

For: CMOs

# Brand Experience Redefines Brand Management

by Tracy Stokes, September 3, 2014

## KEY TAKEAWAYS

### **Reports Of The Death Of The Brand Are Exaggerated**

Brands matter more than ever in today's complex cluttered world of constant distractions. Brands simplify choices for consumers who are overwhelmed with too much information. Brands help marketers build a sustainable relationship that transcends easily mimicked features and benefits.

### **Command-And-Control Brand Management Is Untenable**

Old-school "single point of control" brand management principles were created for a pre-digital age. In today's post-digital era, most customer interactions with brands come from sources outside of a brand manager's control -- such as user-generated content, ratings and reviews, and social chatter.

### **CMOs Must Lead A Connected Brand Experience**

CMOs must reimagine how their customers are exposed to and experience their brand. They must lead the charge across their organization to create a connected experience that will delight customers wherever they interact with the brand -- be that on air, online, or in a store.



# Brand Experience Redefines Brand Management

Vision: The Brand Experience Playbook

by [Tracy Stokes](#)

with [Moira Dorsey](#) and Elizabeth Perez

## WHY READ THIS REPORT

In the age of the customer, chief marketing officers (CMOs) battle to build their brands with distracted, technology-empowered consumers. In this new era, CMOs must shift from simply managing a brand to leading the new brand experience — and from a company-centric mindset that regards brands as a controllable asset to a customer-centric view that focuses on creating an emotionally resonant brand experience that transcends product and service transactions. To lead this new brand experience journey, CMOs need three navigational aids: a clear brand North Star, a trustworthy brand compass, and a new map of the connected brand experience. This report sets the vision for CMOs discovering how to lead the brand experience. This report is an update to “Brands Must Adapt To Customers’ Higher Standards,” originally published on August 20, 2012.

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## Related Research Documents

[How To Build Your Brand Through Customer Experience](#)

May 6, 2014

[The Convergence Of Brand, Customer Experience, And Marketing](#)

January 14, 2014

[Navigate To A 21st Century Brand With The TRUE Brand Compass](#)

July 8, 2013

## BRANDS MATTER MORE THAN EVER IN THE AGE OF THE CUSTOMER

Brands continue to be crucial in today's complex cluttered world of constant distractions. While multitasking inattentive audiences diminish the effectiveness of ads, the power and purpose of a brand remain critical. CMOs should understand why:

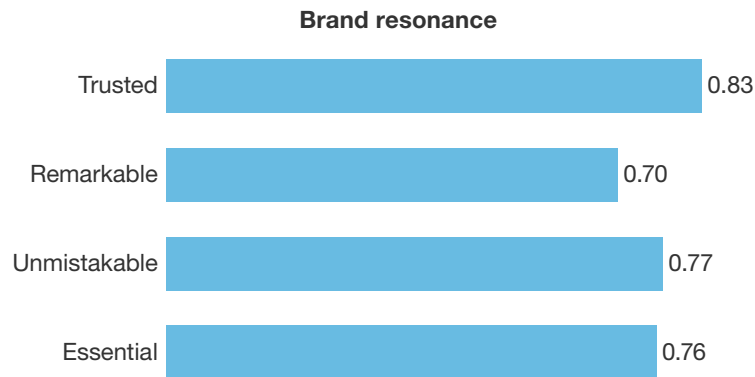
- **Simple brand stories help consumers make sense of all the noise.** In a world of information overload, the role of the brand as a shortcut when making daily product and service decisions becomes more critical than ever. Consumers can take advantage of a huge range of product information and choices when researching everything from electronics to events; 64% of US online consumers conducted online research before making a purchase in the past three months, and 54% have done so on a mobile phone.<sup>1</sup> But this excess of information actually impairs decision-making and causes greater consumer dissatisfaction.<sup>2</sup>
- **Brand relationships transcend commodity product features and benefits.** The four classic marketing P's — product, price, place, and promotion — are now the price of entry, not a source of competitive advantage. Consumer needs and behaviors are changing so rapidly that brands that define themselves by their product offering alone will become obsolete. Leading firms are making a consumer connection through their brands, not just the products or services they sell. Sports brand Mizuno USA is building its brand and consumer relationships in the US around the idea that “the world would be a better place if everyone is engaged with sport” — bringing it to life via the inspirational “What if everybody ran” campaign, including a partnership with Back on My Feet, a nonprofit organization that helps people get back on their feet through running.
- **Powerful brands deliver financial returns.** Firms commonly report their brands as intangible assets on their financial books because myriad brand studies show that strong brand names are also strong financial performers. Millward Brown analyzed the stock market performance of brands in its BrandZ Top 100 Global Brands versus those of the S&P 500; BrandZ brands outperformed the S&P 500 by 36 percentage points between 2006 and 2013.<sup>3</sup> Interbrand's research shows that successful, well-managed brands achieve greater growth than the rest of the economy with less risk. Brand firm Lippincott analyzed thousands of brands and found a correlation between firms that deliver successful and aligned experiences with financial metrics like sales and share and stock growth. Siegel+gale found that business-to-business (B2B) decision-makers are 10% more likely to consider brands that consumers know and feel connected to; the 10 most connected brands delivered 27% higher stock market growth versus the 10 least connected brands.<sup>4</sup>

## Consumers' Expectations Of Brands Have Changed

In 2013 and 2014, Forrester asked consumers about 100 leading brands across 10 vertical sectors, such as food and beverages, health insurance, media, and retail.<sup>5</sup> This research uncovered that consumers now expect more from brands. Our advanced analytics reveal that brands that resonate with consumers are considered trusted, remarkable, unmistakable, and essential (TRUE) (see Figure 1). To meet these greater expectations, brands must:

- **Create an emotional connection to build brand resonance.** Emotional connections create a long-lasting relationship with a brand that goes beyond features and benefits. A TRUE brand has an emotional connection with consumers that protects it from competitive threats and price discounting. We call this brand resonance. Professor Kevin Lane Keller defines brand resonance this way: It is when consumers “feel a connection or sense of community with the brand and they would miss it if it went away.”<sup>6</sup> GoKart Labs’ Jim Cuene believes that “at its core, brand building creates intense emotional connections between humans and the brand.” Craig Landry, vice president of marketing at Air Canada, notes that brands today have to “reflect customers’ values and engage with them on a more human and personal level.” And brand measurement firm Millward Brown has developed a neuroscience practice to better understand how emotions trigger brand choices.
- **Become a trusted and essential part of customers’ lives.** Of all the four TRUE dimensions, trust has the strongest independent impact on brand resonance. Consumers must trust a brand to deliver the experience they expect. A trusted brand must be transparent and accountable for its actions. Successful brands make trusted connections with consumers on an emotional level, generating a bond based on goodwill and credibility. Allen Adamson, North America chairman of Landor Associates, believes: “Trust is mission-critical. If you don’t have it, nothing else matters.” To further cement their brand in their customers’ lives, CMOs must then build on that trust to ensure that they become an essential part of customers’ lives.
- **Break away from the competitive pack by being unmistakable and remarkable.** Being remarkable — i.e., a brand that people talk about — and being unmistakable — i.e., the only brand that does what it does — act as booster metrics to being trusted and essential. They help brands differentiate from their competition. Rick Wise, chief executive officer (CEO) of Lippincott, notes that brand building today is about “the experiences you deliver and how they are unique and differentiated.”

**Figure 1** TRUE Dimensions Drive Brand Resonance



Base: 4,575 US online adults (ages 18 to 88)

Note: Data shows correlation of TRUE brand dimensions with brand resonance.

Source: Forrester's North American Technographics® TRUE Brand Compass Survey, Q1 2013

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Source: Forrester Research, Inc.

## BRAND EXPERIENCE IS THE NEW BRAND MANAGEMENT

More than 80 years ago, Procter & Gamble (P&G) pioneered a command-and-control style of brand management that still guides many organizations today.<sup>7</sup> But P&G conceived this approach before even TVs had made their way into consumers' homes; it is untenable in today's multichannel always-on post-digital era. Firms need a new mode of brand leadership because:

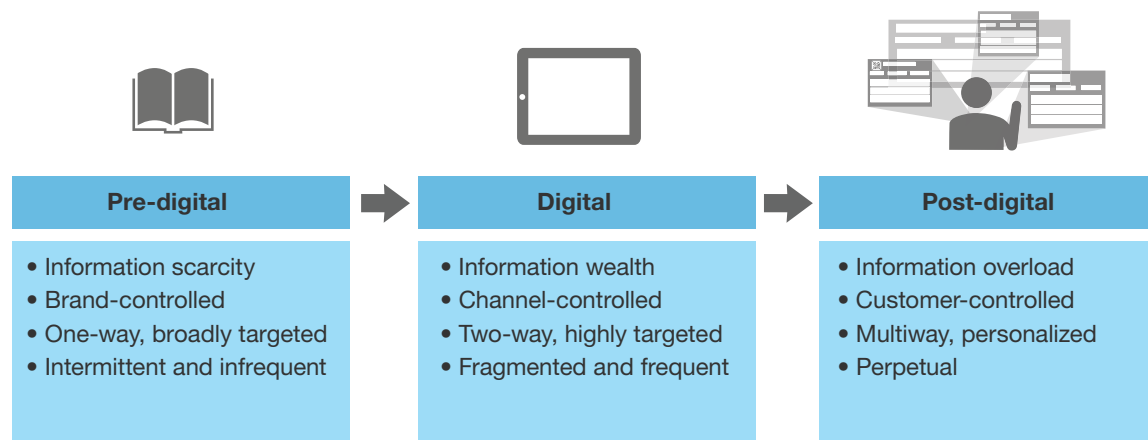
- **Digital brand disruptors don't play by old-school brand management rules.** In the past decade, a new breed of digital-native brands has emerged that threatens incumbents hampered by legacy thinking.<sup>8</sup> In the past, brand building giants like P&G and Unilever competed head to head, each following the same brand management playbook and locking out newer brands that lacked the deep pockets to fund product development, extensive customer research, and media channel domination. But today, brands like PayPal, Uber, and Warby Parker have created a new brand experience where digital is a way of thinking, not a channel to be managed.<sup>9</sup> Unencumbered by a history of institutional thinking, siloed structures, and brand fiefdoms, these new brands focus on providing what Tesla Motors and PayPal co-founder Elon Musk refers to as an experience based on "first principles" to serve their customers' needs.<sup>10</sup> Warby Parker co-founder Dave Gilboa started the firm "to be a pretty disruptive company and challenge convention."<sup>11</sup>
- **Brand interactions have shifted from controlled to chaotic.** In the pre-digital world, communications between brands and consumers involved infrequent one-way messages that brands pushed out (see Figure 2-1). But in the post-digital era, we see perpetual multiway conversations between a brand and its customers.

The balance of interactions has tipped from being primarily brand-controlled, such as using a product or seeing an ad on TV, to being predominantly chaotic and customer-controlled, such as posting reviews on retail websites, posting your experiences on Facebook, or reading tweets or reviews of a complete stranger's experience (see Figure 2-2). And these third-party interactions carry a lot of weight: Online consumers are more likely to trust a recommendation from a friend, a professional, or a consumer review than a TV ad (see Figure 3). As Lippincott's Rick Wise notes, "Brands are increasingly built on what other people say about you."

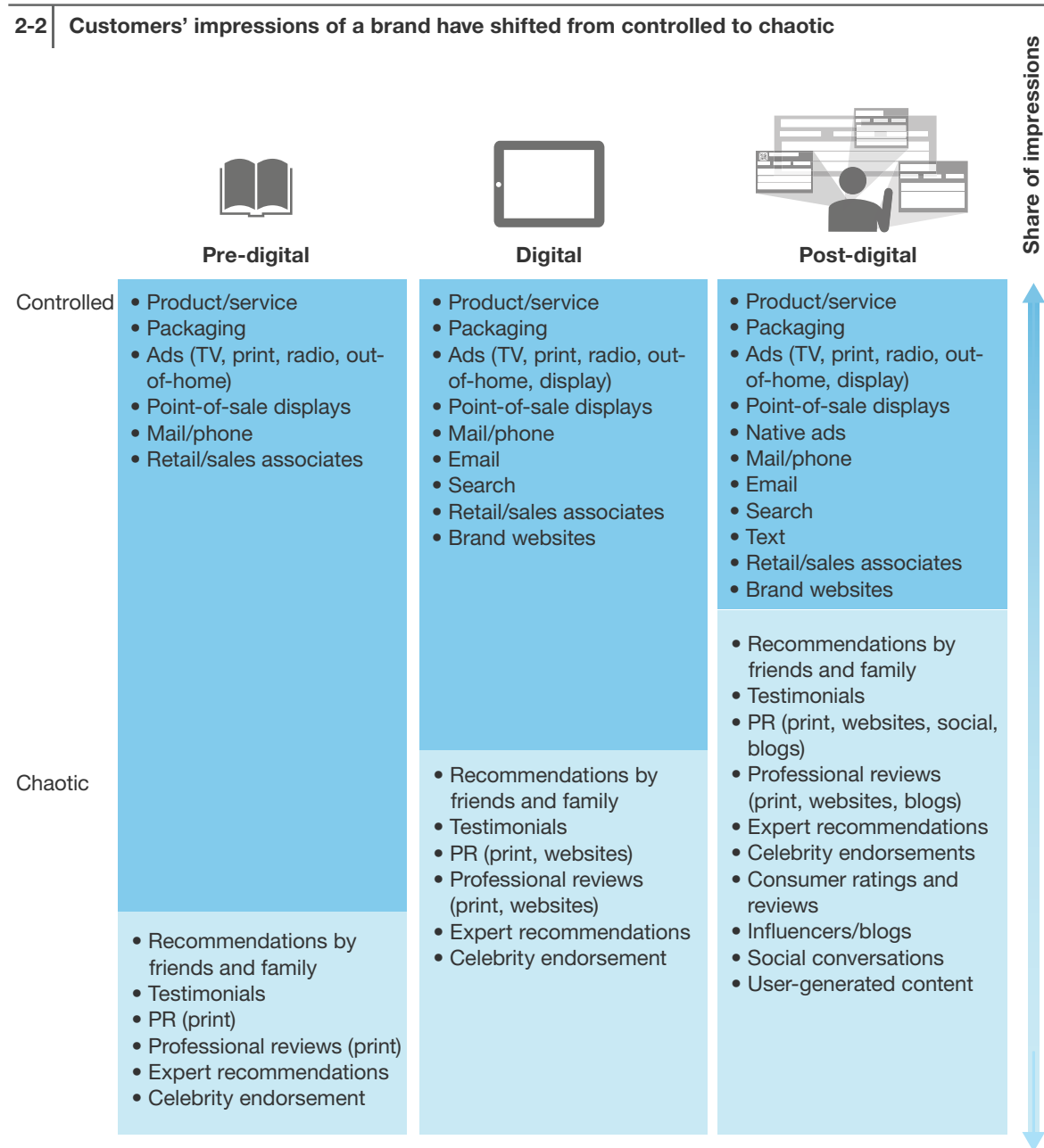
- **Unfettered fragmentation results in transactions, not relationships.** Marketers face a difficult task. They can no longer secure customers' full attention, as most consumers are multitasking across online and offline devices; 58% of US online adults multitask on one or more connected devices at the same time, at least some of the time.<sup>12</sup> To follow their customers across these devices and meet their multiple online and offline channel needs, marketers need to slice and dice their budgets.<sup>13</sup> These fragmented budgets, coupled with consumers' fragmented attention, undermine brand building because they create multiple mini transactions rather than sustained relationship building interactions — resulting, ultimately, in a fragmented and weakened brand.

**Figure 2** Customers' Experiences With A Brand Have Shifted From Controlled To Chaotic

**2-1 | Post-digital is characterized by perpetual customer conversations**



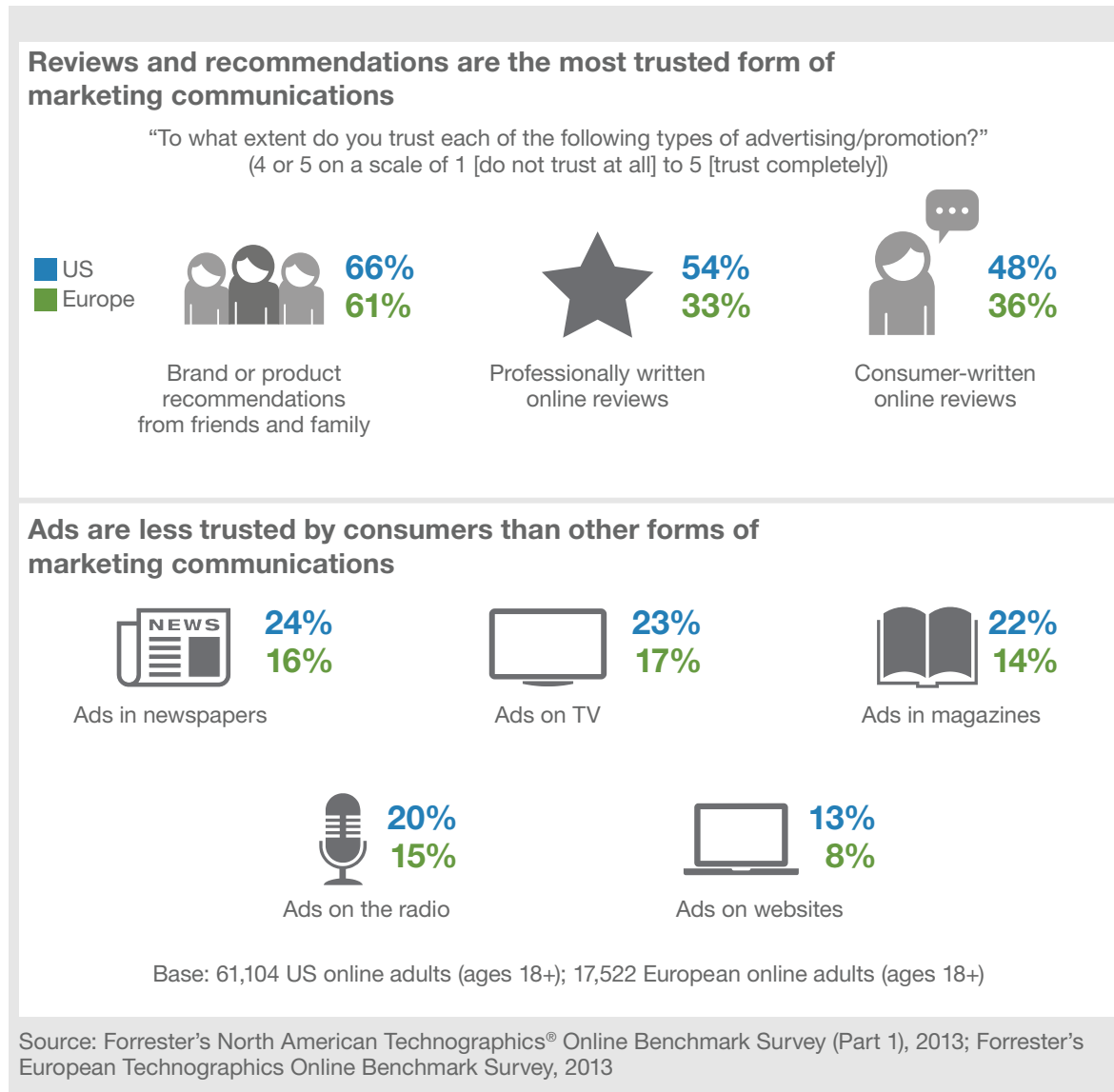
**Figure 2** Customers' Experiences With A Brand Have Shifted From Controlled To Chaotic (Cont.)



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Source: Forrester Research, Inc.

**Figure 3** Brand Reputation Is Built On Word-Of-Mouth Recommendations



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Source: Forrester Research, Inc.

## Shift From Managing A Brand Asset To Leading The Brand Experience

A brand is ultimately a promise to the customer. Today, this promise is delivered by all the experiences that a consumer has with a brand across all touchpoints; in the post-digital world, these interactions are now broader and more pervasive than ever before. Forrester defines the brand experience as:

*The sum of all the impressions, beliefs, and expectations that a customer has of a brand, including direct interactions, messaging, and peer conversations.*

Marketers must shift from the command-and-control style of traditional brand management to a more inclusive leadership of the brand experience because (see Figure 4):

- **Brand management is company-centric.** Traditional brand management is a marketing approach that operates with the mindset of tightly controlling the brand as an asset. It stems from a world where brand marketers dictated communications at every touchpoint — from product packaging to print and point of sale. But such control is untenable in today's world of consumer-created content. In 2013, confectionary giant Ferrero seemed out of touch with its consumers when it issued a cease-and-desist order to shut down a loving fan's creation of World Nutella Day that infringed on the brand's trademark for the hazelnut spread.<sup>14</sup>
- **Brand experience is customer-centric.** The new brand experience is a more holistic approach that builds a relationship through every touchpoint — from TV screen to customer service. Scott Davis, chief growth officer at brand firm Prophet, believes that today “consumers have to be part of the brand building process.” Global powerhouse Coca-Cola pointed the way for this new brand mindset when it adopted a fan-created Facebook page as its own.<sup>15</sup> The beverage maker continues to celebrate its consumers' love for the brand by sharing their stories to show “how people from around the world have helped make Coke into what it is today.”<sup>16</sup> And in a recent first, it created a teen-targeted TV spot, “This Is AHH,” comprising only fan-created videos of people enjoying a Coke.<sup>17</sup>

**Figure 4** Shift From Brand Management To Brand Experience

		Manage a brand	Lead the brand experience
Mindset		Company-centric; control brand as an asset	Customer-centric; create a customer-brand interaction
Primary objective		Push products	Create a brand experience
Communications		Brand-controlled one-way push messaging across paid media (e.g., ads, email)	Customer-controlled conversations across paid, owned, and earned media (e.g., social, user-generated content)
Frequency		Campaign-driven, rigid timelines	Holistic, always-on, and adaptable
Participation		Marketing department	Organizationwide effort
Measurement		Acquisition, behaviors (e.g., awareness, consideration), revenue growth	Lifetime customer value and emotional resonance (e.g., trusted, essential), revenue growth

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Source: Forrester Research, Inc.

## Build A Brand Experience That Creates Visible Value

Making a good product is no longer sufficient, as customers can quickly find competitive offerings that match your own. To build an emotional bond, marketers must go further and create visible value that delights customers. In this new era, brand experience:

- Delivers value that goes beyond the sale of a product or service.** Leading brands are recasting their brand proposition that starts and ends with their customers' needs and experience. Dell is rebuilding its brand to "enable customers everywhere to grow, thrive, and reach their full potential." Monique Bonner, vice president of global marketing at Dell, told us that the technology firm focuses not on selling products but on improving customer outcomes by being a resource for its customers during their decision-making process. One example is its nurturing program, which uses technology platforms like Eloqua and Oracle's Real-Time Decisions (RTD) for rule-based interactions that direct relevant content from its 15 customer content streams — on topics such as cloud, security, or tablets — based on a customer's needs. The nurture program delivers business results, with twice the level of conversion from lead to opportunity versus Dell's own standard metric and 23% higher average order value, producing "astronomical" growth in its pipeline.

- **Sets the tone for customer experience.** Customer experience is a subset of the brand experience; it is a critical touchpoint that must deliver on the brand promise.<sup>18</sup> But brand experience goes further.<sup>19</sup> When Vistaprint set out to transform itself from a transactional eCommerce site to a global brand, it expanded the role of then North American CMO Trynka Shineman to include that of chief customer officer as a signal to the company of the importance of forging a greater connection between the brand promise and the customer's experience of the brand. Delta Air Lines has created a brand experience that goes beyond the flight itself. While all airlines have the same terminals and planes, Delta creates a more personal and differentiated experience — from in-app check-ins and flight changes to experimenting with bringing a lounge directly to the gate at LaGuardia Airport.
- **Delivers a personalized experience through new touchpoints.** Marketers can now interact directly with their customers in ways they never could before. Beauty brands are experimenting with software that brings personalized experiences directly to their customers without the intermediary of a store.<sup>20</sup> L'Oréal's new Makeup Genius app turns a consumer's iPhone or iPad camera into a makeup mirror that allows customers to virtually try on more than 300 cosmetic products or try one of 16 curated looks like "smoky eyes."<sup>21</sup> Guive Balooch, global director of L'Oréal's Connected Beauty Incubator, notes, "We are moving more and more toward service, personalization, [and] customization."<sup>22</sup>

## CMOS MUST CREATE A CONNECTED BRAND EXPERIENCE

Today's CMOs must lead their organizations' shift from a two-dimensional world of outbound marketing communication vehicles to a multidimensional experience that encompasses every interaction a customer has with a brand.<sup>23</sup> Three navigation aids will guide you in this brand experience journey (see Figure 5):

- **Pinpoint your brand's North Star to guide your brand experience journey.** The strongest brands always have a clear direction that guides every employee who affects the brand experience — not just marketing but also research and development, engineering, customer service, and sales. We call it the North Star.<sup>24</sup> Intel's North Star is "enriching the lives of people through technology"; it creates shared experiences that follow this principle, such as providing the technology to follow UK adventurer Ben Saunders as he became the first person to walk from the Antarctic coast to the South Pole and back. To determine your own brand's North Star, you need to articulate what your brand stands for: It should be grounded in your brand heritage but stretch to encompass your future aspirations; it should be honest (true to who you are), inspiring (for the whole organization), strategic (tied to your business needs), and concise (just seven words or fewer).
- **Navigate the brand experience using the TRUE brand compass.** To follow your North Star, you need a compass. But instead of heading north, south, east, and west, our compass guides your brand experience so that it is trusted, remarkable, unmistakable and essential (TRUE).

Trusted brands are transparent and accountable for their actions and deliver the experience their customers expect. Remarkable brands create innovative, unexpected, or delightful experiences that inspire conversation. Unmistakable brands create unique consumer experiences. And essential brands offer experiences that are integrated into consumers' lives. Method created an unmistakable brand experience in the highly competitive yet low-interest cleaning category by integrating design and environmental brand values across all touchpoints and providing beautifully designed, sweet-smelling, environmentally friendly, and high-performing products.

- **Create a new MAP of the brand experience.** Old brand maps were linear — starting with the company's products. The new brand map aligns messages, actions, and products (MAP) to deliver a connected brand experience. Start with the experience you want your customer to have with your brand. Then determine what products or services you need to deliver that experience. Finally, decide on the conversations you will need to have with your customers to engage them and ensure that those conversations align with the brand experience you want to deliver. Chipotle aims to create a better food experience for its customers, guided by its North Star of "Food With Integrity." The brand delivers that experience through the use of sustainably raised ingredients for its products where possible; live events such as "Cultivate" — a free food, ideas, and music festival that fosters relationships between farmers, chefs, and musicians; and shareable thought-provoking videos like "The Scarecrow."

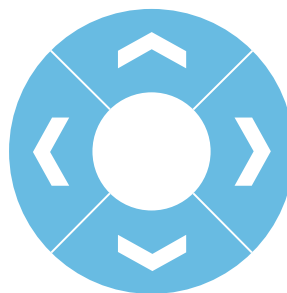
**Figure 5** Navigate Your Customers' Brand Experience



#### Brand North Star

Define a destination that is:

- Honest.
- Strategic.
- Inspiring.
- Concise.



#### TRUE brand compass

Navigate the brand to its North Star by becoming more:

- **T**rusted.
- **R**emarkable.
- **U**nmistakable.
- **E**ssential.



#### Brand experience MAP

Map the brand experience through its:

- **M**essages.
- **A**ctions.
- **P**roducts.

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WHAT IT MEANS

**CMOS WILL LEAD THE ENTERPRISE TO DELIVER THE NEW BRAND EXPERIENCE**

Enhancing customers' experience of a brand is front and center of business leaders' radar. Seventy-two percent of North American and European business leaders cite improving the customer experience as one of their top business priorities, just behind growing revenues at 75%.<sup>25</sup> The new brand experience takes it one step further. It is an organizationwide effort that will have a significant impact on C-suite leaders of every department in the firm, not just the CMO. The CMOs who succeed will employ strong influence skills and paint a vivid picture of the firm's future in order to convince their C-suite peers that they must reset their own priorities. To deliver this new brand experience:

- **CMOs will personalize the brand experience online and offline.** Digital transactions open up a plethora of new opportunities for interactions. Leading brands have their sights set on truly personalizing the experience at every online and offline touchpoint. Starwood Hotels & Resorts Worldwide's Phil McAveety, chief brand officer, is leveraging mobile technologies to personalize loyal customers' brand experience with keyless entry or room service ordering directly from a mobile phone. Air Canada has identified that the average customer has five touchpoints with the brand. It is investigating how it can leverage customer relationship management data to provide a more human touch to personalize each and every one of those touchpoints. Salesforce.com CMO Lynn Vojvodich believes that Dreamforce, the company's flagship event, is the best manifestation of the brand's mission to put customers first, thanks to the power of its face-to-face interactions. She now wants to "Dreamforce" every touchpoint along the customer journey to achieve that same highly personal connection.
- **CMOs will set evaluation criteria for CEOs to shed businesses that eschew brand expectations.** Services and products that are inconsistent with a brand's North Star will undermine brand trust and weaken brand resonance. CEOs will have to reevaluate their business portfolios to trade off revenue and brand impact. CVS stopped selling tobacco because it is inconsistent with its position as a healthcare brand, despite a potential loss of \$2 billion in annual revenue. Larry Merlo, president and CEO of CVS Caremark, explained the decision: "Put simply, the sale of tobacco products is inconsistent with our purpose."<sup>26</sup> Publishing house John Wiley & Sons is seeking to reinvent its business for the digital age by focusing on businesses where it can become essential to its customers — for example, providing career preparation and certification for accountants with the aim of becoming a trusted and essential brand for these professionals throughout their career.
- **CMOs will define customer expectations that will require COOs to overhaul business models.** For some firms, a truly customer-obsessed approach to delivering a better brand experience will require chief operations officers (COOs) to transition to a new business model. T-Mobile worked with the brand firm Prophet to identify customers' unmet wireless needs. In 2013, T-Mobile set out to win customers' business on the simple premise of becoming a customer advocate in an industry that had not always been so customer-friendly.

“Contract freedom” puts control back in the hands of the customer by jettisoning traditional lock-in contracts in favor of earning customers’ business through value-added benefits such as new phone upgrades, more data coverage, free international data roaming, and free tablet data for life.<sup>27</sup> It required a major shift in how wireless carriers traditionally make money and an unwavering commitment. T-Mobile was the fastest-growing US wireless company in the first quarter of 2014, securing 2.4 million net new users and marking its fourth quarter of consistent revenue growth. But at a cost of \$150 million in revenue, a short-term hit that it anticipates will result in long-term benefits.<sup>28</sup>

- **CMOs will convince CIOs to shift focus from cost containment to business growth investment.** Forrester believes that chief information officers (CIOs) must shift from a cost-cutting mindset to focusing on return on investment (ROI) models if they want to generate revenue growth, as the software-enriched brand era requires a fundamental change in the financial benefits of technology.<sup>29</sup> CMOs will need to work with CIOs to ensure that their customers’ expectations inform the business technology agenda. Quick-serve restaurant Panera Bread recently invested \$125,000 per store to revolutionize its customer ordering process so that it can create a better customer and brand experience by minimizing wait times.<sup>30</sup>
- **CMOs will partner with chief people officers to redefine the hiring process.** To shepherd in the brand experience requires not just new skills but also a new mindset across all departments. Human resources leaders will need to tear up old job descriptions and a kitchen-sink list of skills and experience in favor of new methods that will help them find employees with the right mindset and culture. Marketing leaders will need a customer-obsessed focus and an aptitude for change management. Employees throughout the organization must be able to embrace the brand’s North Star and their customers’ needs as their own. Online shoe retailer Zappos.com has reinvented its recruiting process to create a less transactional approach to hiring and secure a better cultural fit. It is eschewing traditional job postings in favor of evaluating potential recruits through its online community, Zappos Insiders; would-be employees are expected to network and participate in digital question-and-answer sessions and contests.<sup>31</sup>

## SUPPLEMENTAL MATERIAL

### Methodology

For Forrester's North American Technographics® Online Benchmark Survey (Part 1), 2013, Forrester conducted an online survey fielded in April 2013 of 61,167 US individuals and 5,800 Canadian individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 61,167 in the US and N = 5,800 in Canada), there is 95% confidence that the results have a statistical precision of plus or minus 0.4% of what they would be if the entire population of US online individuals ages 18 and older had been surveyed and plus or minus 1.3% of what they would be if the entire population of Canadian online individuals ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US and Canadian online populations (defined as those who go online weekly or more often). The survey sample size, when weighted, was 61,104 in the US and 5,778 in Canada. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

For Forrester's European Technographics Online Benchmark Survey, 2013, Forrester conducted an online survey fielded in May 2013 of 22,027 European individuals in the UK, France, Germany, Italy, the Netherlands, Poland, Spain, Sweden, and Turkey. This survey is based on an online population ages 16 and older who are members of the Ipsos-MORI online panel. Ipsos weighted the data by age, gender, and online frequency to demographically represent the online adult population in each country. In Turkey, the data was weighted by age and gender only. For results based on a randomly chosen sample of this size (N = 22,027), there is 95% confidence that the results have a statistical precision of plus or minus 0.7% of what they would be if the entire population of Western European online (defined as those online weekly or more often) individuals ages 16 and older had been surveyed. This confidence interval can widen to 3.1% when the data is analyzed at a country level.

For Forrester's North American Consumer Technographics Online Benchmark Survey (Part 1), 2014, Forrester conducted an online survey fielded in March and April 2014 of 58,725 US individuals and 6,341 Canadian individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 58,725 in the US and N = 6,341 in Canada), there is 95% confidence that the results have a statistical precision of plus or minus 0.4% of what they would be if the entire population of US adults who are online weekly or more often had been surveyed and plus or minus 1.2% of what they would be if the entire population of Canadian adults who are online weekly or more often had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US and Canadian online populations. The survey sample size, when weighted, was 58,583 in the US and 6,326 in Canada. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that respondents who participate in online surveys generally have more experience with the Internet and feel more comfortable transacting online.

## Companies Interviewed For This Report

ADP	Lippincott
Air Canada	Millward Brown
Dell	Mizuno USA
GoKart Labs	Prophet
iCrossing	Salesforce.com
Interbrand	Starwood Hotels & Resorts Worldwide
Isobar	Vantiv
John Wiley & Sons	Vistaprint
Landor Associates	

## ENDNOTES

- <sup>1</sup> Source: Forrester's North American Consumer Technographics Online Benchmark Survey (Part 1), 2014.
- <sup>2</sup> Harvard Business Review reports that a wide range of experiments over the past 20 years have shown that excess information impairs, rather than enhances, decision-making. And even in the pre-social-media days of 2004 — the year Facebook was created — a Yankelovich study found that two-thirds of respondents felt “constantly bombarded with too much marketing and advertising.” Source: Patrick Spenner and Karen Freeman, “To Keep Your Customers, Keep It Simple,” Harvard Business Review, May 2012 (<http://hbr.org/2012/05/to-keep-your-customers-keep-it-simple/ar/1>).
- <sup>3</sup> Since 2006, the stock market values of the BrandZ Strong Brands Portfolio, a subset of the BrandZ Top 100 Global Brands, have appreciated 81.1%, significantly outperforming the 44.7% rise in the S&P 500 over the same period. Source: Millward Brown (<http://www.millwardbrown.com/mb-global/brand-strategy/brand-equity/brandz/top-global-brands/take-aways>).
- <sup>4</sup> The 10 most-connected brands delivered 27% more growth in stock market value between 2010 and 2013 and 31% more revenue than the 10 least-connected brands. Source: Margaret Molloy, “#B2BNow: Study Shows B2B brands the value of connecting with consumers,” siegel+gale, May 29, 2014 (<http://www.siegelgale.com/blog/b2bnow-study-shows-b2b-brands-the-value-of-connecting-with-consumers/>).
- <sup>5</sup> The sectors researched include food and beverage, health and beauty, big-box retail, financial services, consumer technology, media, health insurance, insurance, airlines, and hotels. TRUE brand compass reports are available for each of these industries. To learn more about the analysis and framework for a TRUE brand, see the July 8, 2013, “[Navigate To A 21st Century Brand With The TRUE Brand Compass](#)” report.
- <sup>6</sup> Professor Kevin Lane Keller of Tuck School of Business defines brand resonance as the most intense form of brand loyalty. Source: Kevin Lane Keller, “Building Strong Brands: Three Models for Developing and Implementing Brand Plans,” Carlson School of Management, May 19, 2006 (<http://www.csom.umn.edu/Assets/75894.pdf>).

- <sup>7</sup> Neil McElroy's "Brand Man" memo, written in 1931, set the blueprint for P&G's brand management philosophy. See the October 9, 2009, "[Adaptive Brand Marketing](#)" report.
- <sup>8</sup> Consumers are building up their capacity for ever-deeper digital relationships, both with each other and with the companies and brands they enjoy. See the January 22, 2014, "[Start To Build Your Ultimate Customer Relationship](#)" report.
- <sup>9</sup> Seventy-four percent of business executives say that their company has a digital strategy, but only 15% believe that their company has the skills and capabilities to execute on that strategy. A piecemeal strategy of bolting on digital channels or methods is no longer sufficient. See the March 10, 2014, "[The Future Of Business Is Digital](#)" report.
- <sup>10</sup> Elon Musk, co-founder of PayPal, Tesla, and Space Exploration Technologies, drives innovation through first-principle design. He notes: "I think it's important to reason from first principles rather than by analogy . . . [With analogy] we are doing this because it's like something else that was done, or it is like what other people are doing. [With first principles] you boil things down to the most fundamental truths . . . and then reason up from there." Source: Eric Ravenscraft, "Use Elon Musk's 'First Principles' Method for Better Brainstorming," Lifehacker, December 4, 2013 (<http://lifehacker.com/use-elon-musks-first-principles-method-for-better-br-1476303603>).
- <sup>11</sup> Source: "Kauffman Sketchbook Features Insights from the Founders of Warby Parker," Kauffman Sketchbook press release, April 22, 2014 (<http://www.digitaljournal.com/pr/1864162#ixzz32Mg7cNGY>).
- <sup>12</sup> Thirty-eight percent sometimes multitask on one or more connected device, 16% do so most of the time, and 4% always do. Source: Forrester's North American Consumer Technographics Online Benchmark Survey (Part 1), 2014.
- <sup>13</sup> Forrester's Q3 2013 North American B2C Marketing Budget Online Survey presents a mix of good news and bad news from marketers. The good: Unlike those surveyed two years ago at the tail end of the recession, business-to-consumer (B2C) marketers say that their budgets will see moderate growth in 2014. The bad: They need to stretch those budgets across a highly fragmented set of channels and needs. See the December 12, 2013, "[B2C Marketers Must Turn Fragmented Marketing Budgets Into Business Budgets](#)" report. The same is true for B2B marketers: They must stretch budget dollars across an increasingly fragmented set of funding demands to reach buyers where they are spending their time. See the January 21, 2014, "[Focus B2B Marketing Budget Gains On Business Outcomes To Succeed In 2014](#)" report.
- <sup>14</sup> Source: Venessa Wong, "Has Nutella-Maker Ferrero Put an End to World Nutella Day?" Businessweek, May 21, 2013 (<http://www.businessweek.com/articles/2013-05-21/has-nutella-maker-ferrero-put-an-end-to-world-nutella-day>).
- <sup>15</sup> Coca-Cola is ranked by Interbrand as the No. 3 most valuable brand in the world at \$79 billion. Source: Interbrand (<http://www.interbrand.com/it/best-global-brands/2013/Coca-Cola>).
- <sup>16</sup> "The Coca-Cola Facebook page is a collection of your stories showing how people from around the world have helped make Coke into what it is today." Source: Facebook (<https://www.facebook.com/cocacola>).

- <sup>17</sup> Source: Tim Nudd, “Coca-Cola Unveils First TV Ad Made Completely With User-Generated Content,” Adweek, May 20, 2014 ([http://www.adweek.com/adfreak/coca-cola-unveils-first-tv-ad-made-completely-user-generated-content-157857?utm\\_source=Sailthru&utm\\_medium=email&utm\\_term=AWK\\_NewDaily&utm\\_campaign=Adweek%20Newsletter%20Template%20-%20July%2012%20-%20Daily%20Digest](http://www.adweek.com/adfreak/coca-cola-unveils-first-tv-ad-made-completely-user-generated-content-157857?utm_source=Sailthru&utm_medium=email&utm_term=AWK_NewDaily&utm_campaign=Adweek%20Newsletter%20Template%20-%20July%2012%20-%20Daily%20Digest)).
- <sup>18</sup> For more details about the different models of influence for the CMO over customer experience, see the January 14, 2014, “[The Convergence Of Brand, Customer Experience, And Marketing](#)” report.
- <sup>19</sup> Forrester’s consumer research confirms the strong relationship between the quality of a brand’s customer experience and loyalty measures like willingness to consider the brand for repeat purchase and likelihood to recommend the brand. But in many organizations, brand building and customer experience are disconnected, leading to a fragmented brand experience. This report shows CMOs how to make customer experience align with marketing communication strategies to affiliate the brand experience with the customer experience. See the May 6, 2014, “[How To Build Your Brand Through Customer Experience](#)” report.
- <sup>20</sup> To learn more about why software is now critical to the brand building experience, see the January 23, 2014, “[Software Must Enrich Your Brand](#)” report.
- <sup>21</sup> Forrester foresaw this opportunity; it introduced the idea of a “magic mirror” in a report in 2011. For more details, see the August 4, 2011, “[Innovating The Adjacent Possible](#)” report.
- <sup>22</sup> Source: Hilary Stout, “Mirror, Mirror in the App: What’s the Fairest Shade and Shadow of Them All?” The New York Times, May 14, 2014 (<http://www.nytimes.com/2014/05/15/business/mirror-mirror-in-the-app-whats-the-fairest-shade-of-all.html?hpw&rref=business&r=0>).
- <sup>23</sup> To learn more about the difference between brand experience and customer experience, see the January 14, 2014, “[The Convergence Of Brand, Customer Experience, And Marketing](#)” report.
- <sup>24</sup> Brands and the marketers who nurture them need a single statement to serve as a reminder of the brands’ ultimate destination. Oreo stands for celebrating the kid inside. IBM stands for delivering smarter solutions for a complex world. Adobe stands for changing the world through digital experiences. With a simple statement, all roads used to build the brand will lead customers to the same place. Use these four principles to find your North Star — make it honest, strategic, inspiring, and concise. See the August 1, 2012, “[Chart A New Course For Your Brand](#)” report.
- <sup>25</sup> Source: Forrester’s Business Technographics Global Priorities And Journey Survey, 2014.
- <sup>26</sup> Source: Elizabeth Landau, “CVS stores to stop selling tobacco,” CNN, February 5, 2014 (<http://www.cnn.com/2014/02/05/health/cvs-cigarettes/>).
- <sup>27</sup> Source: Marguerite Reardon, “T-Mobile’s losses widen as the carrier promotes ‘Uncarrier,’” CNET, February 25, 2014 (<http://www.cnet.com/news/t-mobiles-losses-widen-as-the-carrier-promotes-uncarrier/>).
- <sup>28</sup> Source: Joshua Sherman, “The highs, lows, and uncertain future of T-Mobile as the ‘Uncarrier,’” Digital Trends, May 12, 2014 (<http://www.digitaltrends.com/mobile/is-t-mobile-really-the-uncarrier/#!RSdb4>).
- <sup>29</sup> To learn more about how CIOs can harness the power of software for brand building experiences, see the January 23, 2014, “[Software Must Enrich Your Brand](#)” report.

<sup>30</sup> Source: Bruce Horovitz, "Panera goes to high-tech ordering," USA Today, May 13, 2014 (<http://www.usatoday.com/story/money/business/2014/05/13/panera-bread-fast-food-restaurants/9036545/>).

<sup>31</sup> Source: Adam Auriemma, "Zappos Zaps Its Job Postings," The Wall Street Journal, May 26, 2014 (<http://online.wsj.com/news/articles/SB10001424052702304811904579586300322355082?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2FSB10001424052702304811904579586300322355082.html>).

## About Forrester

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- Forward-looking research and analysis to guide your decisions.
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« CATHERINE MELISSA OLIVER, client persona representing CMOs

