

BELIEVE IN LOVE

16 October 2006 - A keynote given by Kevin Roberts, CEO Worldwide of Saatchi & Saatchi, addresses the Food & Beverage Summit in Montreux, Switzerland. This speech focuses on retail and consumer relationships, and links in to the work of Saatchi X. Believe in Love offers seven ideas to help the food and beverage industry to move forward in the 21st century.

Marketing is experiencing a radical change. In the 1990s we saw power shift from manufacturers to retailers. Now competition, choice and technology have put consumers in control.

The old rules no longer apply. Competition is intense. Differentiation is tough to sustain. Raw material costs are going through the roof. Regulators are pressing. And how are we responding? By re-arranging the deck-chairs on the Titanic. Through re-organization.

Nearly 70% of all U.S. companies have reorganized their marketing department during the past five years. [Strategy + Business, Summer 2006]

Winning with consumers demands new thinking and new action, new attitude and new emotion. Not 're' anything. New! Winning with retailers demands effective collaboration, smart innovation and deep insight into the world of consumers. What a challenge.

We live in the Age of the Idea. Ideas for products people never dreamed of. Ideas big enough and simple enough to cut through the clutter. Ideas to delight and inspire. Ideas for partnerships that make for long-term differentiation.

Here are 7 ideas to get started with.

IDEA #1: GET REAL ABOUT CONSUMERS

In a competitive environment most brands build walls for protection. They focus on the competition. They obsess over retail consolidation. In 1995 the top five U.S. supermarkets made up 26% of total sales for supermarket-type items. By 2004 they made up more than 48%. Consumers get lost in the rush.

Sound the alert. Start living in her world, because she's not going to live in ours. We have to stop focusing on our problems. And focus on how we can connect with her. The question is: who has the imagination to bring her world to life?

IDEA #2: WELCOME TO THE ATTRACTION ECONOMY

Success in the Attraction Economy belongs to those who can make emotional connections in the market. Retail is a classic Attraction Economy business. Some retailers have learnt this lesson. Others are catching up fast. Winning brands are inspired by the best of the best.

Job Number One for winning brands is to attract consumers with great ideas that are big, simple and sustainable enough to connect and inspire. We created the global communications idea for Olay: "love the skin you're in." Olay has surged into the masstige market.

IDEA #3: COMMIT TO LOVEMARKS

The journey from Product to Trademark, from Trademark to Brand is at an end. Consumers want something beyond benefits, attributes, performance and functionality. Beyond brands. They want Lovemarks. The future beyond brands.

- * Lovemarks are built on Love and Respect.
- * Lovemarks inspire loyalty beyond reason. People are emotional. Neurologist Donald Calne sums up the power of emotion. "Reason leads to conclusions. Emotion leads to action."
- * Lovemarks are owned by the people who love them, not by companies. Lovemarks.com has more than 10,000 stories by people from over 100 countries. From flags and shoes to breakfast cereals and beer.
- * Lovemarks offer huge commercial advantages. In my next book *The Lovemarks Effect*, I explore Lovemarks thinking in the real world. Read the stories, ideas and insights of people like Renzo Rosso of Diesel, John Fleming of Wal-Mart, Walt Freese of Ben & Jerry's.
- * Lovemarks are backed up by proof and a unique methodology to measure emotion.

* Lovemarks aren't just Irreplaceable. They're Irresistible.

IDEA #4: USE THE THREE SECRETS

Brands have Performance, Trust and Reputation. Lovemarks are infused with Mystery, Sensuality and Intimacy. The most powerful human attractors.

Mystery. If we know everything there is nothing to surprise and delight us. That's why opening a bottle of wine is such a ceremony. And why personal stories are so powerful. Forrest Gump got it right: "My mama always said life was like a box of chocolates. You never know what you're gonna get."

Sensuality. Food inspires all five senses. Sight, sound, smell, touch, taste. This is how to touch the emotions. And food takes you there every time.

Start with some simple questions:

- * Do your products on the shelf make her heart miss a beat?
- * Does she just have to reach out and touch them? In 85% of supermarket transactions, only the chosen product is handled.
- * Is there anything that makes her want to spend more time with your products? An unexpected sound, a sensuous weight in her hand, a fresh fragrance.

"Smell has a greater impact on purchasing than everything else combined. If something smells good, the product is perceived as good." Alan Hirsch, neurological direction, Smell & Taste Treatment & Research Foundation, Chicago.

Intimacy. Empathy, Commitment and Passion. Knowing the consumer better than she knows herself. The small touch, the perfect gesture.

IDEA #5: INSPIRE RESPECT WITH LOVE

Use the Love/ Respect Axis to get the Lovemarks mix right.

Low Respect. Low Love. Classic commodities.

Low Respect. High Love. Fads and infatuations. Last month's gotta-haves.

Next month's has-beens. Next are the two high Respect quadrants. Your industries have delivered on Respect for

decades with quality, variety and consistency.

But consumers have raised the bar on Respect. Quality has become table-stakes. They are demanding more responsibility for every product. Changing consumer habits can lead to the rapid destruction of value. And the creation of value.

The obesity crisis is being laid at your industry's door. Winners are taking health trends on as an opportunity for innovation inspired by insight. And innovation inspired by paradox.

- * Consumers will sit on an exercycle – and have a hi-cal energy drink afterwards.
- * They want familiarity and they demand variety.
- * They want great food and are reluctant to spend much time getting it.
- * They want to purchase on impulse and insist of value.
- * They want the food that comforts when they are sad and the one that bursts out in celebration.

Paradox taps into emotion and reason. The same principle applies to public alarm about the environment, labor conditions, GM, junk food and whether a product is really organic. The questions are how people feel about health or the environment or anything else, not what they do about it.

How people feel about their children and how to care for them. How mothers feel about family meal times. To earn Respect now you must respond to these emotional needs as well as do the right thing.

This will take you straight past...High Respect and Low Love, to...High Respect and High Love. Lovemarks.

IDEA #6: SISOMO THE SCREEN

The digital revolution is transforming marketing, entertainment and technology everywhere. Lovemarks are animated by sisomo – the accelerator of the Attraction Economy.

- * Sisomo is Sight, Sound and Motion on screen. Television, mobile phones, computers, in-store, outdoor, on the street.

- * Sisomo is on-demand, on-the-go ideas on screen – created by an Oscar-winning director or a kid after school.
- * Sisomo plays across the Family of Screens with idea first, story first equal and technology third.
- * Sisomo inspires new formats, stories, characters and ways for consumers to communicate, participate and to explore.

Everyone is struggling with sisomo screen-by-screen. Don't get lost in the detail. What's needed are creative thinkers, problem solvers and innovators. People who can connect ideas and emotions, technologies and deep consumer understanding.

IDEA #7: CREATE THEATRES OF DREAMS

The store is a huge creative opportunity people keep missing. It is crying out for Mystery, Sensuality and Intimacy. Emotionally the supermarket is a wasteland. The challenge? To work with your retail partners to transform the store into a story – with you as leading players. Exciting, mysterious and stimulating. A shopping adventure.

Everyone quotes the fact that around 80% of shopper decisions are made in the store. We acted on it and set up Saatchi & Saatchi X. Your industry can work with retailers to inspire the store as a Theater of Dreams. Every shopping experience should resonate with Mystery, Sensuality and Intimacy. Sight Sound and Motion.

The role of business is to make the world a better place for everyone. Five years ago this seemed radical. Like Love in Business. Today it has become a powerful motivator and inspiration. Consumers want to be part of something bigger than themselves. That is the promise of Lovemarks. Get out there and make a difference.