason and business helps to make the world a better place, stockholders celebrate.

Shifting into the future, the size of the prize for brands that connect with people at an emotional is getting bigger and bigger as emerging economies usher in a larger, highly connected global middle class. But in this high stakes world achieving Lovemarks status eludes all but a small minority of brands – only around three percent clear the bar.

To take brands into the hot zone of Lovemarks, you need get moving. In the Age of Now marketers need to move at the speed of light.

When I started out in the cosmetics business working for Mary Quant everything happened incredibly fast. We were growing the business at 500 percent a year with a product lifecycle of around nine months. That's nine months from conception, through launch and sale, to the end of the line. To be successful you had to fail fast, fix fast and learn fast. The same is true today for every business that wants to be a Lovemark.

Marketers and brand managers need to live in a state of perpetual motion. Act now and beg for forgiveness later. Make 100 day plans – it's as far out as you can see. Don't spend all of your efforts trying to come up with the perfect plan.

The key is not to get things done, it's to make things happen. You can:

Reply to emails *or* Organize a community

Pay the bills *or* Take a risk

Cross off the 'to dos' *or* Set ambitious goals

Fulfil your obligation *or* Give more than you take

Repeat what you heard *or* Change perceptions

Go with the flow *or* Forge a new path

Aim for good enough *or* Demand excellence

Anticipate roadblocks *or* Create possibilities

Edward De Bono said there's no point being brilliant at the wrong thing. Lovemarks is the right thing. This is how you do it. Now go get 'em.

KEVIN ROBERTS

(Reino Unido)

Kevin Roberts is CEO Worldwide of Saatchi & Saatchi, one of the world's leading creative organizations. His career was built in sales, marketing, and leadership roles at Mary Quant, Gillette, Procter & Gamble, Pepsi-Co and Lion Nathan. Since 1997 Saatchi & Saatchi has achieved record creative and financial performance under his leadership. Kevin has authored several books and is best known for his creation of Lovemarks, an idea that transforms conventions in marketing. His book *Lovemarks: The Future Beyond Brands* has been published in 18 languages. He is Honorary Professor at the University of Auckland Business School, New Zealand and Honorary Professor of Creative Leadership at Lancaster University, England.