

LOVEMARKS IN THE ASIAN CENTURY

7 August 2007 - The Global Brand Forum is the world's leading event on Brands, Business and Leadership. This speech was made to CEO's, Marketing Directors, Brand Custodians, Creative Directors, Bureaucrats and entrepreneurs across Asia-Pacific who are concerned with creating, defending and growing their brands.

The agenda for the 21st century is set. Item No.1 is massive shifts in power.

Power is shifting from the top to the bottom. From the center to the Edge. From West to East. And, thank you Al Gore, for taking us from abusing the environment, to sustaining it.

I'm a New Zealander. In New Zealand, we know about living on the Edge, literally. It's where change occurs first, from where transformation emerges.

Asia is experiencing change on a quantum scale, with progress fueled by education, hard work, timeless values and vast numbers of people. Command and control is not a right approach to 4 billion people.

To win in today's marketplace, you have to attract and involve people, not shout at them. You have to love them. Love cannot be commanded. It can only be given.

That's quite a challenge!

In the 1990s we saw power shift from manufacturers to retailers. In this century the power shift has moved right on to consumers, driven by your efforts to increase living standards, and by the empowering phenomena of the Internet and the online world.

People are in control; they won't be targeted and they know best. And eyes no longer automatically look to the West to shape their tastes. They are showing home-grown pride. To ignite sustained growth demands:

- * A new understanding of consumers and how they feel.
- * A new attitude to consumers and connecting with them.
- * A new approach to innovation that is led by consumers.
- * A new perspective on the future and brands.
- * A new look at making the consumer experience more delightful and engaging.

The Big Picture has Changed...

From Information Economy, Knowledge Economy, Interruption Marketing (aka the Mass Market), Permission Marketing, the Experience Economy, Attention Economy to the **ATTRACTION ECONOMY**.

People are creating the Attraction Economy.

The future belongs to those producers and marketers who can make emotional connections with consumers. Who can put up their hand up and say, "I am a consumer"?

'Consumer' is something other people label you; not something you call yourself. 'Consumer' is not a word for a sustainable world. As marketers, we need to address how real, live people feel about themselves and their world.

You need imagination to leap from Consumers, people simply buying stuff - to people who want to make the world a better place. To bring her world to life.

I'm going to share eight ideas for brands to win in the Attraction Economy.

EIGHT IDEAS TO WIN IN THE ATTRACTION ECONOMY

IDEA 1: HAVE AN INSPIRATIONAL DREAM

People want to lead inspirational lives - a dream. An inspirational dream moves people so they want to belong. It's not made to be measured. It's about reaching for the stars, not counting them.

Brands are not about the technology. They're about inspiration. It's about leading and it's about dreaming big. Martin Luther King did not say "I have a mission statement".

IDEA 2: EMBRACE EMOTION

People are 80% emotion, 20% reason. And love is the strongest emotion.

Growth is inspired by people's hearts – not built on data about their age, gender, education, spending patterns.

IDEA 3: CREATE LOVEMARKS

The crunch question: Is it better to be respected, or to be loved and respected?

Lovemarks connect beyond benefits, attributes, performance and function. Beyond brands.

- * Brands are built on Respect. Lovemarks are built on Love and Respect.
- * Brands create loyalty for a reason. Lovemarks create Loyalty Beyond Reason.
- * Brands are owned by managers, marketers and shareholders. Lovemarks are owned by the customers who love them.
- * Brands drive solid performance. Lovemarks accelerate preference, share, intention, margin and return.
- * Great brands are Irreplaceable. Lovemarks are Irresistible.

Let's do the reality check:

- * Low Respect Low Love. Commodities and utilities. Zero brand heat.
- * Low Respect High Love. Fads and infatuations like Paris Hilton and reality shows.
- * High Respect Low Love. Brand-land. Rife with "e-r" words. Brighter, stronger, faster, cheaper.
- * High Respect High Love. Apple to Harley - Lovemarks.

IDEA 4: USE THE THREE SECRETS

Lovemarks are created by Mystery, Sensuality and Intimacy, three elements not in the Harvard Business School curriculum.

Mystery mixes dreams, icons and stories to create the attractions of the unknown.

Sensuality is all five senses. Most brands invoke only two to three. Remember the original iMac ads? YUM!

And Intimacy is the most powerful force in business today. Selling by yelling is fatal.

IDEA 5: IGNITE GROWTH INSPIRED BY SHOPPERS

Lovemarks can transform the whole way in which you approach marketing, from advertising and online to your whole service experience. Nowhere is Lovemarks more potent than in retail, where the first moment of truth – when she buys – happens.

Great retail is inspired by shoppers. People are seeking experiences when they shop. Worldwide retailers have spent \$43 billion on computer transaction and inventory software since 2001. A fraction of this has been invested in improving the human dynamics of the shopping experience.

Lovemarks treat the store as a huge creative opportunity. Stores must become theaters of dreams. The store is the place to pour on the love so that shoppers become buyers.

Mystery creates intriguing spectacle on the street and an eclectic mix of seductions on the floor. Sensuality embraces unexpected treats of sight, sound, taste, scent and touch. And Intimacy is the heart of service.

We have built a worldwide shopper marketing agency Saatchi & Saatchi X precisely to create Lovemarks in store. To turn shoppers into buyers.

IDEA 6: CREATE A SISOMO PLAYGROUND

Television is the most potent combination of communication elements ever assembled. 2.5 billion households in the world have one.

Now at the crossroads of technology, marketing and creativity, television is a part of a bigger idea. I call this sisomo - the interactivity of Sight, Sound and Motion on screen.

sisomo is shaping the future of advertising, of everything in marketing. New formats, stories, games and video are making it happen. Asia lives on the screen.

- * There are more mobile phones than TV sets in Asia.
- * Samsung has released a mobile phone with a 10 megapixel camera with an optical zoom that also works as a satellite TV receiver, a Chinese and Korean electronic dictionary, a personal media player, a file viewer and a removable storage device. It also has a Bluetooth function that lets users send photos via wireless.
- * Mixi in Japan is a social networking invitation-only site that receives 750 million hits per month from PC users and nearly 2 billion hits from Japanese accessing the service on their mobile phones.

The role of business is to make the world a better place for everyone.

We need to get started now.

In store and on screen, the connective tissue is the relentless pursuit of Lovemarks.

IDEA 7: WIN WITH PEAK PERFORMANCE

Sustainable Peak Performance is the challenge facing manufacturers and retailers, marketers and distributors, investors and consultants. Peak Performance is the subject of an entire speech.

It's a radically progressive management practice that we have worked with several clients, including Procter & Gamble since 2001, to unlock the secrets of:

- * How you get out in front.
- * How you become a Lovemark.
- * And how do you stay one forever?

Winning in the future is not about management and doing things right. And it's not about leadership and doing the right thing. It demands Inspiration and spirit: being the best you can be.

IDEA 8: MAKE THE WORLD A BETTER PLACE FOR EVERYONE

Al Gore lays out the imperative for saving the earth. We have to perform a paradoxical dance of progressing and sustaining.

Consumers – the people in our societies – aren't standing for it anymore, and we as corporations need to provide exemplary leadership in making and marketing products that use less energy and carbon.