

(Opening slide)

The Creative Power Of Purpose and Brand Equity Activation

Delhi, India 26 January, 2011

My purpose today is to examine the creative power of purpose and brand equity activation which is necessary for marketing your brands with excellence into the future.

Predicting the future is not easy.

Here's the way some people thought "The Future" might look now, with the influx of new communication technologies. *(Show video: 1984)*

It is hard to believe that vision of the future is already 26 years old. Incidentally, that advertising actually only officially aired once. (The CEO of Apple and several board members at that time did not like the advertising. They pulled out of all placements except one that ran during the Super Bowl.) The controversy was so great that it was played over and over again, for free, in the news media—well before YouTube or Toudou.

There is no denying the effect new technologies have on us and the advertising industry. Fortunately, it hasn't been quite as Orwell predicted.

The world we live in is more transparent and more interdependent as a result of these new technologies. Of the 7 billion people on the planet, 5 billion are now connected by mobile phone, with over 50% of these accessing the Web directly, leap-frogging over desk-top computing, laptops or land lines. People are going directly to hand-held computing. We certainly see this accelerating with our Apple Client---from iMac to iPod, to iPhone, to iPad, it is an amazing change from 10 years ago.

China now has the largest population of internet users. More people in Africa have mobile phones than people have electricity. The point is that we are competing in a very different communications environment. *(Slide: Frames)*

While creating advertising and marketing programs for brands like toothpaste, laundry powders, diapers and feminine pads may not sound exciting, it gave me a remarkably interesting set of windows from which to observe and learn about people from different cultures.

(Slide: Man w/Globe head)

The frame of reference one assumes is an important factor in considering how to address consumer needs. Frame of reference is incredibly important in attempting to address the social and economic issues facing the world today. Our Frame of Reference also guides our view on brand purpose and activation of brand equities.

If there is one thing the financial crisis has taught us, it is that we live in a far more interconnected world than we realized. Our economic welfare is interdependent. The consequences of our behaviors impact on others besides our immediate selves. Our world is globalized; countries are interdependent. Marketing integration isn't an option it is a necessity for mutual benefit.

The compatibility we witness in information access is now allowing different cultures to engage without losing their separate identities. This allows greater comparisons of the socio-economic differences in interactions with ideas, values, a brand's purpose and equities, or even a nation.

(Slide: fishbowl)

On the issue of who discovered the water, we're pretty sure it wasn't the fish. It is hard to know what our frame of reference should be, when we cannot see the context we are in. Like the fish in the fishbowl, we need the help of others to see our context, to help us adopt a truer frame of reference. That is what I want to help you with today. Finding an accurate context for things in a digital world that is yielding us more information about our consumers and brands, than we ever imagined possible.

(Slide: Understand Media...)

In the late 1960's, Marshall McLuhan predicted that, right about now, there would be massive social and economic change, due to what he forecast as the "collision of the electronic media" of TV, radio, telephone and the computer. With the rapid expansion of the Web, (something that did not yet exist at the time of McLuhan's death) we can now look back through a sort of rear-view mirror and look forward to our own future. *(Slide: Web 1-2-3)*

Web 3.0 will be upon us around 2013 according to *e-Trends* magazine. Web 3.0 will advance the Web's knowledge of our individual interests, better anticipating our search needs and better anticipating the way we think.

The media is now truly globally dispersed *(Slide: Media is globally dispersed)*. Digital information is like the air we breathe in communicating. It is not a new channel, but the oxygen of messaging that allows "earned media" to go further.

In twelve months, with the analog switch-off looming, almost everything we do will leave an indelible imprint wherever we go. This capability and the data it will yield are astonishing

The interconnected global village is here.

(Slide: Control of Info more individualized)

Control of information is more individualized. We can store it, replay it, revise and redirect it and, we can opt out of it, too. It's not static. It's more mobile and so are we.

(Slide: Intercultural)

This is creating an intercultural globalized society. *(Slide: Borders and Nations)*

It is a world of business where borders --and nations are less relevant-- rendered less dominant as a result of open trade, consolidated industries, and the ubiquity of media, increasingly, directly connecting us. Importantly, of the world's 100 largest economic entities today, 51 are corporations and 49 are countries. This means that more people are being touched, by corporations and brands than any single nation's government.

(Slide: Gaps of Understanding)

We can see gaps in cultural understanding, that is , understanding how ideas affect people's perceptions. This is in large part what we do in advertising. Perception affects beliefs...Beliefs lead to action.

With the acceleration in speed and penetration of information access, it is no wonder there are conflicts in learning authority and control, over content.

Some people question whether this is good or bad for us?

(Video: Internet is Bad/Good)

(Slide: Influences)

There are two major influences shaping our perceptions today. These are influences of Context and Network Effects both are accelerating in importance due to digital integration of communications.

1) INFLUENCES OF CONTEXT *(slide: new technologies...)*

New media technologies have changed the context for brands, ideas, even a nation. Actions, ideas and behaviors can no longer remain isolated from being perceived.

Context matters. Today, more than ever before, an idea is more transmittable, more broadly perceivable, more able to be compared with other opinions/word-of-mouth, or imitated. The Mobile phone is a word-of-mouth medium. Internet is a word-of-mouth catalyst for all media. The first media today is people. Let's look at an idea our TBWA agency created about secondhand communication.

(Video: "Amora Martian")

(Slide: Race)

It is a race for ideas. Finding the truth, requires greater dependence on word-of-mouth. Context influences our perceptions, beliefs about the relevance of a brand's purpose and its salient equities, ultimately guiding behavior.

This is creating a blogosphere that is streaming, full of information and misinformation. Finding the truth requires greater dependence on word-of-mouth and perspective. Here's an example, created by one of our agencies in Argentina.

(Video: "Truth")

Context influences our perceptions, beliefs and our behaviors

(Slide: Network Effects) Now let's look at how Network Effects creates an opportunity for the power of brand purpose and equity activation.

2) NETWORK EFFECTS

Network Effects refer to how ideas evolve and propagate.

The bio-science of ideas is called "memetics." Memes are tunes, catch phrases, smells, fashions or the ideas that represent cultural information. *(Slide: Memes)*

A meme pool is a collection of cultural ideas. Memes reproduce by being transmitted verbally or by repeated action from one mind to another. They propagate from brain-to-brain.

(Slide: Chupa Chups)

I prefer our Chupa Chups creative visual from DDB Spain to better illustrate ideas propagating from brain-to-brain. The point is, a diversity of connecting cultural ideas, reproduces from brain-to-brain, and this is what is happening with the increased access and integration of new communications technologies.

(Slide: Einstein)

Quantum Physics has an application for helping us look at network effects. Quantum Physics was created to explain the radiation of energy and is now used to account for a wide range of phenomena. Consider how this might help us describe properties of a physical system like communities of people that are increasingly connected.

Quantum Physics *(Slide: Atom)* assumes that everything is made of atoms, even ideas, as they travel from brain to brain. Like the atom, ideas or bits of perception have a nucleus, surrounded by a cloud, comprised of electrons we call emotions, feelings. As ideas connect and reproduce, there is an energy effect that can be experienced, which appears to be perceptible, even measurable. Neurological studies are increasingly revealing the power of ideas.

(Slide: Illustration of Brain)

Importantly, our ability to measure the electrical and neurotransmitter process is getting more advanced every day. We can see how the left part of the brain is indeed where much of our rationale cognition (the thinking) takes place and how the mysterious field of soft powers, like emotions and feelings take place in the right.

There has been considerable attention given to measuring the value of communities that are connected by information technology. The premise is that a network of people has increasing value as the connections increase.

This is currently being confirmed by neuroscientific research. This includes some early work at Brown University with brain implants that demonstrate how thoughts, or brain waves, can be turned into action, in real time.

There has been considerable attention put on the value of communities that are connected by information technology. The premise is that a network of people has increasing value as the connections or activation increases. This illustrates what has become known as Metcalf's Law, a way of looking at the value of brand equity activation.

(Slide build: series on Network Effects/Metcalf's Law)

This illustrates what has become known as Metcalf's Law. It is a concept

This is a network of one. It has a network effect value of one.

This is a network of two. As they are connected, it actually has a network effect of 3, the connection itself adds value.

This is a network of three. It has a network effect of 6.

This is a network of four. It has a network effect of 10.

This is a network of five people. According to Metcalf's Law, it has a value of 15.

Metcalf's Law assumes that each potential connection is worth as much as any other.

This scaling law, and Moore's Law about information chip capacity, are often credited with driving the growth of the internet.

The laws and theories of classical physics are based in large part on observations of large-scale phenomena like stars or interactions of material objects, like people. Technological advances are enabling us to study the behavior of phenomena on smaller and smaller scales. The experiments of quantum physics today are showing at extremely small scales, material phenomena doesn't behave in the nice, orderly, predictable way described by classic physics.

More than ever, advertising exists in the idea exchange between people. In studying the process of ideas exchange, we try very hard to predict behavior.

Probability theory teaches us that the process of human perception is a stochastic process, or mostly a random process. It is the counterpart to a deterministic process or system, like the one assumed in Metcalf's scaling law we just reviewed. Instead of dealing with only one possible reality of how the process might evolve under time, in a stochastic process there is some indeterminacy (called noise) in its future evolution. This means that even if the initial condition (or starting point) is known, there are many possibilities the process might go to. Some paths may be more probable and others less so.

Simply put, there are in fact, emotions and cultural differences that exist in the way one person's brain processes ideas compared to another person, in the psychological relationship between human connections.

Incorporating emotional and cultural factors into an "Effects Model" allows us to see the potential greater value of information connections. Emotional factors can be measured by both perceptual and behavioral analytics. Our neuro-scientific friends are learning how to measure these differences and to read the processes, perhaps even reading the effect of Brand Purpose and brand equities, the soft, emotional dimensions of feelings, of how thought can lead to behavior.

So, where Metcalf's Law assumes a linear increase in the value of a network, this suggests there is an even greater potential power of brand integration value for each connection when the brand purpose and equities are clear and appealing in an integrated system.

Social Exchange Theory focuses on relationships. It says that in any relationship whoever has more choices, has more power. Let me illustrate this by incorporating the emotional spectrum into this concept of network effects. I call this Love's Law. *(Slide build: series Love's Law)* because my name is Love.

This assumes that you have a choice as to whether you feel love or fear and that this is learned from experience. It is a choice. This choice is important in consideration of self. If either fear or love are more or less present in a network of one, *(Slide build: circle)* the cumulative value in the network effect on a community is affected as well.

The key point is that network effects make having consistent and integrated brand responsiveness more important than ever. As humans connect more readily than at any time in history, brand perceptions and emotions, like fear or love, are amplified.

RECOMMENDATIONS

I recommend four actions for activating the creative power of Brand Purpose and Brand Equity.

(Slide: Adopt...)

First, adopt a more relevant frame-of-reference, for brand marketing.

We need a New Frame-of-Reference for operating in this evolving, emerging world.

(Slide: What we've being doing)

"Think Global/Act Local was a stage in the evolution of the brand-building process. It helped global marketers address newly opened trade borders created by the expansion of communications technologies. *(Slide: Xover previous slide)*

However, this frame-of-reference has become obsolete. It was a geographic concept that assumed marketing communication borders that no longer exist. I have found it to be less helpful strategically than when I started out on the road to global brand-building in the late 1970's, before the Internet, before mobile, before the web and digital.

Instead, I suggest a frame of reference I call "Think Like The Sun"

(Slide: Think Like Sun)

Think Like The Sun is a tool that can help us have a broader, more relevant perspective.

I learned in art school the importance of stepping back from the canvas. Think Like The Sun is a tool to remind us to step back and see the world, not as a homogeneous market, but as a richly diverse interconnected landscape. It's not flat but round with culture and emotional differences.

Each day, like most of you in this room, I get up in the morning when the sun rises. I begin working with the brands and companies I work with to help understand and build their perception.

All day long, as the sun moves across the sky, I interact with colleagues and my clients in this perception-building.

Then, at the end of the day, when the sun sets, I switch off the lights in my office. I go home. I put my head on my pillow ... and fall asleep.

For all intents and purposes, my perception-building stops. Until the next day and the new dawn, when the sun comes up ... at least that's how it seems to me.

But, we know, the Sun actually does not rise and set. It is we here on earth that revolve. In this increasingly smaller, interconnected communications marketplace, consumer perceptions are more borderless and tangible. Brand perception-building never shuts down; like the sun it is always on.

"Think Like The Sun" offers a more objective frame-of-reference. It reminds us to step back and observe from a reference point other than our own.

We need to be alert with move from analog to digital information. is a whole different world. It is important that we do not lose context. This is all McLuhan was saying with "the media is the message." Here is an illustration:

(Slide of analog clock face)

(Slide of digital clock "7 minutes to 7")

(Slide of "6 Minutes to 7")

(Slide: 2. Value Language Differences)

The **second** recommendation is do not underestimate the value of language differences in understanding the idea exchange between people. Our industry is finding that integration of ideas across cultures has a lot to do with the **language** you think in. Language imprints our thinking process.

(Slide: NY Times)

A recent study tells us the "consequences of language go far beyond what has been experimentally demonstrated so far; language has a marked impact on our beliefs, values and ideologies".

(Slide: "as a first step ... ")

... as a first step toward understanding one another, we can do better than pretending we all think the same."

What language do you think in?
What language do "they" think in?

(Slide: Symbols...)

The **third recommendation is, consider how ...the proliferation of communications technologies make symbols, sounds and visual ideas more valuable.** That means the advertising profession is more valuable too.

Here are two valuable examples:

(2 slides: print work)

(Slide: Collaboration)

The fourth recommendation -- adopt a strategy of Collaboration.

Winning the race for ideas will increasingly depend on collaboration. It means harnessing the power of multinational capabilities with global best practices to generate greater power and efficiency of “brand” marketing integration. Collaboration allows us to integrate marketing disciplines, talents and locations to deliver diversity of understanding and insight about consumers.

Here are some examples of collaboration at work:

(Slide: Gillette)

- Gillette China –Conductor

Lessons Learned

The importance of emotional connections

(Slide: Adidas)

- Adidas print ad
- Adidas Olympics

Credo became the brand character

First Gold Lion for PRC

(Slide: Green Protection Foundation)

- Green Protection Foundation

Experiencing the idea PRC’s Gold Lion #2

(Slide: Nissan)

- Nissan Brand Video (Short Version)
- Nissan Leaf

(Slide: P&G)

- Touching Lives, Improving Life

Most recent

(Slide: How Might We Think?)

CONCLUSION

Advertising is a form of education. It exists as a fundamental influence on the world’s economy. Advertising is about having choices. We are increasingly free to make choices, but how much depends on our decisions can make our freedom of choice difficult. Open minds inevitably search for new choices, looking for ways to integrate ideas into more relevant and responsive meaning.

So, how might we think? I wondered if I could practice what I preach. So, I initiated this purpose and equities video briefing for Omnicom. You are the first audience to ever see it. *(Show: Omnicom Video)*

Think different. *(Slide: Think Like the Sun.)*

In the river of communications technology which is ever flowing, all information streams into and out from individuals. A current of misunderstanding cuts through it, with an undertow of misinformation that is ever been stronger.

The marketing and advertising industry has tremendous potential for improving lives as long as we remain vigilant about how we connect with each other, how well we listen and the quality of our ideas.

Thank You.

