

2014 IN OUR REVIEW MIRROR



Welcome to our second newsletter, a review of our 2014

Called **Insights & Outsights**, it covers some of the things we do for clients along with a few upcoming initiatives

We know you have a lot to do, so *Thank You* for taking the time to read it!

IN THIS REVIEW

Things We've Been Working On...

OUR YEAR IN RETROSPECT

A look back and bracing ourselves for a series of launches

CPGS SET TO FAIL AT E-COMMERCE?

Research we undertook suggests that personal care brands are ill-prepared for the e-commerce onslaught

TRACKING COMPETITOR ONLINE ENGAGEMENT ACTIVITY

How do you keep track with what competitor brands are doing online to engage consumers? Not easy, until now...

DOES ANYONE KNOW HOW TO INNOVATE, REALLY?

We're not innovation experts but our innovation support services can help any company innovate better

A Few Recent Takeaways...

HOW DO YOU LIKE YOUR COFFEE? HACKED?

Hacking is pushing into many areas of life and for the food business could redefine how we eat

MARKETERS: ARE YOU READY FOR DIFFERENCES?

We're getting more diverse and Millennials especially are starting to think about differences differently, with potentially major implications for brand and marketing managers

MARKETERS: WE WANNA TELL YOU A STORY...

What's the best way to reach an audience? Tell an emotional story. Here are some of the better examples we saw over the year

UGLY SELFIES – WAITING FOR A BRAND BRAVE ENOUGH

Here's a fun, frivolous trend we liked that we think will be used in a campaign or two soon

Finally...

A BETTER WAY TO TRACK PRODUCT LAUNCHES...AND MORE

If you use Mintel's GNPD or just want to track new product launches (or ingredient changes, or price changes, or retailer delistings), we have something for you

CORPORATE NEWSLETTERS CONTINUE TO GROW, WITH A BOOST COMING

Our newsletters that help professionals track very specific topics continue to grow and in 2015 they'll be out with enhanced security and your corporate logo

OVER AND OUT

Where we are and how to get in touch with us

A YEAR IN RETROSPECT AND BRACING FOR 2015

2014 was jam-packed but 2015 looks set to be more so

We entered 2014 with a list of new initiatives and planned launches and we find ourselves at the start of 2015 with... a longer list than when we started!

Some of the things we hoped to launch in 2014 are only just ready and meanwhile we've added to the list. The net result is that 2015 will be crammed with new initiatives to help meet our clients ever increasing needs for insights, innovation support and competitive intelligence generally, which is exciting but also daunting

In this review we comment on a few things we're rolling out now – [Produx360](#) (to help clients track and research new products), our enhanced [corporate newsletters](#) and our [online engagement monitor](#) (to help clients keep up to date with what competitors are doing at various online sites) – and we'll let you know about some of the others when they're good to go

Meanwhile, Best Wishes for a fun and prosperous 2015!



“Nope, no New Year’s resolution for me this year – I’m still working on a backlog dating from ‘87.”

ARE CPGS SET TO FAIL AT E-COMMERCE?

Research we conducted into the activities of top personal care brands shows that for the most part they are failing to engage consumers online

Long protected by low margins and high weight-to-price ratios, CPG categories were for years unattractive to e-tailers. Online activity still generates less than 1 percent of sales for most CPG categories – the lowest penetration of any major consumer category – and many retailers and suppliers expected to remain largely untouched by e-commerce

But shipping and pricing innovations and the sheer scale of some online retailers means CPG can now be delivered profitably, and the industry is set to be disrupted. Sanford C. Bernstein expects online sales in the U.S. will account for 25 percent of all CPG purchases in as little as five years

Significantly, Amazon is gunning for CPG – it declared CPG a target category and is rolling out initiatives, including [AmazonFresh](#), [Prime Pantry](#) and [Dash](#)

We looked at over 30 leading personal care brands in each of the top 10 e-commerce markets worldwide and found that, with few exceptions, personal care brands are mostly failing to engage consumers or build relationships to help ensure online sales

Does it matter? We think it's critical. Brands have a chance to build their consumer franchise but are too freely ceding the consumer relationship to nimbler players, weakening their consumer franchise and endangering their future competitive position

Read [more](#) from our **Online Engagement and Direct to Consumer Strategies in Personal Care** Report



TRACKING COMPETITOR ONLINE ENGAGEMENT ACTIVITY

NEW! Online Engagement Monitor

Through our work with e-commerce, we realized that it's very hard to keep track of what brands are doing online, so we launched an [Online Engagement Monitor](#). It gives a periodic (monthly or quarterly) view of what a brand is doing across all major consumer touch-points online:



You can get a sample of our *Online Engagement Monitor* [here](#)

E-tail News Tracker

Also launched in 2014, our [e-tail news tracker](#) provides a twice monthly summary newsletter on what CPGs are doing with online commerce

You can see a recent newsletter [here](#). [Sign-up](#) to get the free version or let us know if you want something specific tracked

ONLINE ENGAGEMENT MONITOR
Mass Skincare (United States)
January 2015

A snapshot of how, and how well, brands are engaging consumers online.
This issue covers Olay, Neutrogena, L'Oréal Paris, Nivea and Dove

Engagement reach		Neutrogena	L'OREAL	NIVEA	Dove
Website	Site				
Online Account/Club	Site				
Newsletter	Site				
Blog	Site				
e-commerce	Site				
Facebook	Site				
Google+	Site				
Twitter	Site				
YouTube	Site				
Pinterest	Site				
Instagram	Site				

Olay - brand faces online

YOUR BEST BEAUTIFUL

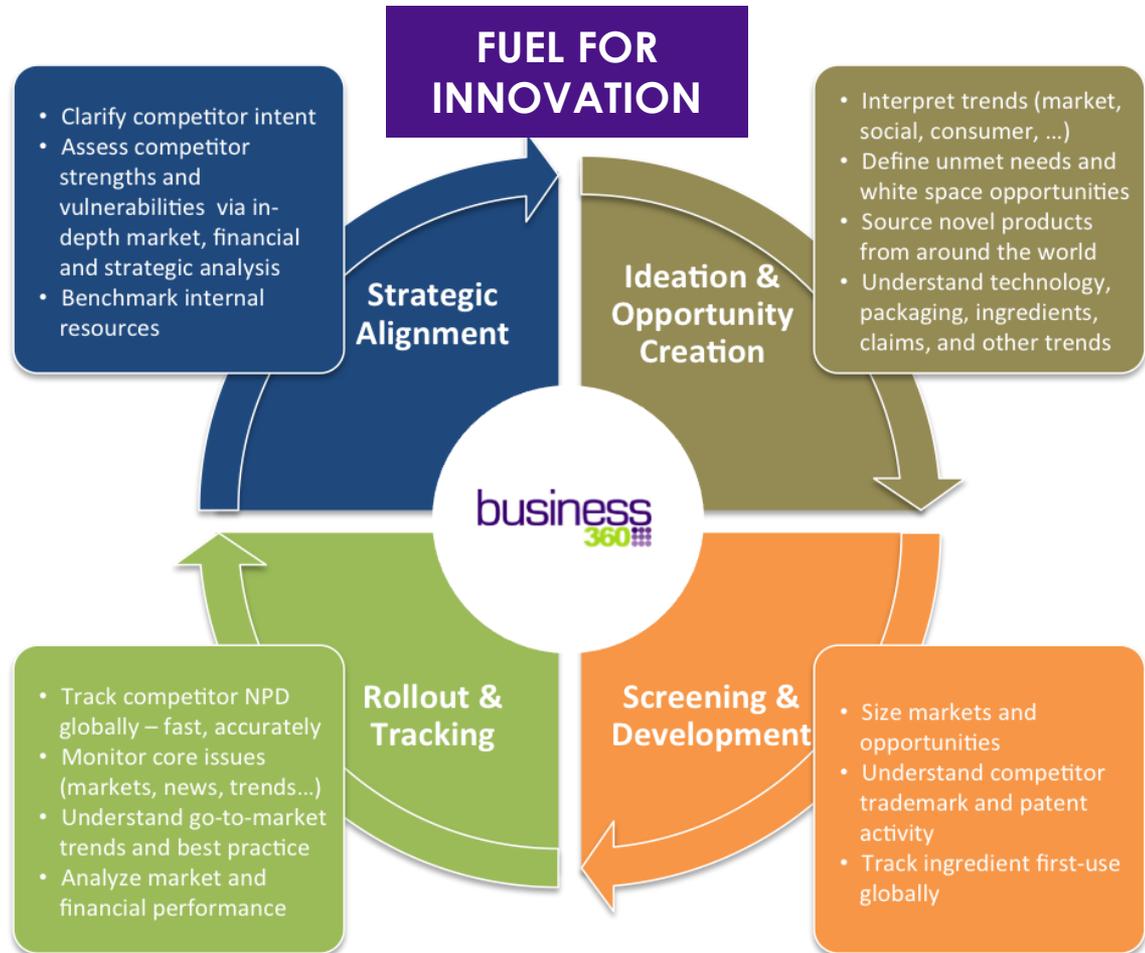
DOES ANYONE KNOW HOW TO INNOVATE, REALLY?

We've yet to find a company that doesn't claim to be investing in innovation but push below the surface and it's clear that there is little common ground on what innovation truly is, or what makes it work reliably

Innovation consultants and gurus pontificate and tout methodologies but the reality is that innovation is poorly understood and what works for one company can fail miserably at another

In 2014 we launched our innovation support services to assist companies at each stage of their innovation process, ideally allowing them to do each part better, faster and cheaper

Each company innovates differently so our services are geared to helping companies in ways that work for them. We can't do the innovation for clients, but we can give the process some fuel!



HOW DO YOU LIKE YOUR COFFEE? HACKED?

Life-hacking, the process of developing new ways to do something more efficiently, is spreading

[Numerous websites](#) give clever ideas that help you live a little more productively or navigate a task better. Hacks cover most areas. Here's some on [health](#), or [looking after kids](#), or [hair care](#). You get the idea...

In recent work we looked at how this is being applied to foods

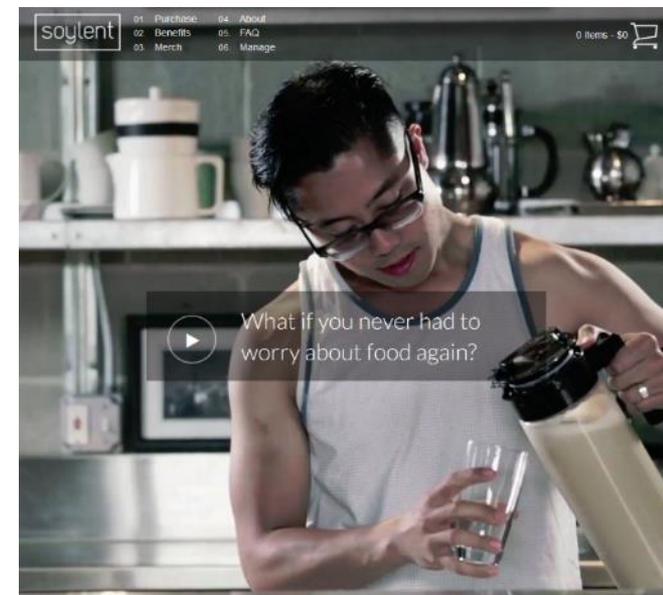
There's hacking that makes cooking more [productive](#) (and [here](#)) but the trend is pushing deeper. Over the summer, for example, companies including Google and Chipotle worked at [Food+Tech Connect](#) over a weekend of food innovation "to hack a better future for dining"

We're starting to see some foods reengineered to make them better, or to repurpose them. For example, bulletproof coffee, a mix of coffee, butter and medium-chain triglyceride oil, has got traction with some. Fans say it boosts cognitive performance and weight loss and it's popular with coders and athletes, although it's easy to find [skeptical](#) or [negative](#) reviews. Here's [how to make it](#)

But hacking has the potential to redefine food. When software engineer Rob Rhinehart wanted to do away with the chore and cost of buying, preparing and eating food so he could spend more time coding, he developed a nutrition drink based on raw ingredients. Through self-experimentation and later with the help of crowdfunding he developed and launched [Soylent](#) that claims to deliver all the nutrients needed for a healthy diet. While medical foods cost \$450-550/month, Soylent is less than \$160. Factor in the convenience and time savings and you can see why it has an avid following

It's quick and easy to prepare and drink (John had some and also fed it to his four children, who were unimpressed but were otherwise fine!)

Expect hacking in all forms to become commonplace



MARKETERS: ARE YOU READY FOR DIFFERENCES?

Millennials are widely disparaged for being narcissistic and shallow but perhaps we have them wrong?

Dove's Real Beauty campaign – 10 years old already – challenged notions of beauty, but with Millennials we're starting to see a deeper shift with a truer embrace of difference in all forms. They're fundamentally pro-inclusive – *proclusive* anyone?

Millennials are all over happier about differences – they're comfortable with [gay marriage](#) (and each year more so), they're easier with diversity and [interracial marriage](#) (not surprising since they are themselves much more diverse than the Boomers), more permissive about drug use and so on

Beyond these big social themes we see an embrace of once less-valued behaviors. For example, there's the rise of nerdism, an idea that has been around for a decade or two but is now being truly absorbed, fostering a growing respect for intellectualism

We now have Nerd Pride, and [Geek Pride Day](#). To be a nerd is cool. One manifestation we liked came from Betabrand that used [women with doctorates](#) instead of models to launch its spring collection

For marketers this shift from a stereotypical, 'average' consumer to a broader embrace of non-stereotypical differences creates a challenge. Add in fragmenting media, and the difficulty of reaching a mass audience multiplies

If you want to hear one of the best solutions to this marketing puzzle, we have to tell you a story...



MARKETERS: WE WANNA TELL YOU A STORY...

With the sheer volume and fragmentation of media, it's getting ever harder for a brand to be heard. What's the solution? Tell a story!

[Stories stir us](#). Emotional and evocative words rouse the primary olfactory cortex: we feel; we notice; we remember

Science also tells us that purchase decisions are primarily [driven by emotion](#) – it's not the claims or the discount; it's deeper

In last year's newsletter we touched on this, pointing to our work with [BrainJuicer](#) that showed how winning ads use music not voice-overs; use kids and animals over celebrities; and appeal to our hearts rather than our minds. In short, they make people feel something rather than tell them what to feel

So who's doing it well? Here are some of our favorites from 2014



Apple uses people doing exceptional things with Robin Williams' exhorting speech from the Dead Poet's Society. Yes, the [iPad](#) is there, but it's not about the iPad



Built around two words and simple piano music **Subaru** tell a powerful story with their [They Lived](#) Car Crash Commercial. No claims, just emotion. Move aside Volvo

And some that are doing it well with female Millennials...



Secret's anti girl-to-girl bullying campaign [Mean Stinks](#) effectively deployed social media to help build a pro-inclusiveness movement. And, of course, the brand carefully hangs around in the background but nothing more

With its "Like a Girl" campaign, Always ([P&G](#) again) aims to boost the confidence of girls in puberty. Powerful and moving, it has been criticized as "[emotionally exploitative](#)" for a tampon brand. Perhaps it suffers from overreach but it made us wonder whether anyone wants a brand that doesn't stand for something



[Choose Love Over Like](#) said Diet Coke, at once appealing to emotion and showing their web creds. Uplifting and encouraging, the ad shows (mainly) female millennials seizing life and enjoying it on their own terms. And of course, sometimes there's a Diet Coke in the frame. Who wouldn't want this?

UGLY SELFIES – WAITING FOR A BRAND BRAVE ENOUGH

Of the many trends we looked at in 2014, this frivolous one is especially refreshing and we couldn't resist including it....

In a world intent on perfection and projecting that aspiration onto young people, especially girls, it's nice to see them turning that around with ugly selfies

[Jennifer Lawrence](#) is something of a poster child, but it's not limited to celebs. Look at [Tumblr's Pretty Girls Make Ugly Faces](#), [Reddit](#), [MTV](#), or even Jimmy Fallon and [Jude Law](#)

Equally, look at any selfies from us at Business360 and you'll see how trendy we are!

Commentators are coopting for their purposes - some see it as the [new feminism](#) with women embracing ugliness, some Christians as reflecting a [deeper spiritual truth](#) and so on

But so far, no brands have taken the plunge

Ugly selfies are amusing, cheeky, viral and an antidote to typical aspirational imagery we see

But some see a possible downside, believing ugly selfies are only amusing for those who know that're not really ugly. Still, we're predicting it won't be long before a brave brand or two gets on board



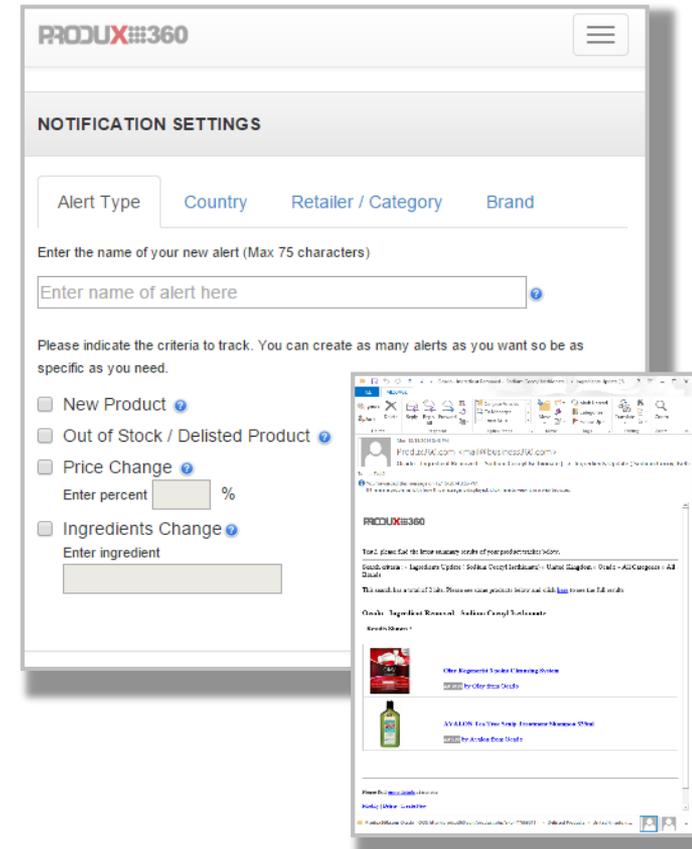
A BETTER WAY TO TRACK PRODUCT LAUNCHES...AND MORE

For about a year we've been working with one of the world's largest CPG companies on a service to help them keep track of new product launches, formulation changes, ingredient first-use, price changes and product delistings

We send out alerts so people can know in close to real-time when things change. It's a bit like Mintel's GNPD but faster and cheaper – and, we think, better

Right now we are focusing on ten retailers but this week we added multi-language capability and will soon expand this to include many countries across numerous languages

PRODUX:360



If you're interested in knowing more about this service and/or exploring how it could help you in your business, just let us know!

OUR CORPORATE NEWSLETTERS CONTINUE TO GROW, WITH A BOOST COMING

Professionals need help tracking the information they need without being deluged by extraneous material, and this is what we aim to do with our newsletters

In the last year, demand for our alerts continued to rise and we now have users at the top 10 personal care and top 10 food companies along with numerous service providers

We added to the team locating relevant material and preparing summaries and in the New Year we'll launch our enterprise version that will offer clients secure login and enable them to receive newsletters with their own corporate colors and logo.

It will also allow clients to access all our material from a central site to facilitate enterprise-wide availability

Say if you want to know more...



OVER AND OUT: WE LOOK FORWARD TO HEARING FROM YOU IN 2015!

It leaves us just to say we hope you enjoyed the Holidays and New Year, and Thank You for your support in 2014

Thanks for reading. We'd welcome any and all comments

And you know where to find us in 2015...



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