Modern Marketing in the New Media Environment

Annual Meat Conference

February 20, 2017

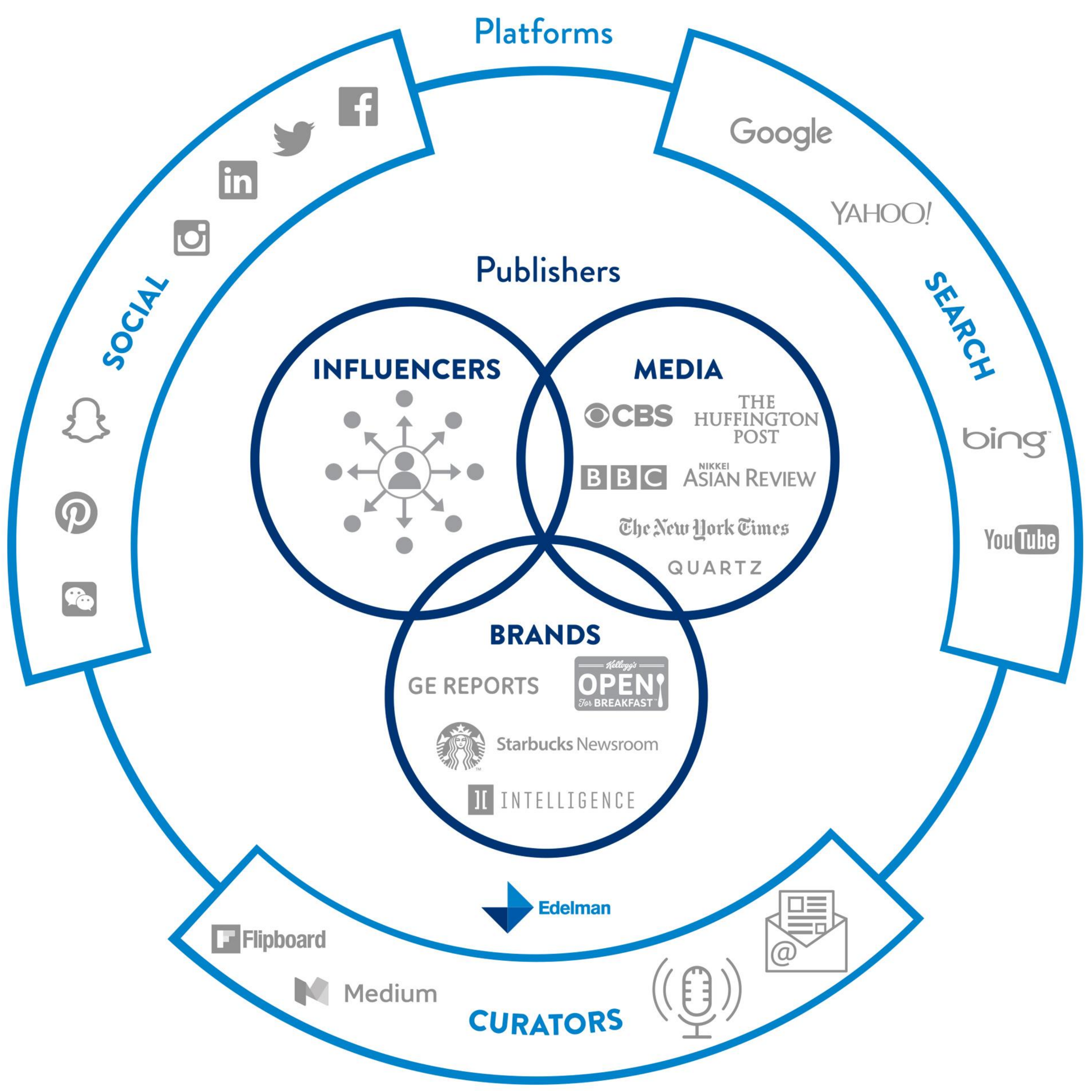
How Media Is Changing the Way
We Market – and Consume – Food

And What Can We Do About It?

New Media, Brand Relationships, Trends

Let’s Start with the New Media Environment

Understanding Today's Media: How Information Travels



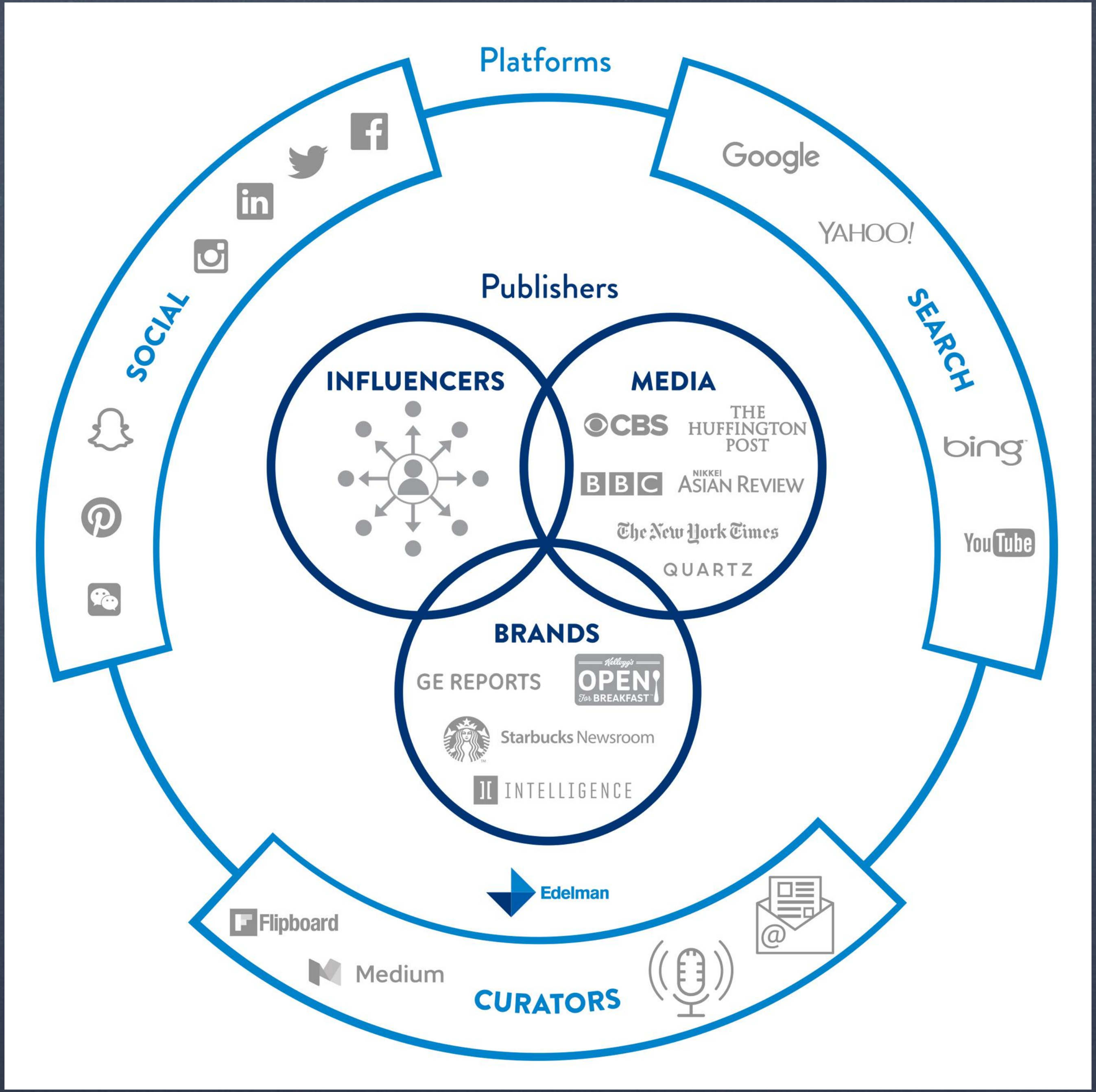
Into the Depth of Influence

The Landscape of Food Influence

FOOD WISDOM PROPAGATES

	Who They Are	How to Reach Them
People who eat	Everybody needs to eat, but not everybody pays attention to what goes into their food	Reach through packaging press, gondola ends, e.g. brand level communications
Foodies	Some people devote more energy & attention to food. seeking out techniques, recipes, etc. food is an interest, not just a requirement	Reach through influencers
Food Influencers	Cooks, writers, bloggers, devotees of cooking who spread the latest in food culture	Influencer outreach to engagement. Content co-creation to support. Access to events to source
Sources	Chefs, specialists, nutritionists, researchers - people pushing food culture forward	Thought leadership. Personal engagement. Conferences, round tables, white papers, etc.

Influencers are powerful but brands can be powerful, too.



Understanding What People Want From Brands Can Help Us Navigate The New Media

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Brand
Relationship
Index

What is your *favorite* brand – one you already buy – in this category?

How is your

relationship going?

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Your consumer relationship

Feeling a little *left out?*

Global	U.S.	
86%	89%	rely on peer sources to learn about brands
71%	72%	rely on peer sources for buying decisions
58%	64%	use/would use ad blockers

"I rely on my peers to reassure me. Because their experience is my evidence."

- Earned Brand 2015

Q31 (Top 4 Box "Rely on most," net of 3 items), Q32 (Net of 5 items), Q33 (Net of 3 items)

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Your consumer relationship

Meeting their growing *expectations?*

Global	U.S.	
62%	61%	will not buy if a brand fails to meet societal obligations
60%	58%	doing good should be **part of a brand's DNA**
55%	56%	brands can do more to solve societal ills than government

Q17 (Top 4 Box "Agree"), Q20 (Net of 3 items)

Your consumer relationship

Someone trying to *break* you up?

Changing distribution channels

New business models

Private-label alternatives

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Index

How well do you *feel* this brand...?

Makes its *mark*

Builds *trust* at every touchpoint

Invites *sharing,* inspires partnership

Embodies *unique* character

Tells a *memorable* story

Acts with *purpose*

Listens openly, *responds* selectively

See Appendix for a full explanation of the seven dimensions of the consumer-brand relationship.

The Edelman Brand Relationship Index is the *average* of the *seven dimensions*

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Brand Relationship Index

0-100

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Builds *trust* at every touchpoint

Invites *sharing*, inspires partnership

Tells a *memorable* story

Acts with *purpose*

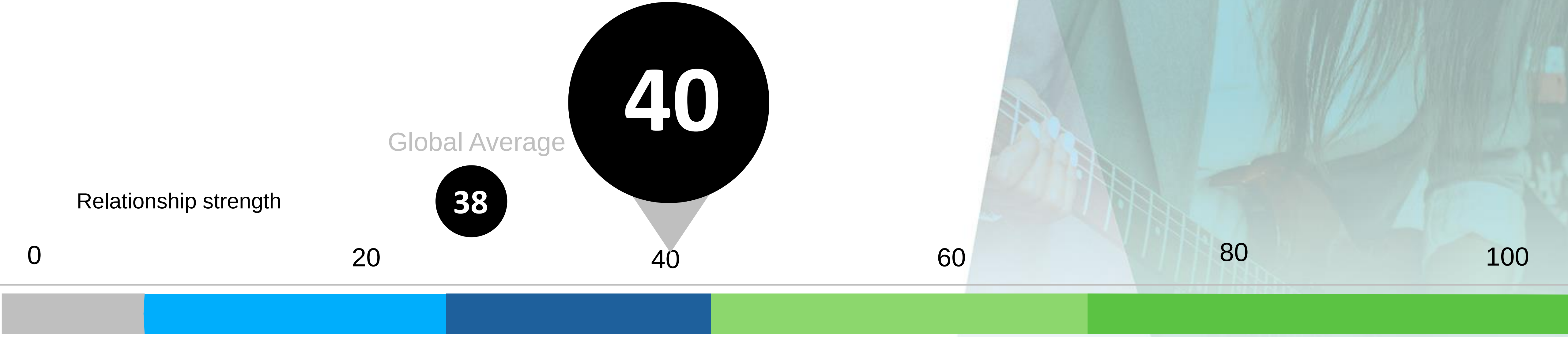
Embodies *unique* character

Listens openly, *responds* selectively

See Appendix for a full explanation of how the Index was built.

The score falls short of the full potential

The Edelman
Brand Relationship Index
United States Average



See Appendix for a full explanation of how the Index was built.

The *five* relationship stages

At five points, the data shows meaningful shifts in consumer attitudes and behaviors toward brands

Strength of relationship with the favorite brand they buy in a category

Indifferent	Interested	Involved	Invested	Committed
0-6	7-26	27-43	44-69	70-100
*I may buy/use your **product, but I don't** really put much thought into it.*	*I know a little about you, beyond your product I am making an educated choice.*	*Given a choice, I would pick your brand. I appreciate what you stand for.*	*We share common values and see the world in a similar way.*	*We do things together and for each other. We share a past and a future.*

See Appendix for a full explanation of how the five relationship stages were created.

What Does It Take To Move From Involved To Committed?

From Involved to Committed

A better customer experience is *not enough*

Incremental increase in importance of a brand's actions, comparing a Committed to an Involved relationship

Lowest incremental impact

bottom 10 of 35 attributes

- I can always find it at my favorite stores
- I can always trust what it says and does
- Makes my life significantly better
- Makes decisions with customers' *best interests* in mind
- More *innovative* products than its competitors
- Offer highly *personalized* and *responsive* customer service
- I can always find it on my favorite shopping websites
- More reasonable *prices* than its competitors
- Doing business with it is so *convenient* & easy
- The *quality* of its products is far better

Smallest Increase

Indifferent	Interested	Involved	Invested	Committed

Q13 (Top 4 Box, "Describes me".) Behaviors that had the greatest percentage point increase from the Involved to the Committed relationship levels. See Appendix for a full explanation of how the five relationship stages were built.

From Involved to Committed

Deepening the bond requires *shared values and action*

Incremental increase in importance of a brand's actions, comparing a Committed to an Involved relationship

Highest incremental impact

Top 10 of 35 attributes

Largest Increase

- Part of my *social media* landscape
- Significant source of *enjoyment* in my life
- Helps me *express myself*
- *Invites me* to play part in its innovation process
- Enhances the bonds I have with my *friends*
- Have a *charismatic leader* I can admire
- Maintains ongoing *conversation* with me
- *Shake* things up and *disrupt* business as usual
- There for me at a tough time in my life
- It provides a connection *platform*

Indifferent	Interested	Involved	Invested	Committed

Q13 (Top 4 Box, "Describes me".) Behaviors that had the greatest percentage point increase from the Involved to the Committed relationship levels. See Appendix for a full explanation of how the five relationship stages were built.

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When brands *get it right*

Social listening analysis capturing
consumer responses to various brand campaigns

Actively engage around shared values

“

I will undoubtedly #OptOutside for #BlackFriday. I love you @REI.

—@anonymous, Twitter

Build deeper relationships

“

‘DIRT IS GOOD’

Su-bloody-perb! And I feel good about Persil without feeling manipulated.

—Neil French, YouTube

Strengthen buying behaviors

“

Thank you PayPal for standing up against ignorance and discrimination. I have been a PayPal customer for more than 15 years and I will continue to use and recommend PayPal.

—@anonymous, Facebook

Source: Social listening verbatims.

So, what are the trends that can help or hinder brands' movement from involved to committed relationships?

Authenticity: The New Essential Ingredient

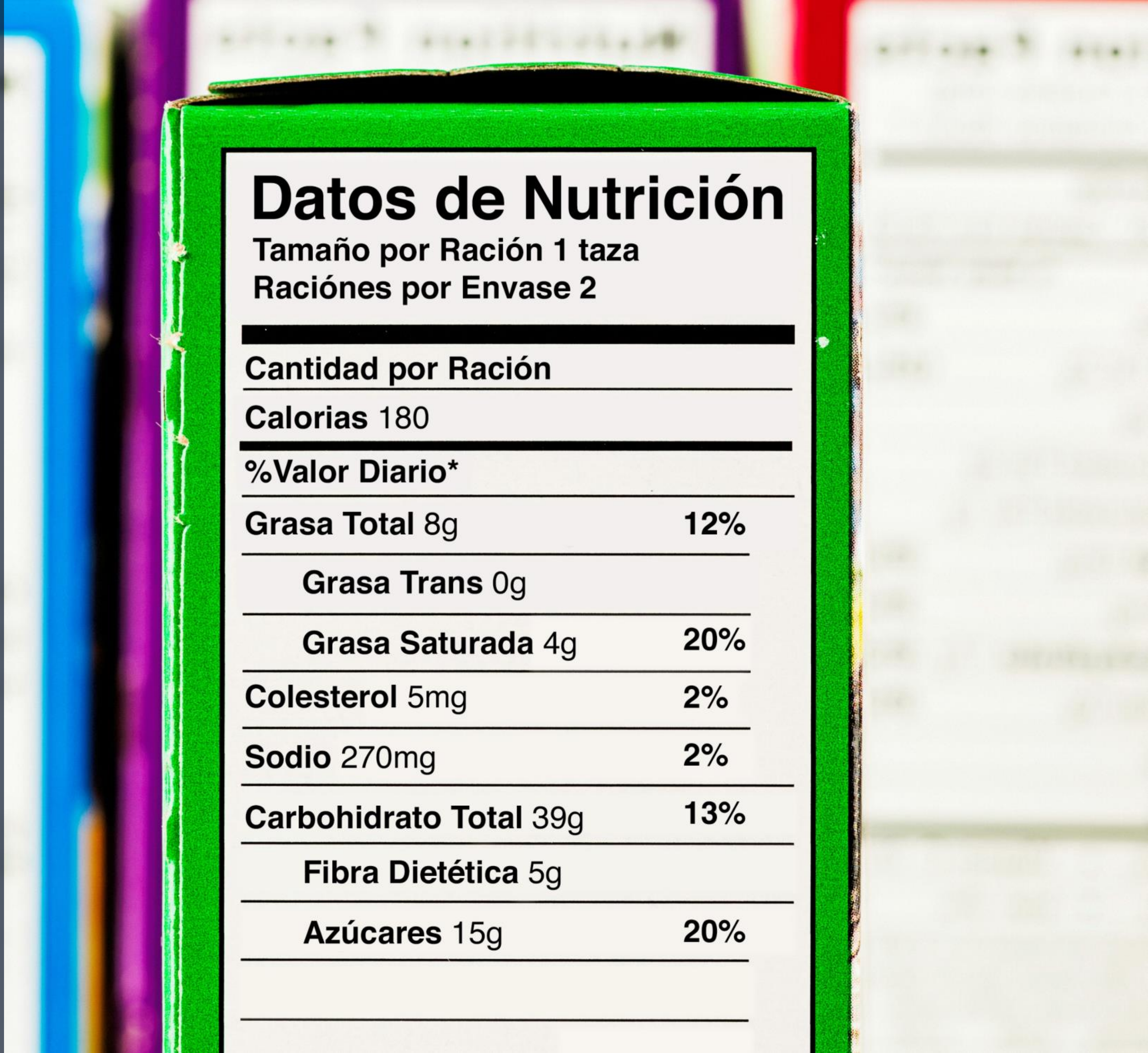
Authenticity is the new transparency. For the industry, it’s not about what they say; it’s about what they do – or don’t do. The food and beverage industry is being held accountable for its commitments like never before on everything from production methods to sourcing, third-party certification, product renovation and financial investments. And if they don’t walk the walk? Consumers will walk away.

Tech Talk

From 3D food to virtual reality and “wearables,” technology is revolutionizing the food and beverage industry, changing where ingredients come from, evolving production methods, altering the way food looks and tastes, and empowering consumers to know more about what they consume and the implications of their food and beverage choices.

Wipe the Label Clean

The growing need for transparency and authenticity in the food and beverage space has sparked a slew of clean labeling efforts in developed markets to ensure consumers that their food comes from recognizable ingredients. Now, the pressure to reduce the use of artificial ingredients and increased legislative regulation around labeling is putting expectations on brands worldwide. And for companies that comply, it’s a way to gain – and in some cases regain – coveted consumer trust.

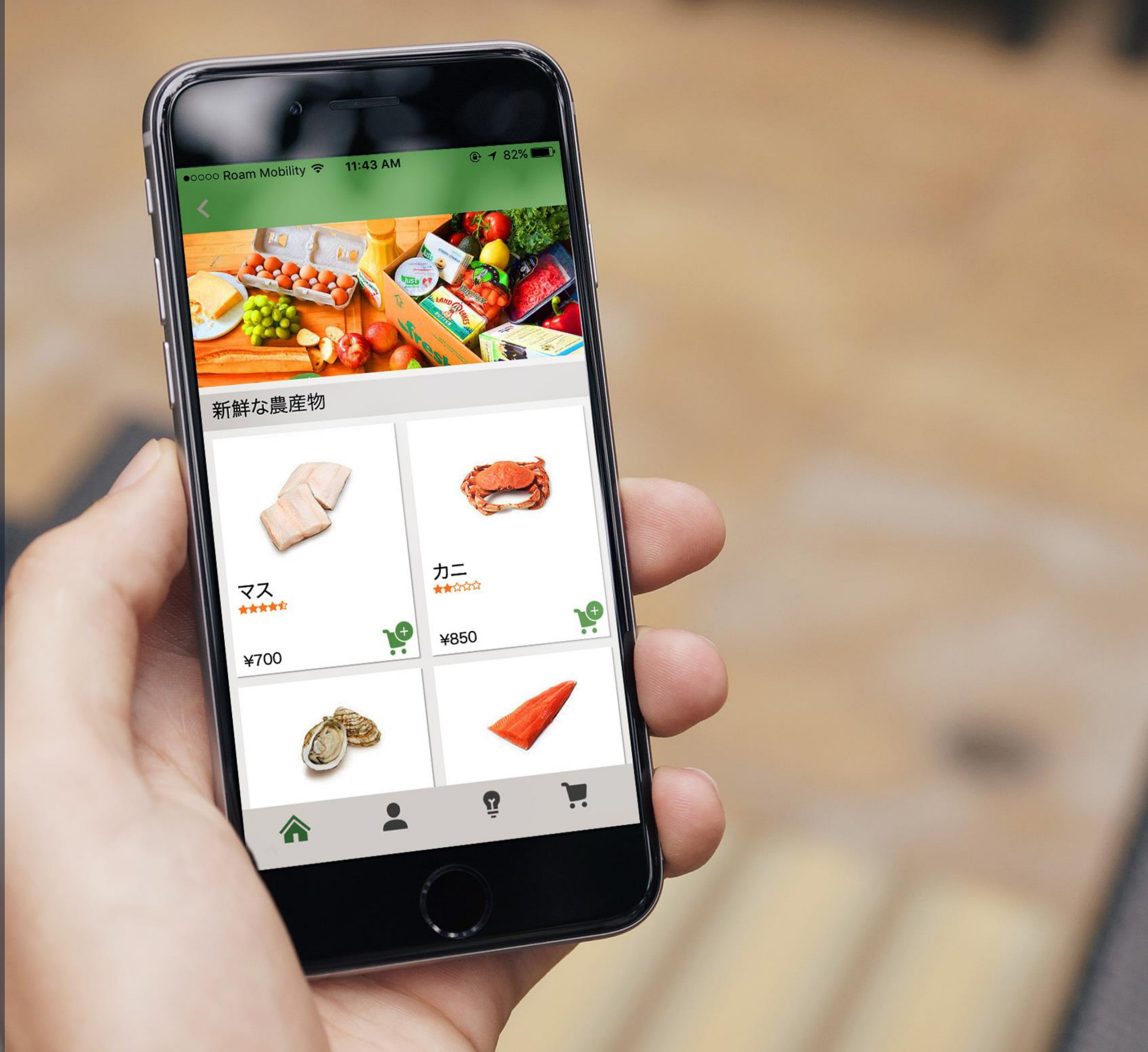


E-commerce Revolution

The rise of e-commerce sites like Alibaba and WeChat in Asia have led to a new business segment for multinational food and beverage companies seeking to drive sales in the dynamic marketplace. Nestlé[*] has said that its e-commerce sales in China are more profitable on average than sales through brick-and-mortar retail chains.

As Gen Z increases its purchasing power and companies gain understanding of the e-commerce potential, expect this trend to move from one that is merely a transactional experience to one that is about trust-building engagement.

Note: Edelman client



Automation à la Carte

Tech innovations like robots, autobots and artificial intelligence alleviate labor force scarcity, amp up efficiency and can be more cost effective for food and beverage manufacturers, and even restaurants. But will people embrace technology, proceed with caution or outright reject it? And how will the culinary world react?

VR: Taste the Rainbow

In 2016, we predicted that the allure of multisensory experiences would lead to high-tech dining advancements. Lo and behold, virtual reality has proved the most interesting and practicable multisensory channel for food and beverage. It’s allowing scientists to test how foods taste in different settings; letting the NGO community spend time on the farm without ever leaving the conference room; permitting obesity researchers to hack senses and reduce appetites; and enabling the rest of us to cook a gourmet meal without ever entering the kitchen.

Gen Z Rising

The next target audience has arrived and it’s here to stay. Meet Generation Z – younger, richer and more diverse than ever. While their Gen Y brethren want to reinvent the system, Gen Z wants to recreate it. If food and beverage brands want to appeal to this generation’s environmental sensibility, short attention span, pragmatism, need for personalization and eye for quality without premium pricing, they’ll need to think fresh, think interesting and think bite-size.

Using Media to Strategically Build Relationships

Consumers value different sources for *different reasons*

How respondents describe different sources of information about brands and products

Earned	Paid	Peer	Owned
Most likely to get my *attention*	Most *entertaining*	Most emotionally *compelling*	Most *accessible*
Most *informative* & *reassuring*		Most *truthful* & *trusted*	
Most used for *new product* introduction		Most likely to get me to purchase a *new brand* or change my opinion	

Q28 (Definitions for Earned, Paid, Peer and Owned can be found in the end notes)

So How Should You Tell Your Stories?

Engage on our audiences terms and the rules of the ecosystem

Build positive stories in a lifestyle context

Be ***authentic, transparent,*** and own who we are

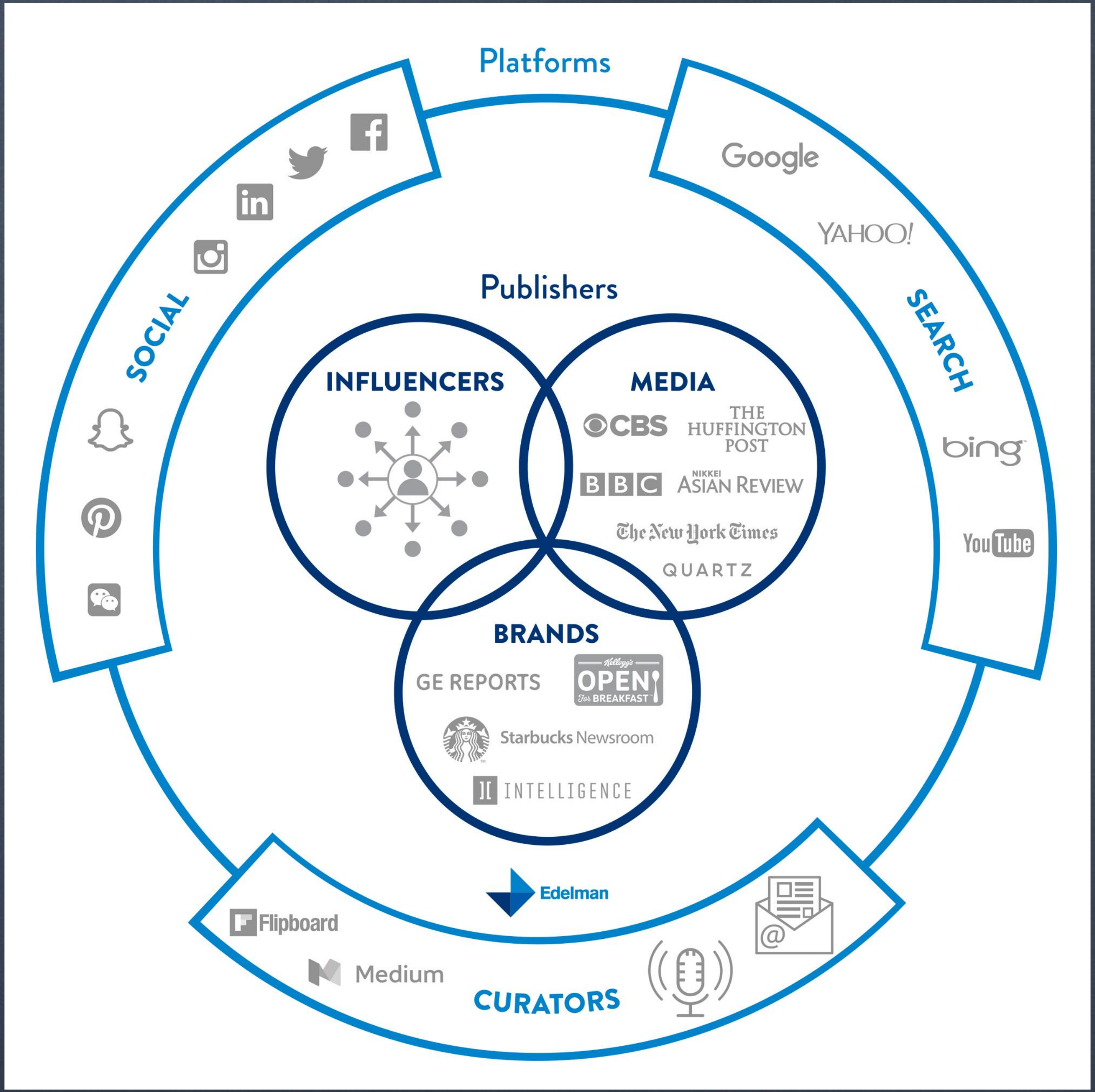
Build ***understanding*** and advocacy across the stakeholder continuum

Tell ***memorable stories*** that travel and create conversations

Create two-way engagement: ***Listen openly, respond selectively***

Act with ***purpose***

Understand Audiences and Use Platforms and Publishers to Target Them



Thanks

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