



THE  
**new  
face**  
OF MARKETING

Quarterly review  
N°4 — 2022

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FOR TOMORROW

# Conversations

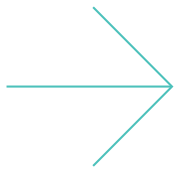
FOR TOMORROW  
Quarterly review



The consumer is changing. Marketing is changing.  
CMOs now need a unique perspective that blends the needs of the individual, society and planet to address this tech-savvy consumer. The cover and the visuals inside this edition reflect this emerging CMO imperative to transform, adapt, and see the consumer in a whole new perspective.

At Capgemini, we believe in collecting and comparing the candid views of diverse stakeholders on the business issues that will shape our collective future. By doing this, we become better prepared to seize new opportunities and to face the challenges arising from the current volatile business environment.

is more responsibility and new demands are naturally being made of them. They require new skillsets and new capabilities. Moreover, if they are to meet these new demands, they will need to recognize the importance of collaboration within a marketing ecosystem. In this wide-ranging edition, we discuss the issues that reflect the new face of marketing and lay out how CMOs can begin to prepare themselves to meet these challenges. We bring perspectives from an array of business leaders, entrepreneurs, academics, and Capgemini's own subject-matter experts, including: :



# Foreword

Through our quarterly journal, *Conversations for Tomorrow*, the Capgemini Research Institute endeavors to equip leaders with new perspectives that will help them identify the strategic imperatives for the future of business and society. In this edition, we look at how CMOs are driving organizational change to offer the experiences customers want, delivered in the way they want.

Marketing is changing – for good and for the better. Shareholder expectations have been reset: consumers expect brands to act responsibly, sustainably, and to provide real value to them as individuals, as well as to the societies they live in. The exponential increase in the volume of data available to marketers allows them to gain an unprecedented level of insight into customer mindsets and behaviors, and to deliver customized experiences in real time and at scale.

Marketers are truly in the driver's seat, dictating the speed and direction of business strategy and growth. With this power, there

- Sweta Mehra, Chief Marketing Officer at ANZ
- Pete Markey, Chief Marketing Officer at Boots UK
- Aparna Labroo, Professor of Marketing, Kellogg School of Management
- Jean-Marie Culpin, Chief Marketing Officer Europe Zone at Orange
- Drieke Leenknecht, Chief Marketing Officer at Timberland

We extend our thanks to all the leaders and experts who have shared their thoughts and insights with us to enrich this journal. By collaborating and sharing ideas, we can help design the new face of marketing, with the aim of creating new measures of value and a new, inclusive approach that makes the customer feel valued and ensures that their voice is heard.

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# Executive Summary



Marketing has long been associated with two broad, interrelated business priorities: customer acquisition and retention. Over time, the profile of the marketing function has evolved to encompass a pathfinding responsibility to drive business. However, the rapidly changing business environment of the past few years has caused a further reconfiguration in the face of the headwinds of change. Climate change, racial and gender disparity, and rising concerns about ethical issues are just some of the broad societal shifts that demand a strong response from organizations – and, therefore, from their Marketing departments. To ensure that their brands can stand up to this stern examination, a new face of marketing is emerging, one markedly different from those of the past. Today's CMO is more purpose-led, data-driven, human-centered, and collaborative than ever before.

Pete Markey, CMO at Boots UK, says today's CMO wears many hats: "The modern CMO needs to be three things at once: an artist, a scientist, and a champion. The artist is a creative thinker [...] to recognize the essence of great creative ideas. The scientist has a highly analytical approach; they understand the numbers that drive the business [...] The champion role often gets forgotten but it is extremely important. You have to tell the narrative of what the Marketing function is there for and how it is planning to achieve its goals, with the help and for the benefit of the rest of the business."



## Leading with genuine purpose

We are at a critical juncture in social and commercial history. Stakeholders not only want organizations to have an ethically sound social purpose beyond profit-making, they also want them to embrace it wholeheartedly. Purpose-led organizations are supporting humanitarian efforts; assisting in disaster management; and lending their voices to social movements. An organization's purpose is no longer a reflection of its most popular brands but rather the values that it holds dear. The way in which it takes up the challenge of purpose dictates how a business is perceived commercially and in popular culture. As the organization's voice and torchbearer, the CMO is also seen as a leader who defines, distils, and promotes its purpose. The article from Purpose – a social impact agency – states: "As brands commit publicly to supporting a sustainable future, marketing needs to convert promises into reality by reshaping brands around those values. It's no longer just about sales numbers; brands must represent their customers' principles."

Indeed, Sweta Mehra, CMO at ANZ, tells us, "We take the core purpose concept of "people thriving" to mean securing their financial wellbeing. We want to help shape communities for the better, making sure they are full of happy, financially secure customers. Financial wellbeing is our business – we understand what it means, both as a concept and for the individual customer." She adds, "We encourage the customer to set goals, then create a system

of nudges and incentives to help them achieve those goals. This isn't just for show: customers who receive the nudges double their saving rates versus those who didn't."

Our research has found that purpose-led organizations are winning customers' hearts – three in four consumers feel a sense of gratitude towards companies that have 'given back' to society during the ongoing health crisis. They are also winning their business: an equal number said they would prioritize such organizations when considering purchase options.<sup>1</sup>

With the increasing imperative to be publicly perceived as purpose-driven comes the challenge of avoiding the trap of the superficial, which can only damage an organization in the long run. Jaideep Prabhu, Professor of Marketing at the University of Cambridge's Judge Business School, writes: "CMOs have to ask those tough questions: Yes, we may get some initial attention, but could that backfire if people find our initiative is only skin-deep? Would it be better to wait for a cause that really knits with our core brand values?"

## Re-building the CMO role around data

Today, data – and, specifically, real-time data – is the marketer's biggest asset. From observing consumer behavior, improving products and services, and analyzing product use, it is difficult to remember how marketers managed without the array of information and the tools to dissect it that they now have at their disposal.

<sup>1</sup> Capgemini Research Institute, "Why purpose-led organizations are winning consumers' hearts," June 2020.

Yet, our recent research into developing a new playbook for CMOs found that only about two in five marketers say their teams use data to decide on a go-to-market strategy for a new product or service, and just 45% say they have a customer-data platform that provides a unified overview of the customer.<sup>2</sup> Only about one in ten (11%) marketers can currently be truly considered data-driven. They significantly outperform their peers on four key metrics:

- driving effective real-time marketing initiatives;
- realizing stronger business outcomes from real-time marketing;
- developing hard as well as soft skills to nurture a well-rounded skillset;
- and fostering creativity across a range of areas, including customer engagement, personalization, and content development.

Part of the challenge lies in upskilling marketing talent with data-related skills, in addition to building creative skills among data experts. Virginie Regis, Group Marketing and Communications Officer at Capgemini, writes: “CMOs must ensure that marketers are equipped with a balanced baseline of data and creative skills, while remaining open to specialist input; this requires upskilling data experts with creative skills such as ideation, lateral thinking, storytelling, and creative writing. It would also require building foundational data skills such as analytics, statistics, and visualization, in creative experts.”

## Creating a more human brand

Forming an emotional bond with customers has never been more critical. The last couple of years have demonstrated that, amid a raging pandemic and increasing levels of public distrust of political and corporate entities,<sup>3</sup> a sense of authentic emotional connection is perhaps the most sought-after commodity. Our research on customer loyalty highlights a clear link between emotional connection, trust, and loyalty.<sup>4</sup>

Leading CMOs understand this and place a strong emphasis on reaching out to the person, rather than just the customer. Aaron Mitchell, Global VP, Customer Engagement and Loyalty at IKEA, says, “From IKEA’s perspective, how do we continue to engage people after they have made a purchase? We want to focus on more than just post-purchase selling and instead also create ongoing engagement around home furnishing tips and ideas, plus simple things like caring or extending the life of the product.” This human-centered approach is also vividly apparent in the way large organizations are rebranding themselves. Henrik Wenders, Senior Vice President, Audi Brand comments: “Digitalization has allowed us to create a space that can be adapted to each individual. Our goal is to create a digital ecosystem within the smart device – formerly known as a car – that provides our customers with an excitingly new, and yet comfortingly familiar, environment.”

2 Capgemini Research Institute, “A new playbook for Chief Marketing Officers: Why CMOs should enable real-time marketing to drive sustained growth,” October 2021.

3 Edelman Trust Barometer 2022, January 2022.

4 Capgemini Research Institute, “Loyalty deciphered: How emotions drive genuine engagement,” November 2017.

With the exponential rise in digital interactions, the strength of the bond that can be developed with the customer through digital channels is now an acid test of projection of purpose and successful creation of a brand identity that the customer finds relatable, inclusive, and compelling. Our research on inclusive technology design has shown that only about half of organizations involve a diverse range of end-users in their design, testing, and marketing processes.<sup>5</sup> Further, only about one in six organizations can confirm that their digital products are inclusive of gender and ethnicity-based considerations. Jonathan Cherki, Founder & CEO, Contentsquare, writes, “As the digital world expands, and with it the opportunities for online connection, people are increasingly looking for experiences that, at their core, are still human. True, we’re buying clothes we can’t touch and art we can’t hang on our walls. However, we’re also relying on digital to facilitate some of the most fundamental human activities: buying food, educating our kids, meeting new people, consulting our doctor – and the list goes on.”

## Collaboration for the good of all

The modern CMO rejects silos as a component of outdated, inefficient – even harmful – suboptimal business practice. Reaching out across organizational boundaries and even beyond the boundaries of the business itself is second nature to them. The urge to collaborate extends beyond traditional partners, such as creative and media agencies, but also involves customers as a consultative and creative force. Drieke Leenknecht, Chief Marketing Officer, Timberland, elaborates how they’re collaborating with consumers, “We

are launching Construct 10061, an innovation project that helps us take Timberland’s design and craftsmanship to the next level [...] What makes the Construct program unique is the possibility for consumers to engage with and participate in the footwear innovation process itself. It not only inspires the footwear aficionados across the globe, it also gives our design innovators great insights.” While Jean-Marie Culpin, CMO Europe Zone at Orange, talks about working closely with enterprise customers: “We have to adapt our offerings to business processes. This requires deeper, more advanced understanding of each sector and each individual business. We are co-innovating with our enterprise customers around the world to test and develop 5G use cases prior to commercial launch.”

New collaborations often involve regulation-compliant sharing of data and insights with partners. Although organizations may initially be wary of this step, ultimately it benefits all parties in the “data ecosystem.” Boots’ Pete Markey says, “We have decided to unlock our first-party data and give our brand suppliers access to our marketing channels – in compliance with data ethics and regulations, naturally. So, we announced the Boots Media Group, a full-service advertising agency. It benefits both the brands, by helping them to invest in marketing more effectively, with better returns; and the customer, by giving them the products and experiences they want.”

While all of these aspects are important to the DNA of marketing today, it is the interaction and synergy between them that is vital. The successful CMO will take the strongest, most enduring aspects of their traditional roles and use them to step into the new business reality, where brands must listen carefully to their customers before they speak themselves.

<sup>5</sup> Capgemini Research Institute, “The key to designing inclusive tech: Creating diverse and inclusive tech teams,” August 2021.







**ANZ**

Sweta Mehra

Chief Marketing Officer, ANZ  
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**IKEA**

Aaron Mitchell

Global VP, Customer Engagement and Loyalty,  
IKEA  
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**TIMBERLAND**

Drieke Leenknecht

Chief Marketing Officer, Timberland  
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**BOOTS**

Pete Markey

Chief Marketing Officer, Boots UK  
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**KELLOGG SCHOOL OF  
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**ORANGE**

Jean-Marie  
Culpin

Chief Marketing Officer,  
Europe Zone, Orange  
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**AUDI**

Henrik  
Wenders

Senior Vice President, Audi brand  
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**SWETA MEHRA**  
CMO, ANZ



# THE CHANGING FACE OF MARKETING

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With revenues of around US\$13 billion and over 38,000 employees, ANZ provide banking and financial products and services to over 8.5 million customers across 32 markets.\*

Sweta Mehra, CMO at ANZ, an Australian multinational banking and financial services company, for around the last five years has used her role to introduce a data-led approach to marketing. Under her leadership, the bank has invested in a range of innovative digital solutions that are driving significant growth for the business.

Prior to joining ANZ, Sweta was a veteran executive at FMCG giant Procter & Gamble, where she held a variety of branding and marketing positions for more than 17 years.

The Capgemini Research Institute spoke to Sweta about how ANZ is taking on digital-only banks and redefining the role of marketing in financial services.

\*"FY21 consolidated financial report," ANZ website, accessed 22 April 2022

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### EVOLVING ROLE OF THE CMO AND MARKETING

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#### How have you seen the marketing function evolve at ANZ?

— Marketing has become more strategic, more closely aligned with the overall purpose of the business.

The nature and composition of my team has changed, too. When I joined ANZ, the function was full of classical marketers: advertisers, sponsorship experts, event managers, research and insights experts, and digital marketers. Now, the highest proportion of people have a technology background, followed by data. There is still a very significant number of classical marketers, but the shift has been dramatic.

Marketing at ANZ is responsible for the reputation and public image of the group, but we are also accountable for driving revenue growth for the business. A third responsibility is to deepen our customer relationships – making customers feel both valued and understood, as well as providing them with all the notifications, nudges, and insights they need to secure their financial wellbeing. So, in marketing at ANZ, the “three Rs,” reputation, revenue, and relationships, are our focus areas.



**Sweta Mehra**  
CMO, ANZ

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“

**Marketing has become more strategic, more closely aligned with the overall purpose of the business. ”**

**How do you measure the business impact of new marketing initiatives?**

— When Marketing took on the responsibility of Digital Sales, about 25% of all sales for our Australia division came through digital channels. Now, it is more than 50%. Digital drives around 25% of leads for complex products, such as home loans and business lending, compared with less than 10% a few years ago. Digital – and especially data – is driving our innovative marketing initiatives.

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**50%**

**of all sales for Australia division come from online channels**

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## Executive Conversations

The more data we can collect, the more closely we can track the behavior of the customer and the better we understand their interactions with us. Fundamentally, this allows us to see how marketing activity can produce different business results. The time period between when a customer first considers ANZ for a home loan and when their completing an application might be six months; with such a significant time period, we need more data to engage the customer and understand the relative impact of various marketing strategies.

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### PURPOSE-LED MARKETING

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#### How does ANZ purpose impact products and services?

— In 2017, we introduced our new purpose: “Shape a world where people and communities thrive.” Marketing used that as a focal point and goal when thinking about how to improve the experience for our customers.

To apply that principle, we needed to understand what it could mean in the context of home loans, credit cards – all the different aspects of everyday banking. During the pandemic, for example, we supported our retail, small business, and commercial customers by offering them a raft of relief measures, including deferring loan repayments; we granted approximately 120,000 deferrals for home and business loans. As at March 2021, 95% of deferred home and business loans had returned to their payment schedules, so, we helped them through the worst phase of the uncertainty wrought by COVID-19.

## How has ANZ's sense of purpose helped you differentiate your offering in the market?

— We take the core purpose concept of “people thriving” to mean securing their financial wellbeing. We want to help shape communities for the better, making sure they are full of happy, financially secure customers. Financial wellbeing is our business – we understand what it means, both as a concept and for the individual customer. We help people to figure out, firstly, where they want to go and then, how to get there.



**Marketing at ANZ is responsible for the reputation and public image of the group, but we are also accountable for driving revenue growth for the business."**

Before getting to the customer experience, we wanted to develop a solid structure of universally applicable metrics and standards. We brought in partners from academia to our business teams and they helped provide mathematical clarity in setting our goals and designing our systems of measurement. We now know how to assess the customer's financial wellbeing

quickly and how to partner with them to improve it. We set safeguards, such as making sure they pay off their debts first before starting a savings program. We encourage the customer to set goals, then create a system of nudges and incentives to help them achieve those goals.

This isn't just for show: customers who receive the nudges double their saving rates versus those who didn't. And, by following their behaviors more closely, we understood the right time to offer them certain products. When the customer is better off and is making the right financial decisions, then it's a win-win. They improve their financial well-being, and we drive growth while minimizing credit risk.

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### THE DATA EDGE THAT KEEPS THE COMPETITION AT BAY

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#### How have you used data to enhance your market offerings?

— For us, it's no longer about taking the customer on a journey but about taking them straight to their destination. For our business-loan applications, for example, our product and digital teams created a digital solution that allows customers to plug their accounting software straight into our

systems. We can understand their financials almost instantly, which means we can approve working-capital loans much faster.

To make this possible, we have completely renovated our data-storage system; while

before it was sitting in silos across the business, now it is sorted, filtered for accuracy, and made available on demand. Our teams are trained in how to analyze the data and use the insights to answer key questions about customers and markets.

#### How can banks differentiate themselves from digital-only players/FinTechs?

— Customers want their bank to offer them the same experience they can get online in other industries: streamlined, safe, and available 24/7. However, purely digital interactions can lose that element of personal touch that the customers have historically enjoyed with bank staff. We aim to offer the customer the digital-first service they want and need nowadays but we also want to retain the service experience that we can provide with our very talented staff in branches, contact centers, etc. Providing convenience while retaining a sense of relationship and coaching is how we aim to generate a point of difference with digital-first offerings.

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**We take the core purpose concept of “people thriving” to mean securing their financial wellbeing.”**



**For the past two years, ANZ has been running a digital transformation program for its Australian business. How has this impacted your responsiveness to changing market conditions?**

— We have significantly streamlined our internal systems and market offerings: we've gone from over 200 fee types to fewer than 10 and we've simplified our terms and conditions. On the tech side, we have cut 300 systems down to about 120 and honed our retail banking systems from 128 to just 10 key platforms. This has radically simplified the customer experience. For instance, new customers can join the bank in minutes.

In the first phase of the program, we have focused on helping people manage their money better. We aim to attract savers (who make up just under half of the Australian population) by making banking easier, using a combination of data tools and data-driven insights, backed up with attentive, personalized human support.



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NEW SKILLS FOR A NEW BUSINESS ENVIRONMENT

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**Which new skills do marketing teams need today and how are you instilling them?**

— To succeed in marketing, you must be a lifelong learner. We are striving to instill deep, cross-organizational expertise within the marketing function, coordinated by a common language, understood by all members. We have set up a Brand Academy to offer specialized training: creative and campaign development; media planning and buying, creating propositions; and discovery and insights using data and data-driven storytelling.

We are developing a new module on personalization. Our training suite will continue to evolve. Above all, as with our customers, we want to bring clarity to our teams, so they know where they are and how to get where they want to go in their careers.

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**Customers who  
receive the  
nudges double  
their saving rates**

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**Sweta Mehra**  
CMO, ANZ

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**"For our business-loan applications, [we] created a digital solution that allows customers to plug their accounting software straight into our systems."**



**AARON  
MITCHELL**

Global VP, Customer  
Engagement and  
Loyalty, IKEA



# STRIKING A CHORD WITH CUSTOMERS



A furnishing retailer operating through franchisees, IKEA has a footprint of 466 stores across 63 markets and accumulated sales of US\$45.6 billion in FY21.\*

\*"Facts and figures FY21," IKEA website, accessed 22 April 2022

Aaron Mitchell heads the center of excellence for customer engagement and loyalty for IKEA Group for 32 countries. He sets the direction for customer engagement, loyalty, and membership for both private and business customers.

A graduate of the Chartered Institute of Marketing, Aaron has been instrumental in driving one of the world's biggest loyalty programs – IKEA Family – with over 170 million members. Under his leadership, IKEA has also launched a new loyalty club for small businesses, the IKEA Business Network.

The Capgemini Research Institute spoke to Aaron about the future of customer engagement and loyalty and how IKEA creates and nurtures an emotional connection with customers.

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### IKEA'S CUSTOMER DATA PROMISE

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#### How do you identify where and how to improve customer engagement?

— We want to give people the help when they need it from us for a better everyday life at home. And we try to reach people at the moments when they are open to ideas and inspiration.

Data signals indicate where customers are on their journey and, from this, we can learn what help they are likely to need. But it is not always straightforward: we run into challenges in building deeper customer relationships.

Customers might often ask us: “Why should I share my data? What's in it for me as a customer and you as a brand?” We need to create trust with customers when sharing their data, which in turn leads to a higher quality of data.

People may also say, “I share my data, but you're not making me feel special” or “I don't receive enough value.” We need to create more value for customers sharing their data and deliver engagement that is in tune with their life at home.

From IKEA's perspective, how do we continue to engage people after they have made a purchase? We want to focus on more than just post-purchase selling and instead also create ongoing engagement around home furnishing tips and ideas, plus simple things like caring for or extending the life of the product.



**Aaron Mitchell**  
Global VP, Customer  
Engagement and Loyalty,  
IKEA

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And finally, how do we make our loyalty program adaptable to customers' needs? We need to adapt our offering to the circumstances of the customer, whether they are about to start a family, move houses, or build a home office. The membership program should be flexible to their changing life at home or work needs.

### How do you convince customers to share their data?

— Almost half of our turnover is generated by IKEA Family members identifying at the moment of purchase. However, we have discovered through our single customer view work that another 20% of our members that buy don't identify themselves (either as members or otherwise). This means we are missing out on valuable data to create more personalization and to improve the customer experience.

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**We try to reach people at the moments when they are open to ideas and inspiration. ”**





So, we see many customers still either don't see the value or trust IKEA when sharing their data. This led us to creating our Customer Data Promise



**We see many customers still either don't see the value or trust IKEA when sharing their data. This led us to creating our Customer Data Promise that gives customers control over their data, and guarantees transparency in how we use that data and offers value in exchange for sharing it."**

that gives customers control over their data, and guarantees transparency in how we use that data and offers value in exchange for sharing it. This promise guides us in how we create engagement and how we use customer data.

We have also designed and launched a new program that rewards customers for interactions, not just transactions. Customers are rewarded for creating an account, downloading one of our planning tools, participating in an event, plus home furnishing or service

purchases. Members receive digital Allen keys that they can unlock to access support and services to bring their ideas to life. Enabling us to move from just a transactional loyalty proposition to a proposition that is richer and rewarding across the entire journey.

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### ALIGNING LOYALTY WITH PURPOSE

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#### **How does your loyalty program resonate with IKEA's vision of improving people's everyday lives?**

— We want to create more purpose-led engagement and loyalty. We know that wanting to have a better life at home is a continuous journey and that the home is never done. This provides wonderful opportunities for us to create ongoing customer relationships that add value at every step towards better living.

We also learned a lot about how our customers' lives at home underwent major changes recently with the pandemic: flexible working, lockdowns, and home schooling.

So, we used these valuable insights to design our loyalty proposition to give members access to the things they need to bring their ideas for their home or work to life. We wanted to create an ecosystem of value including services, community, benefits, rewarding experiences, products, and solutions and much more to help address their at-home life problems and needs. This way, we can become the partner for our customers' lives, and when other important life moments arise.

**"It was important that we connected our customer engagement and loyalty to our purpose, this guided us in keeping our messaging personal and empathetic, rather than getting too tactical, or commercial."**



## EARNING LOYALTY IN UNCERTAIN TIMES

### How do you modify your approach to customer loyalty during uncertain times?

— It was important that we connected our customer engagement and loyalty to our purpose, this guided us in keeping our messaging personal and empathetic, rather than getting too tactical, or commercial.

## Executive Conversations

During the pandemic, the home became the focal point for most people, which gave us a wonderful opportunity to share our knowledge. A lot of people wanted to remodel their existing furniture for home schooling or working, rather than replacing everything. We aimed at adding value for people, even if it wasn't about driving a purchase. We live-streamed digital events, shared home-furnishing knowledge, and organized a lot of social-media interactions.

### **How did the new loyalty program for small businesses [the IKEA Business Network] come into being?**

— We wanted to create a loyalty proposition that helped to solve the many needs and problems for small business owners. As part of our exploration, we met with many small business owners in Asia, Europe, and North America. The key insight was that many want to do business their way and need support, help, and a network to succeed. This became the foundation for our new proposition.

Through creating a member-centric proposition, we exceeded our recruitment goal by over 75%. We are now in the process of launching in eight countries this year and another 10 next year. Helping many more small businesses grow, by offering IKEA expertise to help them create affordable spaces that meet their individual needs and help them to look after employee wellbeing.

Membership benefits include workshops with IKEA interior designers to improve space usage, online training by IKEA experts and business leaders from around the world, and colleague discounts, including gym memberships and health insurance.

CONNECTING WITH CUSTOMERS

**How do you create and nurture an emotional bond with customers?**

— It always starts with our purpose and how we can help as many people as possible achieve a better life at home. And we recognize digital, data, and people's everyday lives are intertwined, so it is important that we offer seamless brand engagement across all touchpoints.

Especially since over 80% of our customers start their home-furnishing journeys online. So, we need to start inspiring people from the first interaction.

Digital is a key enabler to help us make more personal recommendations, not just another sales channel. Inspiration and excitement. We have tried to make it more of a shared experience, too: we started a digital clubhouse for IKEA family members, where people can share ideas and ask for help from the community.

**"Digital is a key enabler to help us make more personal recommendations, not just another sales channel. Inspiration and excitement."**



## Executive Conversations

We have also developed Geomagical Labs, which provides 3D and visual AI solutions for interactive home-furnishing planning. We make live broadcasts, a 24-hour digital and in-store festival based on the Life at Home concept. We also expanded into Life at Home services, such as offering home insurance or clean-energy services.

The key is to infuse our digital touchpoints with our brand purpose, making it more personal, more curated. That leads to stronger emotional connections with the customer.

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### FUTURE OF LOYALTY AND CUSTOMER ENGAGEMENT

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#### How do you see your customer-loyalty program evolving?

— We're shifting from just driving the currency of loyalty from transactional to purpose-and-experience-led. It means creating propositions that give customers unique experiences, choice, and flexibility, and more access to the brand's offering. We want to add value beyond just the monetary.

People join IKEA Family because they love the brand. That knowledge comes with a lot of responsibility; we have to keep working to ensure they keep loving it. Future loyalty programs will be more about giving you more access than before – access to support, inspiration, a service, or a community.



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**Aaron Mitchell**

Global VP, Customer Engagement  
and Loyalty, IKEA

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**“We’re shifting from just driving the currency of loyalty from transactional to purpose-and-experience-led. It means creating propositions that give customers unique experiences, choice, and flexibility, and more access to the brand’s offering. We want to add value beyond just the monetary.”**





**DRIEKE  
LEENKNEGT**  
CHIEF MARKETING  
OFFICER, TIMBERLAND,  
A VF COMPANY





# MEETING YOUR MATCH: ELEVATING YOUR BRAND THROUGH EFFECTIVE COLLABORATION



Timberland is an outdoor and work-inspired lifestyle brand. It has over 200 owned stores worldwide and earned revenues of US\$1.5 billion in FY21.\*

Drieke Leenknecht is CMO at Timberland. She is a global marketing and business leader with more than 20 years of global communications, product, marketing and general management experience and has built her career around elevating leading consumer brands and driving category, product, and organizational performance. She has spent much of her career with Nike, holding leadership roles in Europe, China, and the US, most recently as global vice president of influencer marketing and collaborations.

The Capgemini Research Institute spoke to Drieke about the importance of brand collaboration and how Timberland is focused on being a purpose-led brand.

\*V.F. Corporation 10K report, 2021

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### COLLABORATING WITH CONSUMERS IN THE POST-PANDEMIC AGE

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#### How has the pandemic impacted your brand strategy?

— When the ability to connect with people in a face-to-face manner is suddenly denied to you, the innate need for human contact becomes more pressing. The pandemic accelerated the development of virtual connectivity, and an even bigger acceleration of everything digital and now meta.

At Timberland we have been transitioning to an always-on digital marketing model. As a result of Covid, we accelerated this process – pivoting our marketing model to include not only the usual digital touchpoints, but touchpoints in the metaverse that have become a crucial part of many of our consumers’ journeys.

We knew we needed to go where our consumers were going, that we needed to be agile in order to keep up with their shifting mindsets. We’ve found that people of all ages are present in meta, for example, on popular games such as Fortnite on the Epic online gaming platform. We started to evolve our plans to correspond to tastes, and tailor our content for those platforms. For example, in 2021, we partnered with The Fabricant, a London-based digital fashion house, to create virtual products from our Night Sky collection for the metaverse. The collection was inspired by the Northern Lights and came to life stunningly in meta!



**Drieke Leenknecht**  
Chief Marketing Officer,  
Timberland – a VF Company

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## How is Timberland collaborating and co-creating with consumers?

— Consumers today want to engage with brands, and even more, they want to partner with you in a more active way.

We acknowledge this. For example, we are launching Construct 10061, an innovation project that helps us take Timberland's design and craftsmanship to the next level. Construct brings together Timberland's industrial designers, and innovators with leading external footwear innovators and craftspeople. They get together at our innovation lab called The Shed to create new products and push the boundaries of footwear design. As the pandemic has catalyzed the shift to digitized systems, virtual collaboration has become a key tool in our design and innovation processes.

However, what makes the Construct program unique is the possibility for consumers to engage with and participate in the footwear innovation process itself. It not only inspires the footwear aficionados across the globe, it also gives our design innovators great insights.

Virtual collaboration has enabled our brand marketers to share Timberland with the world and invite footwear aficionados to play an active part in the brand they love.

The opportunity presented by digital product creation is amazing. The 3D digital footwear content that we share with our consumers has one of the highest engagement rates on our social platforms. The language with which consumers connect, communicate, and interact today is a hybrid of digital and metaverse – and it is no longer niche, it's universal.

**"Virtual collaboration has enabled our brand marketers to share Timberland with the world and invite footwear aficionados to play an active part in the brand they love."**



### **Brands in the fashion and lifestyle space are collaborating more and more with consumers. Are there still untapped opportunities?**

— Brand-consumer collaboration will only accelerate. We can only project the future based on current data and insights, but I think we can be confident of this. The days of an exclusive relationship between the product and marketing teams, with no outside input pre-production, are gone; that model is completely exhausted. Consumers in today's market want a hand in every new season. It's time to rewrite the playbook and direct our efforts toward new technologies and this evolving consumer demand.

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#### MIXING IT UP: THE ART OF CROSS-BRAND COLLABORATION

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### **How do high-touch relationship marketing models set brands apart?**

— Relationship management has always been a critical part of brand building. At Nike I was part of a team that started "energy marketing" 15 years ago. Energy marketing is an extension of traditional marketing that's about generating demand and building community by tapping into shared passion for a brand and its products. And collaborations are the highest form of energy marketing. Collaboration is now the paradigm for brand-consumer relationships. Brands need to create relationships with the people that are influencing customers; this kind of collaboration is now key to brands' survival.

**"When you collaborate effectively, the relationship is mutually beneficial, productive, and elevates your brand. But you have to be wary, as ill-judged or executed collaboration can harm your brand."**

When you collaborate effectively, the relationship is mutually beneficial, productive, and elevates your brand. But you have to be wary as ill-judged or executed collaboration can harm your brand.

**Should a brand limit its collaboration to retain a mystery and novelty factor?**

— It's crucial to choose the right collaborations and to execute effectively. Quality, rather than quantity of exposure will drive brand growth. When



**The days of an exclusive relationship between the product and marketing teams, with no outside input pre-production, are gone; that model is completely exhausted. Consumers in today's market want a hand in every new season."**

evaluating a potential collaboration, you should ask what the prospective partner could add – and do you need that? You need to understand your brand's voids and opportunities, whether they are in product range or consumer connection, for example. You should choose the partner that can best help you fill those gaps.

It's also crucial in any collaboration that there is

a balance of respect. Take Timberland's recent collaboration with Supreme or our project with Tommy Hilfiger this past fall. Each of these came from a working relationship where both teams showed passion and there was mutual respect from the start.



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### BUILDING PURPOSE AND SUSTAINABILITY INTO YOUR BRAND PROMISE

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#### **Timberland has a very purpose and mission-driven business model. What role does marketing play in this?**

— The best-known global brands are strongly purpose-led. When I set about the transformation of a brand, one of the first aspects I look at is consumer value proposition and whether that is fully aligned with our purpose, across the business. As a brand marketer, to be successful, your definition of purpose and mission statement must be adopted by the enterprise at large. This is definitely the case with Timberland: brand, product, and marketplace are all aligned with our purpose. That is what we are aiming for with the transformation of Timberland.

Timberland is a global iconic brand with a 50-year heritage. Our mission is to inspire and equip our consumers – we call them "Adventurous Doers" – to step outside, work hard together and move the world forward. Our vision is to build a more equitable and green future. It's the brand at large, the enterprise at large that galvanizes this purpose. It's what drives our commitment, engagement and service to our consumers.

Brands that stand the test of time, and grow stronger as they do so, do three things right: first, they celebrate their histories and brand identities; second, they bring energy and passion to the business; and third, they make sure they are keeping the brand's edge, making it relevant for new generations of consumers.



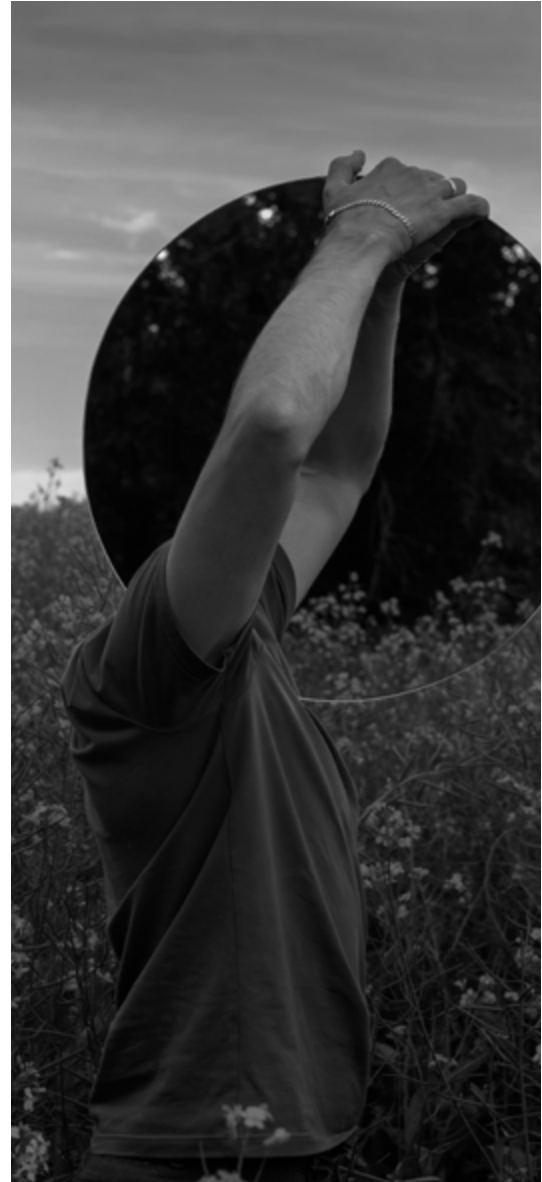
### **Why is it essential for consumer brands to take a stand on important social and economic issues?**

— A brand must be confident in its core, its defining values. This confidence will be transmitted to the consumer when they look to commit to a brand.

Younger consumers, especially, are holding brands accountable on their purpose and identities. They want to see action that fulfills the headline-grabbing promises. The beauty of consumer-led brands is that the consumer has a voice; their opinion becomes an important one in deciding the direction of a brand.

### **What do your customers expect in sustainable products?**

— We began building eco-innovation into our products from the early 2000s, before it was relevant to a lot of consumers. Eco-innovation stands as our best opportunity to minimize our impact and work toward a greener future. Circular design and sourcing our natural materials through regenerative agriculture are two crucial areas of focus for us.



## Executive Conversations

Our consumer research categorically shows that it is non-negotiable that brands be sustainable going forward. And it's our job as marketers to listen to the voices of our customers and to make sure we speak to them in a language they understand. We need to clearly explain the steps we are taking with each product: whether it's the materials we're using or special methods of make.

Earlier this year, we launched our circular-design platform TimberLoop™, which encourages consumers to return any used Timberland items for refurbishment and recycling. In addition, we launched the TimberLoop™ Trekker City Hiker on Earth Day (April 22nd). It's our first circular product designed specifically for circularity – it's engineered to be disassembled and recycled at the end of its life. These are just two examples of the kinds of innovations we're focusing on: innovations that we know will speak to the consumer.



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**Drieke Leenknecht**  
Chief Marketing Officer,  
Timberland – a VF Company

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**"A brand must be confident in its core, its defining values. This confidence will be transmitted to the consumers when they look to commit to a brand."**



**PETE MARKEY**  
CMO, Boots UK



# CREATING VALUE THROUGH DATA ECOSYSTEMS

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Boots is UK's number one health and beauty retailer with 2,263 stores and employing 51,000 people.\*

Pete Markey is responsible for branding, marketing, data, loyalty, and omni-media planning and communications at Boots UK, a health and beauty retailer and pharmacy chain. He was instrumental in making Boots a recognized "Superbrand," awarded by Superbrands worldwide, global and independent arbiter of branding in 2021.

A Fellow of the Marketing Society and the Chartered Institute of Marketing, Pete has been recognized as a Marketer of the Year four times. He has held marketing leadership roles at TSB Bank, Aviva, the Post Office, and RSA Insurance Group.

The Capgemini Research Institute spoke to Pete about how Boots UK is redefining marketing operating models and making its own marketing data available to its suppliers.

\*"Boots at a glance factsheet," Boots UK website, accessed 22 April 2022

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### WHAT CMOs WANT

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#### What are the top priorities of the modern CMO?

— The modern CMO needs to be three things at once: an artist, a scientist, and a champion.

The artist is a creative thinker, able to interpret concepts and to work with creative agencies; they also have to recognize the essence of great creative ideas.

The scientist has a highly analytical approach; they understand the numbers that drive the business, they are attuned to the results; and they have a deep understanding of the data.

The champion role often gets forgotten but it is extremely important. You have to tell the narrative of what the marketing function is there for and how it is planning to achieve its goals, with the help and for the benefit of the rest of the business.



**Pete Markey**  
CMO, Boots UK

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# The modern CMO needs to be three things at once: an artist, a scientist, and a champion."

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## A DELICATE BALANCE: LONG-TERM VS SHORT-TERM MARKETING

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### As CMO, how do you strike the right balance between long-term and short-term marketing priorities?

— There needs to be a balance between what I call “trading” and “transformation” opportunities. Trading implies marketing tactics: How are we performing overall? How are we performing today on our dotcom platforms or in stores? And what is marketing contributing toward that? These are table stakes: if we're not performing in these metrics, we don't really have permission to do much more than that.

At the same time, we need to keep “transformation” in sight. We're now quite advanced in rolling out our new marketing-technology (MarTech) suite, in collaboration with Adobe. We intend to use a lot more first-party data, collected directly from customers. Our loyalty program has 10 million members in the UK. That membership offers a huge opportunity for high-quality data collection, which we believe we can harness through our MarTech platform.



Also, we are moving to an Agile Squad (cross-functional, autonomous teams), which has made us more effective and efficient. We have created squads around product categories: we have a beauty squad, a value squad, a gifting squad, and a wellness squad. We have roles such as scrum master, product owner, team leader, and a variety of different skills within each team.

### **How do you ensure smooth collaboration between marketing and finance or IT teams?**

— We have a marketing-transformation steering group that feeds into various other forums to keep different teams on track and coordinated.

With IT or MarTech teams, we align at goal level; this is often challenging when you have senior executives with distinct, competing objectives.

With finance, for example, we don't treat them just as a bank to fund our marketing projects. Our conversations are not just about financial metrics but a collaborative development of structured plans to achieve our objectives for each project. The finance team really wants to be involved and to understand what we're working towards in marketing, and the relationship is so much more productive if you invest the time to achieve that.

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### IN OR OUT?

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#### What is your team's current operating model in terms of in-house or outsourcing?

— We have an internal studio called B-Hive that does a lot of our creative work such as banners and emails. Our external agency handles the bulk of the larger, more branded creative and media-buying work. Other companies, such as Merkle and Adobe, have supported us on MarTech implementation. It's a healthy mix. I think there's more work to do to get that balance right, though; I'm keen to have as much on our side as possible in terms of MarTech and data analysis.

Also, we recently launched our own full-service marketing agency, Boots Media Group, for beauty brands, to support marketing campaigns for our suppliers.

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# 30%

of the media we buy uses first-party data, compared with around 8% two years ago

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### BOOTS MEDIA GROUP: SHARING THE WEALTH

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#### **What is the intent behind launching your own marketing service?**

— At Boots, we have unparalleled insight into our customers' needs and shopping habits. About 30% of the media we buy uses first-party data, compared with around 8% two years ago. Using first-party data helps us drive effective customer relationships and is a better way to reach our target audience. Around 40% of Boots' media budget is now spent advertising to our own customers, based on taking a single view of combined loyalty-card and website data.

We have decided to unlock our first-party data and give our brand suppliers access to our marketing channels – in compliance with data ethics and regulations, naturally. So, we launched the Boots Media Group, a full-service advertising agency. It benefits both the brands, by helping them to invest in marketing more effectively, with better returns, and the customer, by giving them the products and experiences they want.

#### **What are the key offerings of the Boots Media Group for supplier brands?**

— We offer brands connected co-marketing campaigns: media opportunities to engage Boots shoppers across digital and physical paths to purchase. We also offer AI-based optimization and personalization of campaigns to deliver experiences that are meaningful to our customers. In sum, we have a full-service advertising offering with dedicated experts. Brands will be able to seamlessly merge consumer and trade activity, which was previously siloed.

On a similar note, we partnered with data platform InfoSum to help it target audiences in privacy-safe ways across the platform's media ecosystem. Using InfoSum's decentralized technology, its platform connects first-party data between companies, finding audience matches without sharing or moving data. Boots can now utilize its own consumer data to target audiences across TV platforms such as Channel 4 and ITV.

## How has your digital offering evolved?

— Boots.com continues to perform well, with digital sales in the first quarter of our fiscal 2022 (ended November 2021) almost double those in the equivalent quarter pre-COVID-19 (1Q20). Boots.com sales now account for more than 15% of total retail sales.

We are also developing Boots online healthcare services; Boots offers over 100 healthcare services online or in store, including acne treatment, period-pain relief, and mental health support. Boots Online Doctor launched 45 new services in 2021 to provide quick and easy healthcare advice and prescription medication, without the need for a visit to a general physician.

We have become better at targeting the customer and tailoring the digital offering and we've seen a corresponding rise in customer engagement. Our traditional digital marketing channels, such as email, continue to be effective, too. Things like our £10 Tuesdays and month-end deals are all highly successful. Customer relationship management (CRM) programs pull really well for us, and we continue to optimize those.



## Executive Conversations

### **The Boots Advantage Card loyalty program recently completed 25 years since its launch. How do you ensure you keep it relevant to today's customer?**

— The Boots Advantage Card has been a pillar for customer loyalty for a long time and is one of the best-known loyalty cards in the UK. Value never goes out of fashion. With rising inflation, customers find deep value in our promotions or deals. This year, we brought back our Price Advantage initiative, under which Advantage Card holders get exclusive discounts on around 150 products each month. We expect to drive better customer acquisition and retention through this scheme.

We have digitized the loyalty program, introducing an app that allows the customer to check their points balance and informs them of dedicated promotions. Our digital and physical presences interact really well. We are nearly everywhere in the UK, so it's easy for the customer to act on a digital, data-driven impulse; 85% of UK residents are a 10-minute walk away from a Boots store.

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**85%**

**of UK residents are a 10-minute walk away from a Boots store**

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**Pete Markey**  
CMO, Boots UK

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**"We have become better at targeting the customer and tailoring the digital offering and we've seen a corresponding rise in customer engagement."**





**APARNA  
LABROO**

Professor of Marketing,  
Kellogg School of  
Management



# WHY CMOs NEED TO PARTNER WITH CONSUMER PSYCHOLOGISTS

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## Northwestern Kellogg

Aparna Labroo is a consumer psychologist who studies the psychological side of marketing. She seeks to understand how to guide people to take actions beneficial to themselves – in terms of physical and financial health – and to society, for example in terms of reducing behaviors harmful to the climate and getting involved in charitable enterprises.

Dr. Labroo's research has featured in The New York Times, Time, MSN, Forbes, The Financial Times, Business Week, Scientific American, and other leading media outlets. A recipient of the Society for Consumer Psychology Early Career Award, she is currently Editor-in-Chief of Marketing Letters and Associate Editor at Perspectives on Psychological Science (PPS) and serves on the editorial/advisory boards of several other journals.

The Capgemini Research Institute spoke to Aparna about how emotions influence consumer choices and how marketers can use nudging techniques to steer consumers towards mutually beneficial objectives.

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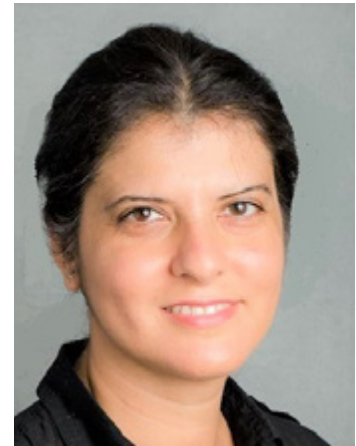
### SHAPING CONSUMER BEHAVIOR, ONE NUDGE AT A TIME

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#### How do nudges help consumers make effective choices?

— A psychological “nudge” is formed when a marketer understands the consumer’s behavior, desires, and motivations, and uses that knowledge to design messages or connections that motivate consumers to act in a manner they may not have otherwise. All this without letting their mental barriers come in the way of action.

Policymakers in the US, for example, are keen to direct lower-income consumers towards healthier food consumption. There are many reasons why this demographic may engage in unhealthy eating choices. It may be due to lower information or awareness, a lack of availability of healthy food, and cost, for example. We suggested that a key barrier in the mind of the lower-income consumer to the purchase of “healthy” food is that it is associated with feeling hungry even after eating – in other words, it’s less filling – even though it need not be, because foods such as legumes, lean protein, eggs can be healthy and filling. In a store, we gave out flyers that featured a healthy recipe printed alongside the message: “Be full.” We didn't mention the term “healthy” at all. Suddenly, there was a big bump in purchase of those healthier foods compared to when we said “be healthy” or nothing at all.



**Aparna Labroo**  
Professor of Marketing,  
Kellogg School of  
Management

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Another example is default opt-in, opt-out settings. Researchers have found that people have a bias towards the status quo: they don't want to engage in change unless they are obliged to. So, if you let them opt in or out by default, they'll stay with that. Companies are catching on to this tendency and are beginning to use a default opt-in with their subscription models.

In other contexts, as well, sometimes it's best not to give too many options. In respect to retirement savings, some researchers found that if we just tell people to save, they will save more overall than if we tell them to save for

three different things. These multiple goals compete with each other, they can lose urgency, and the message becomes diluted.



**People value the excitement and sense of being individually rewarded for personal accomplishment "**

**How has the psyche of consumers been impacted by recent global developments (such as the pandemic)?**

— The pandemic may have changed mindsets from a "gain frame" to a "loss

frame." In the former, people value the excitement and sense of being individually rewarded for personal accomplishment. But when something unprecedented happens, people shift toward a loss frame; they begin to focus on safety, comfort, certainty, and reassurance. This mindset change naturally influences consumer choice. In a loss frame, when people feel more vulnerable and want to change the conditions of life, they could become more socially conscious, changing the kind of products they consume, and their consumer-patience levels: "Do I want to consume more now? Am I willing to wait longer?"

## Executive Conversations

In a marketing context, some companies have responded smartly in a commercial sense to this shift in mindset. US-based fast food retailer McDonald's, for instance, in these more stressful periods, appears to have responded to consumers' need for comfort through use of nostalgia as a marketing tool. McDonald's highlighted some of its classic burgers – classic is familiar and comforting. They also brought in new hot drinks and desserts and underplayed salads and the breakfast menus.

If you understand broadly what people are going through, and how that makes them feel and affects their purchasing choices, you can tailor your offering to meet those needs, helping the consumer and advancing corporate goals at the same time.

**"You have to catch the consumer in the right state of mind at the right moment, with the right style and level of intervention"**

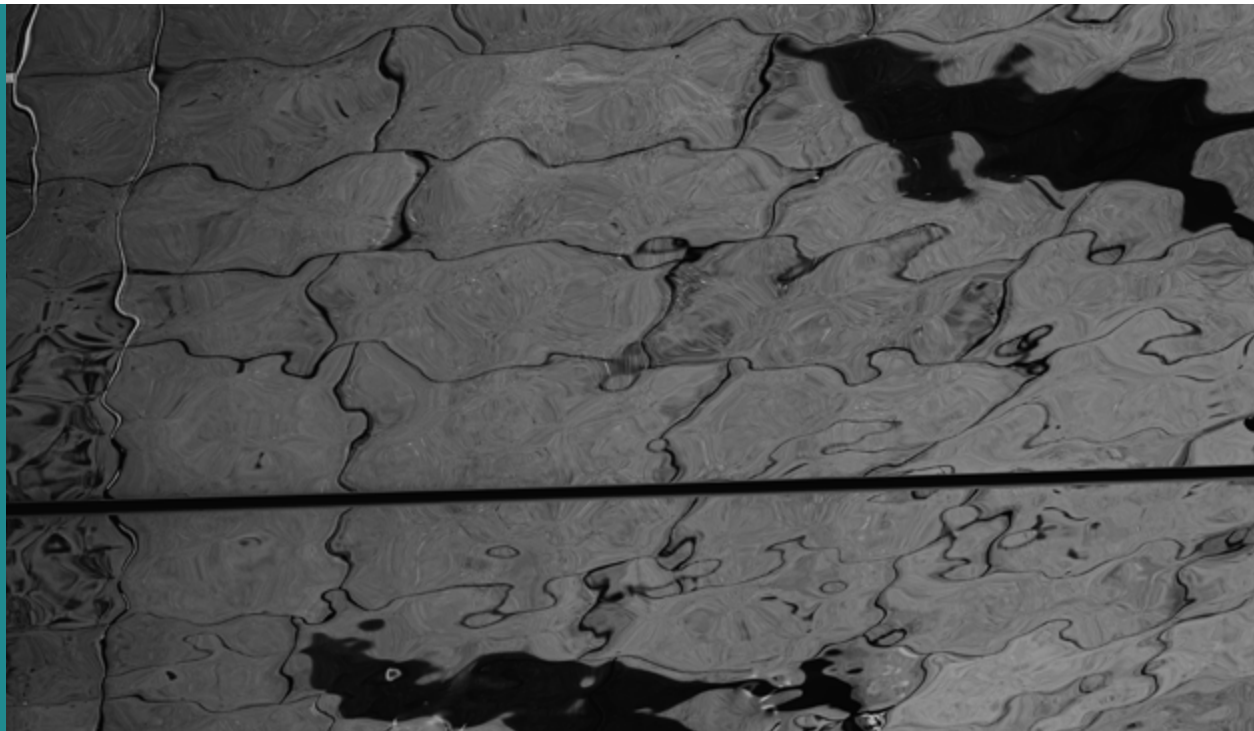
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**NUDGING WITH CARE: SUSTAINING IMPACT AND MITIGATING RISK**

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**Consumers react differently to any given nudge. What implications do these have for consumer insights teams?**

— You have to catch the consumer in the right state of mind at the right moment, with the right style and level of intervention. Take Botox: in the US, people think, “I don't want to look old,” and that is their motivation for using Botox. But in Japan, looking old is often associated with “kawaii” or being cute and loveable. However, Allergan, a US pharma company, came up with the insight that there are still times when frown lines look unpleasant, even in this social context, and they played with that. Allergan put up advertising in places where people were typically under time pressure, in a rush, and frowning. This had the desired effect and consumers registered



the message. If Allergan had framed this nudge as an email, people would probably have ignored it. This is what is meant by creating a meaningful intervention with the consumer at the right time, when they're in the right mindset and will be receptive to your message.

### Do you think that the growing awareness of marketing nudges among consumers reduces their overall effectiveness?

— Customers are smart and do not like to feel they are being manipulated, for example, if something is permanently on the table (i.e. “last chance”

emails that are sent all year round by a particular brand, with no interruption), then there is no limited time offer and, therefore, no imperative to buy.

Organizations should be careful not to use nudges indiscriminately. For instance, geolocation can be useful but if you are only targeting people who are likely to be in a rush to catch a train, even an otherwise irresistible deal is not going to promote sales – they won't have time to consider and act on it and their goals are different at this time.

Novel, intriguing nudges are likely to work when they make action the consumer may have mental barriers toward feel easy to do or they highlight goals the consumer may not have considered at the time or explain why the action is in sync with the consumer's

goals. As long as the nudge highlights consumer interest or makes action easy – while still allowing them to feel that it is they who are making those choices – nudges as a marketing tool will likely continue to work.

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**As long as the nudge highlights consumer interest or makes action easy – while still allowing them to feel that it is they who are making those choices – nudges as a marketing tool will likely continue to work.”**



**"Bringing a consumer psychologist into a marketing team can be productive: they can help the data experts design tests to find deeper insights into customer preferences and behaviors."**

### **How can marketers use nudging strategies without invading consumer privacy?**

— Above everything else, consumers value autonomy of choice. People don't like to feel as if they're being manipulated, or that a brand is intruding into their personal space. This may have been what might have happened with the vaccination drive or the directive to wear facemasks. Even though the message was in people's general interest, some may have felt that the message was violating their personal autonomy, and have reacted against it. So, it's very important that nudges don't come across as authoritarian.

### How can the effects of a successful nudge be sustained over the long term?

— When marketers design nudges, they should draw from consumer psychology and an understanding of consumer motivations. Having a theory-driven testing approach where one specifies a hypothesis in advance regarding how an intervention will impact consumer psyche and in turn action before running an A/B test is important because there is a whole universe of tactical interventions one could test. Some are better than others and the ones that likely are better than others are the ones that are designed keeping consumer motivations in mind and specifying at a high level what psychological trigger will prompt action, when, and why.

One could discover some interesting counterintuitive insights through such a theory-driven testing approach. In our research, we found that people liked LeVour chocolate and the Kids In Danger charity more when they had corresponding “feel-good” or “be-kind” goals and when the advertisement about the chocolate or the charity felt difficult to process. This suggests a desire to be challenged on the part of the consumer, rather than for everything always to be made easier. Effort can help consumers justify indulgence and make generosity feel more meaningful. Outcomes derived from such insight can often resonate for much longer because the nudge has been aligned with the recipient consumer mindset.

As all these examples demonstrate, bringing a consumer psychologist into a marketing team can be productive: they can help the data experts design tests to find deeper insights into customer preferences and behaviors. Once these connections have been identified, they can form the basis of forming long term consumer connections and marketing success.



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**Aparna Labroo**

Professor of Marketing,  
Kellogg School of Management

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**"Above everything else, consumers value autonomy of choice. People don't like to feel as if they're being manipulated, or that a brand is intruding into their personal space."**



**JEAN-MARIE  
CULPIN**

CMO Europe Zone, Orange



# DRIVING GROWTH THROUGH MARKETING-LED INNOVATION

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Based in France, Orange is one of the world's leading telecommunications operators with revenues of US\$46.3 billion in 2021 with 271 million customers.\*

\*"FY21 results," Orange website, accessed 22 April 2022

Jean-Marie Culpin leads marketing in the Europe Zone for French telecom giant Orange. He is responsible for defining and implementing the Group's marketing strategy. A graduate of École Polytechnique, also known as L'X, and Télécom Paris, Jean-Marie joined the Orange Group in 1990. Jean-Marie has held a variety of roles since, including leading Group Marketing, Mobile Marketing, Orange France enterprise business, satellite strategy, and large accounts management.

The Capgemini Research Institute spoke to Jean-Marie about how Orange is collaborating with its customers to create exciting propositions around 5G, financial services, and sustainability.

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### A NEW DIRECTION FOR THE CMO

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#### How has the role of the CMO evolved?

— As post-pandemic life begins to take shape, CMOs are expected to help organizations understand how customer behaviors are changing.

A large part of telco investment is in upgrading the network to provide better services. We need to upgrade copper to fiber, as well as expanding 5G coverage. The potential is huge, but marketing must be both a guiding light and a driving force in helping organizations decide on capital expenditure priorities.

Moreover, marketers need to acquire data-related skills. They may not be experts in writing algorithms, but they need to know how data analysis works. Most importantly, they must know how to interpret results and to challenge the data scientists who are writing the algorithms. Close collaboration with data experts will be key and people skilled in this area will be sought-after in marketing circles.



**Jean-Marie Culpin**  
CMO Europe Zone, Orange

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“[marketers]  
must know how  
to challenge the  
data scientists who  
are writing the  
algorithms”



## NEW TECHNOLOGIES, NEW OPPORTUNITIES

### How are you driving customer growth at Orange?

— We aim to drive "convergence" — we want to offer an attractive package to our customers that encompasses mobile, fixed broadband, television, TV and smart-home offerings. Our ambition is to become a "super aggregator," providing our customers with the best entertainment services and supporting the launch of 5G offers, including with popular augmented reality (AR), virtual reality (VR), or cloud gaming content.



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A NEW DIRECTION FOR THE CMO

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**Orange has been an early mover in European mobile financial services. What benefits are customers seeing from this?**

— Orange Bank was able to carve its own segment in the neo-bank market and now has 1.6 million customers in France and Spain. We have pivoted

from a focus on customer recruitment to driving value and looking for synergies with telcos, which will naturally make us attractive to a wider customer base. And the business benefits from standing out: while the majority of neo-banks have a free-to-use model, over 90% of new Orange Bank customers subscribe to a billed service, driving subscription revenue.

Orange Bank Spain also offers customers personalized promotions, such as a consumer credit facility and a financing solution for mobiles purchased in Orange

stores. In France and Spain, Orange Bank is one of the best-rated banking apps, according to over 600,000 customers.

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**on the newer networks, such as TikTok, we might launch a new digital service targeting a younger demographic”**

**5G is an enabler of digital transformation for industry. What are some of the big opportunities for Orange in terms of 5G?**

— With 5G, the delay between sending and receiving information is much shorter. Thus, it helps industries avoid attaching wires to machines and sensors for lower latency and greater bandwidth requirements, bringing more agility and efficiency in operations.

Another aspect of 5G is around IIoT (Industrial Internet of Things) connectivity and data. Take port harbor operations. At present, typical port operations, with fiber-optic cabling supported by 3G or 4G mobile connectivity around the port, suffer from limited data- and information-sharing capacity. These networks enable some helpful use cases but are insufficient for full automation. 5G has the potential to create a smart port with new applications, such as smart drones for real-time monitoring; real-time ship-to-shore communication for port-to-vessel traffic management; and just-in-time operations.

### **What role does marketing play in driving enterprise adoption of these new technologies?**

— We have to adapt our offerings to business processes. This requires deeper, more advanced understanding of each sector and each individual business. We are co-innovating, including with our enterprise customers around the world to test and develop 5G use cases prior to commercial launch.

**"Our ambition is to become a "super aggregator," providing our customers with the best entertainment services"**

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#### **THE ONLINE VS OFFLINE BALANCE**

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### **Which new marketing channels is Orange experimenting with?**

— We need to follow our customers wherever they go — be it on Facebook, Twitter, or WhatsApp — to understand what support they need in the changing media environment and how we can offer that support through our services. But you have to match the message to the medium, typically on the newer networks, such as TikTok, we might launch a new digital service targeting a younger demographic.

## Executive Conversations

The role of the CMO is also to push the right channel mix between physical retail and digital. They need, firstly, to identify where there is a need for change and, secondly, how we should make that change come about.

Chatbots and virtual assistants were deployed across almost all of our European subsidiaries, which helped uphold the quality of the omni channel customer experience during the pandemic, earning a customer satisfaction rate of 90% in Spain, for example.

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### MARKETING A SUSTAINABLE FUTURE

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#### How are you, as CMO, driving sustainability?

— During the pandemic, we have seen rising customer demand for more locally manufactured products: refurbishing and recycling rather than ordering long-distance. There is a significant rise in customer interest in refurbished phones. It is an evolution of consumption: not to buy an iPhone 13 at €1,000 that has to be flown in from Shenzhen but an iPhone 8, say, that was repaired or refurbished locally.

This isn't greenwashing; it makes business sense. At least 10% of total sales by volume of mobile devices in Europe are derived from second-hand devices. The business of second-hand devices is definitively an area of growth.



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**Jean-Marie Culpin**  
CMO Europe Zone, Orange

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**"We have to adapt our offerings to business processes. This requires deeper, more advanced understanding of each sector and each individual business."**



**HENRIK  
WENDERS**

Senior Vice President,  
Audi brand



# DRIVING THE PREMIUM BRAND

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A premium mobility player, the Audi Group delivered 1.68 million cars from the Audi brand to customers in 2021, generating revenues of US\$57.3B\*

In April 2020 Henrik Wenders joined the AUDI AG Sales and Marketing Division as Head of Brand Audi. Henrik has more than 20 years of marketing and management experience in the automotive sector and has worked across product management, sales and after sales, and market-entry strategy, and is an expert in electric mobility and digitalization.

The Capgemini Research Institute spoke to Henrik about the digital transformation of the automotive sector and the future of premium mobility.

\*"Key Figures 2021," Audi Group website, accessed 22 April 2022





**Our website offers customers the ability to configure their own car through an interactive platform"**

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**BRANDING A PREMIUM MOBILITY LEADER**

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**How is the Audi brand perceived by consumers?**

— We are perceived as a global progressive premium brand. Within the US, specifically, we made strategic investments to boost our brand recognition, moving from a niche premium brand accessible to a small consumer demographic to a household name that everyone can aspire to. A more tailored approach to messaging our premium position and car technology, along with careful selection of partners and media opportunities within sports entertainment and retail, helped us to achieve 83% brand awareness among US consumers in 2019.

**How does Audi's vision and mission tie into brand strategy?**

— Our brand identity is focused on three main topics: sustainability, digitalization, and design. But it is important to continually re-evaluate brand strategy, especially when preparing for a period of transformation. In 2020 we decided to position Audi as a leader in premium mobility. Shaping the future requires a certain attitude: you need to be brave in facing the unknown.



**Henrik Wenders**  
Senior Vice President,  
Audi Brand

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At Audi our clear Vision is shaping the future of premium mobility. We also have a clear mission, which is to create meaningful, enjoyable experiences. We have purposely not used the word "car" in our vision or mission because the Audi experience starts at home. Automobiles are becoming what we like to call "experience devices". Our Ecosystem around the car can offer a wide variety of experiences, even before and after the ride.

### How have Audi's brand investments evolved?

— We relaunched our website in spring 2021 to align with our refreshed brand strategy. Our website offers customers the ability to configure their own car through an interactive platform. To reflect the premium nature of our brand, we select our investments carefully. We are also very proactive in terms of sponsorship: we have been a partner and sponsor of regional, national, and international sports for decades. For example, our partnership with FC Bayern reflects our strategic ideas: we have provided electric cars to the soccer club and installed electric charging points at the club's facilities, and also the Allianz Arena in Munich. Our brand ambassador program – our newest ambassador is former world-class skier Felix Neureuther – is another key investment that enhances our premium image through cooperation with like-minded people. Audi Middle East also recently become the official automotive partner for Dubai's Museum of the Future, which focuses on sustainability, and innovation.

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# 2025

**By 2025, all Audi plants will be CO2 neutral**

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### What role does sustainability play in Audi's brand strategy?

— Sustainability is an integral part of our brand values. We set ambitious goals through our corporate strategy "Vorsprung 2030" and committed to "Mission Zero," which means that, by 2025, all our Audi plants will be CO2 neutral. We also committed to transforming our entire product portfolio to electric by 2033. In fact, from 2026, all our new global launches will be electric. We perceive this as an obligation to not only towards our customers but also to the planet.

## THE AUTOMOBILE AS EXPERIENCE

### What role is digitalization playing in the evolution of the Audi brand?

— Digitalization is fundamental to Audi, in many different ways. Our Audi Design for example is transforming a development process that has been largely unchanged for more than 100 years, with the combustion engine as the focal point of the design.

Design is often the number one factor in our customers' decision-making process and a top reason for purchase. We believe that market-leading design is integral to the Audi brand and will continue to be so. However, from now on the design process is customer centric. Electrification of mobility

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**We now have a compact electric motor that can lie on either the front or rear axle, or both. This provides a gigantic space that we at Audi call "the sphere." We use the sphere as an arena to create meaningful and fascinating experiences for the consumer."**

was one big gamechanger in automotive design. We now have a compact electric motor that can lie on either the front or rear axle, or both. This provides a gigantic space that we at Audi call "the sphere." We use the sphere as an arena to create meaningful and fascinating experiences for the consumer.

Within this space, we are designing a holistic ecosystem for the customer – the user: concepts that will allow the car to be used as an office, a movie theater, a place to relax, or as a space for shopping and gaming. Our focus lies on the experiences the car offers while driving from A to B.

Digitalization has allowed us to create a space that can be adapted to each individual. For example, our "Audi grandsphere" concept identifies the driver with a pathway identification; then, it welcomes him or her with personalized settings, such as individually staged displays or a custom music playlist. Our goal is to create a digital ecosystem within the smart device – formerly known as a car – that provides our customers with an excitingly new, and yet comfortingly familiar, environment.



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### MARKETING AUDI IN A POST-PANDEMIC WORLD

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#### **What is a key learning for you from the COVID-19 pandemic?**

— As with most industry sectors, the COVID-19 pandemic has been an accelerator when it comes to digitalization. Working from home was already possible at Audi before the pandemic but specifically, it accelerated remote collaboration: it was suddenly imperative to co-create virtually, to an extent we had never thought possible. For example, the Audi e-tron GT quattro is our first model in which we tested the assembly procedures using virtual reality, without any physical prototypes.

We need a digital ecosystem in place that allows us to be predictive. Dramatic changes in customer, behavior, as witnessed throughout the pandemic, require us to respond and meet new demands quickly. Digitalizing the data-processing system will enable that.

#### **What do you love most about your job as head of the Audi brand?**

— I love the automotive sector because it is strategic and complex. The one-time investments are gigantic. We are entering the most exciting era in automotive history – it is transforming, but it is more revolution than evolution. We are not only transforming towards electrified, sustainable, and automated mobility, but we are also transitioning from being a car manufacturer to a technology company that produces smart devices on four wheel. I believe this is a “make or break” decade in automotive, and I can’t wait to start the journey.



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**Henrik Wenders**

Senior Vice President, Audi Brand

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**"We are designing a holistic ecosystem for the customer – the user: concepts that will allow the car to be used as an office, a movie theater, a place to relax, or as a space for shopping and gaming."**

# HOW BRANDS CAN RIDE THE INFLUENCER WAVE



**CARRIE  
BERK**  
Influencer

Nineteen-year-old Carrie Berk is a verified content creator across several social-media channels including TikTok, Instagram, Triller, and Pinterest, with a monthly engagement (views, likes, and comments) of more than 70 million.

Carrie has collaborated with top fashion, beauty, and lifestyle brands including Netflix, HBO Max, Walt Disney World, Pixar, Wet N Wild, Adobe, Disney+, H&M, etc.

The Capgemini Research Institute spoke to Carrie about how influencer marketing is gaining traction and how brands can harness influencer power in their own marketing strategies.

## MAKING CONTENT GO VIRAL.

### How do you make your content engaging?

— Here are a couple of learnings from my experience. First, start each video with your most captivating elements, incorporate your brand message and online identity early, and choose an engaging post to go with the video, which will make the viewer linger a bit longer. For example, if I am showing Hailey Bieber's pizza toast recipe, I'm not going to start the video with a boring old plain piece of toast, I'm going to start the video with a

picture of Hailey Bieber eating her toast – that will draw people in. Second, keep your videos snappy – social media viewers have short attention spans. I create videos that are 15-30 seconds long – sometimes even shorter – and keep the messages simple and clear.

### What makes content go viral?

— Viral content has three key elements: a great hook, a strong message, and an understanding of what the audience wants to see. After that, you can let it snowball: Once something starts to trend, it will



automatically gain momentum and attract more attention. The key is to review what is already out there and work out how you can improve on it or add your own spin. Consistently and frequently posting content is crucial. I make at least five posts a day, which ensures that my followers are seeing and thinking about my content. Social media algorithms are designed to push your posts up near the top of your followers' feeds if they are picking up good engagement.

### CHOOSE YOUR COLLABORATORS WITH CARE

#### How do you select brands to collaborate with on marketing campaigns?

— When a brand contacts me, I make sure it is true to my lifestyle and will resonate with my followers before I agree to collaborate.

I prefer to collaborate closely with brands to make relevant content. For instance, when Walt Disney World wanted to celebrate gold character statues for its 50th anniversary, I dressed in outfits inspired by the statues. But they wanted me to express my individual style through whatever I wore.

### TAILOR THE CONTENT TO THE PLATFORM

#### Which social media platforms do you prefer and how do you customize your content?

— Social media platforms are constantly evolving, adding new features and new content formats, and their audiences respond to that, positively or negatively.

TikTok is my personal favorite; it has such a diverse group of creators and we don't have to force ourselves into a niche. It is a good platform for new product releases. I also love Instagram because its posts enable me to position my product in a visually striking way and tell a story or offer a discount code in the description.

Pinterest is a uniquely strong place to distribute all types of content, including written blogs. Unlike Instagram, users can click through live links. I make sure to respond to comments on Pinterest and interact with other users; you can really establish a relationship of trust, which is so important in today's marketplace.

### CREATING A SUCCESSFUL INFLUENCER MARKETING CAMPAIGN

#### What is your advice to brands who want to build a successful influencer marketing campaign?

— You need to establish your brand's point of difference to start a trend or a movement. Next, you want to make sure you select an influencer who is a natural, authentic fit for your campaign, so it doesn't feel too much like an advertisement. Your ideas should be fully thought out and ready to present in a very simple document to the influencer. Further, you need to have a plan for involving your broader customer base – not just the influencer and their followers. On TikTok, for instance, to get your video to go viral, you need to build a fan base, which will start and sustain trends for you. The final step is to measure what worked and what didn't and adapt your content accordingly.

# From the desk of...

## PURPOSE

**Leaders in thought and deed: How CMOs can drive us towards a more sustainable world**

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UNIVERSITY OF CAMBRIDGE

**Where purpose and innovation meet:  
Rebranding for the new marketplace**

Jaideep Prabhu, Professor of Marketing,  
Judge Business School, University of Cambridge

→ p.94



CONTENTSQUARE

**Forging strong digital connections –  
understanding your customers without  
getting invasive**

Jonathan Cherki, Founder and  
CEO, Contentsquare

→ p.102



# LEADERS IN THOUGHT AND DEED: HOW CMOs CAN DRIVE US TOWARDS A MORE SUSTAINABLE WORLD



## PURPOSE

Purpose is a social impact agency. It brings attention and mobilization to the world's most pressing issues, such as public health, climate change, education, racial equity, among others

Consumers nowadays are already motivated to search for brands that align with their beliefs. Proactive CMOs should see this as an opportunity to bond with their customers in a relationship of trust— and, at the same time, take the chance to make the world a better place.

## Why create a "purposeful" brand?

**T**he last couple of years have served as a wake-up call for marketers around the world. Today, every brand has a cultural significance that it didn't necessarily have in the past.

Consumers are looking for evidence of where companies stand on a wide range of global and local issues, including, but not limited to, gender, race, climate, and sustainability. It isn't just consumers who are demanding this new accountability, either; stakeholders, including leaders and employees, are very much on board.

This push is coming, in part, from young employees, who see their relationship with work and employers fundamentally differently than their older colleagues. For them, having a sense of purpose at work and a job that allows them to fulfill their personal values is a standard requirement, not a nice-to-have. We have already seen this in play across several technology companies, with a wave of internal activism pushing back strongly against the perceived failures of management. Brands need to send the right signals to consumers, employees, partners, and wider society, and to back them up with demonstrations of purpose.

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**Consumers are looking for evidence of where companies stand on a wide range of global and local issues.”**



## Finding your North Star

When we set our purpose, what we are really doing is deciding where to invest our time and energy. For this reason, it should be a carefully considered choice that isn't afraid of straying from the mainstream. If the purpose we set for ourselves is so general and all-encompassing that it could apply to anything, no-one will be inspired or motivated. A purpose isn't just a mission statement or a definition of our work; it should be linked to the core of what we do if it is to have a real, meaningful impact on the world. If a company's core business has resulted in harming the world – for instance, a fossil fuel producer – finding new and relevant purpose must be rooted in leading an end to that harm. It must also be rooted in the desire to make a genuine and measurable contribution to society. If this isn't the case, perceptive stakeholders will soon see through it as superficial "greenwashing."

Brands have to find their own North Star: an overriding ideal based on a deep collective conviction that they can always look to and follow in times of uncertainty or when a big decision is on the table. However, once you have chosen your North star – or, perhaps, once it has chosen you – you need to develop a marketing strategy that will appeal directly to your most important stakeholders and to the wider public. People must be mobilized beyond awareness to action.

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"If the purpose we set for ourselves is so general and all-encompassing that it could apply to anything, no-one will be inspired or motivated."



### Nike: Purpose in action

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In 2016 American football player, Colin Kaepernick, gained worldwide fame for repeatedly kneeling during the US national anthem ahead of games, as a protest against racial injustice and police brutality towards African-Americans. In doing so, he sparked strong reactions of both support and criticism. He made the cover of Time Magazine, which attributed to Kaepernick's actions the explosion of a national debate on "privilege, pride, and patriotism."

Nike decided to make an ad featuring Kaepernick, as they felt his selfless protest (a record-breaking quarterback, Kaepernick remains unsigned after being released at the end of the 2016 season) was strongly aligned with their values. Associating the brand with an individual who, at that point, was considered by some to be a divisive figure in the US, may have seemed like a risky marketing gamble, and the action initially led to some shareholder panic.

However, Nike's decision to stand with Kaepernick and endorse his personal courage and commitment to racial justice was widely applauded in the days and weeks following the ad. In the quarter that Nike released the ad, the company reported a 10-percent increase in turnover. When the results were announced, Nike stock ended the day up 7.2 percent, when most other stocks were trading much lower. Signaling a sense of conviction and purpose helped Nike's standing with all its stakeholders – consumers, investors, and wider society.

*Source: ABC News, "Nike sales booming after Colin Kaepernick ad, invalidating critics," December 2018.*

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## How CMOs can change the game

CMOs now have the role of bridging the gap between reputation and action. As brands commit publicly to supporting a sustainable future, marketing needs to convert promises into reality by reshaping brands around those values. It's no longer just about sales numbers; brands must represent their customers' principles. CMOs also play a role in helping acquire and retain talent by showcasing sustainability efforts and impact. If values-driven employees of any age see that you are making a genuine effort to make the world a better place, they will want to join you – and to stay for the long haul.

## Purpose starts at the top

The transition to a purposeful, sustainable brand can't be on the CMO alone; all the leaders in the business should be on board – and that's just the start. If it is treated as a cold marketing exercise, it risks losing substance, which stakeholders will sense, and real social impact won't follow. CMOs should be clear on how the business is going to measure whether it is succeeding in showing purpose. Is it behavior change? Is it growing awareness around an issue? Is it about trying to convert customers into ambassadors and champions of that purpose? From the outset, CMOs need to set the right measures and build the brand progressively around the results they see. This could be done one project at a time, or with a launch of multiple sustainable brands, to see which fail and which soar.

## Unilever: Sustainable Purpose

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Unilever is an example of a company that clearly redefined its purpose over a decade ago, with sustainability at the core of the message. It originally launched a Sustainable Living Plan in 2010, with a ten-year journey and targets that the public could see.

In the process, Unilever managed to meet several impressive goals (while also missing a few): for instance, it reduced the total waste footprint per consumer use of its products by 32% and achieved zero waste to landfill across all its factories. It also reduced greenhouse-gas emissions from its owned manufacturing sites by 65%.

These ESG efforts are starting to pay off commercially: in 2019, Unilever announced that its purpose-led Sustainable Living Brands are growing 69% faster than the rest of its portfolio – and delivering 75% of the company's growth.

*Source: Unilever website*

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## Taking deeper responsibility

Being purposeful and playing a wider role in society is increasingly important in business. This places special focus on the CMO's remit to ensure all stakeholders perceive honesty, integrity, and authenticity in their companies' responses. In turn, stakeholders will reward organizations in various ways. But, more than the rewards, in these times of global uncertainty and the huge challenges posed by climate change, CMOs must take responsibility of their contributions to a more sustainable, purpose-led, and responsible private sector. In doing so, they will also cement the role of the CMO as a torchbearer for global and local communities in the uncertain and, at times, harsh new reality. Moreover, their brands will stand out, endearing themselves to a new generation, not simply through a certain quality and familiarity, but through their commitment to action.



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People must be mobilized beyond  
awareness to action

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**Jaideep Prabhu**

Professor of Marketing,  
Judge Business School,  
University of Cambridge

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# WHERE PURPOSE AND INNOVATION MEET: REBRANDING FOR THE NEW MARKETPLACE



**Jaideep Prabhu** is Professor of Marketing and Jawaharlal Nehru Professor of Indian Business & Enterprise at the University of Cambridge's Judge Business School. His research interests include international business, marketing, strategy and innovation. Prior to taking up his current position, Professor Prabhu held academic positions at Imperial College London, Tilburg University, and UCLA. He has acted as a consultant for several global organizations and has won many accolades for his groundbreaking research.



## Connecting purpose and innovation

**I**t is marketing that connects a firm's purpose and innovation. Marketing is the glue that holds together relationships with the firm's stakeholders, not just customers, but also employees, investors, and communities. Both innovation and purpose should be closely aligned with the interests of stakeholders; innovation is a tool with which you can develop your relationship with stakeholders and build loyalty, by demonstrating that you are thinking of their interests and trying to invest your offering with their values. Being purpose led is about putting the wellbeing of the customer and stakeholders at the heart of the business.

Increasingly, customers are asking businesses to make a sustainable, positive impact. Similarly, employees, particularly younger ones, are demanding more evidence from their employers of positive action on sustainability, diversity, and inclusion. Pressure also comes from regulators, governments, and investors for companies to adopt more socially and environmentally beneficial activities.

It is possible to respond effectively, relieving this pressure and even turning it to advantage. Unilever, for instance, is a brand traditionally associated with conventional ideas of beauty, but it was one of the first large brands to highlight issues around body image. It was a very successful purpose-led initiative that resonated with a lot of consumers, so it was successful both as a business strategy and as a way in which to align the company with dominant social opinion. And marketing was instrumental in developing that message.

On the innovation front, it is about solving customer problems or creating the products customers want to see. Again, marketing holds the key to the innovative process: it knows how to hold a dialogue with the customer, understand their pain points, and communicate potential benefits.



## Communicating purpose through positive change

Microsoft CMO Chris Capossela has played a big role in communicating Microsoft's purpose-led message to "empower every person and every organization on the planet to achieve more," to both its internal and external stakeholders. This has led to a significant shift towards a more inclusive culture at Microsoft, while also contributing to purpose-led innovation.<sup>6</sup>

For instance, a few years ago Microsoft's annual gathering was transformed into a week-long "hackathon," in which thousands of Microsoft employees and customers came together to solve pressing technological issues. Some of the outcomes of the annual hackathon have been the development of learning tools built in Microsoft Word to help people with dyslexia and dysgraphia and the Seeing AI app that uses AI to describe what the camera is pointing at, to assist people with visual impairments. Marketing has excelled here, making every Microsoft website accessible to the visually impaired, and by working with real customers in the development of their brand storytelling (for instance in ads), using the customers' own words.<sup>7</sup>

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**It is marketing that connects a firm's purpose and innovation”**

<sup>6</sup> Forbes, "How CMO Chris Capossela helps drive business transformation at Microsoft," October 2018.

<sup>7</sup> Forbes, "How Microsoft unlocked inclusivity to drive growth and innovation," April 2019.

## From the Desk

Marketing is at the heart of this confluence of innovation and purpose-driven business. There are several sectors where this intersection is particularly clear, such as in energy, for instance. In emerging economies, low-income communities often lack access to clean, affordable energy, so they resort to using inefficient and polluting sources of energy for cooking, heating, lighting, and so on. This is harmful, to both their health and the environment. A strong approach to resolving some of these issues is sustainable innovation and word-of-mouth marketing to create impact at scale.

SELCO, a for-profit social innovation firm in India, has been providing affordable solar power solutions to meet the specific demands of the rural poor.<sup>8</sup> It has produced several innovative customized solutions, including solar-powered sewing machines, stoves and blacksmith blowers – improving almost every aspect of life within the communities it serves, from income level to healthcare, education, and food supply. These tangible benefits to quality of life and livelihoods help gain the trust of these communities, generating a powerful word-of-mouth marketing network for SELCO in a demographic that is rarely exposed to traditional marketing channels. Moreover, from a market that is widely considered non-profitable, in 2021 SELCO’s revenue reached \$13 million at a profit of 10%.

<sup>8</sup> Stanford Social Innovation Review, “Powering Needs, Empowering Lives,” January 2022.

## Side-stepping the superficial approach

Let's say you are running an airline. On the one hand, people will always need to travel; that's the source of your growth. In the short term, however, you are dependent upon fossil fuels, creating harmful emissions with each flight. So, the key question is, are there parts of your business where you can mitigate emissions? Moreover, when you get the opportunity to move to biofuels or another renewable source of energy, have you got a plan in place for how to transition your fleet quickly?

If your organization is not transparent about the existence of these conflicting, yet fundamental priorities, it could be accused of "greenwashing" – playing lip service to the need for environmentally conscious change without making the internal shift necessary to bring such change about. Sometimes, large, complex businesses make progress in one area but not in others. We see many cases of organizations that have the strategic motivation to become more sustainable but inevitably fall short operationally through a focus on short-term, tactical efforts, creating a superficial effect rather than a permanent change of direction. Inauthentic marketing of this sort undermines shareholder and public



**"There's a fear that, if you don't support a trend, then you will be perceived as being opposed to it. Organizations need to have more confidence in what they stand for; the customer will respect them for sticking to first principles in the long run."**

## From the Desk

trust, working against the business in the long term. With the spread of information via the internet and social media, it's easy to detect dissonance between a marketing campaign and the uncommitted organization that it supposedly represents.

This is where CMOs can provide a balanced long-term perspective, built on a specific nominated purpose and embedded throughout the organization. It's easier said than done, of course; it's difficult to bat away an excited creative agency saying, "Hey, this is too good an opportunity to miss and you can be the first with the campaign and get all the attention!" But CMOs have to ask those tough questions: Yes, we may get some initial attention, but could that backfire if people find our initiative is only skin deep? Will people say that this is inauthentic for our organization? Would it be better to wait for a cause that really knits with our core brand values?

There's also a fear that, if you don't support a trend, then you will be perceived as being opposed to it. Organizations need to have more confidence in what they stand for; the customer will respect them for sticking to first principles in the long run.

For CMOs to lead the charge on purpose-led innovation, they will need the support of the whole organization, from the CEO and fellow C-suite members down. But they have a real opportunity to be the leaders of purpose-led initiatives, positioning their organizations for business success and the approval from wider society that is essential to making that success sustainable.

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**CMOs have a real opportunity to be the leaders of purpose-led initiatives”**

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**For CMOs to lead the charge on purpose-led innovation, they will need the support of the whole organization, from the CEO and fellow C-suite members down. But they have a real opportunity to be the leaders of purpose-led initiatives, positioning their organizations for business success and the approval from wider society that is essential to making that success sustainable.**

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**Jonathan Cherki**

Founder and CEO,  
Contentsquare

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# FORGING STRONG DIGITAL CONNECTIONS – UNDERSTANDING YOUR CUSTOMERS WITHOUT GETTING INVASIVE



Founded in Paris in 2012, Contentsquare helps brands build better digital experiences. It has over 1,000 employees across nine offices serving over 750 clients worldwide.\*

\*Contentsquare website, accessed 22 April 2022

Passionate about numbers and statistics, Jonathan Cherki founded Contentsquare in 2012 and has since served as the CEO, growing the company exponentially and promoting the importance of UX to optimize the customer journey. Contentsquare – a digital experience analytics firm – helps brands act at enterprise scale and build customer trust with security, privacy, and accessibility. Its AI-powered platform provides contextual insight into customer behaviors, feelings, and intent, enabling businesses to build empathy and create lasting impact. More than 850 leading brands use Contentsquare to enhance customer experience on over 1 million websites worldwide.



## Connecting purpose and innovation

**W**hat, you might be forgiven for asking, is happening? Our avatars are *better dressed than we are*; the hottest new neighborhood is *one no one will ever actually set foot in*; and the art world's most powerful influencer is *not a human* (you guessed it, it's the NFT). Can we ever be sure we are dealing with a person rather than a machine?

As the digital world expands, and with it the opportunities for online connection, people are increasingly looking for experiences that, at their core, are still human. True, we're buying clothes we can't touch and art we can't hang on our walls. However, we're also relying on digital to facilitate some of the most fundamental human activities: buying food, educating our kids, meeting new people, consulting our doctor – and the list goes on.

So, as we hurtle towards the metaverse in hyperloop capsules, how do we preserve real human values and connections at the heart of the online experience?

Below, we look at three elements that digital leaders should keep front of mind as they define the online experience and look for ways to make real, lasting connections:

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**Personal data isn't the holy grail of customer understanding. Intent is.”**

## 1. Embrace data strategies built on digital trust.

With Google's cookie deprecation delayed but still on the horizon, and tighter data controls being enacted worldwide, a cookie-free world is on its way. The question on every experience-builder's mind is, of course, can you have a data-driven mindset and still put privacy first? The good news is that we believe you can.

Consumers are increasingly wary of surveillance marketing; however, they still want tailored products and services that show that their brands understand them as people. So, how do you bridge the gap between knowing your customers and protecting their personal information? First of all, we need to dispense with the idea that personal data is the holy grail of customer understanding. In fact, there's a revolution happening around personalization – and it all starts with intent.

Whether booking a car to be somewhere in 15 minutes or refreshing your favorite news site, online behavior is typically driven by intent. Data that can help you understand what your visitors are trying to achieve, and how they want to do it, is therefore the most precious business commodity out there.

Digital experience insights do just that. by aggregating data pertaining to the context and outcome of people's online journeys, and analyzing every micro-gesture and decision they make during those journeys, brands can arrive at a deep understanding of their customers' intent and how they are responding to the digital experiences they are being offered. And they can do so without invading their privacy.

Rather than trying to second-guess their intentions, this "how" and "why" data allows you to take your cue directly from the customer, understand what they are trying to accomplish, how they want to go about it, and whether or not they can achieve their objective in the current service environment.

## 2. Accessibility: a key CX success metric.

We're on the cusp of Web3, a new digital chapter in which people will have more agency in their online lives than ever before. But universal participation in this brave new digital world implies the removal of disabling barriers, such as lack of accessibility and lack of fairness. According to the World Health Organization (WHO), 1.2 billion people – around 15% of the global population – live with a disability of some sort and huge swathes of the Internet still aren't as accessible as they could be. As the digital world evolves, failure to adapt quickly risks leaving a huge part of the population behind.

The very first measure of a great online experience should be its ability to be experienced by everyone. In our day-to-day lives, there are countless examples of organizations adapting to remove barriers and to make themselves more accessible. The web should be no different.

“

**Digital behavior is feedback in its own right — and AI is the engine that sorts through this feedback to produce the insights, identify the trends and, ultimately, offer recommendations.”**

### 3. Human-centered AI is the key to the digital experience.

Humanity has both great qualities and many flaws, and the digital world we have built reflects this. A human-designed online world is never going to be perfect, but it will reflect the very human drive to improve things. Imagine, for example, navigating the stresses and uncertainties of the past two years without easy access to online healthcare, food delivery services, education, news, and government information.

As we continue to develop this world, we must keep our core values front and center. The best way to do this is to continue to strive to understand the people for whom we are developing digital services.



**"By aggregating data pertaining to the context and outcome of people's online journeys, and analyzing every micro-gesture and decision they make during those journeys, brands can arrive at a deep understanding of their customers' intent [...]. And they can do so without invading their privacy."**

## From the Desk

### AI for the future

From fake news bots to self-driving cars, from combatting the spread of disinformation to helping robots have babies, it seems like AI really is taking over everything. When it comes to building a more human online world, AI is going to be the key to removing barriers and creating experiences that consider what brings us online in the first place.

Digital can be a scary market to serve because your audience is largely invisible. In the offline world, businesses and institutions can observe the behavior of their customers and/or users and adapt their offerings accordingly. Slippery floor? Put up a sign. Customer unfolding an entire pile of sweaters themselves? Ask if you can help. But don't forget that digital behavior is feedback in its own right — and AI is the engine that sorts through this feedback to produce the insights, identify the trends and, ultimately, offer recommendations.

The role digital plays in our lives is only getting greater. We've developed digital solutions and products to solve many challenges, big and small. Today, we have a great opportunity to design together our collective digital experience. We can decide what we want it to look and feel like, and which things we should not compromise on. Businesses and organizations must take part in this process, too. We simply spend too much time connected to have poor experiences online.



From the Desk





# Perspectives from Capgemini





## DATA-DRIVEN AND REAL-TIME MARKETING: THE PERFECT MIX OF CREATIVITY AND DATA

Authored by

Virginie Regis, Group Chief Marketing and Communications Officer and Group  
Executive Committee Member, Capgemini

Jean-Pierre Villaret, Head of Europe, frog, part of Capgemini Invent  
*and*

Timothy Morey, Global Managing Director, frog, part of Capgemini Invent

→ p.112



## CONSUMERS ARE IMMERSED IN NEW TECHNOLOGIES – BUT ARE CMOs VIRTUALLY LOST?

Authored by

Sarah Thomas, Group Chief Marketing Officer, Capgemini  
*and*

Alex Smith-Bingham, Customer Experience Group Offer Lead,  
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→ p.124





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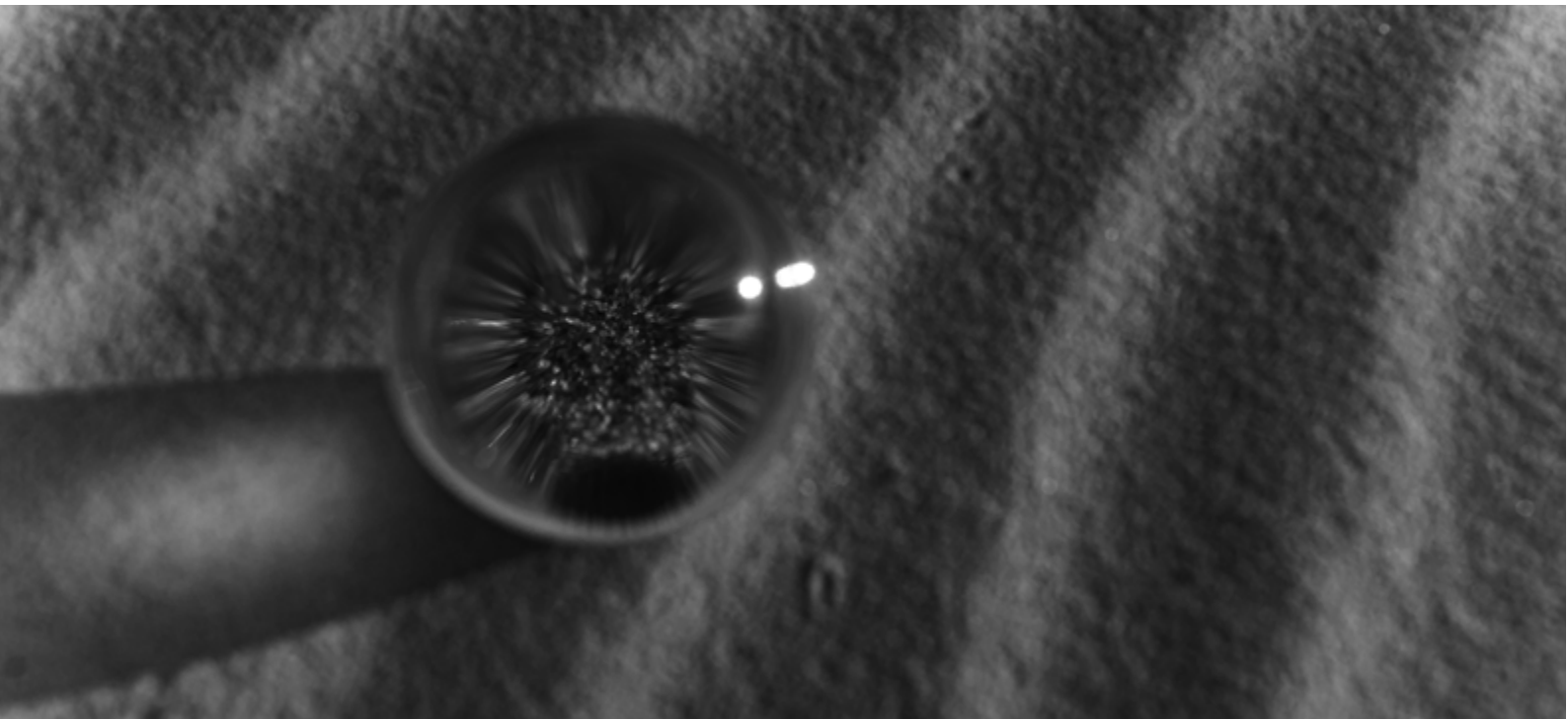
**Virginia Regis**

Group Chief Marketing and Communications  
Officer and Group Executive Committee  
Member, Caggemini

DATA-DRIVEN  
AND REAL-TIME  
MARKETING: THE  
PERFECT MIX OF  
CREATIVITY AND DATA

## Perspectives from Capgemini

**C**reativity and data are often considered opposites, creativity originating in the right brain, more artistic and emotion-led, while data processing is more left brain, requiring a more analytical and objective perspective. Yet the two haven't actually stood on an equal footing in the marketing function. With little data about fast-changing needs of consumers, and their real-time context, intuition has reigned supreme, even considering data as its "enemy." Until now, that is. Today's leading marketers are merging creative inspiration with real-time signals to create brand awareness and engagement at an unprecedented scale.



Consider the example of Spotify's Wrapped campaign that has, since 2016, reviewed the annual activity of each user, analyzing their most frequently played songs, artists, podcasts, and episodes. Spotify elaborated on the campaign in 2021, rolling out several novel features that were data-driven but also drew on reserves of creativity for its over 400 million strong user base. These included the "2021: The Movie" feature, which paired a user's top songs with cultural scenes that resonate with users to form a kind of home movie for personal consumption. Another example was the "Blend" feature, which allowed users to harmonize their 2021 music selections with those of their friends, to create a blended playlist that could be shared on social media.<sup>9</sup> This sort of original thinking meant that users' interest in Wrapped content more than doubled in 2021 from the previous year, reaching over 179,000 engagements in the first 48 hours alone.<sup>10</sup>

So, can marketers productively unite creativity and data? It turns out that the convergence is not only possible but essential to one of the most sought after and fastest growing areas in brand development: data-driven real-time marketing.

“  
Today's leading marketers are merging creative inspiration with real-time signals to create brand awareness and engagement at an unprecedented scale.”



**Virginie Regis**  
Group Chief Marketing and Communications Officer and Group Executive Committee Member, Capgemini

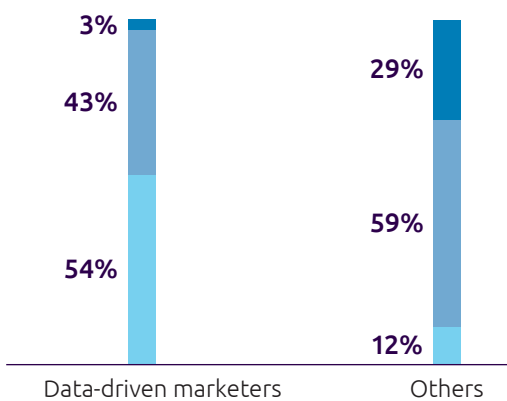
<sup>9</sup> Spotify website, "The Wait Is Over. Your Spotify 2021 Wrapped Is Here." December 2021.

<sup>10</sup> Newswhip, "Engagement to Spotify Wrapped content doubled in 2021," December 2021.

Figure 1: Data-driven marketers outperform, powered by superior creative talent

Data-driven marketers are more satisfied with their real-time marketing initiatives...

Percentage of marketers and whether their real-time marketing campaigns typically delivered the benefits expected



- Actual benefits are often lower than expected benefits
- Actual benefits are usually about the same as expected benefits
- Actual benefits are often higher than expected benefits

...fostered by superior creative talent as compared to other marketers

Data-driven marketing teams possess well-rounded talent



**72%** say they have an adequate supply of data analytics and data-science skills they need compared to 40% of others



**65%** say their marketing teams have an adequate supply of talent skilled in understanding their brand positioning compared to 37% of others



**63%** say they have the talent they need skilled in emotional intelligence compared to 46% of others

\*Data-driven marketers have strong foundations of data (strategy, capture, collaboration) as well as technology (platforms and tools).

Source: Capgemini Research Institute, CMO survey, March–April 2021, N=179 data-driven marketers; N=1,421 other marketers.

## The rise of data-driven real-time marketing has its roots in the confluence of creativity and data

The exponential rise of digital interactions and particularly ecommerce has astounded experts around the world. In 2020, annual commerce sales grew by 27.6% year-over-year to \$4.28 trillion, which is 18% of all global retail sales. This has heightened the need for real-time signals and insights to accommodate how quickly customer behaviors change, especially under the radically different social conditions we have experienced in the past 12–24



months. Data-driven real-time marketing enables marketers to connect instantly with their customers through extensive personalization and contextualization, creating a foundation for a longer relationship and brand loyalty. It makes data-driven real-time marketing a key enabler for CMOs to deliver on this broadened mandate, especially in consumer-facing businesses.

Our recent research on real-time marketing for CMOs shows that data-driven real-time marketers nurture creativity; at the same time, creativity can enhance agility and flexibility in data-focused areas of the business. Data-driven marketers seem to recognize this, and place a higher premium on creative talent compared to those working in other branches of marketing: 61% of data-driven marketers say they have an adequate supply of creative skills in their organization, compared to only 45% of other marketers.<sup>11</sup> Similarly, 64% of data-driven marketers say they have an adequate supply of storytelling skills versus 46% of others.

Creative experts champion the artistic side of marketing as expressed through visuals, ornate copy, and careful media positioning, while data experts tackle more easily measured aspects, such as impressions (website page views), footfall, and – of course – revenue. However, although these two aspects of marketing work very differently, they complement one another and can create a powerful impact when used in harmony – such as for data-driven real-time marketing – rather than in isolation.

“  
Data-driven  
realtime  
marketers nurture  
creativity; at the  
same time,  
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and flexibility  
in data-focused  
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business.”



**Jean-Pierre Villaret**  
Head of Europe, frog,  
part of Caggemini Invent

<sup>11</sup> Caggemini Research Institute, “A new playbook for Chief Marketing Officers,” October 2021.



61%

of data-driven marketers say they have an adequate supply of creative skills in their organization, compared to only 45% of other marketers

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## Creativity breathes life into data-driven campaigns

Data-driven marketing often follows a well-defined, carefully structured plan. However, leading CMOs recognize the importance of harnessing not only sources of accuracy and objectivity but also the creative forces that can make an exciting, personalized experience for the individual consumer.

**Creativity relies on differentiation.** New data and AI technologies offer several tools to marketers that allow them to bake in differentiation by default at an unimaginable scale. For example, Mondelez India used data and AI to help small business owners create customized ads for their local stores featuring one of India's biggest Bollywood stars, Shahrukh Khan.<sup>12</sup> The ads used machine learning (ML) to recreate the voice and face of the star, which could be manipulated so that he appeared to mention the store's name in the ad, creating instant differentiation for every business that sought to deploy the ad. Then, Mondelez created a hyperlocal campaign targeting customers in the specific neighborhoods that used each store, supporting over 500 zip codes and reaching over 2,000 local retailers.

<sup>12</sup> Business Insider, "Ever thought Shahrukh Khan could endorse your neighborhood store? Here's how Cadbury India is making it possible," October 2021.

**Creativity relies on emotion and consideration.** Oreo presented a good example of engaging customers emotionally at the optimal moment when it capitalized on the power outage inside the stadium during the 2013 Super Bowl.<sup>13</sup> Xfinity Mobile – Comcast’s wireless phone service in the US – created a campaign called “Data in Dollars” that ran pre-roll ads (ads that you see before your YouTube video loads, for instance) informing viewers how much streaming the video would cost them – in real-time (depending on the length of the video and carrier). The ads targeted competitors’ customers streaming videos using their cellular data and made them seriously consider why they were paying more than Xfinity customers.

**Creativity relies on relevance.** The ability to respond to customer trends in real time, and in a way that your consumer base can relate to, requires creative intuition, as well as a lot of hard data analysis. Dynamic virtual advertising achieves precisely this. Imagine you’re watching a football match and behind

“**Data-driven creative experts no longer have to rely on their instinct alone during content development.**”



**Timothy Morey**  
Global Managing Director, frog,  
part of Caggemini Invent

13 The Drum, “2013: Oreo wins the Super Bowl with “dunk in the dark” tweet,” March 2016.

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79%

**Our research shows that 79% of data-driven marketers can be more agile than their counterparts (37%) in responding to customer and market needs.**

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live action on the field you see billboards running ads. The ads you see on TV are usually different, depending on where and on which channel you're watching the game. Broadcasters are testing this technology to superimpose virtual ads so discreetly that the viewer has no idea that the billboard ads they see are different from what the spectators see in the stadium. This allows broadcasters to tailor the ads schedule more precisely to the target audience.<sup>14</sup>

Our research shows that 79% of data-driven marketers can be more agile than their counterparts (37%) in responding to customer and market needs.<sup>15</sup>

<sup>14</sup> Metro, "Life is an illusion: Reddit stunned by football's virtual advertising," July 2021.

<sup>15</sup> Capgemini Research Institute, "A New Playbook for Chief Marketing Officers," October 2021.

## How real-time data is honing marketing's creative processes

The relationship is not all one-way, however; data has a lot to offer the creative marketing process. Applying a data-driven approach can help add structure to campaigns, making them both more engaging and effective by using precisely targeted, context-rich real-time interactions.

Creative activities such as copywriting, visual creation and selection, personalization, design, and communication can be optimized through effective use of data. For example, McDonald's Japan used real-time data analytics to identify changing patterns in sales data and then published over 25,000 different banner ads, each personalized to the context of the individual viewer, considering location, gender, time, and even local weather conditions – a process known as “real-time data-driven creative.” Google estimates that these types of ads have a 300% higher click-through rate than conventional still-image ads. As a result, McDonald's witnessed growth of 150% in the use of digital coupons linked to these ads.<sup>16</sup>

Global TV- and movie-streaming service Netflix employs data-driven real-time strategies at multiple levels within its creative marketing, the most prominent example being personalization and targeting: 80% of Netflix content is suggested by its AI-based personalized recommendations.<sup>17</sup> Netflix uses data to offer unique recommendations to users that are tailored to their individual preferences and viewing habits. For example, if the user history is weighted towards comedy, then the thumbnail of a recommended show is likely to depict laughing characters.<sup>18</sup>

<sup>16</sup> Think with Google, “Real-time data-driven creative: the next frontier?” September 2016.

<sup>17</sup> Towards Data Science, “Deep dive into Netflix's recommender system,” April 2020.

<sup>18</sup> Wedia.Group, ‘3 examples of hyper personalized marketing campaigns’, July 2021.

## What it means for CMOs

As these examples show, when the free-flowing creative process meets the precision of advanced data use, marketing wins. Seamlessly blending the two can amplify the reach of marketing campaigns and drive customer acquisition. Creative experts no longer have to rely on their instinct alone during content development; they can test ideas quickly, gather a data-driven collective response, and iterate before launching the end product. At the same time, data experts can enrich their insights via a more creatively nuanced presentation, using the analysis to design a message that carries emotional as well as data-informed weight. This symbiotic relationship increases recall value and creates new and exciting experiences for the consumer.

To fully harness the convergence of data and creativity, CMOs must:

- ensure that marketers are equipped with a **balanced baseline of data and creative skills**, while remaining open to specialist input; this requires upskilling data experts with creative skills such as ideation, lateral thinking, storytelling, and creative writing. It would also require building foundational data skills such as analytics, statistics, and visualization in creative experts;
- create a **culture of learning** by motivating marketers to continually develop their capabilities. For example, organizations can establish a center of excellence housing experts skilled in both data science and creativity, so the marketing function can access specialized skills quickly when needed and it can serve as a training ground for rapid skill development;
- accelerate **collaboration across the marketing ecosystem** to uncover new data sources and creative ideas. It is essential for marketers that internal teams collaborate to resolve customer problems holistically and deliver the optimum experience. Collaboration must also extend to external partners beyond the organization, for example agencies, startups, and research organizations. An exchange of data and insights with the broader ecosystem will be beneficial to both customers and wider society.





**Sarah Thomas**

Group Chief Marketing Officer, Capgemini



**Alex Smith-Bingham**

Customer Experience Group Offer  
Lead, Capgemini





CONSUMERS ARE  
IMMERSED IN NEW  
TECHNOLOGIES  
– BUT ARE CMOs  
VIRTUALLY LOST?

## Creating new worlds for the customer

When IKEA's augmented reality (AR) app, IKEA Place, launched in 2017, users were able to see how the chair or sofa they were considering would look in their own homes. The application was able to realistically render true-to-scale 3D products with 98% accuracy, meaning less guesswork on the part of the purchaser and less chance of disappointment (and potentially a return) when the real furniture arrives.<sup>19</sup> Now, IKEA customers can design entire rooms with IKEA furniture and decor through its AR app, IKEA Studio.<sup>20</sup>

Impressive though they are, however, such tools do not even scratch the surface of the possibilities imagined by the next generation of immersive-experience technologies.

Multiple brands are investing in technologies that will create an immersive world for the consumer to explore. Immersive experiences need not be only AR; they can be used to pull the consumer into another world — real or imagined, reassuringly familiar or stimulatingly new — enabling them to manipulate and interact with their environment, configuring it to suit their taste, and engage with purpose or pleasure. The journey should be sensorially thrilling and engaging, driving interaction with the brand on a personal level.

“

**Immersive experiences need not be only AR; they can be used to pull the consumer into another world — real or imagined, reassuringly familiar or stimulatingly new — enabling them to manipulate and interact with their environment.”**

<sup>19</sup> Architect Magazine, “IKEA launches Augmented Reality application,” September 21, 2017.

<sup>20</sup> Wired, “IKEA's Revamped AR App Lets You Design Entire Rooms,” April 2021.

## Why all the interest in immersive experiences?

Immersive technology, particularly AR and virtual reality (VR), has been around for a surprisingly long time; the first VR head-mounted display system was invented over 50 years ago, in 1968. As the technology has advanced, interest in it as a commercial tool has grown.

**Expansion of the gaming industry.** Gaming has been a flagship industry for consumer interest in immersive experiences. As of 2021, it is estimated that 77% of millennials and 81% of Gen Z considered themselves “gamers.”<sup>21</sup> The growing sophistication of VR equipment, coupled with decreasing costs, has seen exponential growth.

Gen Z, with an estimated spending power of more than \$300 billion, is particularly willing to try newer technologies and novel ways to shop online, such as livestream shopping (where the host interacts with customers in real time, preferred by 40% of Gen Z) and trying on clothes with AR (preferred by 24%).<sup>22</sup> Today’s CMOs have an opportunity to reach out to this large and influential demographic through a medium they have grown up with.



<sup>21</sup> Newzoo, Gamer Consumer Research Study 2021.

<sup>22</sup> CGS, “Gen Z leads changing consumer shopping habits, motivations,” August 2021.

## Perspectives from Capgemini

**Increased brand engagement.** Immersive technology and the metaverse will allow brands to reach audiences of millions with fewer scaling costs. For example, virtual pop concerts staged in Fortnite, an online game, can draw more than 10 million viewers, an unthinkable figure in the physical world. In March 2022, the first metaverse fashion week was organized by the Decentraland platform featuring high-profile brands such as Forever 21, DKNY, and Estée Lauder.<sup>23</sup> Similarly, Hyundai Motors launched Mobility Adventure, a metaverse space on the Roblox gaming platform, where users can look at Hyundai products, interact with other gamers, and experience Hyundai's future mobility solutions.<sup>24</sup>

**Monetizing the immersive.** In 2020 consumers spent nearly \$54 billion on virtual goods, skins for their avatars, and extra character lives in gameplay.<sup>25</sup> This is more than the total spent at the box office for movies or on purchasing recorded music. Gamers are a readymade consumer demographic primed and eager to purchase through immersive platforms. In the US, 19% of adult PC gamers purchase virtual goods on a daily basis and 38% of console gamers purchase at least once a week.<sup>26</sup>



**CMOs can look to immersive experiences as a way by which to diversify existing revenue streams, with the metaverse opening up new channels for brands."**



**Sarah Thomas**  
Group Chief Marketing Officer,  
Capgemini

<sup>23</sup> The Wall Street Journal, "Metaverse fashion week draws big brands, start-ups," March 24, 2022.

<sup>24</sup> Hyundai, "Hyundai motor vitalizes future mobility in Roblox metaverse space, Hyundai Mobility Adventure," September 2021.

<sup>25</sup> MatthewBall.vc, "Payments, payment rails, and blockchains, and the metaverse," June 2021.

<sup>26</sup> Statista, "Frequency of purchasing virtual or digital goods among gamers in the United States as of April 2021."

Across all consumer groups, early research has shown that 70% of consumers who visited a virtual store have made a purchase.<sup>27</sup> In the metaverse, brands can either sell digital wearables or convert their physical items into non-fungible tokens (NFTs; non-replicable units of data stored on a blockchain, a form of digital ledger, that can be sold and traded). CMOs can look to immersive experiences as a way by which to diversify existing revenue streams, with the metaverse opening up new channels for brands. Advanced CMOs have a multichannel approach selling products and services, simultaneously, in the virtual and the real world.

## Early adopters are already getting their hands dirty

It would be remiss not to mention Facebook’s rebranding as Meta, which has boosted interest in the metaverse and the virtual worlds it contains. While several virtual realities have appeared over the years, including the popular Second Life, which still has over 1 million active users every month, the prospect of a global giant like Facebook dipping more than its toes in the immersive is inevitably driving up interest levels.<sup>28</sup>

While this kind of hype around the metaverse has naturally driven a lot of brands towards it, a few have really taken the immersive concept to heart. Forever 21 and Nike have already created full-fledged virtual stores.<sup>29</sup> Unveiled at Decentraland Fashion Week, Forever 21’s online store covers.



**In 2020 consumers spent nearly \$54 billion on virtual goods, skins for their avatars, and extra character lives in gameplay. This is more than the total spent at the box office for movies or on purchasing recorded music."**

<sup>27</sup> Obsessar, "The metaverse mindset: Consumer shopping insights." <https://obsessar.com/metaverse-consumer-survey/> accessed on March 25, 2022.

<sup>28</sup> Ars Technica, "Even in the metaverse, you can't escape the taxman," March 2022.

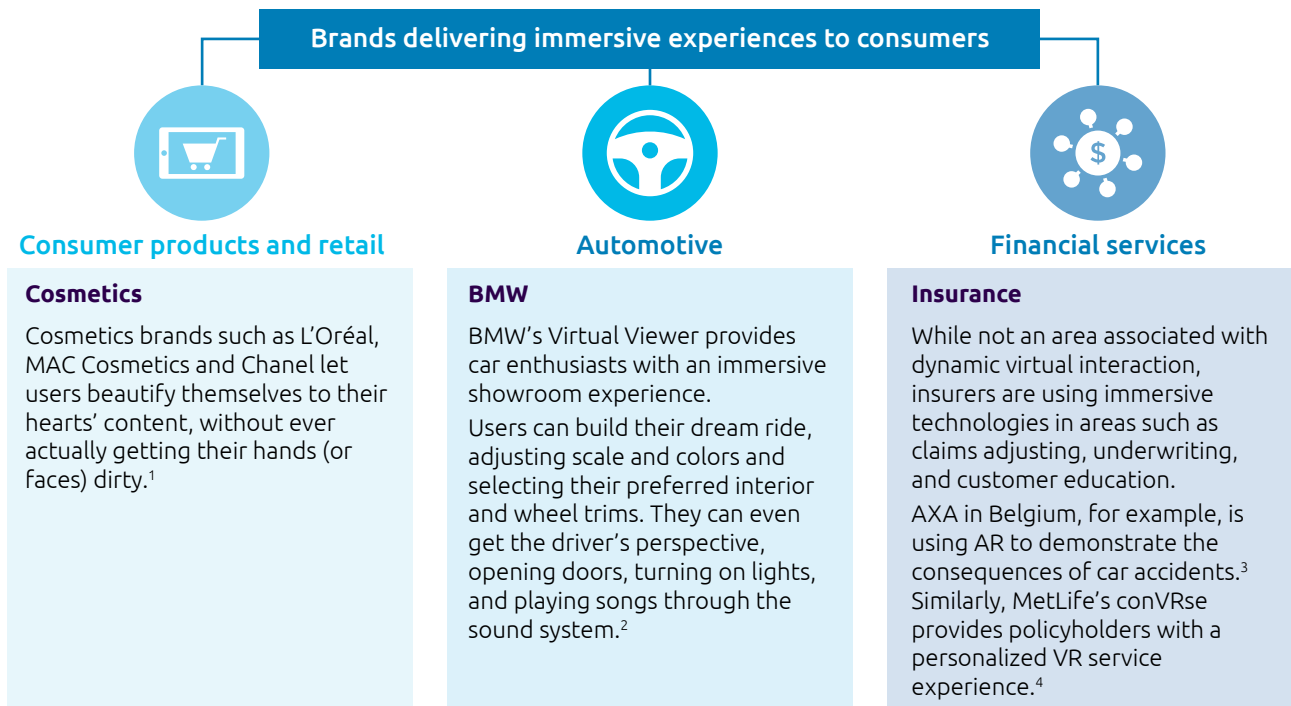
<sup>29</sup> FT, "Retailers seek real-world profits in the metaverse," February 23, 2022.

## Perspectives from Capgemini

450,000 “virtual” sq ft with digital avatars acting as store associates.<sup>30</sup> Since it opened less than six months ago, Nike’s metaverse store, Nikeland, has been visited by nearly 7 million people from over 200 countries. Built in the Roblox platform, users can try on virtual products, play games such as dodgeball, and even interact with celebrities such as basketball star LeBron James.<sup>31</sup>

Some organizations have already begun to see the real-world impact of their initiatives in the metaverse. Forever 21 sells a virtual black beanie hat that can be purchased with Robux, an in-game currency of the Roblox platform. Interest in this product has led to the launch of a physical version, playing on the concept of consumers “twinning” with their avatars.<sup>32</sup>

Figure 2: Below are some of the most striking examples of early immersive adoption:



**Sources:**

1. Harper’s Bazaar, “The 7 best virtual makeover tools,” February 2021.
2. Next Reality, “BMW opens augmented reality showroom for plug-in hybrids on the web via 8th Wall,” April 2022.
3. Aite Novarica, “The rise of Augmented Reality in insurance,” February 2021.
4. The Digital Insurer, “conVRse – A Virtual Reality enabled customer service platform by PNB Metlife,” May 2017.

30 Business Wire, “Tokens.com partners with Forever 21 for metaverse storefront,” March 24, 2022.

31 The Drum, “Nearly 7 million people have visited Nike’s metaverse store,” March 22, 2022.

32 OI Canadian, “Metaverse: the Nike and Forever 21 method to earn real money in the virtual world,” February 15, 2022.

## Consistency is key

While brands are keen for their stars to shine in the metaverse, they need to keep their feet on the ground in terms of maintaining alignment with their real-world offerings. It is important for brands to ensure they have a consistent tone and identity across all platforms. Customers subconsciously rely on this consistency as an indicator of quality, making it a key builder of trust and a deciding factor for most (81%) when considering a purchase.<sup>33</sup>

Trust is also a key influencer in determining customer loyalty.<sup>34</sup> For example, California footwear brand Vans specializes in skateboarding shoes and related apparel and sponsors surf, snowboarding, and motocross teams. Its real-life California skatepark has been translated to its Vans World metaverse presence, where skateboarders can practice their skills as well as trying on and purchasing Vans gear.<sup>35</sup> This kind of (real-life and virtual) commitment to the target market encourages connection, identification and trust between the brand and its consumer base.



**While brands are keen for their stars to shine in the metaverse, they need to keep their feet on the ground in terms of maintaining alignment with their real-world offerings."**



**Alex Smith-Bingham**  
Customer Experience Group Offer  
Lead, Caggemini

<sup>33</sup> Edelman, "Only one-third of consumers trust most of the brands they buy," June 2019.

<sup>34</sup> Caggemini Research Institute, "Loyalty deciphered: How emotions drive genuine engagement," December 2017.

<sup>35</sup> The Drum, "Vans channels metaverse trend to build skateboarding world in Roblox," September 21, 2021.



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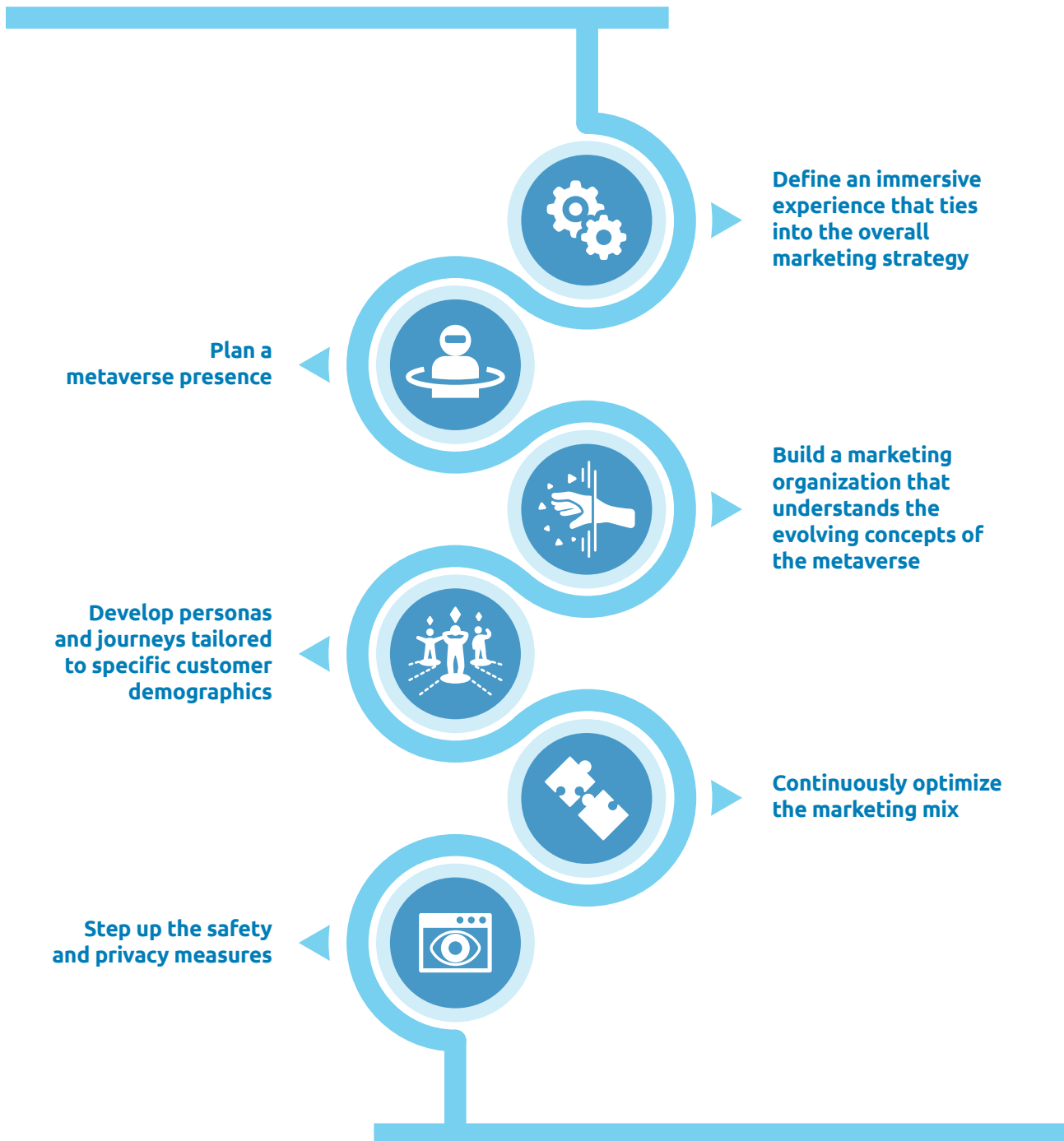
Equally, it is important – and potentially highly rewarding – for brands to own their identities in the emerging metaverse. Quick service restaurant Wendy’s ran a “Keep Fortnite Fresh” campaign, in which it sent a mascot into a Fortnite video game to “kill” all the freezers in the game’s Food Fight mode, reinforcing Wendy’s “fresh, never frozen” positioning. The freezer-smashing was live-streamed on Twitch, which in turn mobilized thousands of gamers to join in the destruction. The advertorial effects were startling: the stream amassed a viewing time of more than 1.5 million minutes, while mentions of Wendy’s increased by 119% across social platforms.<sup>36</sup>

## What should CMOs do?

Immersive experiences and the metaverse provide a unique opportunity for marketers to engage with customers – current, past, and prospective – in a direct, personal way. These technologies help the brand relate directly to the customer in a way that other platforms simply cannot offer. However, before embarking on this connection-building journey, it is important that CMOs gain a clear view of who their customers are and their desired emotional outcomes. Specifically, CMOs should:

<sup>36</sup> The Drum, “How Wendy’s and VMLY&R reached the adblock generation by smashing freezers in Fortnite,” November 2019.

Figure 3: Steps for CMOs to effectively leverage the metaverse opportunity



Sources: Capgemini

- **Define an immersive experience that ties into the overall marketing strategy.** Alignment and consistency across the various channels is crucial to building a trusted relationship. Decide if you want to use the immersive space to feature your products, engage your customers, educate them, or to boost your sales
- **Plan a metaverse presence.** While early adopters have launched virtual stores or virtual games, beginners can start with participation in metaverse events or establishing partnerships with metaverse players such as Roblox and Decentraland. Simple NFT collections, one-off virtual events in the metaverse without a clear strategy, or simply moving the current physical experience into the VR space is not going to create a lasting impact.
- **Build a marketing organization that understands the evolving concepts of the metaverse.** The skills required to market it will evolve and become more defined and CMOs should be prepared to build and scale the diverse teams and partnerships they will need. Creating virtual stores or launching NFT editions may be how the brand wants to proceed and this would need a team that is familiar with the mechanics. Similarly, while your social media marketing may turn to Roblox or Fortnite, content marketing needs to step up in order to drive interactive experiences.
- **Develop personas and journeys tailored to specific customer demographics.** You should truly understand who your customers are, their behaviors, and how they want to engage with the brand. For instance, is a certain demographic more prone to buying virtual goods for their digital avatars? And which part of the buying cycle is more conducive for the metaverse/immersive experience?
- **Continuously optimize the marketing mix.** As the organizational capabilities evolve along with the immersive experiences and metaverse ecosystem, companies need to continuously optimize their marketing mix across various channels for the best ROI. Continue to analyze data from the immersive and metaverse campaigns.
- **Step up the safety and privacy measures.** As the avenues for online transactions and engagement increase, it is important for companies to actively take steps to protect their consumers from fraud.

37 Vogue Business, "Gucci CEO Bizzarri talks metaverse strategy and why it's 'already a real place for us,' " March 28, 2022.

It's up to the CMO to guide marketing through the exciting process of positioning a brand using new-age immersive technologies. One way to start is to make the marketing teams experiment with the technology. Familiarity with the tech helps them understand the consumer's perspective and brings them up to speed while also acting as a testing ground for the technology itself. Letting the broader organization, and not just the marketing teams, test the technology will help in delivering the best immersive experiences. In doing this, it is important not to lose sight of the larger significance of this move into new, technology-led realities. As the CEO of Gucci, Marco Bizzarri, points out: "Anyone who says Web 3.0 is a pretext to sell digital sneakers misses the point."<sup>37</sup>

The opportunity is to engage with customers in a much more intimate way, allowing them to curate their own consumer experiences by providing them with all the tools they need to do so – and, as any CMO worth the title knows, taking notes while you watch them.



# Insights from the Capgemini Research Institute

A NEW PLAYBOOK  
FOR CHIEF  
MARKETING OFFICERS  
Why CMOs should enable real-time marketing to  
drive sustainable growth

→ p.137

WHAT MATTERS  
TO TODAY'S  
CONSUMER

→ p.150

# A NEW PLAYBOOK FOR CHIEF MARKETING OFFICERS

**Customer-data volumes are growing as digitization and online sales accelerate. With a surge in ecommerce growth, ensuring a single view of the customer has become critical to success.**

**But are CMOs and their marketing teams realizing the full potential of data-driven marketing? Is the marketing function sufficiently data-driven to be able to conduct real-time marketing? How mature are in-house marketers in using data and technology to enable a better understanding of new consumer behaviors and insights, and can they respond appropriately and quickly enough?**

**To answer these questions, we surveyed 1,600 marketing executives from around the world with a business-to consumer (B2C) focus and representing a range of industries, including automotive, banking, consumer goods, insurance, retail, telecom, and utilities. We also conducted in-depth interviews with 25 CMOs and other marketing executives.**

Data and technology is enabling marketing to achieve its potential as a growth driver and fulfill a broader role. CMOs are now responsible for a wide range of activities, including data and technology, business strategy, business growth, and customer experience. Our research reveals, however, that organizations are indeed struggling to be data-driven in marketing owing to capability, talent, and access challenges. For those organizations that are successful, they are reaping benefits ranging from more effective decision-making, better business outcomes, and the ability to perform real-time marketing that consumers increasingly expect. It is critical that today's marketing teams be data-led, so they can drive sustainable growth.



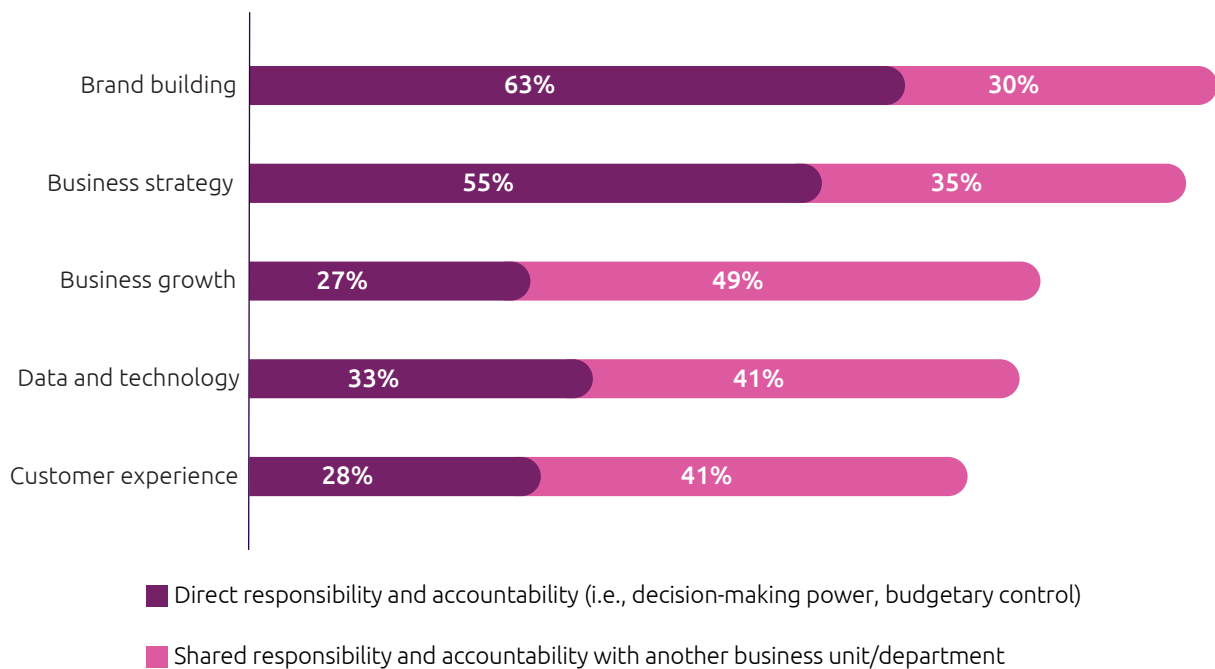
## 1 – DATA ENABLES MARKETING TO ACHIEVE ITS POTENTIAL AS A GROWTH DRIVER

The CMO mandate has expanded beyond traditional brand-building to become more holistic:

- 90% of CMOs currently say they are responsible (either directly or shared) for business strategy, such as defining and launching new products and services.
- Close to three-quarters (74%) have a responsibility for data and technology, business growth (i.e., revenue and profit contribution), and customer experience
- Over three-quarters of CMOs (76%) are responsible for business growth (i.e., contributing to revenue or profit) – either directly or as a shared responsibility.

**Figure 4. The CMO remit has broadened to become more holistic**

Percentage of CMOs who say they are currently responsible for the following functions/competencies



Source: CMO survey, March–April 2021, N=224 chief marketing officers.

Given its broadened role, marketing is more integral to the business than ever before. Data mastery – extracting meaningful insights from deep data analysis to shape marketing decisions and customer activation – will be critical to CMOs’ success in this broadened role to deliver faster and more precisely

## 2-THE MARKETING FUNCTION FALLS SHORT OF BEING DATA-DRIVEN

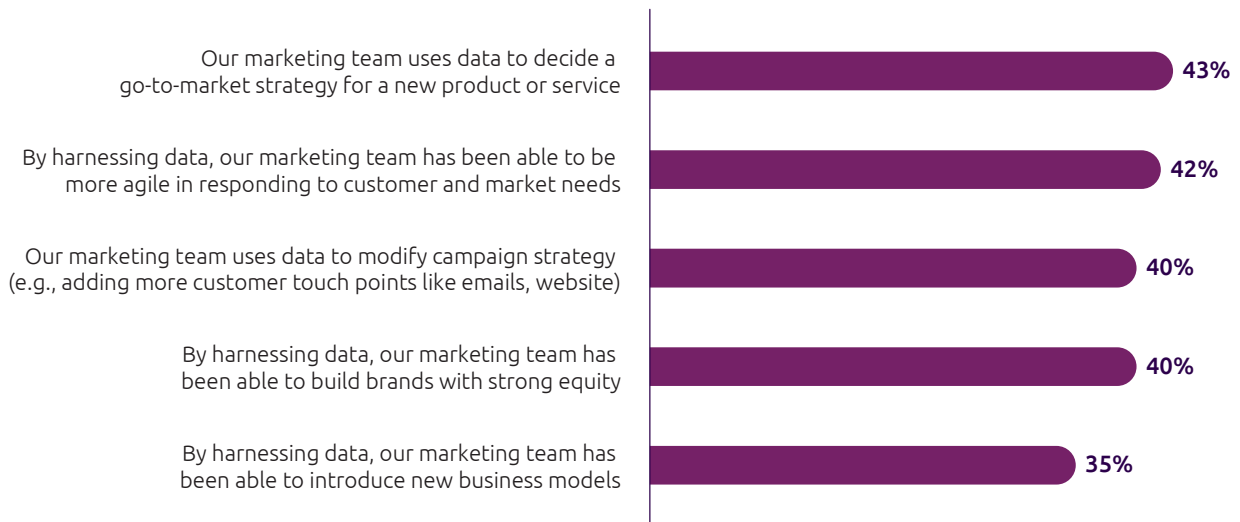
Marketers are struggling to effectively use data to drive marketing decisions and actions

Overall, less than half of marketers say they currently use data to drive marketing decisions and actions (see Figure 5):

- For example, only 42% of marketers say that by harnessing data, their team has been more agile in responding to customer and market.

Figure 5. Less than half of marketing teams drive decisions by harnessing data

### Percentage of marketers that agree with the following statements



Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

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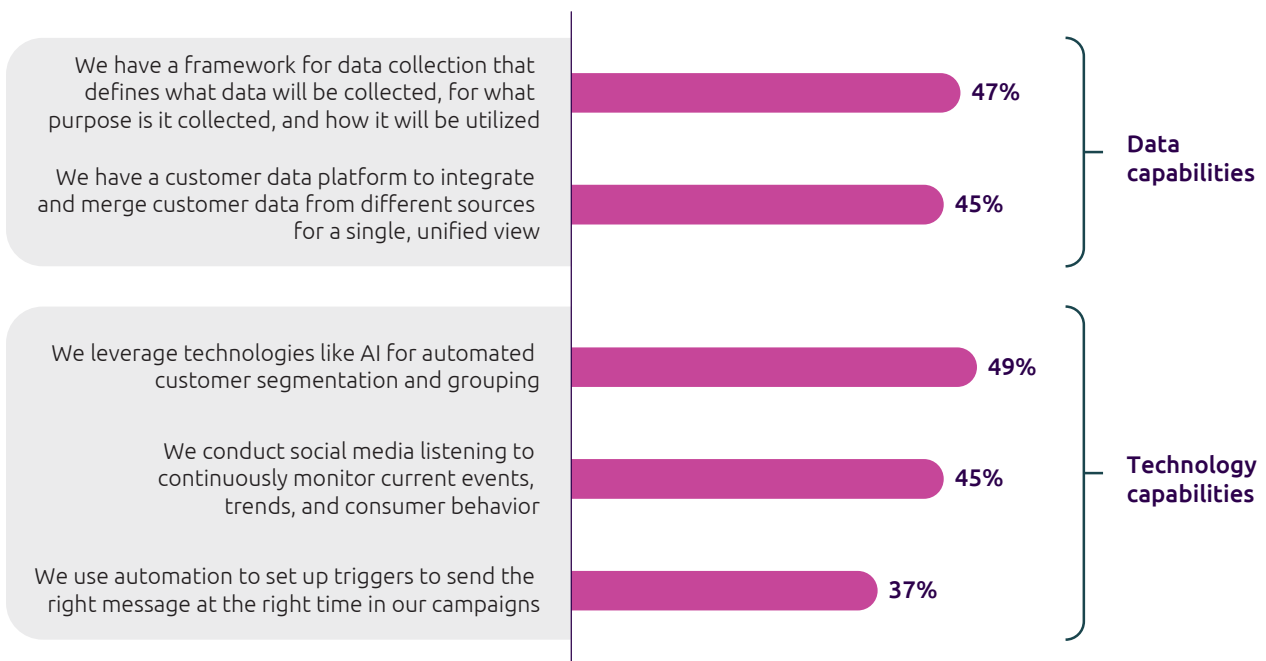
**Given its broadened role, marketing is more integral to the business than ever before.”**

## Marketers have a capability deficit

As Figure 6 shows, less than half of marketers say they have built the data and technologies capabilities needed to deliver data-driven marketing.

**Figure 6. Less than half of marketers (45%) have a customer-data platform that allows for a single view of customers**

### Percentage of marketers that agree their organizations have the following marketing capabilities



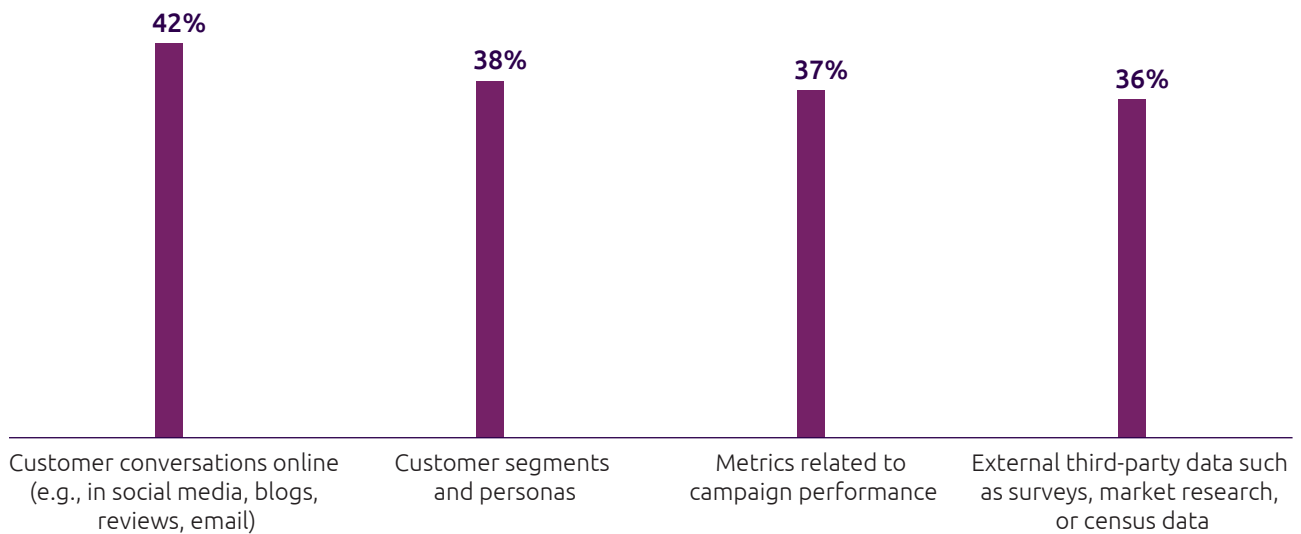
Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

## Data is not readily accessible to marketing

Availability of and access to data is a problem for marketing teams. For example, 49% of marketers say they have technology such as AI to automate customer segmentation and grouping. However, only 38% say that customer segment and persona data is available to them (see Figure 7).

**Figure 7. Only 38% of marketers say they have “customer segments and personas” data in the required format to aid decision making in marketing**

Percentage of marketers that agree with the statement  
“Data is available in the required format to inform our decision-making in marketing”  
for each of the data elements listed



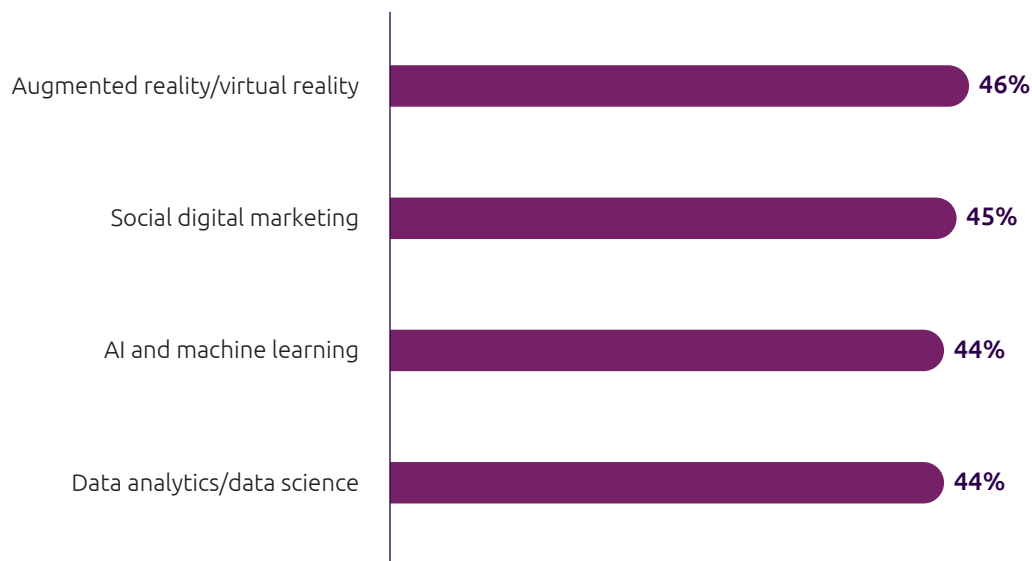
Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

## There is a skill gap for technical talent in marketing

Marketers are yet to catch up on many important technical and digital-marketing skills. Only 44% say they have an adequate supply of skills in areas such as AI and machine learning, or data analytics and data science (see Figure 8). And less than half (45%) say they have social digital marketing skills.

**Figure 8. Only 44% of firms say they have sufficient data science or AI/machine learning skills in their marketing organizations**

Percentage of marketers that agree with the statement: "We have an adequate supply of this skill in my marketing organization"



Source: Capgemini Research Institute, CMO survey, March–April 2021, N=1,600 marketers.

44%

of marketers say they have an adequate supply of skills in areas such as AI and machine learning

### 3-WHAT DATA-DRIVEN MARKETERS DO DIFFERENTLY AND THE BENEFITS OF A DATA-RICH APPROACH

We assessed organizations against critical data and technology against critical data and technology dimensions and found that only 11% of marketers qualify as data-driven marketers. They outperform the rest of the organizations in four key areas:

- Driving effective real-time marketing initiatives and derive high value from their use
- Realizing better business outcomes from real-time marketing
- Having well-rounded skills and expertise, including better category and customer understanding, data-driven skills, and soft skills like agility and emotional intelligence
- Fostering creativity more effectively across a broad range of areas, including personalization, customer engagement, and content.

# Only 11%

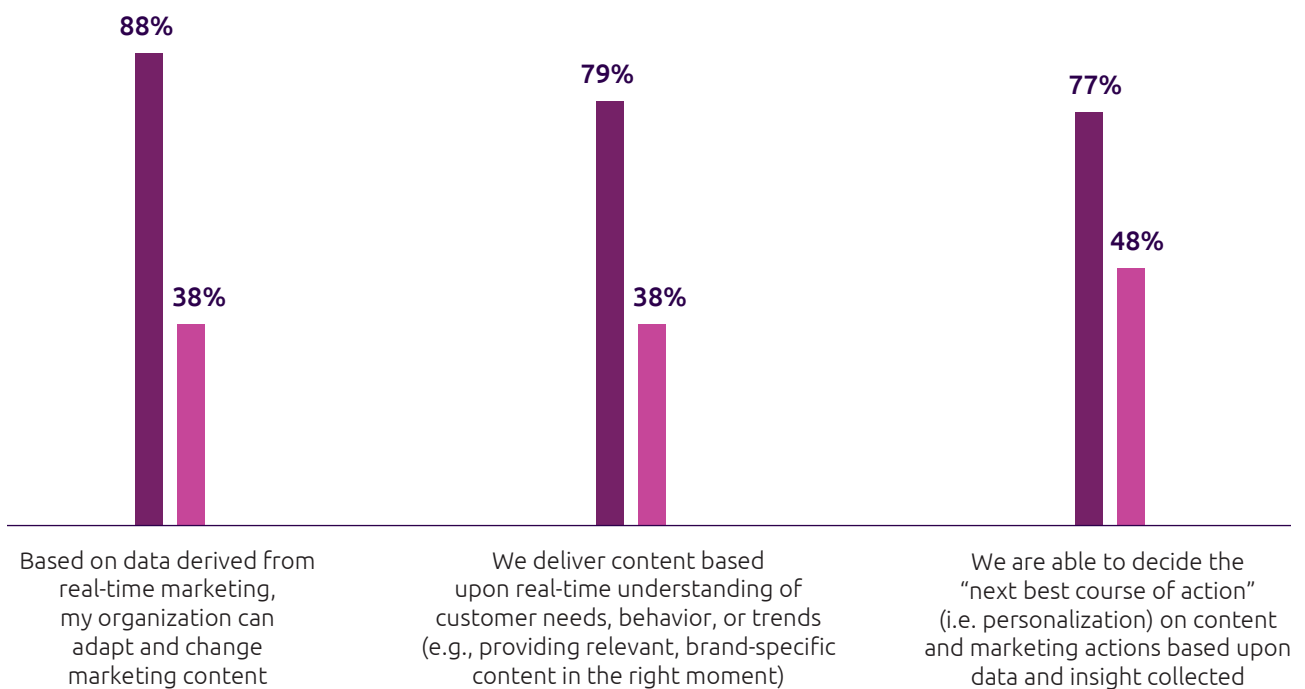
of marketers qualify as data-driven marketers.

## Data-driven marketers execute real-time marketing and drive significant value as a result

Real-time marketing requires deciding on the next best course of action based on the customer response to the preceding action. Eighty-eight percent of these marketers say they can adapt and change content based on real-time data (see Figure 9).

**Figure 9. Data-driven marketers deliver and adapt relevant content and decide “next-best actions,” which are some capabilities required to deliver real-time marketing**

Percentage of marketers that agree with the following statements



Source: Capgemini Research Institute, CMO survey, March–April 2021, N=179 data-driven marketers; N=1,421 other marketers.



“

**Data-driven marketers have a greater supply of data and technology talent. They also have a greater supply of core marketing skills, as well as soft qualities and skills such as empathy, collaboration, and emotional intelligence.”**

### **Data-driven marketers realize better business outcomes from real-time marketing**

**When it comes to the overall impact of real-time marketing, data-driven marketers also report better performance against key metrics for real-time marketing campaigns:**

- Improved brand awareness/consideration: 16-percentage point increase among data-driven marketers versus an 8-percentage point increase for other marketers
- Improved customer satisfaction: 16-percentage point increase among data-driven marketers versus 9-percentage point increase for other marketers
- Increase in conversion rates (of prospects to customers): 15-percentage point increase among data-driven marketers versus 6-percentage point increase for other marketers
- Increase in customer retention: 14-percentage point increase among data-driven marketers versus 6-percentage point increase for other marketers

## Data-driven marketing teams possess well-rounded talent

Data-driven marketers have a greater supply of data and technology talent. They also have a greater supply of core marketing skills, as well as soft qualities and skills such as empathy, collaboration, and emotional intelligence as seen in Figure 10.

**Figure 10. 72% of data-driven marketers have data analytics/data science and 71% have category understanding skills**



Source: Caggemini Research Institute, CMO survey, March–April 2021, N=179 data-driven marketers; N=1,421 other marketers.

## Data-driven marketers foster creativity

Creativity and data are often considered opposites; creativity is seen as requiring the right brain, with a more artistic and emotional mindset, and data requiring the left brain, with a more analytical and methodological viewpoint. Our research found that data-driven marketers nurture creativity, which can take one of several forms:

- Building quick responses for changing trends
- Syncing data and creativity in customer engagement
- Delivering new ideas for personalized content
- Driving hyper-targeting in customer engagement
- Pairing data and creative talent

## 4-HOW CAN CMOs TAKE FULL ADVANTAGE OF DATA-DRIVEN INSIGHTS?

Drawing on our research, as well as our experience in working with organizations in this space We believe six focus areas are critical to CMOs' preparation for a data-driven marketing environment (see Figure 11).

**Figure 11. Six focus areas critical to CMOs' preparation for a data-driven marketing environment**

**Create a clear vision for the marketing strategy**

- Ensure data-driven capabilities are at the core of marketing strategy
- Define the roadmap for transformation

**Accelerate collaboration across the marketing ecosystem**

- Collaborate with key functions - IT, sales and finance
- Collaborate with external partners

**Ensure talent is equipped with a baseline of data and creative skills while allowing for specialists**

- Recruit or upskill marketing talent
- Focus on developing an analytical mindset
- Upskill on digital and performance marketing
- Develop a learning culture
- Establish a center of excellence

**Reimagine the customer journey with real-time engagement**

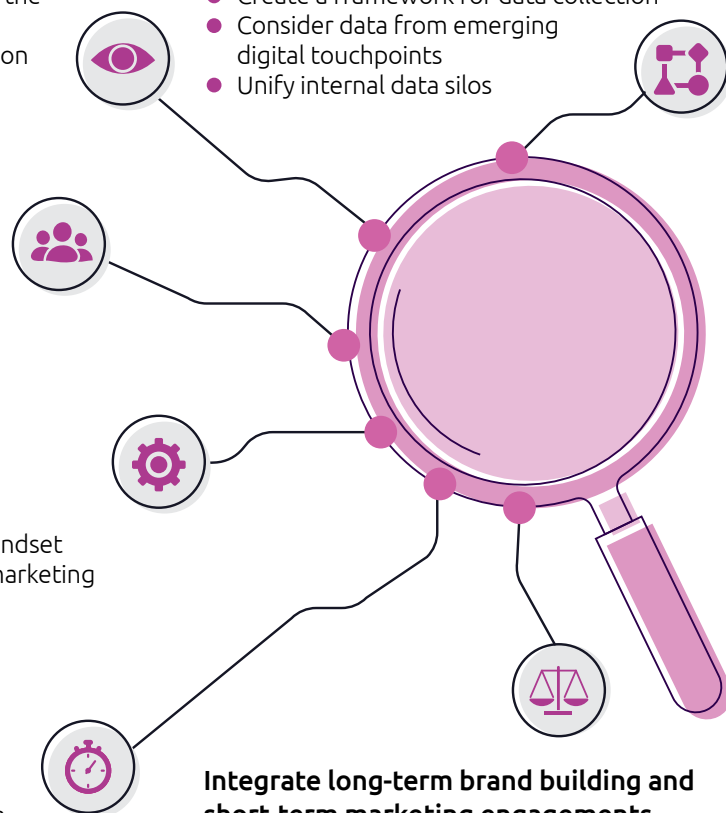
- Implement a customer-data platform
- Utilize customer-listening tools to understand intent
- Have a clear content-management strategy and solutions
- Use automation tools for delivery

**Implement a framework-driven data-collection process**

- Create a framework for data collection
- Consider data from emerging digital touchpoints
- Unify internal data silos

**Integrate long-term brand building and short-term marketing engagements**

- Incorporate brand building with short-term marketing initiatives
- Allocate separate budgets for long-term and short-term marketing engagements



Source: Capgemini Research Institute analysis.

For details on the research methodology and to read the full report, please visit:

<https://www.capgemini.com/research/a-new-playbook-for-chief-marketing-officers/>

# WHAT MATTERS TO TODAY'S CONSUMER :

2022 CONSUMER BEHAVIOR  
TRACKER FOR THE CONSUMER  
PRODUCTS AND RETAIL INDUSTRIES

Retail is undergoing an incredible shift, driven by changing consumer behaviors and expectations.

Today's consumer is shopping in multiple channels, and their expectations of the in-store experience have evolved. They seek convenience as a non-negotiable standard, with a smooth delivery and fulfillment experience being a top priority.

This report is the first installment of our annual research series to measure the dynamic trends and evolving consumer behaviors. We explore the topic of product versus services. Specifically, we want to investigate how central and significant the product and its characteristics are to the customer's buying decision and how much importance consumers place on the services they are offered and the customer experience they receive when deciding which products to purchase and which retailers to patronize.

Additionally, we explore consumer trends related to delivery and fulfillment and direct-to-consumer models, including buying directly from brands. To address these questions and topics, we surveyed over 10,000 consumers over the age of 18 in 10 countries: Australia, Canada, France, Germany, Italy, Netherlands, Spain, Sweden, the UK, and the US. To qualify for inclusion in the survey, consumers must have made a purchase of groceries, household and toiletries products, and/or health and beauty products in the preceding six months.

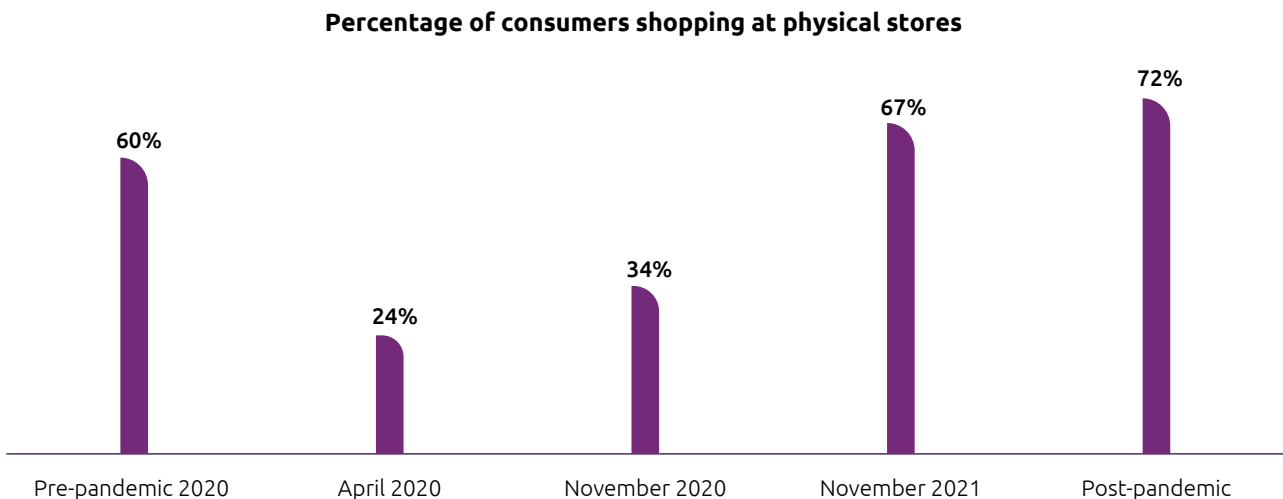
## 1. CONSUMERS RETURN TO IN-STORE SHOPPING, BUT ECOMMERCE REMAINS STRONG

Our research reveals an acceleration in interactions with physical stores as consumers return to traditional channels, even surpassing pre-pandemic levels.

### Consumer preference for in-store shopping surpasses pre-pandemic levels

A majority (72%) of consumers expect to resume significant interactions with physical stores in the longer term after the pandemic subsides. This markedly exceeds the level (60%) of consumers who maintained regular interactions with physical stores before the pandemic (see Figure 12).

**Figure 12. Consumers expect their interactions with physical stores to surpass pre-pandemic level**



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Capgemini Research Institute, The great consumer reset: COVID-19 and the consumer products and retail consumer, November 2020.



## Consumer preference for online shopping stabilizes

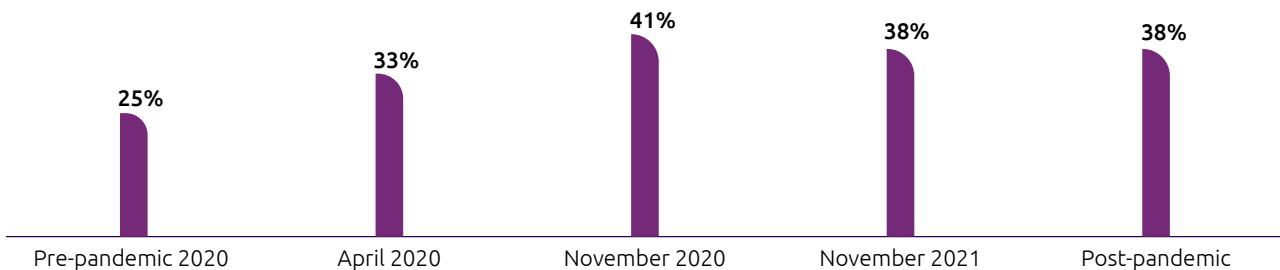
In the longer term, consumers are expected to maintain high level of online interactions, with 38% of consumers saying they expect to have significant interactions with online channels post-pandemic.

- Shoppers with children in their household reveal stronger preference for online interactions (49%) than shoppers without children (33%)
- Millennial shoppers – those aged 25 to 40 – have the strongest preference for online interactions (51%) compared to Boomer shoppers (24%).

High levels of both in-store and online interactions, even compared with pre-pandemic times, indicate that consumers are splitting their purchases across the two channels.

Figure 13. Consumer preference for online shopping has stabilized since 2021

### Percentage of consumers shopping online with retailers



Source: Caggemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Caggemini Research Institute, The great consumer reset: COVID-19 and the consumer products and retail consumer, November 2020.

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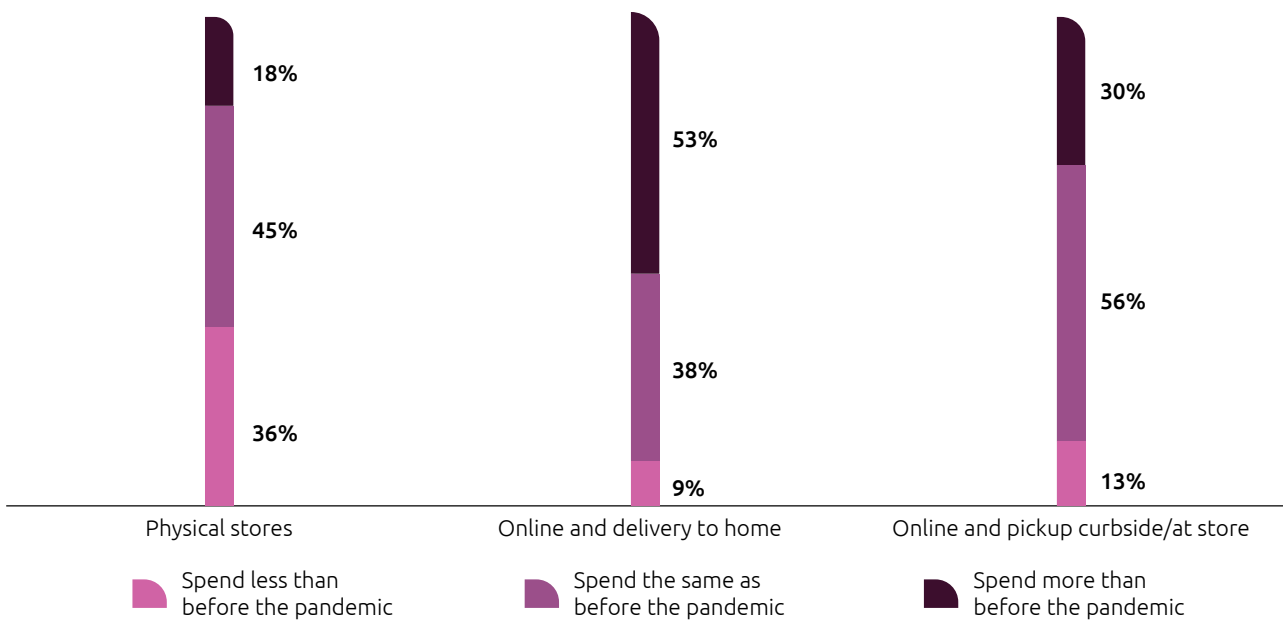
**"Our research reveals an acceleration in interactions with physical stores as consumers return to traditional channels, even surpassing pre-pandemic levels"**

## A large share of consumers are spending more online

We asked consumers how their current spending on groceries in an average week compares to their pre-pandemic. Over half of grocery shoppers (53%) in our survey say they are spending more on groceries online with home delivery.

**Figure 14. Many grocery shoppers are spending more online today than pre-pandemic**

**Percentage of grocery shoppers spending more, the same, or less than before the pandemic by channel**



Source: Capgemini Research Institute, consumer demand follow-up survey, November 2021, N=979 consumers.

## 2. DELIVERY AND FULFILLMENT SERVICES GAIN IMPORTANCE

We gauged the importance of specific attributes related to delivery and fulfillment and in-store experiences with respondents shopping for groceries and health and beauty products

### Grocery shoppers place greater importance on delivery and fulfillment

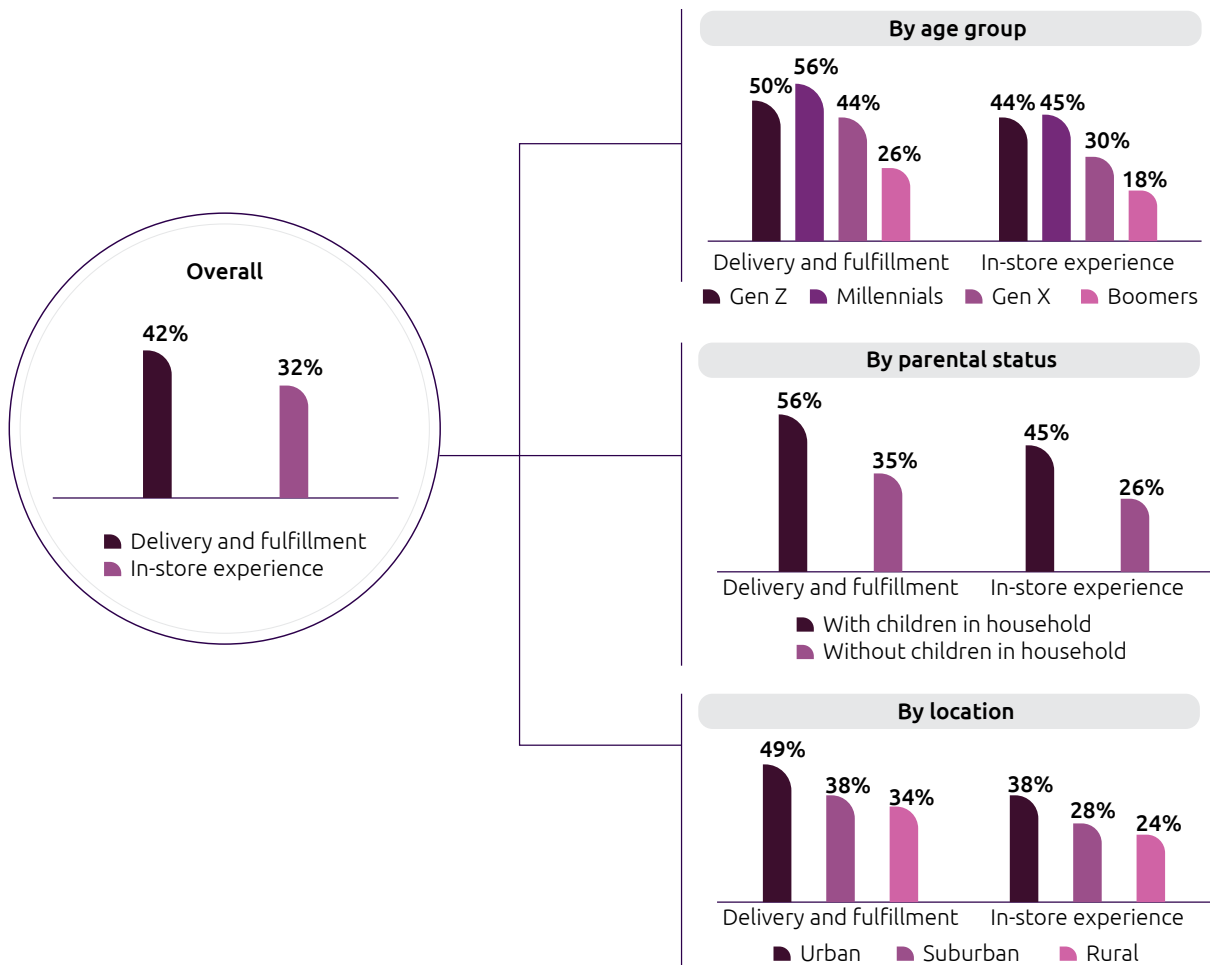
Our data shows that both delivery and fulfillment and in-store services and experiences are most important to Millennials and least important to Boomers. Shoppers with children in their household place greater importance on both delivery and fulfillment and in-store services than their counterparts.

“

**Our data shows that both delivery and fulfillment and in-store services and experiences are most important to Millennials and least important to Boomers.”**

**Figure 15. Grocery shoppers across age groups, parental status, and location place greater importance on delivery and fulfillment-related services than in-store experiences**

**Percentage of shoppers who say services related to delivery and fulfillment and the in-store experience are important when shopping for groceries**



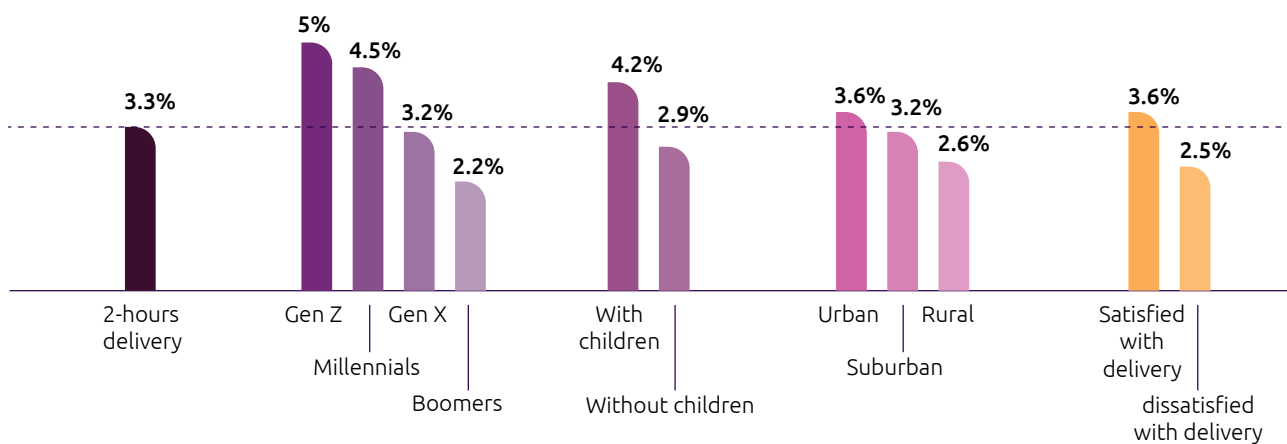
Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; N=6,829 grocery shoppers.

## Many shopper segments are willing to pay a premium for certain delivery services

Shoppers were asked what percentage of their order value they would be willing to pay for certain delivery speeds and services, assuming an average order size of \$30. Across all shoppers, 3.3% is the average they would be willing to pay for two-hour delivery, down from an average of 4.6% among all consumers in our 2019 research (see figure 16).

Figure 16. Shopper willingness to pay for fast delivery, across demographics

Average percentage of order value shoppers are willing to pay for fast delivery



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=7,685 consumers.



**Shoppers living with children are more likely to have purchased from brands (58%) compared to shoppers without children in their household (33%)"**

### 3. SHOPPERS ARE HAPPY TO ORDER DIRECT FROM BRANDS

While D2C purchases are only expected to account for 2.5% of total retail sales in 2022, brands selling D2C are disrupting the traditional retail model by providing a different type of consumer experience.

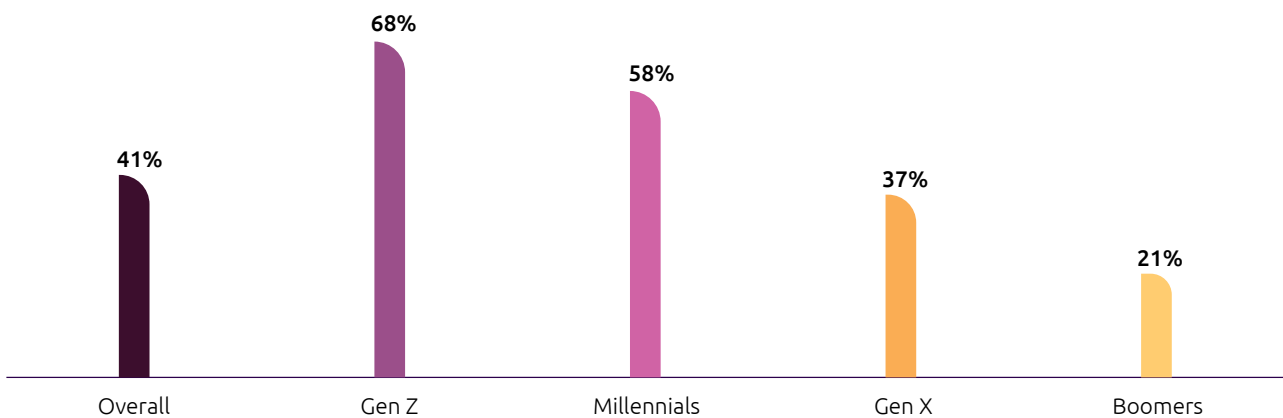
#### Nearly half of shoppers have ordered directly from brands, rather than retailers

Gen Z shoppers, followed by Millennials are the most likely to have ordered direct from brands. Boomers are the least likely to have done so (see Figure 17).

By household, shoppers living with children are more likely to have purchased from brands (58%) compared to shoppers without children in their household (33%). By location, urban shoppers are more likely to have purchased directly from brands (49%) compared to suburban (36%) and rural (30%) shoppers.

Figure 17. Shoppers across all age groups are ordering directly from brands

Percentage of shoppers who have ordered directly from a brand over the past six months by age group



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; N=1,014 Gen Z shoppers; N=2,911 Millennial shoppers; N=2,804 Gen X shoppers; N=3,450 Boomer shoppers.

## Many shoppers believe they receive a better customer experience when buying direct from brand

Of those shoppers who have ordered directly from brands, 60% say they get a better buying experience than when buying in-store and 59% say they get access to brand-loyalty programs (see figure 18).

Figure 18. Buying direct from brands offers a better shopping experience

Percentage of shoppers that agree with the statement: "I will purchase products from brands directly instead of buying from retailers because..."



Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=4,154 consumers who have ordered products directly from brands and not from retailers in the last six months.



## 4. CONSUMERS' TOP PRIORITIES ARE HEALTHY, SUSTAINABLE LIVING – AND MAKING PURCHASES THAT REFLECT THIS

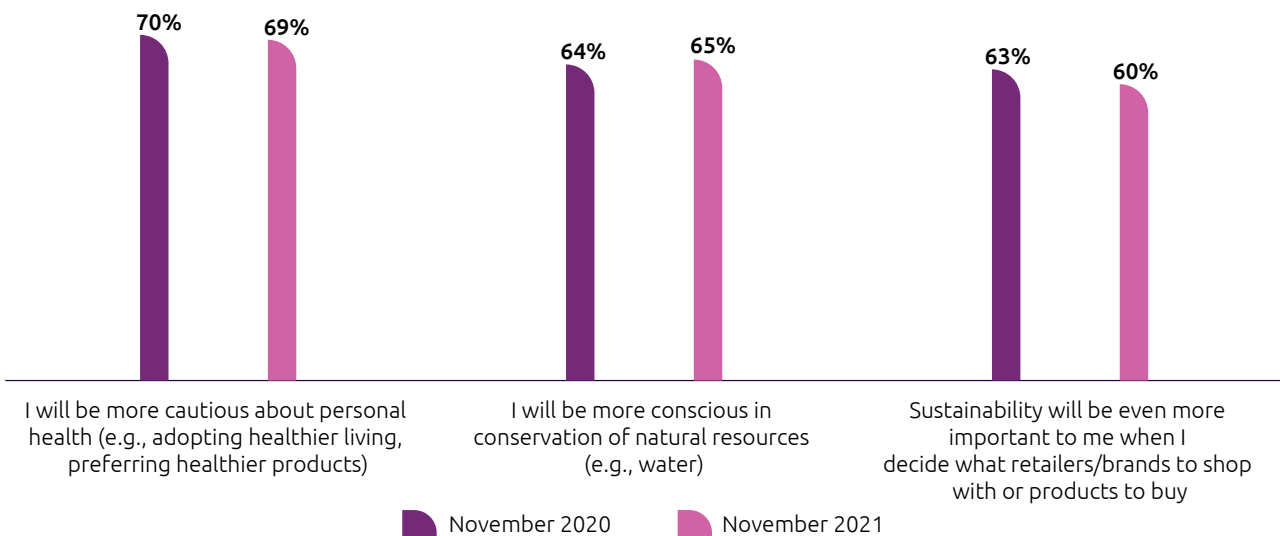
Growing concern about environmental challenges and the need to conserve natural resources – as well as greater stakeholder expectations around societal issues – have brought sustainability into the mainstream.

### Health and sustainability are top priorities for most consumers

In November 2020, 70% of consumers agreed that post pandemic, they will be more careful in terms of maintaining and protecting their personal health; one year later, this number has remained stable, with 69% of all shoppers agreeing in our November 2021 research. (see Figure 19).

**Figure 19. Shoppers are concerned about health, conservation, and sustainability**

Percentage of shoppers that agree with the statement: "Once the pandemic is over..."



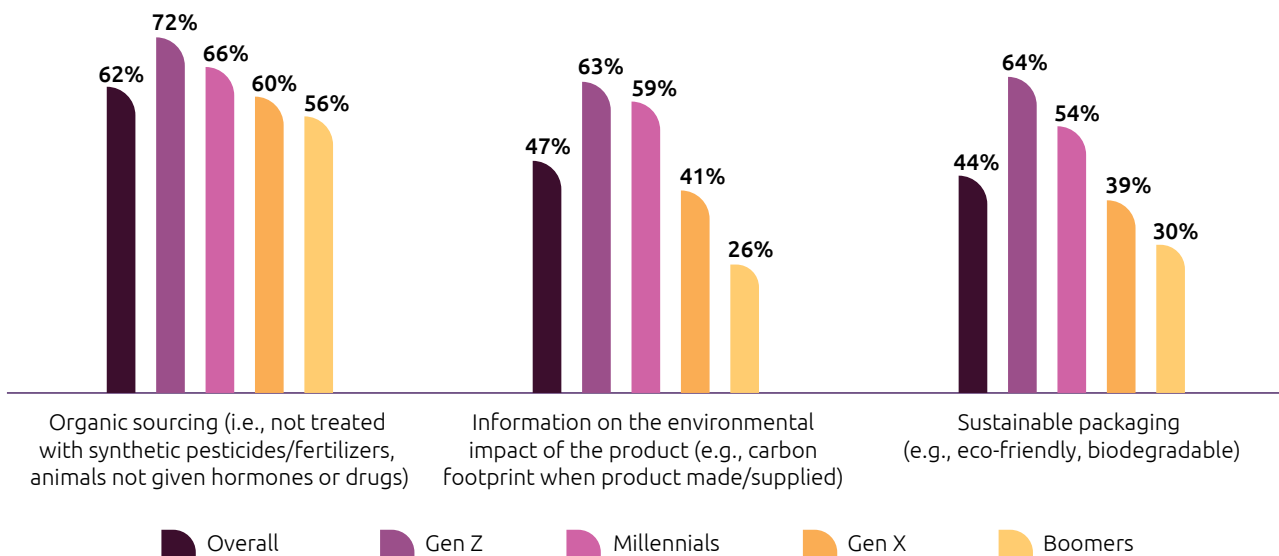
Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Capgemini Research Institute, "The great consumer reset: COVID-19 and the consumer products and retail consumer," November 2020

## Consumers are willing to pay a premium for products they perceive as sustainable, but not for the long-term "

Consumers are pivoting towards more sustainable products, and many are willing to pay a premium for them. Gen Z and Millennials lead all other age groups in this respect (see figure 20). However, many shoppers do not expect sustainability to come at a high price indefinitely. Seventy-two percent of shoppers said that sustainable products should not be more expensive than similar products that are non-sustainable.

Figure 20. The younger generations are most conscious of sustainability

Percentage of grocery shoppers by age group who prefer these attributes and who have actually paid a higher price\*



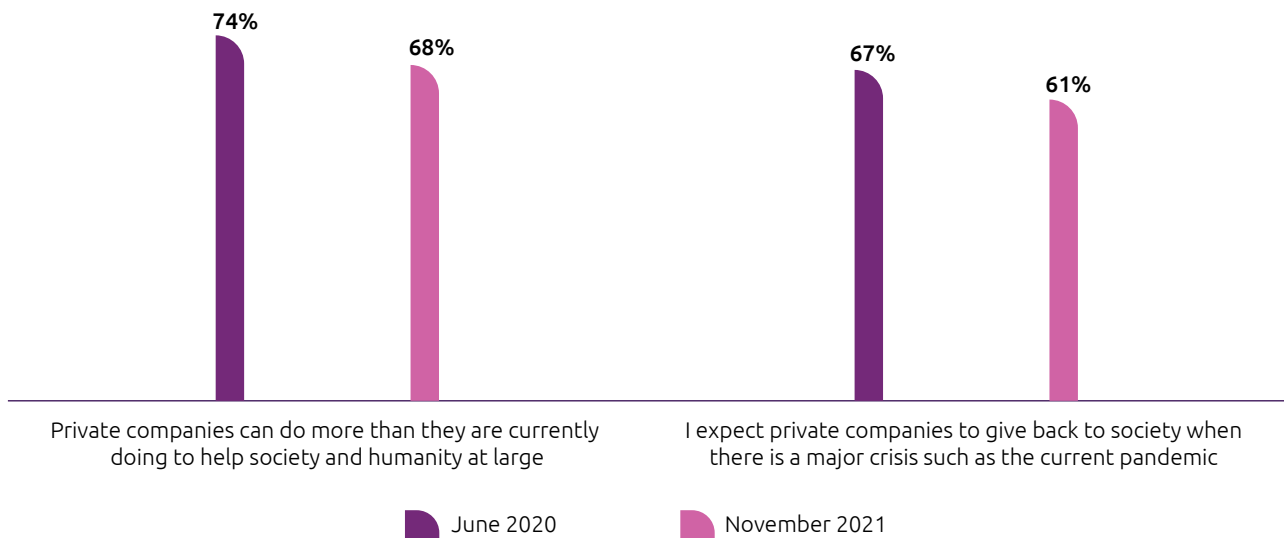
Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=2,347 shoppers willing to pay a higher price for organic sourcing; N=915 "  
 \*Shoppers paid a higher price the last time they were shopping for groceries. "  
 This part is missing

## Consumers maintain their expectations for companies to be purpose-led

Consumers increasingly want to hold companies accountable for doing the right thing, from taking a stand on climate change to driving workforce diversity. Our research suggests that consumers not only want companies to embody a sense of purpose (i.e., acting beyond their own self-interest), they actually think that companies could be doing more for society.

**Figure 21. Consumers want to see companies contributing to society**

Percentage of shoppers who agree with the statements below

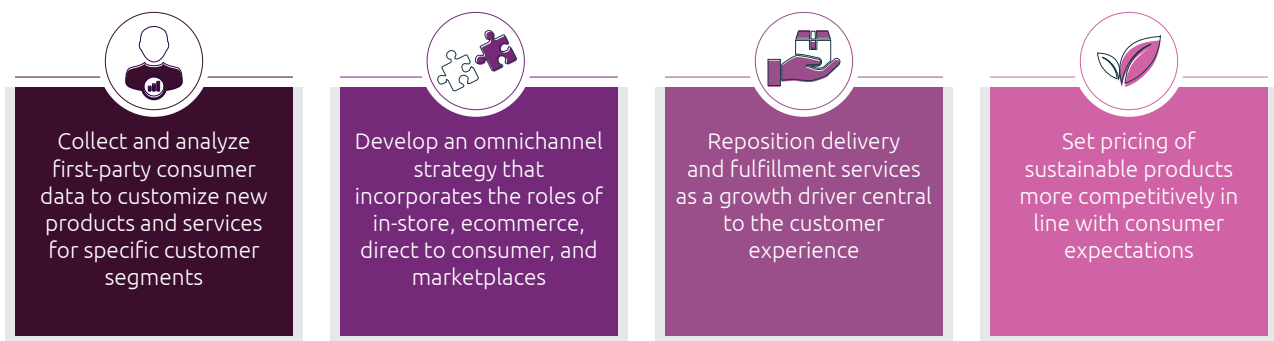


Source: Capgemini Research Institute, consumer demand survey, October-November 2021, N=10,179 consumers; Capgemini Research Institute, why purpose-led organizations are winning consumers' hearts, June 2020.

## 5. HOW BRANDS AND RETAILERS CAN CAPITALIZE ON EVOLVING CONSUMER TASTES

Based on our research, we have identified four key actions that brands, and retailers need to take in order to meet the evolving needs of today’s omnichannel consumer (see figure 22).

Figure 22. Four key actions for brands and retailers



Source: Capgemini Research Institute analysis.

For details on the research methodology and to read the full report, please visit:

<https://www.capgemini.com/research/what-matters-to-the-consumer/>

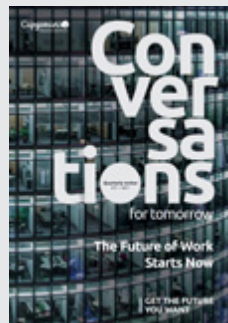
We are grateful to all our guest contributors for sharing their experience and insights as well as to their teams and in particular Sweta Mehra (ANZ), Aaron Mitchell (IKEA), Drieke Leenknecht (Timberland), Leslie Grundy (Timberland), Pete Markey (Boots UK), Aparna Labroo (Northwestern University), Jean-Marie Culpin (Orange), Henrik Wenders (Audi), Sebastian Fischer (Audi), Carrie Berk, Jaideep Prabhu (University of Cambridge), Jonathan Cherki (Contentsquare), Erica Ashner (Contentsquare), and Sarah Francoise (Contentsquare) for their contributions to the journal.

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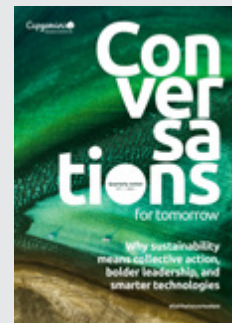
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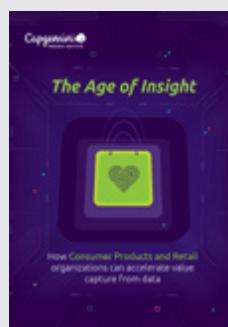
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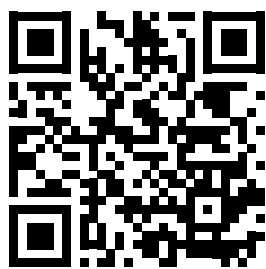


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