Branding Trends 2020

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Abstract. We can see brands everywhere around us, brands are attractive, enigmatic, we love them or we hate them, they help us in creating our image. They are offering emotions, values, quality, and promises inside. From the businesses point of view, brands offer unique selling proposition, loyal customers, competitive advantage, visibility, added value, increased market share, they communicate desired messages. Some companies recognize the power of brands but lack the understanding of their influence on the purchasing behaviour. While big businesses have no problems with recognizing the importance of branding, SME’s might have more difficulties with this issue. It’s no easy job to predict the future, nor is it a grateful job. Even more difficult it is to address the future of brands. Huge technological changes altered not only consumers, but also the ways how to plan and implement marketing strategies for branded products and services. And these trends are not coming to an end; they are penetrating our lives in huge waves that are increasing in their speed, frequency and power. We prepared a modest contribution to the foresight in branding, providing a subjective insight into what-could-be-happening in the near future. The content of available scientific and professional literature and other – less usual sources (blogs, reports, videos, and websites) has been analysed. Now we present an overview of trends, opinions and forecasts in the field of branding future. Companies can build and gather advantage upon a real-time and continuous information aggregation and environmental scanning, together with field expert ideas identification.

Keywords: marketing, brands, branding, trends, forecast.

1 Introduction

We can read the following statement in the Trend Briefing (2015): “People – of all ages and in all markets – are constructing their own identities more freely than ever. As a result, consumption patterns are no longer defined by ‘traditional’ demographic segments such as age, gender, location, income, family status and more.” Generational generalizations have to be taken with caution and discretion.

As Kahn (2015) says, brand marketing is no longer one-way communication directed to customers, but is about convincing customers to converse with each other; this shift removes the direct control marketers used to have over their brand positioning strategies. Schultz (2015) reveals that too much social might harm the brand: Beer producer used an ambiguous slogan for Bud Light: "the perfect beer for removing 'no' from your vocabulary for the night." It caused a lot of outrage and critics said it could be interpreted as a contribute to a rape culture. The brew's "buzz" score fell from 6 on Monday to zero as of Thursday morning, according to the YouGov BrandIndex, which measures daily brand consumer perception, among women, Bud Light fell from a 5 to -3 (ibid.). This means that brand’s perceiving has to be monitored daily; actions to (re)position the brand have to be taken promptly. YouGov BrandIndex i.e. measures and tracks perception of different values independently, it allows you to identify key areas for improvement and subsequently measure the effectiveness of any strategic
actions, and you can see how you compare with your competitors on specific values (YouGov BrandIndex 2015):

- Buzz (whether people have heard anything positive or negative about the brand in the media or through word of mouth);
- Attention (the percentage of the general public that has heard anything, positive or negative, about the brand in the media through word of mouth);
- Quality; Value; Customer Satisfaction; Reputation; General Impression; Recommendation; Brand Awareness; Word of Mouth Exposure; Current Customer; Former Customer; Purchase Intent; Purchase Consideration; Ad Awareness.

"When you are one of these massive, big brands, everyone is watching every move you make and will throw a rock at you if you trip and fail," said a former A-B InBev employee who requested anonymity (Schultz 2015); "Every step you make have to double check and double check again, because you are the category leader. You make one bad move and you are going to be jumped on." The incident has certainly gained attention: There were 45,600 tweets about Bud Light from 12 a.m. on April 28 through 12 p.m. on April 30, compared with 3,900 tweets during the same period last week, according to ListenFirst, a data and analytics company (ibid.).

Of course, we want to bring our brand into the conversation, to bring the attention and highlight the brand. We can do this either by creating content that gets the conversation going or by looking what our target customers are already talking about and inject our brand into that conversation. As we have seen from previous example, the campaign has to be prompt, but also well thought and taken wisely. Companies can build and gather advantage upon a real-time and continuous information aggregation and environmental scanning, together with field expert ideas identification.

2 Overview of trends, opinions and forecasts in the field of branding future

Marketing or agency professionals with an audience of business decision makers — the kind who read online CBS News articles with inflammatory titles like ‘Branding is Dead: Apple, Toyota, Leno & Obama Prove It’ (James 2010) — can confidently counter these kinds of increasingly common comment by noting that it would be ludicrous to abandon branding, which is simply a focused effort to ‘define’ what the company means to its customers, prospects, employees and investors (Jones and Bunevac 2013). As the authors (ibid.) said, brand is a definition of a particular company or product, while defining something would be placing it in a more general category and then indicate how it differs from other things in that category.

Kahn (2015) argues that consumers are channel agnostic; they want to browse and shop 24/7, online and in the store, and on their phones. It is possible for consumers to browse online and try on in the store (webrooming), or vice versa, check it out in the store and buy online (showrooming). That’s why smart retailers purposely design omni-channel strategies, such as buy online, pick it up in the store, or allowing for in-store returns of online purchases; most of the data show that customers who buy across channels are more profitable.

Although the online sales increase, the death of brick-and-mortar stores is not on horizon. The overall shopping process is changing with these new customers’ behaviors, so classic stores must evolve. From the state-of-the-art in-store tech to the experiential marketing around food, beauty, and health in NYC’s Duane Reade stores, the successful retailers are becoming more experiential and giving the consumer more reasons to come into the physical stores (ibid.).
The opposite is occurring too; online retailers are recognizing the advantages of having physical showrooms or stores. With the advantage of extensive data analytics from online behavior, these newly developed stores are designed to be more responsive to the ways of customers shopping desires. For example, the Birchbox model (a subscription service where subscribers are shipped a monthly box of cosmetic samples and then can go to the website to buy bigger sizes) gave marketers the chance to observe consumers’ natural and preferred buying habits. They discovered that, unlike in traditional cosmetics retailing where product is arranged within brand, when consumers were left to their own devices, they shopped by category (e.g., lipsticks, mascaras), not by brand. Birchbox designed their physical stores to reflect these learnings from observing web shopping behavior (ibid.).

Chatterjee (2015) discussed the evolution of common audiovisual stimulus in retail environment into the olfactory branding because of the “tremendous advertising clutter”, on a case study; the sense of smell “was potentially underused”. Brenner (in Kent 2013) forecasted “a trend toward “content that is often not 100% related to their products but more in line with the solution areas customers are interested in exploring”.

2.1 Omni-channel commerce

According to the Motorola solutions (2013) omni-channel commerce can be defined as a strategy in which "connected customers can shop for and purchase the same items across many different channels, in a retail store, on their home or laptop computers and perhaps most importantly on their connected mobile devices which allow them to shop online for virtually anything, virtually anywhere." So, a true omni-channel approach calls for considerable responsiveness and connectivity among a store's physical and online channels; if customers are not able to purchase something from their mobile phones and have it shipped, or pick it up in a store location within a certain timeframe, the company isn't truly omni-channel (Silay 2014).

Specific omni-channel strategies that have been initiated (Kahn 2015):

- Ship from store;
- Ship to store;
- Reserve or buy online, pick up in store;
- Order in store;
- Buy online, return in store;
- Responsive web design;
- Inventory transparency;
- Paying in store;
- Location-based personalisation.

According to Baird and Rosenblum (2014) industry report, retailers are predicting a number of opportunities and challenges surrounding their omni-channel strategies; one common expectation is a growth in sales thanks to being omni-channel optimized. The report found that the vast majority of respondents - 83 percent of retailers, suppliers and third-party logistics providers - expect that their omni-channel readiness will allow their sales growth to be better or much better in 2015 compared with 2014.

At the same time, many respondents cited consumer-related concerns as another top challenge they faced last year. The majority of respondents expect this to continue into the next five years, with the ability to address buying preferences, consumer technology and omni-channel retailing leading the pack. Despite these challenges, many respondents believe omni-channel commerce strategies will create important opportunities for their organization. In fact, in connection with their omni-channel initiatives, a total of 87 percent of respondents are planning to make minor to major investments in e-
commerce advancements and additional 75 percent will make varying levels of investments in warehouse improvements and 86 percent will invest in inventory management this year (ibid.).

In order to get an impression of the size of the omni-channel, let’s see some numbers (Witcher et al. 2014):

- by 2017, 60% of the expected $3.7 trillion in U.S. retail sales will take place on PCs, phones or tablets or be influenced by research on devices. That compares with 46% in 2012.
- 35% of mobile device owners who said they were not recent shoppers accessed mobile phones while in stores to check prices.
- 71% of online shoppers would pay a premium in stores of up to 5% more than the online price to get a product right away
- 3% of online shoppers would pay up to a 10% premium above the online price to receive the product immediately.

2.2 Packaging 2020

Another important perspective about future branding is the packaging revolution. It’s crucial for brand managers to understand what packaging elements stand out at the shelf; in-store research and new technologies give marketers the ability to better understand the consumer’s whole shopping experience. The advancements in technology, namely digital printing in the case of Corona’s summer program, are allowing huge successes in packaging. (Jean-Pierre Lacroix, 2014)

2.3 Customer Branding and YouTube

Customer branding (Wowk and Bignell 2015)

- Using video-sharing sites such as YouTube to allow consumers to develop their own video ads for certain products in a contest format;
- An Example is the Doritos Super Bowl Commercial in 2007;
- Contest had over a 1,000 amateur video entries, and the winning video was seen by nearly 90 Million viewers.

Customer branding and consumer behaviour (ibid.;)

- Customer is able to relay back to the company their views on the attributes, benefits and value of the Doritos Brand;
- Involves the customer into the advertising process;
- Increases Brand Equity:  
  - Customer attachment (For participants and viewers);  
  - Positive feelings associated with Doritos;
- Viewers are able to experience customer views about the Doritos brand (More Factual and Believable).

Customer branding and marketing (Adroit Digital 2014):  

- Marketers are able to see what the customer lifestyle is, and what the product means to them (Brand Loyalty)
- More cost effective, winner won $10,000
- Doritos was able to market to their demographic, 14-35 year old males

2.4 Millenial views on marketing

Millennials – also known as the Millenial generation or Generation Y, are the demographic cohort following Generation X. There are no precise dates when the generation starts and
Most researchers and commentators use birth years ranging from the early 1980s to the early 2000s. They could be the most important generation in the last 100 years, perhaps ever; Millennials' population is larger than the Baby Boomers, and it outnumber Generation X almost 3:1. They came of age in the wake of huge advancements in technology, unparalleled communication access, and media exposure that allowed people to spread information faster to a wider, more diverse audience than in any generation before them (Adroit Digital 2014):

- 60% of Millennials think social advertising has most influence in how a brand and its value are perceived.
- 39% of respondents say they perceive brands that don’t advertise via mobile channels, smartphones, and tablets are outdated and undesirable.
- 55% say a recommendation from a friend is one of the strongest influencers in getting them to try a new brand.

3 Final discussion

Following the presented examples, opinions, and cases, we can conclude that branding is far from being dead. Branding is evolving and marketers have to stay in pace with the technological and media development as with changes in customers' behaviour. Trendreports (2015) enumerates many other trends that will affect branding, products, and companies in the next decade:

- Perpetual Adaptation – Obsessed with aesthetics, society embarks on the eternal makeover;
- Radical Rebranding – Pushing boundaries of reinvention to gain consumer attention;
- Smart Selling – Marketers use technology to tap into customer preferences;
- Artvertising – Clever advertisers are turning unique packaging into works of art;
- Instant Entrepreneurship – Products that make launching a business easy serve a growing niche;
- Artistic Selling – Retailers apply art concepts to enhance customer experience;
- Congreenience – Everyday products turned eco-friendly make going green easier;
- Discreet Consumerism – Stealth advertising and anti-branding lure the logo-averse.

Kent (2012) suggests that because of the confluence of powerful factors it would be wise for marketers “to consider how to best marry traditional brand messaging with the informational, educational, entertaining charms of content marketing, online and off.” Some of these factors include:

- The rise of consumer control, particularly via social media, and the unprecedented ability of consumers to choose, or reject, messages;
- The shift toward search algorithms that favour quality content over SEO manipulation;
- The growing consumer distrust of traditional, paid advertising and marketing communications;
- The opportunity to shift from a forced “push” marketing model to a natural “pull” model, a shift beyond the short-term value of transaction to create the long-term value of trust.

We have to agree that turning to marketing omni-channel over other mediums, retailers shouldn’t forget about TV. But they are up against changing viewing habits; retailers may not need to find an omni-channel niche for every strategy, but if they want to stay in favour with consumers, they will have to develop ways to reach their customer at the right time on the right channel. If they are not on alert, they risk being out. (Advertising Age 2014)

As Kahn (2015) puts it: “In this globally connected transparent world, the brand must be authentic and trusted.” Together with this change in technology that is facilitating transparency comes also a change in values expressed by the millennial and generation Z consumers. They demand and expect socially
responsible firms. Unlike previous generations, these consumers are more apt to pay a premium for socially conscious brands, and these are the firms they would rather work for.

It will be of the upmost importance to gain the brand loyalty of Millennials at the beginning of their earning years; it will create an enormous upside for brands in delivering the maximum future lifetime value of these consumers; and to have well-informed view of Millennials, how do brands and agencies go about gaining the trust and admiration of the next generation of super buying power. Companies will be thriving to improve their ability to select the right partners, employ the right strategies, leverage the right technology, and be prepared to constantly turn and pivot. The increasing array of ad tech available today is positioning brands and agencies to open the dialogue of engagement and to lay the foundation for earning the loyalty of Millennials. (Adroit Digital 2014)

References


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