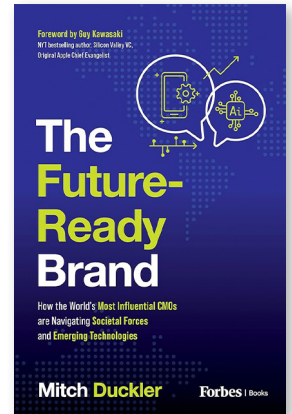


Executive Book Summaries®

The Future-Ready Brand

How the World's Most Influential CMOs are Navigating Societal Forces and Emerging Technologies

by Mitch Duckler



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THE SUMMARY IN BRIEF

The world's leading brands are facing serious challenges stemming from socio-economic and technological shifts. Brand establishment and differentiation efforts that used to yield stellar results in the past years are no longer delivering the same results.

The Future-Ready Brand: How the World's Most Influential CMOs are Navigating Societal Forces and Emerging Technologies offers unique perspectives and strategic tips on turning challenges into opportunities. Chief Marketing Officers (CMOs) themselves are sharing their insights, identifying the real challenges leading companies are facing, and revealing how to best manage these new hardships.

Author Mitch Duckler, the mastermind behind *The Indispensable Brand*, spent nearly one year interviewing some of the most successful CMOs representing companies like BMW, American Eagle, CapitalOne, Danone, Deloitte, Coca-Cola, IBM, and Deutsche Telekom. *The Future-Ready Brand* weaves these interview insights into Duckler's distilled views on what's been working, what will likely work in the future, and how to get there from here.

IN THIS EXECUTIVE BOOK SUMMARY:

- Why do brands have to reposition themselves because of societal shifts?
- Discover the impact of technological changes like AI and Web3.
- What do new commercial trends indicate for brand promotion?
- Find out what some of the world's biggest CMOs have to say about the latest trends, opportunities, and challenges.

Section 1: Societal Futurewaves

Chapter 1: The Purpose of Brand Purpose

At the height of the global pandemic in 2020, Accenture gathered most of its 624,000 employees in a virtual meeting. Cameras in all conference rooms (across offices in 200 cities and 49 countries) leveraged state-of-the-art technology to make it feel that everyone was in the same room.

People anticipated something big.

The meeting culminated in an announcement about Accenture's newly defined purpose. Everything boiled down to 10 words "To Deliver on the Promise of Technology and Human Ingenuity."

The ten-word new purpose triggered immediate brand repositioning under the slogan "Let There Be Change." A new app let employees easily post this new purpose and brand strategy along with their profile photo on LinkedIn. The best part? Such an impactful LinkedIn placement cost Accenture almost nothing.

While the entire transition seems effortless, months of hard work went into Accenture's repositioning. Once the purpose was solidified, the company's master brand came next in line.

A brand's positioning should be the external manifestation of its business strategy. Accenture's chief marketing and communications officer Jill Kramer focused on the commonalities between the company's clients. "They're all either trying to drive change or to cope better with it. So, we thought the simple statement 'Let There Be Change' was profound because it acknowledges that change is good."

This Accenture case study is especially compelling because it conflates three enterprise priorities: business strategy and brand positioning inextricably linked to company purpose.

Purpose has become paramount. It has led everyone to ask critical questions about the proper role of the corporation in society. What triggered this uprising of concern? Six main forces are at work here:

- Lack of trust in corporations, especially among younger generations
- Increasing importance of sustainability
- Social inequality
- The profound communication impact of social media

- Need for longer-term thinking
- Digitization

Through these influences, many brands have embarked on a deeper quest to find purpose. Merely claiming a purpose, however, doesn't necessarily make a company purpose-driven. A company that is truly purpose-driven has an impeccable sense of its values, and it uses these values to drive decisions and actions.

The benefits of being a purpose-driven brand are numerous:

- Strategic clarity
- Increased profitability
- Premium pricing
- Better business performance
- Enhanced talent acquisition

To harness these benefits, companies need to embrace the best practices for activating brand purpose. Among the best approaches are:

- Lead with brand positioning (including all marketing activation campaigns)
- Allow purpose to drive product development
- Be ready to take a stand
- Measure results and course-correct when necessary
- Avoid purpose-washing: claiming to support a cause without following up with genuine action

The value of purpose in brand strategy can only endure if it is also accompanied by value creation and financial performance. Having a worthwhile purpose is critically important but not sufficient for success. As economic pressures continue to increase, the most enduring purpose-driven companies will be those that find a way to stay true to purpose while also driving topline growth, profitability, and shareholder value.

Chapter 2: Beyond Health to Wellness

Everyone knows Moderna as a brand and people understand precisely what it does. Covid-19 propelled the pharmaceutical company to a household name, something rather unusual in the sector.

"No one had heard of Moderna until we developed a Covid-19 vaccine," CMO Kate Cronin said "We became something very unusual in the pharmaceutical industry, a brand that everyone knew by name. When you think about a flu shot, for example, you don't know who your flu shot

The notion of change has been guiding for health marketers seeking ways to establish a broader, wellness-based brand image

manufacturer is; you don't even know the name of your flu vaccine. With Covid, you knew whether you got Moderna, Pfizer, or one of the other vaccines.”

Covid gave Moderna opportunities. With no real branding apparatus, however, sustaining that relationship would have been mission impossible. Cronin's team started looking for ways to capitalize on the new familiarity with Moderna.

“There has been a lack of trust because the pharma industry as a whole has not been able to establish a real relationship with the patient,” Cronin said. Hence, Moderna has started repositioning itself as a platform technology company. In 2023, Moderna launched its “Welcome to the mRNAge” advertising campaign under the tagline “This changes everything.” The notion of change has been guiding for health marketers seeking ways to establish a broader, wellness-based brand image.

The heightened prioritization of health and wellness in the post-pandemic world has been the result of several things:

- Increased general awareness
- Rising healthcare costs
- An aging population
- The availability of more employer wellness programs
- Easy online research
- Long-term shifts in attitudes because of Covid's lasting impact
- Technological advances

Every company's marketing team has been called to deliver strategic performance results in the “new normal” where concern for health has become paramount. The major wellness directives derived from post-pandemic developments include:

- Assess the brand in terms of a total health orientation
- Make the brand as personalized as wellness itself
- Meet consumers “where” and “why” they are
- Generate a healthy in-store experience
- Cultivate the brand's authentic community

Chapter 3: The Emergence of Gen Z

People born between 1995 and 2010 belong to Generation Z.

According to cosmetic giant Coty's chief brands officer Stefano Curti, generation Z members belong to two groups – Gen Z ME and Gen Z WE. “Gen Z ME tends to live in the metaverse, in the digital world. They tend to be content creators running up the number of ‘likes.’ They spend half of their day in front of their phones. They have a digital addiction. Gen Z WE, on the contrary, prefer authentic interaction. They rebel against the number of ‘likes.’ They are snobs about Instagram, are not on TikTok, and care instead about the bigger offline world, where they want to make a difference.”

Recognizing how different members of this generation are has helped Coty do effective product development, resulting in 5.5 billion dollars of earnings in 2023.

Generational changes fuel overall shifts in society. By 2026, 82 million Gen Zers will turn the country into a majority of “other than white” tableau of races. Sexual preferences will also be shifting, with only 48 percent of Gen Zers claiming they're completely heterosexual.

For Gen Z members, self-care is a top priority. A passion for gaming seems to be equally important. Interestingly enough, Gen Z is the most educated of generations with 59 percent of its members having attended college.

All these factors impact the way brands are marketing to Gen Zers. Brands have to work hard in order to be heard, given today's abundance of information. A few key aspects of campaign creation include:

- Authenticity and transparency of communication
- Personalization
- A focus on diversity and inclusion
- The creation of communities of shared values and interests
- Prioritized sustainability

Gen Z members have a low tolerance level for mistakes. Forrester research suggests that a third of Gen Z unfollow,

hide, or block brands on social media at least weekly. Gen Zers will not hesitate to cancel brands when they sense shallow or insincere messaging.

Consciously looking for companies who do good, Gen Zers are ethical and value-driven. They will vote with their dollars when they see brands helping to shift the narrative. They expect company CEOs to take a stand on big issues. Companies should ask themselves who they are as a brand and whether the big issues intersect with the brand mission statement. If there is an intersection, both customers and employees will expect the company to take an official position as follows:

- Choose unique messaging
- Know how the messaging is advancing the brand
- Show what the company's doing to promote positive change
- Give people the resources to join the cause
- Commit to a long-term plan that aims to make a difference in the world

Section 2: Technological Futurewaves

Chapter 4: AI and the Personalized Brand Experience

Today, there isn't a single industry not somehow impacted by AI, with some of the most sophisticated systems being put to work in the marketing arena.

"This AI gives us a new level of data, a new ability to serve data to people that is more relevant to them and makes it more enjoyable," IBM chief communications officer Jonathan Adashek said. "It can be as simple as getting ads or content that I appreciate versus some random thing like 'buying this piece of real estate in downtown Cheyenne, Wyoming' when I've never been to Cheyenne, Wyoming in my life."

Advances in machine learning and artificial intelligence allow a new kind of contextual marketing that depends less on the past choices of consumers and more on what matters to them right now.

Literature on the impact of AI on marketing shows it has gained incredible traction. Studies suggest 70 percent of marketing executives are using AI, 19 percent are testing it, and eight percent are planning to test it within the next two years.

Marketing executives use AI for one main purpose – to increase efficiency and productivity.

The third finding from literature on the topic is probably the most interesting and impactful one. AI already has or will soon have applicability across the entire customer journey. From building awareness to engendering loyalty, AI has the potential to dramatically disrupt how marketers think about customer acquisition, experience, and retention.

AI is already a part of everyday marketing and branding work. Some of its most common current uses include:

- Micro-segmentation
- Content generation
- Hyper-personalization of the brand message
- Enhanced customer engagement (through the use of chatbots and messaging apps, voice-activated AI assistants, push notifications, dynamic websites)
- Dynamic pricing

In harnessing the power of AI, marketers have primarily streamlined workflows to free up time to optimize strategy and boost performance. Early AI adopters are becoming proficient at using AI for creative tasks such as producing images, texts, videos, and messaging. They have generated highly impressive operational results – from improving behind-the-scenes processes to tracking and adjusting campaigns in real time.

AI will eventually get to the level at which it can develop an entire strategy, according to KPMG's Brian Miske. Right now, however, certain challenges still need to be considered and addressed. The main ones include copyright issues, improper brand fit, systemic biases, maintaining the human touch, reduction of creativity, and upcoming regulations.

Chapter 5: XR and Metaverse – A New Definition of "Reality"

Extended reality (XR) is an umbrella term that includes virtual reality (VR), augmented reality (AR), and mixed reality (MR). In XR, real and virtual environments combine for the most unique experience. The Metaverse, a virtual interconnected space, can be considered a form of XR.

Both millennials and Gen Z members have flocked to the platforms pioneering these new technologies. This is especially true for gaming platforms that require the use of AR and VR goggles.

When you look at past battles, analyzing and reflecting, avoid making snap decisions about what went wrong or right.

As a result of this technological shift, major brands are now expected to toggle seamlessly between the physical world and virtual reality, delivering the most immersive experience.

Choosing the right XR application is one of the biggest branding decisions. It has to be based on considerations like whether the particular application goes beyond pure entertainment/novelty and if it will have a positive effect on the way a target audience evaluates the brand.

Specific performance measures will also have to be assessed to establish campaign effectiveness. The most important ones include:

- Whether the XR technology enables the brand to demonstrate a leading edge
- If it allows for the extension of omnichannel presence
- The extent of leveraging gaming communities
- How product sampling and evaluation are enhanced
- How marketing research is enhanced
- The efficiency of in-person events
- The move beyond humans to virtual influencers
- Whether XR technologies allow the company to run community-based campaigns

This is how marketers are already leveraging XR technologies. Some approaches are already a part of everyday branding reality and some opportunities are yet to be tested. The Metaverse still remains the biggest puzzle in the context of branding.

“One of the biggest barriers to Metaverse adoption is technology,” IBM’s Jonathan Adashek said. “Take the devices, I don’t think we’ve hit the tipping point. The goggles aren’t quite there yet. The other barrier is bandwidth. The Metaverse is only achievable on a mass scale with high-performance, ultrafast internet.”

Early examples of Metaverse adoption have shown good results. Deutsche Telekom is launching its direct-to-consumer offering in the Metaverse. The initiative is aimed at a younger audience and it focuses on the establishment of

a little telco world called Beatland in Roblox.

Obviously, there will be headwinds. Fragmentation across the Metaverse platforms. Difficulties with the hardware. A lack of content standards. But there will also be opportunities to approach with cautious optimism, placing bets on the Metaverse but not overcommitting.

Chapter 6: The (Gradually) Emerging Web3

In the early 2020s, Lexus was struggling to create a message that would resonate with a younger audience. Vice president of marketing at Lexus USA Vinay Shahani has to come up with an approach that would increase the company’s share of the luxury vehicle market in the country.

“Up until 2020, Lexus was a bit behind in infotainment,” Shahani said, pointing to that factor as one of the contributors to the issue. “We had a finicky touchpad and joystick that would control the screen in the vehicle. Many of our guests didn’t like the way it worked.”

To address the problem, a new infotainment system was approved and launched, proving to be a massive success. With state-of-the-art voice control and an immersive touch screen, the new system called 21MM was such an impressive upgrade that Shahani and his team elected to emphasize it in marketing communication.

Lexus also chose to attract younger affluent consumers by tapping into their passion for gaming. A new Lexus model called the Gamer’s IS was conceptualized by sourcing ideas on a Twitch live stream.

These developments emphasize the importance of Web3 – the read-write-interact web now unfolding. In this version of the web, power is transferred from tech giants to the users. Web3 is decentralized, permissionless, trustless. It employs peer-to-peer interactions and meritocracy.

Marketers are already taking their first steps in this brave new world. Web3 creates various opportunities through:

- Blockchain data collection
- Frictionless transparency and effortless transition from one app to another

- Transactional security
- Non-fungible tokens (NFTs) – digital assets that valuable and employable in an array of projects
- Brands can benefit from Web3 in multiple ways, the most prominent ones being:
- Generating more revenue through the sale of digital assets
- Forging deeper customer relationships
- Getting real-time feedback during the testing of new products

Section 3: Commercial Futurewaves

Chapter 7: The Fourth Era of Content Marketing

Content marketing is far from a new topic, it's been an important part of a marketer's toolkit for years.

Emerging new technologies are disrupting content creation in dramatic ways.

AI, XR, the Metaverse, and Web3 are shaping a new reality for content development. Brands benefit from opportunities to shine in the following new ways:

- Optimizing content for higher-converting direct-response ads
- Connecting organically with customers
- Unlimited custom packaging opportunities
- Creating differentiated content at scale
- Social platforms transitioning content from influencers to creators

Marketers are already understanding the fact that technology platforms themselves are driving the creation of content, which resonates with younger audiences and converts.

Experiments with new technologies have been ongoing for some time now but the emergence of solutions like ChatGPT supercharged the adoption of innovation like generative AI.

Five days after ChatGPT was launched, the platform reportedly topped one million users. Google followed with its AI-powered chatbot, Bard. Microsoft came next with Bing Chat. Whether it's all hype and hyperbole driving these incredible numbers, or a clear-sighted view of all that AI tools are capable of, it's certain that AI content marketing is here to stay and evolve.

The applications of AI content marketing are multiple:

- Audience segmenting and content research
- Outline generation
- Brainstorming creative ideas and topics
- Creating briefs
- Keyword selection
- Amplifying human talent during the content creation stage itself
- Generating quick first drafts
- Writing snippets and metatags
- Creating internal communications
- Versioning content for multiple audiences
- Doing effective content curation and content optimization

At the same time, we need to recognize the limitations of AI content creation. The creative value is limited and so is the SEO engagement. Ethical issues can also arise from the over-dependence on AI tools.

Training generative AI on brand data or building proprietary large language models from scratch could enable companies to resolve some of these issues.

Regardless of the current challenges, however, one thing is certain. Generative AI tools promise to play a major role in content creation in the years ahead, and being able to leverage these tools skillfully will be critical to driving innovation and future brand relevance.

Chapter 8: Tech-Inspired Gamification

Gamification is the use of game design elements in non-game context. Angry Birds and Farmville laid a good foundation in 2010. At the time, however, it turned out that good gamification is difficult to execute, and poor design hamstrung most gamification efforts.

Today, companies are projected to spend between 19 and 37 billion dollars on gamification globally by 2027. AI is coming into play, giving marketers new opportunities.

Successful gamification campaigns are based on five core tenets:

- Having a good story that turns participants into decision-makers during the gaming experience

- A meaningful challenge for participants to resolve
- Giving participants a feeling of ownership over the experience
- Creating a sense of urgency
- Giving players opportunities to do social sharing with friends and online connections

Many companies have been employing these tenets successfully to make their gamification efforts a huge success.

Nike is one of the leaders in the field. The NikeFuel fitness app can be paired with Nike wearable tech to encourage users to share the fitness goals they've attained. The SNKRS app took gamification a step further. It allowed access to limited-edition sneakers, behind-the-scenes content, and gamified experiences. Nike's insistence on pushing the digital envelope has surely played a major role in Nike earning the title of the most valuable global apparel brand for seven years running, with a 15 percent share of sportswear.

Through gamification, marketers can:

- Increase brand awareness
- Improve customer satisfaction
- Increase customer loyalty
- Acquire brand equity
- Drive better conversions

In the future, gamification will create even better branding opportunities. It will allow for deeper levels of personalization, real-time experience adaptations, progressive rewards based on customer behavior, and the automating of basic functions among others.

Chapter 9: Influencers and Creators: The New Faces of Trust

"As marketers, we went through a journey the last 10 years," BMW customer and brand senior vice president Jens Thiemer said. "We learned how big the impact of influencers can be – positively as well as negatively. We saw brands becoming literally dependent on influencer marketing in FMCG, fast-moving consumer goods, and for companies like BMW, as well."

"Influencers can shorten the access to customers so we come up faster on their awareness agenda," Thiemer said.

As marketers wrangle for consumers' attention amid an explosion of clutter on every channel, it's no wonder influ-

encers have become such important commercial facilitators. In a Nielsen study, consumers said that they trust recommendations from friends, family, and influencers the most. Understandably, Gen Z is the cohort most heavily inspired by influencers.

Influencers are the new faces of trust but to align influencer marketing with business strategy, a brand has to complete all of the following steps:

- Find the right influencer for a campaign
- Thoroughly research influencers before partnering with them
- Relinquish control and minimize creative input during campaign planning
- Be careful with humor and causes
- Ensure influencer authenticity
- Embrace new social trends

It's also imperative to think outside the box and handpick opportunities that resonate with the brand's message. Sometimes, the largest influencers aren't the most suitable choice.

Big-name celebrity endorsements and influencers get all the ink, and play a powerful role in brand awareness campaigns, micro-influencers are the ones that often deliver the best returns.

Sephora has been doing an excellent job with micro-influencing. It's harnessed the power of the TikTok effect – people seeing something on a TikTok video and trying to find out more.

Influencers on TikTok "are creators on their own terms. They become artists that you commission for campaigns," Sephora global chief brand officer Steve Lesnard said.

The role of virtual influencers is also not to be underestimated. Today, there are about 200 virtual spokespeople that companies adopted to blur the lines between fiction and reality.

As with other forms of digital promotion, AI will impact the way virtual influencers are created and utilized in branding. Some are claiming that the responsible use of such innovative tools will boost creativity and this "new thing" should be embraced. Others disagree. A number of lawsuits, including a major class action by visual artists against generative AI toolmakers, will decide how much leniency marketers have in using virtual influencers.

Conclusion

Most marketers feel certain that the future of influence will be very different from what we see today. Fair to say that this has been the theme of this book – the future is unfolding fast for marketers, and remaining on top of it is a top priority.

To do so, marketers have had to adapt and turn challenges into opportunities. Some of the leading CMOs have boldly embraced risk, capitalizing on societal and technological shifts. When such decisions are executed in a purposeful, strategic manner, they have consistently demonstrated an ability to differentiate, build a brand up, and help it establish a leadership position.



Mitch Duckler is founder and managing partner of FullSurge, a brand and marketing strategy consultancy based in Chicago, Illinois. He has more than twenty-five years of brand management and management consulting experience. Prior to FullSurge, Mitch was a senior partner at Vivaldi Partners Group and a partner in the Chicago office of Prophet, where he co-led the brand strategy practice area. His client base includes Fortune 500 companies and numerous world-class brands, such as Exxon Mobil, Deloitte, Kellogg's, and Best Buy.

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