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Why marketing can never be in a lockdown

Lessons to learn and unlearn in 2021.



For the most part, 2020 became a marketing catch-22 for brands. There was no escaping that marketing was important. But now, more than ever, brands had to get it right. Some shined gloriously, while some weren't that lucky, or should we say, strategic.

The new normal isn't so new anymore, with lasting effects on our entire ecosystem and significant changes in consumer behavior and choices. At this juncture, brands need to understand how these paradigm shifts will shape the next. Here is a look at the 5 major trends we see shaping 2021 and beyond.



New decade, new perspectives

Identifying the megatrends: the guiding stars of future marketing strategies

1 Rise of the conscious consumer

From Emma Watson in her recycled plastic bottle gown at the Met Gala in 2016 to the green wave across Europe's political landscape in 2020; millennials have been increasingly taking the Thunberg route to brands. **Cruelty-free, organic, ethically sourced, safer, healthier, sustainable** are buzzwords that are here to stay. The past year has only deepened these value systems, as seen through the heavy chatter on digital platforms.

Nielsen projects the sustainability market to reach \$150 billion in sales by 2021.¹

Hotwire's survey revealed that 47% of internet users rejected brands that did not match their values.²

9/10 C-suite leaders consider themselves answerable to their consumers directly for their business' environmental impact.³

Research shows that 83% of millennials are firmly led by values and will buy only from companies that align with their values.⁴



1. <https://www.businessinsider.in/international/news/sustainability-sells-why-consumers-and-clothing-brands-alike-are-turning-to-sustainability-as-a-guiding-light/articles-how/73259499.cms>
2. <https://www.emarketer.com/content/sustainability-is-factoring-into-2019-holiday-purchases>
3. https://www.edf.org/sites/default/files/Business-and-the-Fourth-Wave-of-Environmentalism_2019.pdf

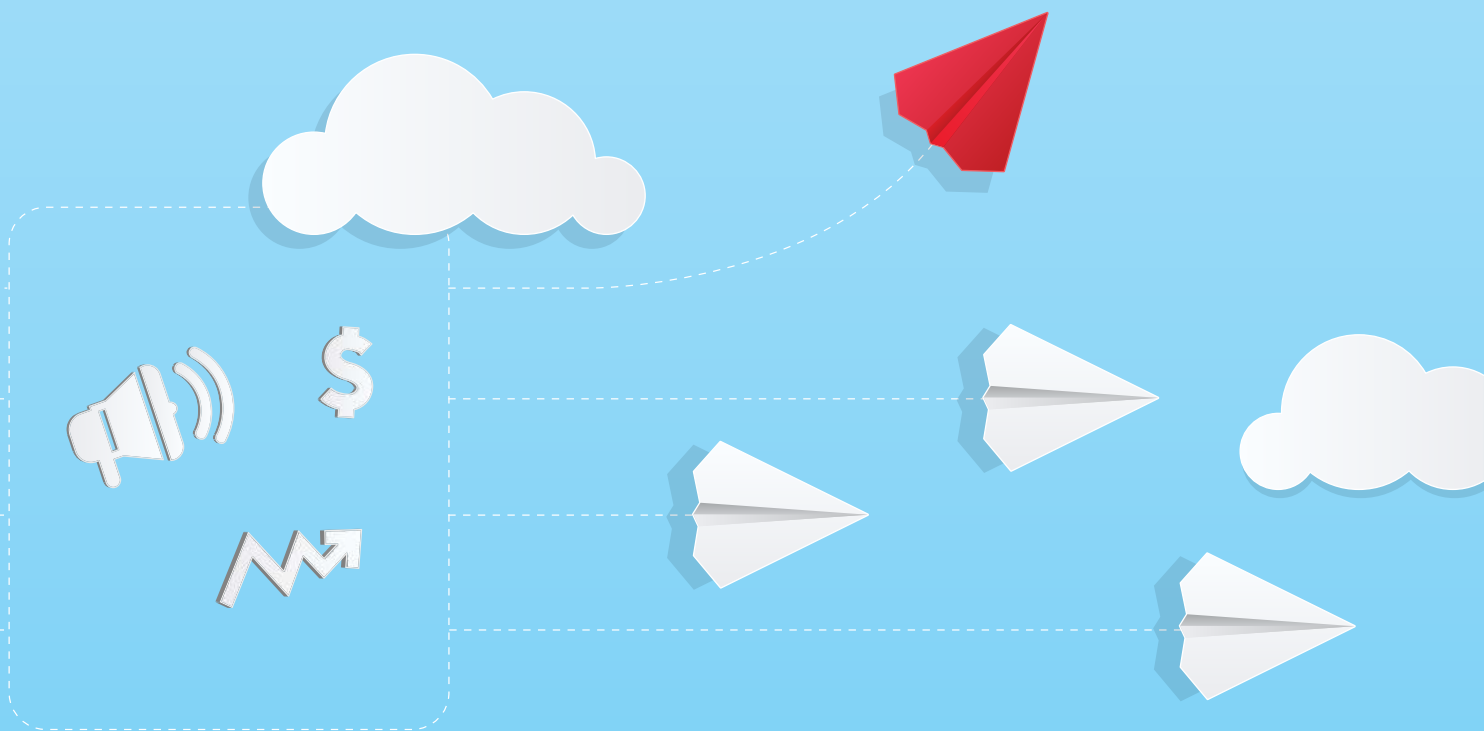
The status quo is that ethical marketing is an oxymoron.

We believe differently. Brands need to tell the profitable truth. Build the right connection with your customers the right way and you stand to gain in the long-term. From providing products and services that customers are looking for (especially during dire times) to creating awareness about values your brand stands for - align your marketing strategies to resonate with this cohort of consumers. Be a **“brand with a heart”**.

The Tata Group's Mission Garima - a trust that provides safe, hygienic, and humane working conditions for sanitation workers - caught the attention of Indian millennials when Ratan Tata shared a video from its marketing campaign on Instagram.⁵

Netflix pledged \$100 million to support black communities in the US, ushering in a tipping point for social change in the world.⁶ Lifebuoy launched a public service campaign in India to educate citizens about the importance of hand hygiene to combat COVID.⁷ The thing to note here is that Lifebuoy promoted washing hands, and not its soap.

Exploring their humane side helped these companies create a long-term, positive impression. **As David Aaker puts it, “Brands need to explore a higher purpose.”**



5. <https://www.instagram.com/explore/tags/missiongarima/>

6. <https://about.netflix.com/en/news/building-economic-opportunity-for-black-communities>

7. <https://brandequity.economictimes.indiatimes.com/news/advertising/lifebuoy-takes-a-hands-on-approach-to-spread-hygiene-awareness-in-times-of-covid-19/76476825>

2

The trust deficit

In a world where misinformation and disinformation have become commonplace, the pandemic only aggravated the issue. From false information on safety measures and brands claiming their product is a cure-all, to the much recent information overload around vaccines, consumers are getting increasingly wary of 'fake news'. Lack of transparency, corporate scandals, customer data misuse, and insensitive messaging have led to customer skepticism, especially in a highly-connected post-pandemic world.

Edelman's research shows that trust can make or break a brand - a factor second only to price.⁸



Trust in the brand and the company that owns it is a significant factor for 53% of consumers.



Gen Z (18-22-year-olds) and millennials seem to approach brand trust from the point-of-view of ethics, and big brands have to earn their trust through an alignment of strong ethical and political values.⁹

Yes Bank is a classic example of lost trust, and they are still fighting the uphill task of regaining credibility.

In brand we trust?

Brands must be empathetic to the customer's search for value in their lives through products, solutions, and services that can build lasting emotional connections. The aim should be to form bonds with customers that can enable brand recall over time.

Think Hyundai during the 2007 financial crisis - while all other brands floundered to recover themselves, this automaker offered a return policy with no credit damage if customers lost their jobs a year from then. This empathetic advertising helped Hyundai raise its market share to 4.3% by 2009, overhauling its brand image on the way.¹⁰

The fine line between being opportunistic and providing value to customers can be negotiated with tact - **abandon an all-out sales approach in favor of a measured one.**

-TRUST-



8. <https://www.edelman.com/research/brand-trust-2020>

9. <https://morningconsult.com/form/gen-z-millennials-trust/>

10. <https://www.autonews.com/article/20091109/RETAIL03/311099805/how-hyundai-found-gold-in-u-s-recession>

3 Shift to an omni-digital landscape

Social distancing meant that the only way for brands to stay relevant was via digital platforms. Traditional marketing avenues such as live events and trade shows had to either be abandoned or moved to digital spaces, leading to surprising results.

With the ability to attract a wider audience, these events saw triple the number of attendees than the previous year's.¹¹ With greater reach, the online medium helps businesses create a lasting impact. Not surprisingly, spending on digital avenues that were only a fraction of traditional ones pre-pandemic, has now increased manifold. Lego reported a sales jump of 14%, thanks to a targeted campaign strategy that combined various channels.¹²

Digital media spends increased by 6% (with a prediction of further increase) while those on traditional media fell by 30%

*As reported by the Interactive Advertising Bureau.¹³

Additionally, the digital customer of 2021 still aspires to build meaningful human connections and purposeful conversations. Technology like Conversational AI, still quite unexplored, plays an integral part in this omni-digital strategy. The key will lie in finding the right balance of bots and people for intelligent virtual assistants to become more human-like.

Swedish retail giant Ikea began the year by applying its warehouse supply chain technologies to its food logistics as well - think chefs ordering inventory through chatbots!¹⁴ On its customer-facing side, the site's bot is no longer limited by decision trees and has progressed to answering complex open-ended questions.

No going back

This shift to the digital landscape is an irreversible trend. Businesses that have successfully implemented digital marketing strategies are not likely to abandon them entirely favoring a return to the traditional. However, the new decade has ample opportunity to create a blended approach - a consistent investment in online channels while still staying open to standard outreach options.



11. <https://www.cnn.com/2020/07/20/going-livestream-how-in-person-summits-have-become-virtual-events.html>

12. <https://edition.cnn.com/2020/09/02/investing/lego-sales-pandemic-trnd/index.html>

13. https://www.iab.com/wp-content/uploads/2020/09/200831.SpendResearchStudyNo6.FINAL_.pdf

14. <https://www.wsj.com/articles/ikeas-meatball-supply-chain-goes-digital-11580501597>



One of the most significant impacts the pandemic has had is on the way we work. Company culture has become an important barometer to judge whether a business will sink or swim. In this crisis, companies that were able to seamlessly adapt to working remotely and supporting all their employees through this change, triumphed. Many others are still works-in-progress.

O.C.Tanner found that in companies with non-thriving cultures, engagement and retention of employees dropped by more than 50% as an impact of Covid-19.¹⁵

With the degree of transparency brought on by digitalization, companies that rank low in the culture index fail to deliver winning customer experiences. The ethos is reflected not just in the 'why' but also in 'how' a company works.

They all Googled it

Google took the lead in taking proactive steps towards bolstering its culture amid the pandemic.¹⁶ Becoming one of the first companies to announce extended remote work and provide \$1000 allowance to expense home offices, Google gained brownie points during the pandemic.

Companies that followed Google's example stood to gain an 85% increase in employee engagement, translating to better experiences for all stakeholders.¹⁷

How does your culture motivate employees and awe your customers?

15. <https://www.octanner.com/in/global-culture-report/2021/executive-summary.html>

16. <https://blog.google/inside-google/life-at-google/working-from-home-and-office/>

17. <https://www.octanner.com/in/global-culture-report/2021/executive-summary.html>

5 Home is where everything continues to happen

Some sectors have seen the upside in the downside - people being home-bound.

Going over-the-top amongst other things

Disney's highly anticipated streaming service debuted in 2020 and hit its five-year subscription goal of 60 million within its first year.¹⁸

On average, people in lockdown spent nearly 45 hours a week watching OTT streaming and on-demand services.¹⁹

On-demand video viewing figures went up by 71% since last year.

83% of users say they will continue to use virtual platforms even after the pandemic resolves.²⁰



Businesses are innovating with interconnected service platforms, forging new connections with customers, and building better partner ecosystems.

73% of people are still hesitant to step outside their homes to resume regular activities.²¹

That is where brands have to step in. Emergent technologies will advance further in the new decade, giving businesses ample opportunities to build new and enriched customer experiences and drive traffic.

18. <https://www.tvtechnology.com/news/disney-surpasses-60m-subscribers>

19. <https://www.bbc.com/news/entertainment-arts-53637305>

20. https://www.doctor.com/resources/telemedicine?utm_source=medical_economics&utm_medium=PR&utm_campaign=telemedicine_awareness&utm_content=telemedicine_resources

21. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-great-consumer-shift-ten-charts-that-show-how-us-shopping-behavior-is-changing>

Go DTC or go home

Brands need to build solutions closer to home. Direct-to-consumer offerings are excellent ways for brands to plug the 'facetime' gap with their customers by e-meeting them on online marketplaces. Brands that have taken the plunge have found their sales skyrocketing; online retail sales this year shot up by 74%, and global revenue from this is expected to double in 2021.^{22, 23}

L'oreal's 2018 investment in augmented reality filter company Modiface has now helped them make inroads into the DTC market through social media marketplaces.

These trends signal the need for fresh marketing approaches that reach the customers where they are - on the digital playing field - *with sensitivity, innovation and a vision for the future.*



22. <https://www.essentialretail.com/news/growth-ecommerce-sales-march/>

23. <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

Digital is the only normal

Marketing teams need to adapt and take advantage of the market dynamics

Adapting to thrive begins here. Armed with this information, the smart marketer of the next decade is poised to succeed.

1. Re-align to the basics

The sudden shift to only digital due to the pandemic led to brands fast-tracking their online marketing initiatives. While adaptability and agility were imperative at that moment, many missed the mark with slapdash approaches.

As a result, creating meaningful experiences across a diverse digital landscape was a challenge. Additionally, this fragmented enterprise martech landscape exacerbated the issues around pipeline visibility and ROI. Now more than ever, digital marketing teams need to relook at these issues to streamline their martech stack and deliver better end-to-end customer lifecycle and lead cycle visibility.

Leaning towards a single platform strategy might not solve the problem, as all marketing automation stacks do not necessarily offer a comprehensive solution, and one may face lock-in and cost escalation issues in the future. The key is to explore a best-of-breed approach with adequate data consolidation that can help solve many problems witnessed in 2020.

2. Digital for one

With more customers - 22% - willing to now submit their data to get truly personalized experiences, brands should capitalize on immediately available first-party sources to capture meaningful data.²⁴

However, data privacy and security challenges have to be carefully dealt with, as customers become more discerning about the amount or kind of data they are willing to share online. The new privacy features in iOS 14 drastically alter the ways advertisers use to target consumers, and the upcoming opt-in feature for data tracking will cause further ripples.²⁵

The onus in the future lies on the smart advertiser who will have to work with the educated consumer. Through transparency and commitment to delivering what they promise, they can provide rich customer experiences through better personalized suggestions.



24. <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/deloitte-analytics/ca-en-omnia-ai-marketing-pov-fin-jun24-aoda.pdf>

25. <https://www.forbes.com/sites/danielnewman/2020/09/30/apples-ios-14-privacy-update-changes-the-complexion-of-user-data-collection/?sh=1a4c712ced9e>

3. B2B takes a digital leap of faith

No other sales/marketing field has had to take a 180° turn during the pandemic as much as B2B.

Traditional sales strategies had to make way for innovative digital ones. But what was initially adopted as a crisis response is now solidifying as a permanent change in the future of B2B sales.

Digital channels are top of mind for buyers and suppliers, and 80% of their sales interactions will happen online by 2025.²⁶

Offering engaging experiences in their buyer's journey is sure to help intelligent customers make clear, proactive decisions.

Remotely the same

B2B sales got a considerable boost in 2020 with the proliferation of video calling/live chat apps. Go-to-market sales models have been fueled by a 69% increase in video conference interactions with sales reps.²⁷

Many sales teams have also tried their hand at creating video pitches to make the transition from face-to-face to digital, smoother.

At your self-service

With more millennials moving up the ladder in this digital economy, there has been a surge in preference for digital B2B sales channels, especially self-service ones.

70% of B2B decision-makers are willing and eager to make self-service purchases over \$50,000.²⁸

The key to sustaining this trend is through delivering consistently excellent digital experiences, and B2B sales/marketing teams need to gear up to provide rich experiences for buyers who're looking for it. This can be done through marketplaces, as more buyers seek out the functionality of e-commerce, or through subscription models, that ensure seamless delivery and long-lasting customer relationships.

By developing their speed, transparency and expertise, B2B sellers can reshape the digital landscape to their advantage.

26. <https://www.gartner.com/smarterwithgartner/future-of-sales-2025-why-b2b-sales-needs-a-digital-first-approach/>

27. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/these-eight-charts-show-how-covid-19-has-changed-b2b-sales-forever>

28. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/these-eight-charts-show-how-covid-19-has-changed-b2b-sales-forever>



4. Riding the digital wave

Greater connectivity

With high-speed mobile broadband expected to have 45% revenue generation potential, marketers will have to pull up their socks and aim first at website optimization.²⁹ Plus, the potential for hi-res video content will push brands to explore multi-channel marketing approaches.

Social media for everything

From e-commerce to AR/VR filters, social media channels have become platforms for connected citizens to get everything they need. Scandinavian retailer Carlings uses AR filters to make digital clothing that can be posted on social media to stay sustainably fashionable.³⁰

Analyze this

In 2020, nearly 50% of CMOs reported disappointment with their analytics solutions. Now more than ever, marketers need robust systems that can process data efficiently and provide actionable insights.³¹



29. <https://www.statista.com/statistics/954456/5g-services-with-the-greatest-commercial-potential/>

30. <https://carlings.com/en/atf/campaign-page/>

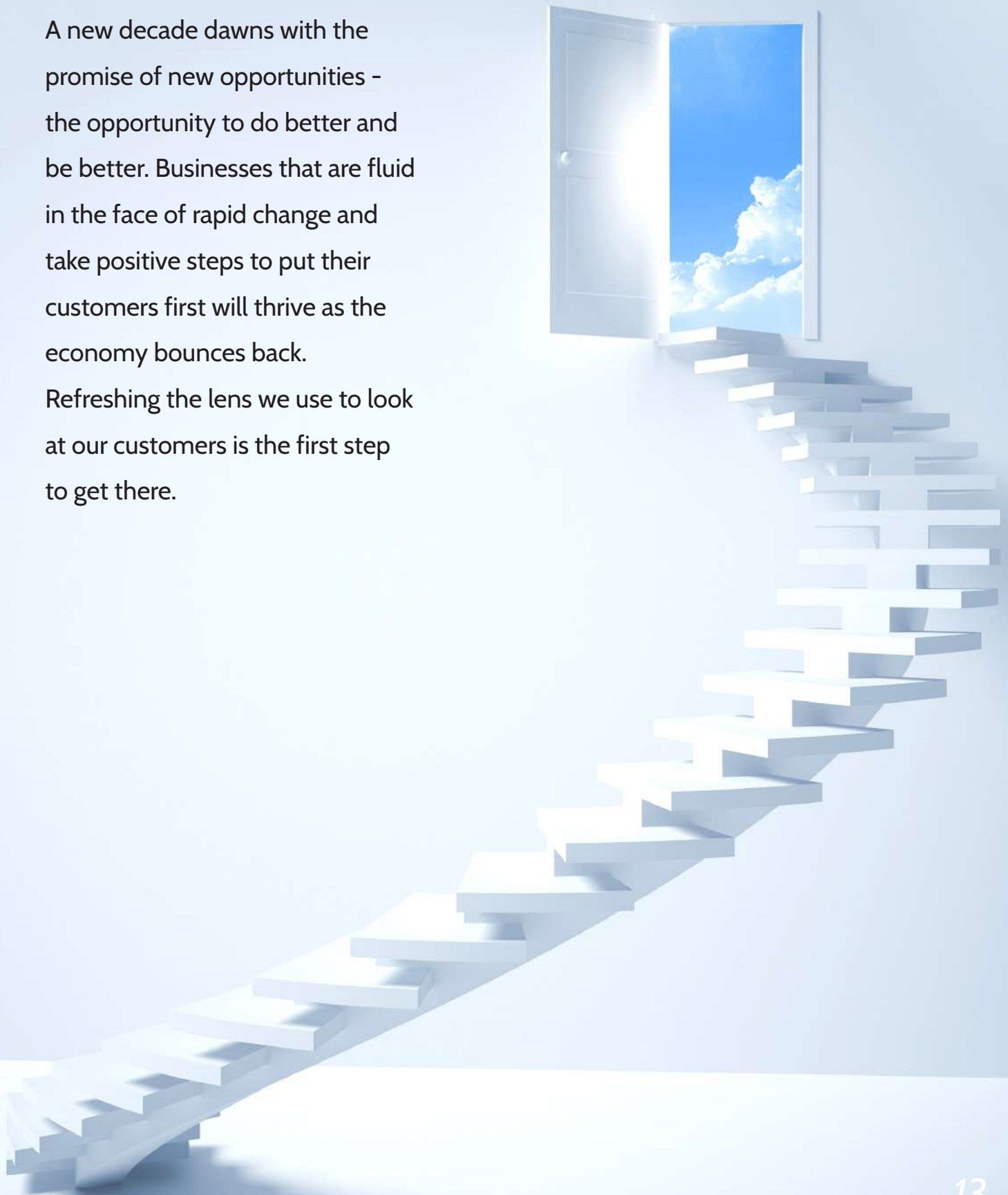
31. <https://www.gartner.com/ngw/globalassets/en/marketing/documents/2020-data-and-analytics-survey-research.pdf>

Emerging victorious

Stepping into the new decade with confidence, and a clear trajectory

A new decade dawns with the promise of new opportunities - the opportunity to do better and be better. Businesses that are fluid in the face of rapid change and take positive steps to put their customers first will thrive as the economy bounces back.

Refreshing the lens we use to look at our customers is the first step to get there.



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As an award-winning brand and digital marketing consultancy with expertise in strategy, digital, design, storytelling, and experience engineering - we bring the insight, experience, and capabilities needed to realize opportunities and help customers solve business challenges.

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