

Five Trends for Marketers



Cannes Lions 2017



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The Power of Purpose and Authenticity

The Big Targeting Debate

Automation Takes Centre Stage

Cannes Lions 2017 saw more speakers, sessions and platforms than ever before. Experts, consultants, marketers, entertainers, academics, celebrities all lined up to tell delegates where the industry is going wrong, what the opportunities are, and to share nuggets of brilliance and inspiration.

Just about every conceivable topic relating to marketing and creativity was addressed at Cannes, but from the sea of diversity, several common themes emerged. Top of the pile was artificial intelligence and automation. AI was the acronym on everyone's lips.

Collect Data, Think Human

Invest in the Future

Targeting also rose to the top as the focus on technology and efficiency resulted in discussions about context, environments and experiences. And the need for brands to have both purpose and authenticity was also a favoured topic.

With such a wealth of content, Zenith dispatched a team of able listeners and thinkers to capture the soundbites and insights. The five trends in this book represent our distillation of the issues discussed at Cannes that are most pertinent to driving brand growth.

The Power of Purpose and Authenticity

Brand purpose is a proven force for creativity and growth

Zenith was very pleased to see marketers and agencies alike championing 'brand purpose' as a means of driving world-class effective creative work. Not only that, but several speakers at Cannes argued convincingly that a clear focus on brand purpose can deliver concrete ROI gains. We saw brand purpose cited as the key to Unilever's growing brands by Keith Weed, the pivot behind WARC's #1 most successful campaign of 2016 'Share the Load' for Aerial in India, and the guiding light for effective creativity at Diageo. It is significant that the big stories about brand purpose came with pounds, dollars and euros attached. Marketing leaders argued

that brands with purpose in their portfolios were growing up to 50% faster than those without this being applied rigorously. However, perhaps the key trend that emerged in this area was for brand purpose to be closely aligned to category and product and less framed around pure altruism.

Why you must stay true to your brand

In an industry transfixed by a conversation about the power of data and artificial intelligence, it was uplifting to be reminded at Cannes about human intelligence and the power of emotionally-driven thinking. Celebrated photographer Mario Testino inspired the audience with some simple truths. He said that it is easy to forget that following your own instincts is fundamental and invariably leads to better results. He stressed the importance of authenticity, staying true what you believe and being consistent in

everything you do. His advice for brands is that if you believe in something then you must stick with it - people may dismiss your ideas, but when they do they are invariably displaying their own "insecurities, conservatism and lack of vision". This focus on authenticity was echoed at Publicis Media's Transform session, with US radio personality Ryan Seacrest in conversation with singer Halsey. She described how she built up her online fan base by developing her own personal brand and staying true to this throughout.

What should brands do next?

The key to successful brand purpose is to isolate your role in a realistic way. What is the cultural territory that surrounds your product's functional role? What value exchange can you create with consumers that is relevant, emotionally engaging and enduring? A brand purpose and brand purpose work should not automatically draw you into CSR and altruism. It should simply afford you a point of view - this is something people increasingly expect from brands and marketing. And authenticity goes hand in hand with purpose. Once you stand for something that is credible and resonates on an emotionally level, you need to stay true to that authentic message and voice.

The Big Targeting Debate

During the week at Cannes, we saw many speakers explore the importance of context and the quality of environments as a counterweight to the march of targeting and automation. Evidence to support the arguments in favour of context could be seen from WARC's Top 100 Campaigns of 2016, from Diageo's brand purpose cases, and from the points made by neuro-scientist Beau Lotto who argued that without a full appreciation of context all data is meaningless. Unilever's Keith Weed explained how the company is driving growth amongst its 'Sustainable Living Brands': Unilever's approach is to be clear on the business task and then to identify environments in which to bid for attention. The clear message from Cannes for fast growing brands is to care more deeply about cultural and media contexts - a swing back from a commodity-audience-driven approach.

Targeting and automation were also debated at a lunch seminar organised by Campaign, where a range of experts from different disciplines shared their perspective on where programmatic would go next. While the discussion could have been a deep dive into brand safety and viewability, the collective view was that the industry needs to reimagine the model based upon 'programmatic' sitting at the heart of consumer-experience planning.

There was real consensus that the creative process and creative brief need to urgently change so programmatic can move from tactical conversion activities and be exploited to its full ROI potential. Marketers expressed their frustration that creative teams refuse to 'get' programmatic and there was broad agreement that a new collaborative process is needed for briefing and new teams introduced - maybe at the media agency - to execute.

The targeting debate took a different turn at a seminar called "State of Geolocation Art", which sought to refocus our attention on the role that geolocation data can play in media. It has become clear over the past few years that geolocation technology presents all kinds of opportunities for brands today, no matter their size or scale. Knowing the location of people allows brands to attract new customers, retain existing ones and increase brand presence at relevant points in time.

However, realising the promises of geolocation technology presents certain challenges. According to a study from PlacelQ, 70% of the publicly available data on media exchanges around geolocation data is considered to be of poor quality. And then there is the privacy issue of brands making

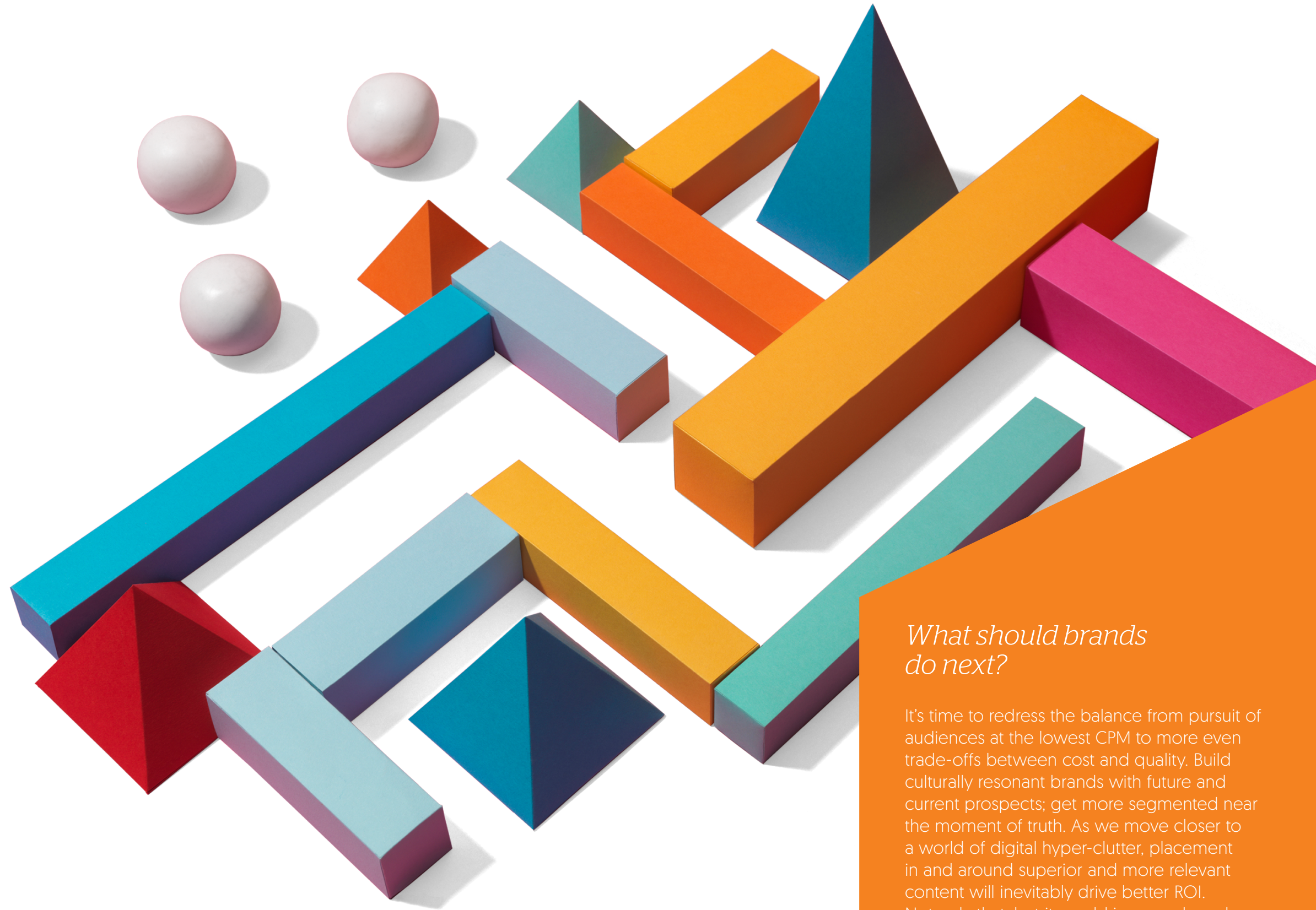
unwelcome intrusions into people's lives. These challenges do not detract from the scale of the opportunity with geolocation, but marketers need to think about how they can collect their own geolocation data to build a pool of quality first party data.

And then to the issue of segmentation. During Cannes Lions, the case both for and against precision targeting was made by leaders from brand owners such as Diageo and Unilever. The consensus was that a segment-driven approach to marketing makes sense both from a consumer experience and an ROI perspective. Facebook said it gains an average x3.5 uplift from the deployment of its custom segments and dynamic creative. And Professor Michal Kosinski a Professor at Stanford Graduate School of Business explained how micro-segmentation in social media was key to the Brexit and Trump teams winning their political social media



battles. However, we also heard some more traditional arguments for reach-based planning and the value of 'wasteful' mass targeting from the Ehrenberg Bass Institute. Accelerated brand growth clearly requires a careful balance of broad communications that set a brand in culture complemented by more segment-driven approach that ultimately seeks to personalize the story.

This argument boils down to the balance between long-term brand building and short term performance measures. Brands are built in culture and culture does not reside in micro-segments. In order to create desire for brands we need to reach more than just immediate prospects to ensure that purchasers receive the social affirmation they often crave. However, we would be crazy not to build a more relevant and personalised dialogue with hot prospects.



What should brands do next?

It's time to redress the balance from pursuit of audiences at the lowest CPM to more even trade-offs between cost and quality. Build culturally resonant brands with future and current prospects; get more segmented near the moment of truth. As we move closer to a world of digital hyper-clutter, placement in and around superior and more relevant content will inevitably drive better ROI. Not only that, but it would improve brand safety. And it is clear brands need to focus on programmatic marketing as a new form of storytelling, in addition to the focus on getting the technical stuff right.

Automation Takes Centre Stage

Machine learning is everywhere

It was impossible to go for more than an hour in the Palais without attending a seminar during which machine learning was cited as a key driver of transformation. We saw machine learning solutions to topics as diverse as mapping pictorial themes for art historians and improving the civility of online forums from Google. A topic that was barely mentioned two years ago has now become mainstream and is replacing human 'craft skills' and intuition throughout the industry. Machine learning is clearly emerging as a key tool for ambitious brands and not just for measurement but for planning also.

What was clear from Publicis Media's *Transform* seminar at Cannes Lions is that AI is firmly embedded in the roadmap of big global media players and of global advertisers. Facebook is already fully embracing the power of AI, whether it's to support its advertising product or their users, through the M assistant for Messenger. Global advertisers such as Coty are exploring AI to improve customer experience through product finders or product advice. It's clear that marketing machine learning and AI go well beyond advertising, and have huge potential to build rich and valuable brand experiences.

And this reach beyond advertising clearly impressed the juries at Cannes this year. AI - especially in the form of IBM Watson - was a key factor in the success of a significant number of the award entries. IBM Watson in its many forms adds what Thomas Friedman author of *The World is Flat* calls invisible complexity in marketing communications that allows magic to happen.

In its Dear Media campaign, Dove noticed that the media spent more time objectifying female athletes competing in the Olympics than it did celebrating their success. So Dove used Watson during the Olympics to identify when the media disrespected these athletes and built a socially-based multimedia campaign around calling them to account.

Spanish broadcaster EITB built *Journalist*, a Shazam-type app to address fake news. When hearing potentially fake news, people were encouraged to switch on an app that used IBM Watson to find the six most differing views from numerous news sources - ensuring the user gets to choose the truth.

And, Oculus teamed up with IBM Watson for its *Fall in Love* campaign, which demonstrated the emotional power of combining AI with VR. Oculus and IBM created an immersive experience based around 34 questions to make you fall in love - quite literally leading users to fall in love with a virtual robot. In a

world, where shopping experience is going online, this demonstrates what a future store assistant might be like.

The Rise of the Robots

Robots and artificial assistants were also the topic du jour in the seminar rooms. IBM Watson presented its vision of what public transport could look like in the form of Oli, a 3D-printed bus (for 12 people) aimed squarely at the transport needs of the likes of universities and campus-based businesses. Oli is completely autonomous and contains no driving equipment as per a normal bus. However, unlike a boring robotic bus, through the use of advanced AI, Oli can sense and understand



each and every person, 'seeing them' and adapting to them based on age.

Oli can therefore provide different routes and experiences based on the demographic makeup of the people he is picking up, adding new routes, adapting driving speed, and giving "human-like" advice on popular

restaurants, bars, sights and so on. Brands will be able to use AI agents like Oli to tailor personalised brand experiences, and passively learn from users' appearance and unconscious signals as well as their active input – giving them different experiences according to their mood.

What should brands do next?

We see a real imperative for brands to start exploring the potential behind artificial intelligence to augment their marketing capabilities and increase their data analysis capabilities. However, this cannot happen without companies taking a deep look at their data strategy, identify areas for improvements and implement the relevant changes to ensure they are data ready for the future world of artificial intelligence.

At the outset, brands need to isolate the potential tasks that big data - properly analysed - could help them with. The obvious starting point is to unleash machine learning on attribution modelling in the digital space. At Zenith we have had great experience of the efficiency benefits that this can offer, with our proprietary machine-learned algorithm plugged into the Google tech-stack. However it is clear that machine learning can power insight gathering earlier in the process and the optimisation of consumer experience further downstream.

Collect Data, Think Human

The problem with data

It's almost impossible to have presentations on the creative potential of AI and other areas of technology, without talking about the data that is fuelling them. In the session *Can you trust your data?* Kristin Lemkau, CMO of JPMorgan Chase, said that her job has become part technologist, part data scientist. She spoke of the need for brands to understand their technology stack in greater detail. And she called on global advertisers to continue challenging the quality of both data and digital marketing. JPMC is a leading advocate of paying for quality instead of focusing on the lowest CPMs.

The issue of data and data interpretation was the basis for the presentation by Dan Airely, Professor of Psychology and Behavioral Economics at Duke University and the author of books on behavioural science such as *Predictably irrational*.

What Dan showed the audience neatly is that presenting humans with information does not change behaviour. Countless experiments into human behaviour show that we post-rationalise our decisions and that we will often argue vociferously to support choices that we didn't actually make during tests. We also succumb easily to blind taste tests downgrading our preferred choice from premium to basic brands. People are 'cognitive misers' and will put off action for as

long as possible and follow the path of least resistance in making choices.

So how should brands manage this? Branding can shape behaviour in the long term by building meaningful and consistent memory structures. Brands must focus attention on their ownable and recognisable assets and ensure that they are deploying and refreshing them as a priority.

WARC picked up the data conundrum in its *Has creativity lost its ability to sell?* seminar. Data is, and has always been, a wonderfully powerful insight tool and we've never had so much of it. However WARC – and other speakers at Cannes Lions – argued that we must never forget to listen to our intuition and question the data – question whether we feel that what it is telling is really correct.

Unfortunately, many in the business world do not place enough importance on emotions and intuition and will turn to data to influence or derive foundation with every decision. WARC said that Great leaders in history were not people who used spreadsheets to convince a sceptical audience of their views. They argued another way - from their own base of credibility and conviction. Nobody is doubting the importance of data, but we must never lose sight of the incredible power of intuition and listening to our gut.

Remember we are humans

Cannes was treated to several inspirational sessions on the fallibility of peoples' own perception and how everything we see and do is based on our own bias built up through previous experiences. In fact according to Beau Lotto, Professor of Neuroscience at London Goldsmiths College, our brain is the physical manifestation of all our past experiences. This has huge implications for the way we understand the world around us and more importantly how we describe why we do the things we do. According to Beau, this is the reason that questionnaires don't work as they express the aspirational view that people have of themselves and not reality. The big point here for brands is that in order to change people's perception we need to first change their assumptions.

While many presenters at Cannes were falling over themselves to focus on the next big thing - from AI to VR - it was clear that there was a counter movement this year, moving away from fascination with the tools of the trade, to focus on the audience. And the message wasn't just about the fallibility of human behaviour - creating data

interpretation problems for all of us - it was about the need to remember that target audiences are real people.

In the sessions from R/GA in the Palais and Ira Glass speaking at the Publicis Media seminar, it was refreshing to see a relentless focus on people and their problems, rather than what technology allows us to do. Innovation in particular is obsessed with finding new technology and using this as the centre of the briefing process, so it was very positive to see examples of mobile-first banks that are designed to serve the needs of younger consumers, and to see how entertainment can be formulated to delight people and to help brands tell better stories. The message that came across loud and clear was that as an industry, we need to spend more time empathising with consumers. Yes we must use data, but also observation and imagination to really understand people's needs and use this as our true north. We absolutely need to be aware of the latest technology and what it makes possible but our focus must be on leveraging this to serve people.



What should brands do next?

Brands - and other parties in the industry - need to work hard to better understand and use data. This requires investment in and better use of technology to unlock the potential of data. Brands then need to work with their agency partners to build capabilities that are focused on quality and experience, not just reach. We must remember that audiences are real people. Our use of data and technology is there to help us really understand people's needs. And we have to be very careful with our interpretation of data. Behavioural economics and science show us that decision-making is driven by unseen and often implicit forces. Therefore brands needs to view consumer's claimed responses to questions of why they do things with scepticism. Before you try to answer a problem, stop and try to question each assumption you have. Don't shift to the next logical conclusion, expand on a new assumption. Have humility to understand that your perception is unique and biased, and there are many other answers.

Invest in the Future

Place your bets carefully

Unsurprisingly, there were a lot of experts at Cannes claiming to see into the future and advising brands where to focus resources and attention. With so many people pointing the way forward, the smart marketer has to place their bets carefully. Here are three areas of future focus that Zenith believes make a lot of sense.

Firstly, focus on business transformation. Facebook gave a great insight into its business transformation process. Five years ago, Facebook was a brand built for desktop. It knew that the future was mobile and that their platform was not fit for purpose. The company accepted that a fundamental rebuild was required. For one year Facebook 'code froze' (unheard of in Silicon Valley) delivering no product updates to their desktop platform and focusing all their efforts on building a mobile Facebook from the ground up. Today Facebook is a platform built for mobile and has 1.9bn users, 90% of whom access Facebook via a mobile device. Facebook's message was clear: look at the future, assess where your business is going, make tough decisions about change and stick to them.

The second area of future focus is directly related to the first: invest in the mobile future. Facebook was not alone in telling delegates at Cannes about the need to move to mobile.

While the importance of mobile has been talked about for several years, it's clear that some brands are not doing all they should in their transition to mobile. The presentation from Facebook Blueprint acted as a stark reminder of the importance of thinking mobile first creativity. Formats available on Facebook are evolving fast with a focus on shorter formats (down to six seconds for example), more immersive formats (e.g. 360 degrees) and vertical videos. All three have a dramatic impact on brand storytelling and creative production. Advertising assets are still being distributed on Facebook with none of these new considerations being taken into account, obviously resulting in low view-through rates and engagement.

The third area of focus is invest in diversity... and diversification. The theme of diversity was pulled through in various forms be it talent in an organisation, abandoning the traditional for more provocative story-telling or looking to new platforms and technologies to propel one's business ahead of the rest. Unilever CMO, Keith Weed, spoke about the importance of embracing diversity by "unstereotyping" advertising as one of the top three things that keep him up at night. Data points around ads that were deemed more progressive were 25% more effective than their traditional counter-parts. With the wealth of data available to all

marketers, we have the ability to profoundly understand what messages resonate where or if we are missing a trick by putting assets to market that lack a unique human face or story line. When looking to our future, diversifying assets and story-telling to live in an AI, VR and dynamic digital story telling world with people and themes that push the envelope are worth testing out. Small but bold acts can deliver insights that when we get right will deliver back business value.



A warning note about the future

One of the highlights of many great sessions at Cannes was 30 minutes of L2 founder Scott Galloway, informing us of the fact that, apparently, brands and the media industry are doomed. He pronounced that the 'oligopoly' formerly known as the 'Four Horsemen of the Apocalypse' – Google, Facebook, Apple and Amazon – are going to wreak even more disruption than he had previously predicted.

Here are some choice 'doom-bites' from Scott. First up he compared the four to vital organs in the body. Google is the brain and has replaced the supreme being of many faiths. Apparently one sixth of questions asked to Google have never been asked before. Our appetite for divine enlightenment is ever growing. Facebook is love, bringing empathy and connections to our lives. These represent the most important drivers of longevity above genetics and lifestyle, according to Scott.

Apple is sex. It is a way for men to demonstrate their suitability as mating partners by displaying their Apple wares. Make no mistake: Apple is a luxury brand now. It has an iconic founder, is sold in retail temples and uses press and poster ads. Apple's profit margin sits between Hermes and Ferrari right now.

Last and not least – in fact, last and most scary – is Amazon. Scott believes that Amazon is going after a whole range of sectors: distribution, retail, media content and advertising. Take this astonishing fact: Amazon Prime has signed up 55% of all US households, compared to only 44% who own a gun and 55% who vote. Amazon's content budget for 2017 is \$4.5bn, second only to Netflix with \$6.0bn. Scott believes that Amazon is killing value for brands -

voice activated Amazon search will be the killer. According to Scott, all roads will lead to Amazon own label no matter how many times you protest and ask for your favourite brands.

On a more cheerful note, Scott isn't always right. In fact he can get it very wrong. Last year he predicted Amazon was in trouble as it didn't have any stores. However, the big point looks pretty unassailable. Making the oligopoly work for brands is a challenge of enormous proportions for brands.

What should brands do next?

Business transformation: Have a vision of the future of top-line growth and align the business behind it. Have the courage of your convictions - however disruptive in the short term - and stick to the plan.

Mobile future: It may seem obvious, but plan, invest and restructure for the mobile future. Form a creative/asset perspective, platform thinking needs to be integrated early on in the creative process so creative assets become fit for purpose based on the platform on which they will be distributed.

Diversity and diversification: Embracing diversity in all areas of our business is going to be critical. Diversifying assets and storytelling is going to be increasingly important. Brands are well advised to devote a percentage of their budget to innovation, so they can embrace new platform and assets...and drive ROI.

About Zenith

Zenith is The ROI Agency. We blend data, technology and brilliant specialists to scout out new opportunities, solve complex challenges and grow our clients' businesses. Zenith is part of Publicis Media, one of four solution hubs within Publicis Groupe [Euronext Paris FR0000130577, CAC40], and has offices within Publicis One. We have over 5000 brilliant specialists across 95 markets. We are experts in communications & media planning, content, performance marketing, value optimisation and data & analytics. Zenith works with some of the world's leading brands including Aviva, Coty, Kering, Lactalis, L'Oréal, LVMH, Nestlé, Nomad Foods, Oracle, RB, SCA, Sanofi and 21st Century Fox.

