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Conversations That Matter: Ogilvy Consulting 2021 Trends Report

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Welcome



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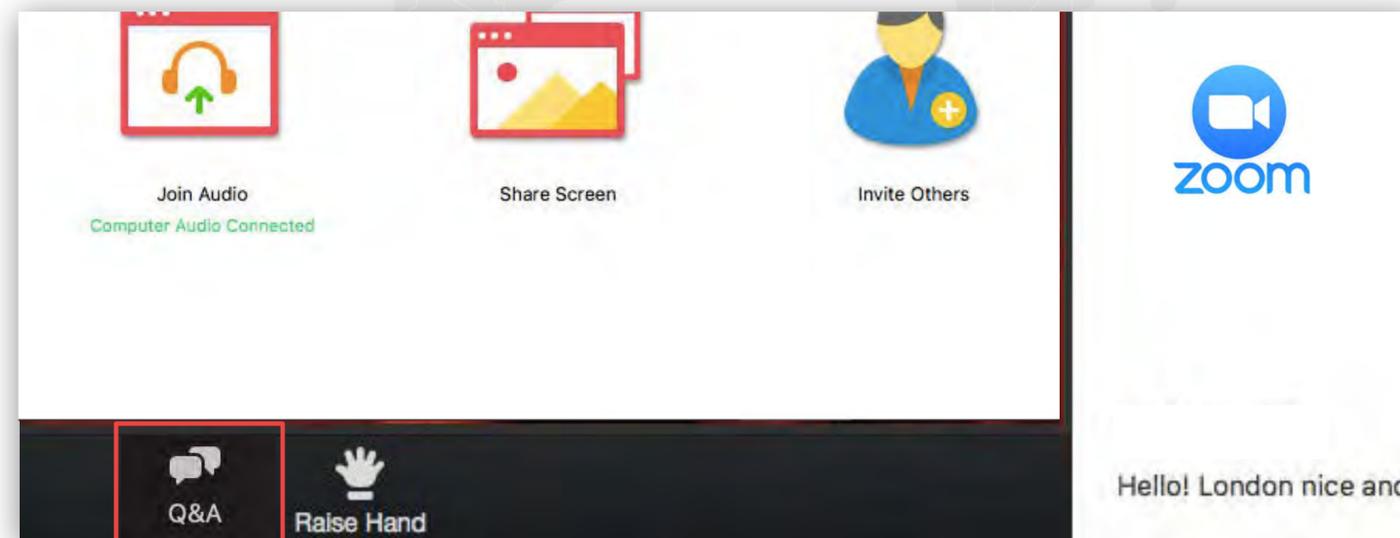
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Tell us
where you
are dialing
in from!

What's the weather
like in your city?



Global Ogilvy Website

<https://www.ogilvy.com/ideas>

Do you
want this
deck?



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Trends for 2021

Foreword

As we finished off our Ogilvy Consulting 2021 trends exercise this year, it came with a sense of relief. Not because this is our best, most accurate trends prediction ever, but more because we are so relieved to be seeing the end of 2020, a year that threw us for a loop in so many ways, and business might be least important of those. But here we are, with renewed hope thanks to the prospect of the end of the COVID era and anxiously looking forward to the post-COVID age and what it will bring.

At the same time, because COVID has eaten up so much of our time and attention this year, it would be easy to forget that even before the pandemic, we were progressing into a world that will “never be the same again,” though this has taken on a more urgent and accelerated nature for many businesses and people.

Around the virtual Ogilvy Consulting offices in London, team members contribute to a ‘swear jar’ each time they utter the term “the new normal,” because doing so indicates there will be a settling of things post-COVID, and that life will then continue as before, for business, for society, for individuals. We’d disagree, and if this year’s trends are united about anything, they are about responses and progressions, much more than views of specific destinations. Even the best fortune tellers would appear suspect in trying to capture a snapshot of the business landscape at the end of 2021, but we’ve found some very interesting directional indicators.

As a testament to our predictions of last year, many of this year’s trends build on those, as evolutions or inflection points for ongoing shifts. Our belief stated last year that the 2020s will be the “Experience Decade” has taken on new resonance on many fronts, but we call out two this year: the ever-increasing need for brands to bring their promises to life through experience principles, and the evolution of employee experience from something transactional to a more meaningful relationship and growth driver for individuals and businesses.

On the e-commerce front, last year we spoke about the waning prospect of “Amazon’s inevitability,” and while we based this on the rise of New Commerce and vertical marketplaces then, this year COVID has catalyzed the proliferation of DTC models for brands who we never would have thought would go down that path (and our marketplace prediction was spot-on).

Certainly, the one prediction few made this time last year was that COVID would descend upon us and deliver one of the most difficult and uncertain years of our recent history – economically, socially, individually. Back to that sigh of relief as viable vaccines for COVID are now within reach. We are looking forward to more positive surprises in 2021.

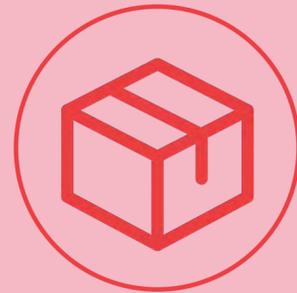
The Ogilvy Consulting Trends Team

2020 Review
Did we get
anything *right?*

Here's a recap of the 2020 trends:



#1: Millennials continue to disappoint



#2: Amazon's inevitability is on the wane



#3: The balance of data shifts between valuable & liable



#4: In the battle of ecosystems, the proposition prevails



#5: Welcome to the experience decade



[Interested in last years trends, follow this link to download](#)

2021 Trends
Let's get to
the good *stuff*

The 2021 trends:



#1: Behavioural Science forges a new frontier in marketing



#2: Employee experience becomes a key driver of business growth



#3: The end of e-commerce as we know it



#4: Green recovery will usher in a new decade of innovation



#5: Brand experience becomes principled

Trend #1
Behavioural Science forges a
new frontier in **marketing**

An aerial photograph of a vast landfill, densely packed with a sea of colorful plastic waste, including bottles, bags, and other debris. The colors are predominantly red, blue, and white, creating a textured, chaotic pattern across the entire landscape.

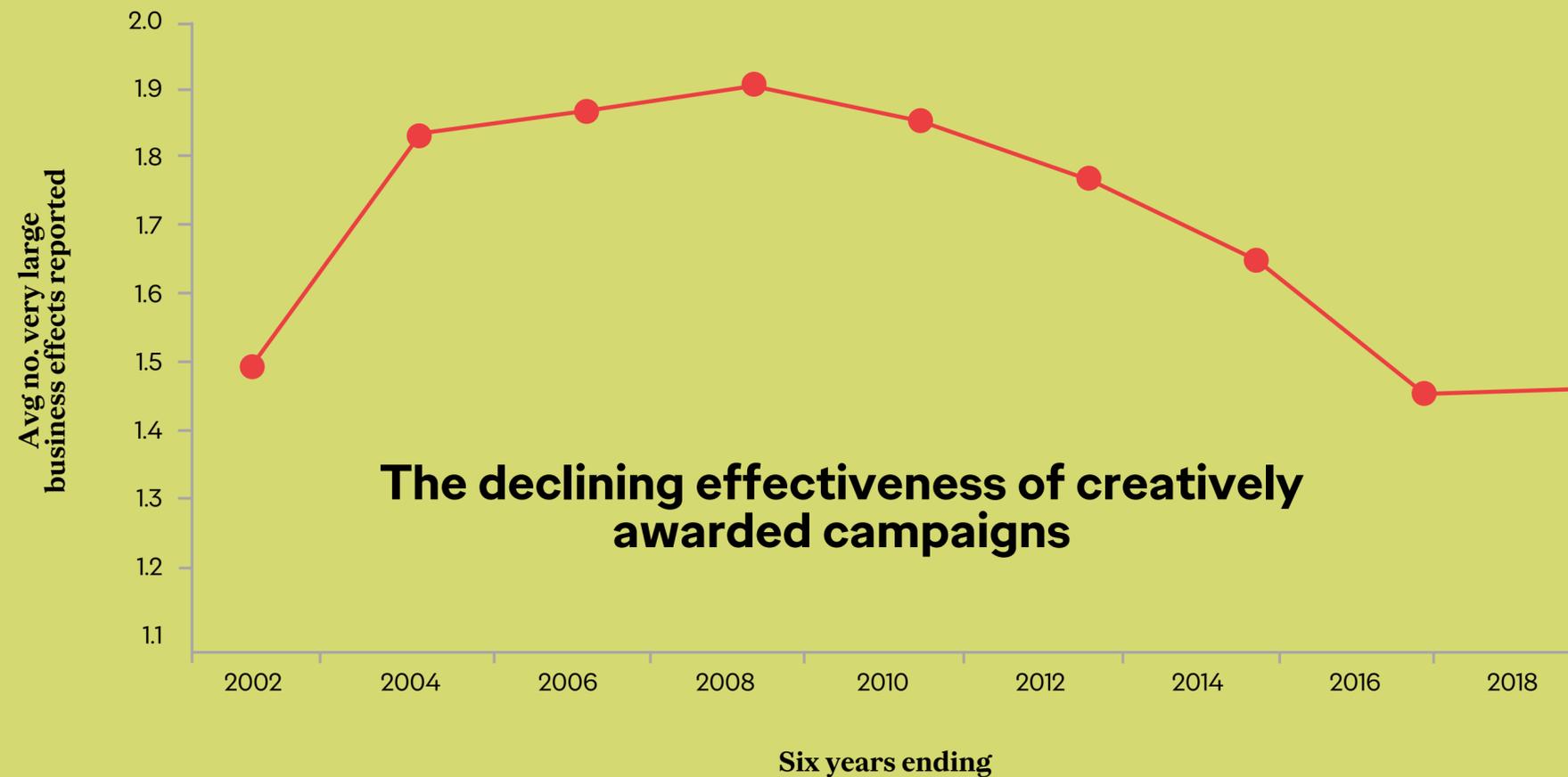
The world spends
\$75
for each human being on the planet
on advertising.

\$570,000,000,000,000

So, how is it working?

WTF???

Content is at its least effective in **24 years**



Creatively awarded campaigns less effective than ever, IPA study finds

Beware, the Growing Crisis in Creative Advertising Effectiveness

New IPA report reveals crisis in creative effectiveness

Creative effectiveness is collapsing, claims new IPA report /

The Real Why™



The Hidden Who™





“They don't say what they think and they don't do what they say.”

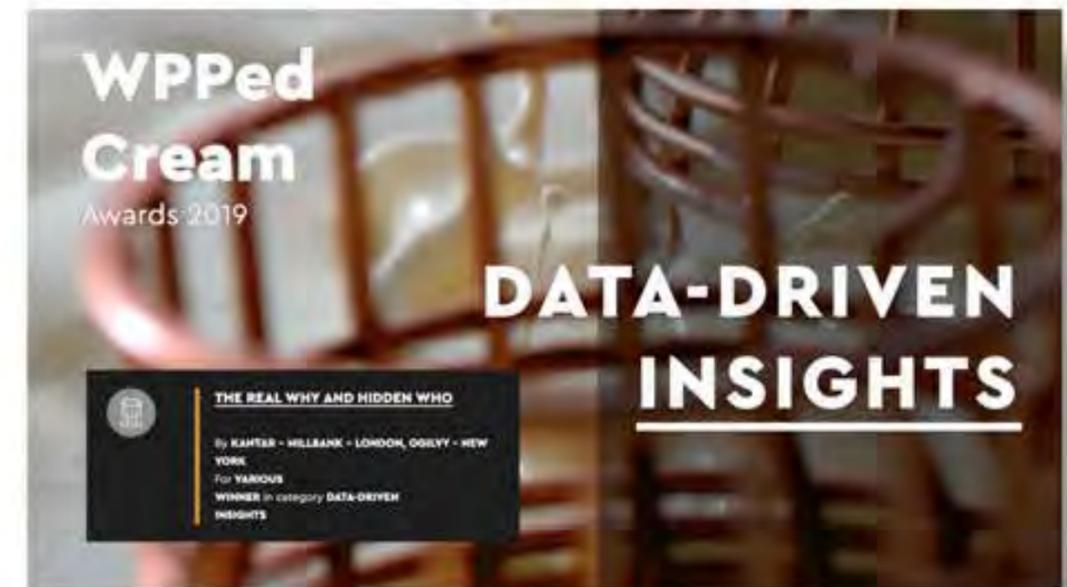
—David Ogilvy

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A hand holds a magnifying glass over a colorful, textured surface. The surface is composed of many small, circular, multi-colored dots in shades of brown, orange, red, and purple. A semi-transparent white text box is overlaid on the center of the image, containing the text "A New Way To Decode".

A New Way
To
Decode

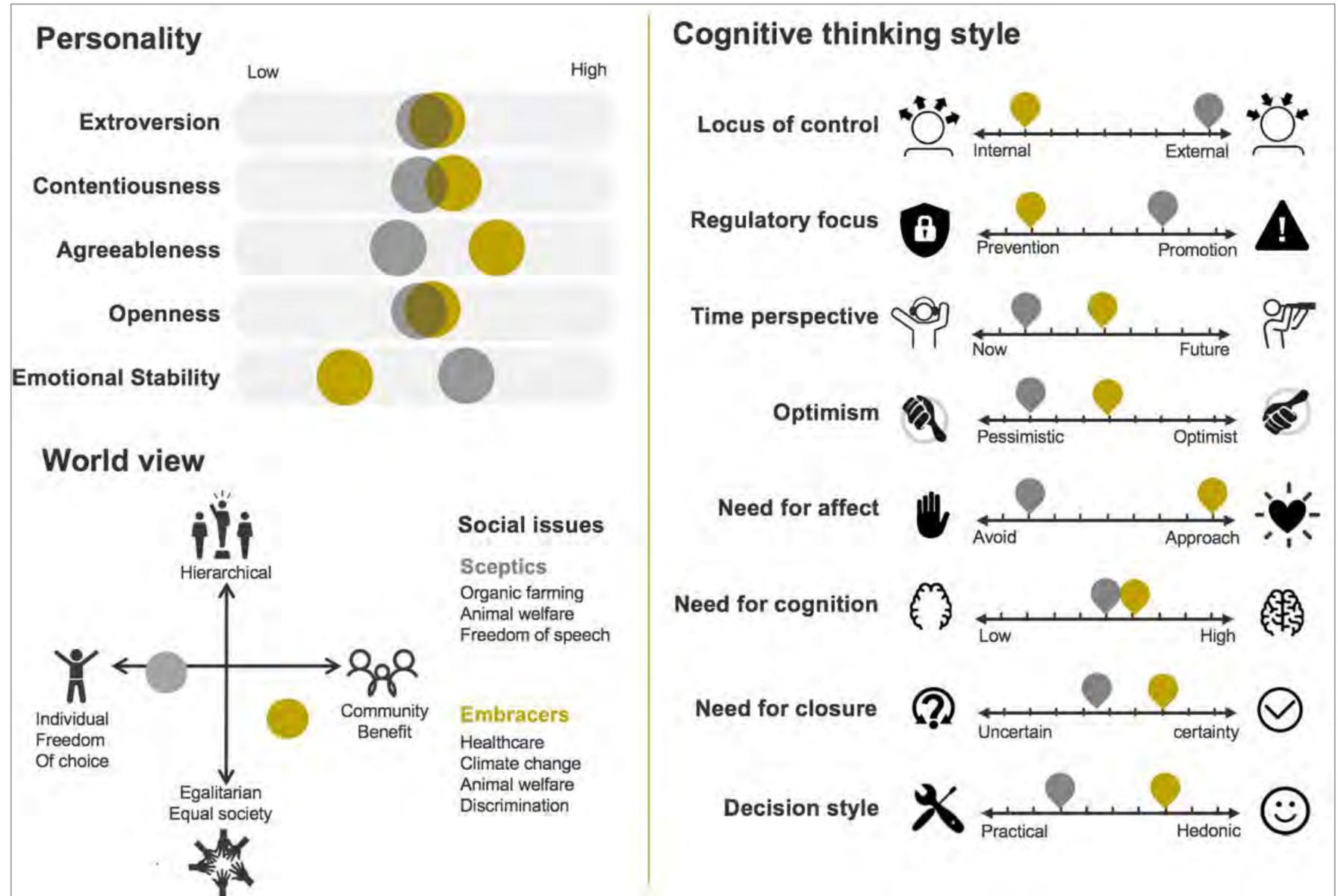
A new, award-winning invention to **boost effectiveness**



A multi-year collaboration between

Ogilvy & KANTAR

Clients are discovering its power



Three behavioral science lenses to bring the **individual into focus**



Personality trait science

The robust, long-tested approach the scientific community approves and uses. Personality profiles predict preferences, choices and behavior.



Harvard
Business
Review

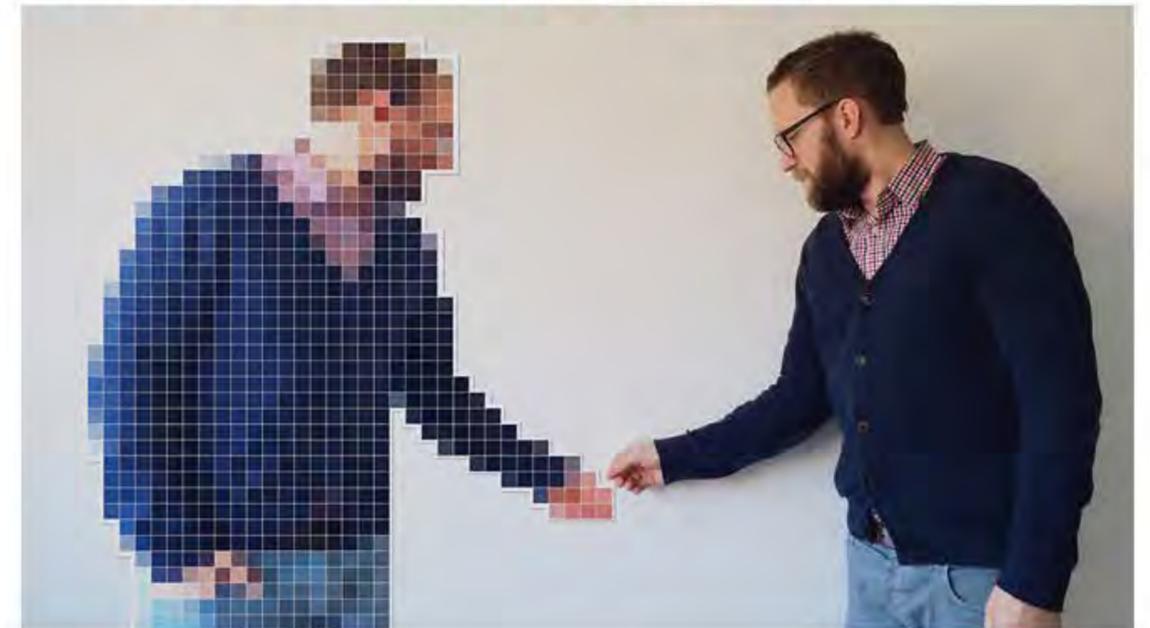
MARKETING

What Marketers Should Know About Personality-Based Marketing

by Christopher Graves and Sandra Matz

MAY 02, 2018

SUMMARY SAVE SHARE COMMENT ⁰ TEXT SIZE PRINT \$8.95 BUY COPIES



Big 5 “Ocean” personality traits



Cultural cognition

The science of mapping individuals to their worldviews, deeply tied to their own, and their ingroup identities and beliefs. This allows for engagement that resonates with a hidden identity.



“...there is no such thing as society. There are individual men and women and there are families.”



HIERARCHICAL



“For too long in this society, we have celebrated unrestrained individualism over common community... we have only one truly sacred obligation: to properly prepare and equip our troops”

INDIVIDUALIST

COMMUNITARIAN

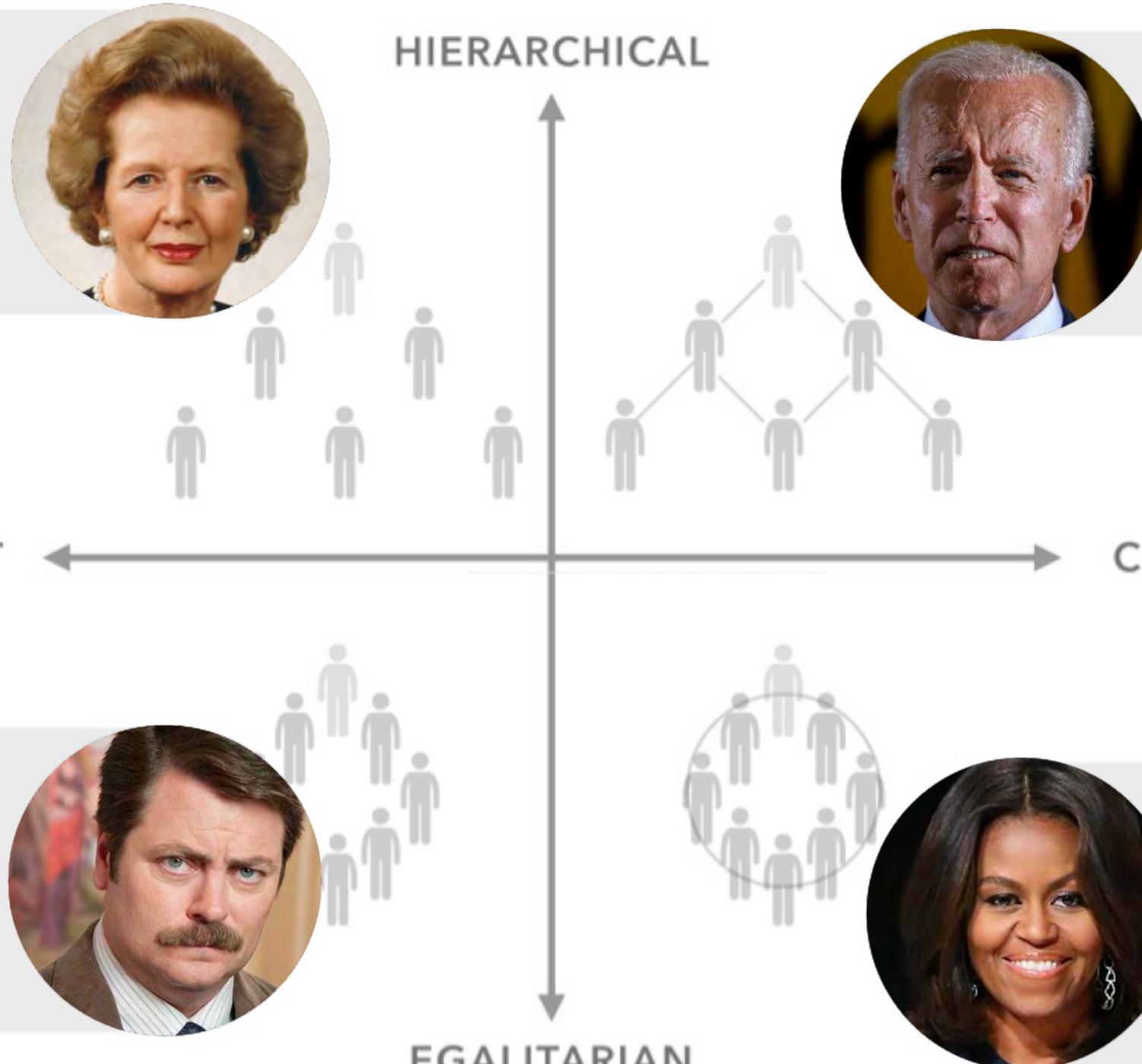
“The less I know about other people’s affairs, the happier I am... Deal with your problems yourselves, like adults.”



EGALITARIAN



“it's never been each person for themselves. No, we're all in this together... someone is going to have to give up a piece of their pie so that someone else can have more”



Cognitive styles

The hidden filters through which we see our choices, and which guide preferences and behaviors.



Regulatory Focus

Past



Present



Future

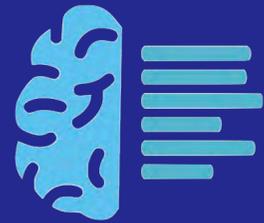


Time Perspective

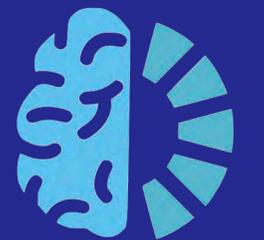


Construal Level

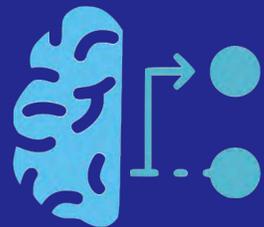
How to begin



1 Define business or reputational challenge. Define which research modules to deploy.



2 Field the proprietary research instrument & analyze results to create BeSci journey maps, enhanced segmentation and enhanced personas.

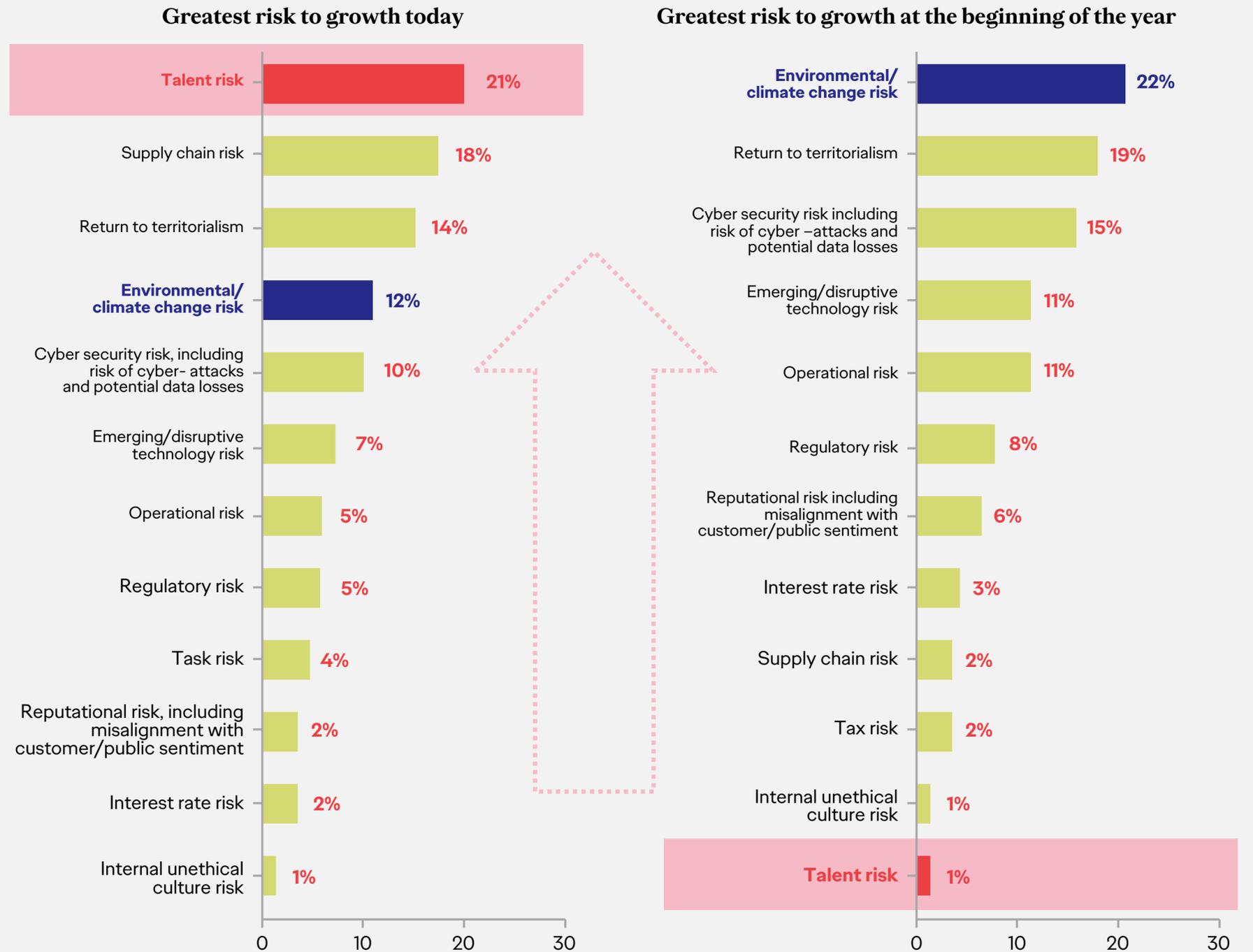


3 Match content, creative, message framing and engagement plan to Cognitive Personas.

Trend #2
Employee experience
becomes a key driver
of **business growth**

Since the pandemic began, **talent** has become the **greatest risk to business growth**

Biggest risk to organization over a 3-year period

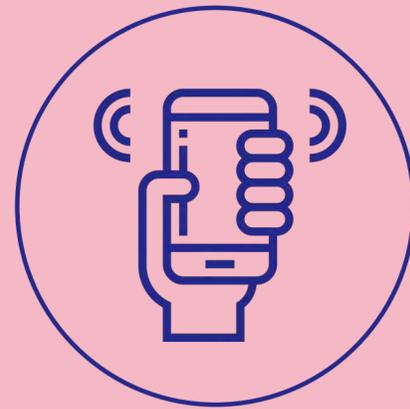


Source: 2020 KPMG CEO Outlook, COVID Special Edition

Employee experience was already in a transformation



Millennials and Gen Z make up a growing percentage of the workforce



(More) rapid adoption and evolution of technology and tools



More data and measurement of employee experience



Greater demand for transparency and worker protections

Nearly overnight, **COVID-19** forced radical shifts in the conditions employees faced

While many employees work from **home**, juggling family and personal responsibilities...



Essential and front-line workers face **new health and safety risks** and **demands** that they have not been trained for.



Responsibility for employee experience sits with executives who see its **tangible impact on business**

22 %

of executives report that their companies are excellent at building a differentiated employee experience.

While 80% felt to 'have an excellent employee experience' was important for their company.

69 %

of organizations say the changing nature of compensation expectations and strategies is important to their success over the next 12-18 months.

But only 9% say they are ready to address this trend.

87 %

of executives experience skill gaps in the workforce or expect them within a few years.

Fewer than half report a clear sense of how to address the problem.

Sources:

1. Deloitte, "The employee experience: Culture, engagement, and beyond," Josh Bersin, Jason Flynn and Art Mazor, February 28, 2017.
2. Deloitte – 2020 Human Capital Report.
3. McKinsey, "To emerge to emerge stronger from the Covid-19 crisis companies should start reskilling their workforces now."



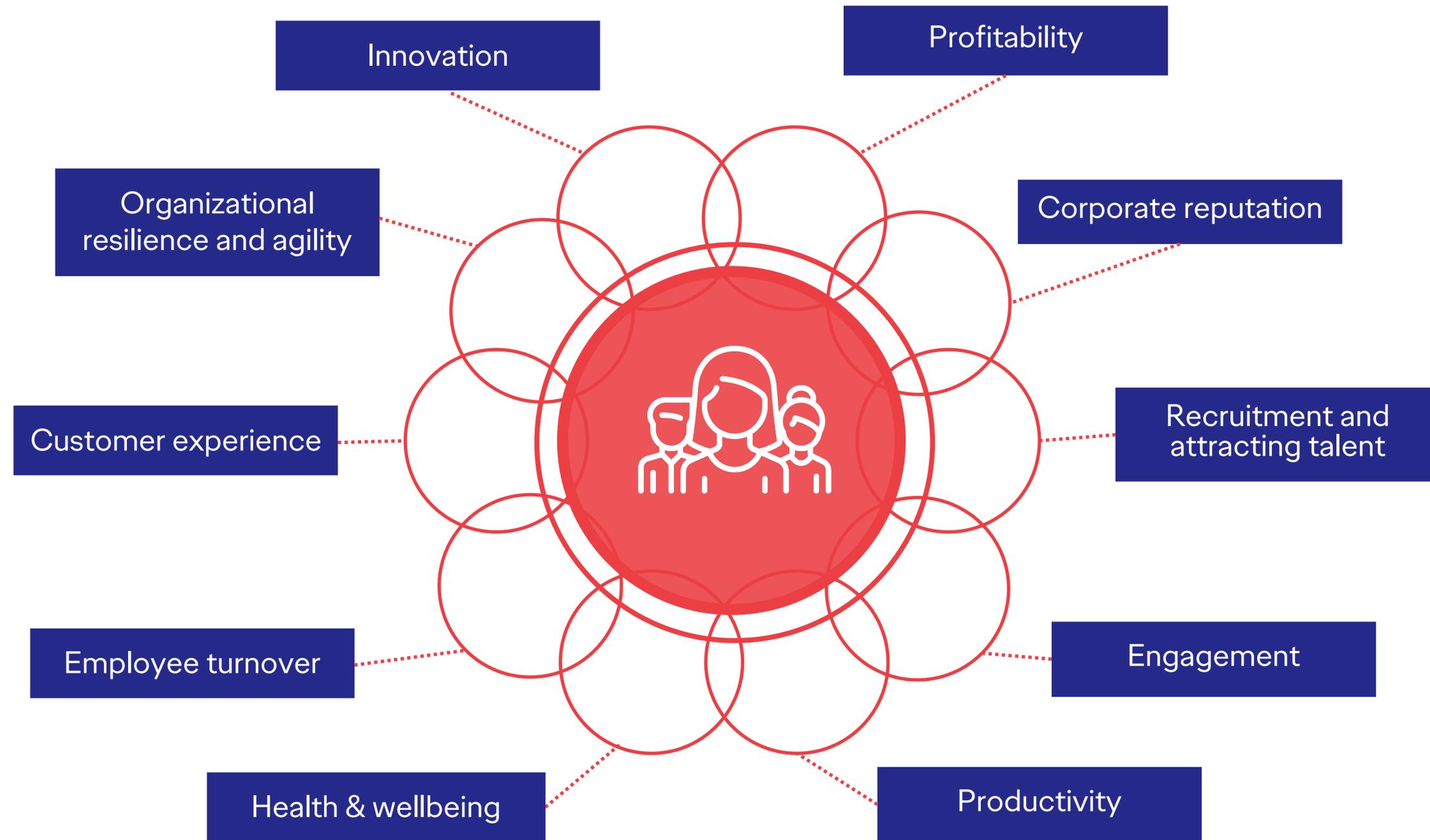
The idea of “employee experience” has **moved beyond traditional perks.** To drive growth, businesses must focus on building meaningful, **trusted relationships** with employees and **help them self-actualize.**

Image Sources:

1. NBCNews.com, “Target, Walmart workers and others plan ‘sickout’ protests over coronavirus safety,” 1 May 2020. <https://www.nbcnews.com/news/us-news/target-walmart-workers-others-plan-sickout-protests-over-coronavirus-safety-n1195126>

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Employers that **fail to address** employees' changing needs **face losses** in all aspects of their business



A **1-star improvement** in employer ratings on Glassdoor results in an increase of **7.8% to 18.9%** in long-term market valuation.

Source:
Harvard Business Review, "The key to happy customers, happy employees."
<https://hbr.org/2019/08/the-key-to-happy-customers-happy-employees>

Businesses must now support **employees'** **holistic development**

Culture & engagement

How do we ensure the that best of pre-COVID culture is brought into the future and the worst is left behind?

How do we re-think our people strategy to make the hybrid workforce a positive, inclusive experience for everyone?

What are the roles of physical offices and workspaces?

Wellbeing & resilience

How can we develop emotional connections during times of social distancing and feelings of isolation?

How do we manage the new expectations of our employees: particularly around flexibility, management, blurring of home/ life commitments?

How do we create an organizational framework for addressing wellbeing priorities?

How do we measure the success of wellbeing programs using metrics that reflect organizational priorities?

Growth & self-actualization

How do we hire and onboard talent in a virtual or hybrid workplace?

How do we ensure our people have the skills we need for near-term and long term?

What opportunities can we give employees that serve them and their own development beyond the workplace?

Elements of a **fulfilling employee experience**

Higher-order

Why Boxed CEO Chieh Huang has offered to pay full college fees for all of his employees' kids

verizon✓

"In terms of measuring learner engagement, we track learner NPS scores—or how likely they are to recommend a course to a co-worker—and how employees interact with online courses. But we go beyond that when we're getting ready to launch new products or services. We consider learning complete when employees finish a course, take an assessment, and then demonstrate their new knowledge in a product or service demo to their managers."

Trek pledges to create 1,000 industry jobs for people of color

twitter
FROM 'YES TO DESK'

Paid study, leave, and sabbaticals

Training and mentoring both within and beyond the job role

Extreme work flexibility

Meaningful opportunities to share feedback and recognition

Wellness allowances

Pay and compensation transparency

Inclusion and equality programs

Safe and equitable working conditions

Pro-bono schemes and donation matching to causes that align with the organization's purpose

Retreats and social outings that build trust and understanding beyond the office

A welcome that instills company culture and recognizes the individual

Fundamentals



Introducing Open Salaries at Buffer: Our Transparent Formula and All Individual Salaries

Dec 19, 2013 · 4 min read



Joel Gascoigne
CEO and co-founder @ Buffer



What to do next

1.

Clarify vision and purpose

2.

Revisit people analytics

3.

Design and co-create the employee experience together

4.

Make diversity and inclusion integral to the way you do business

5.

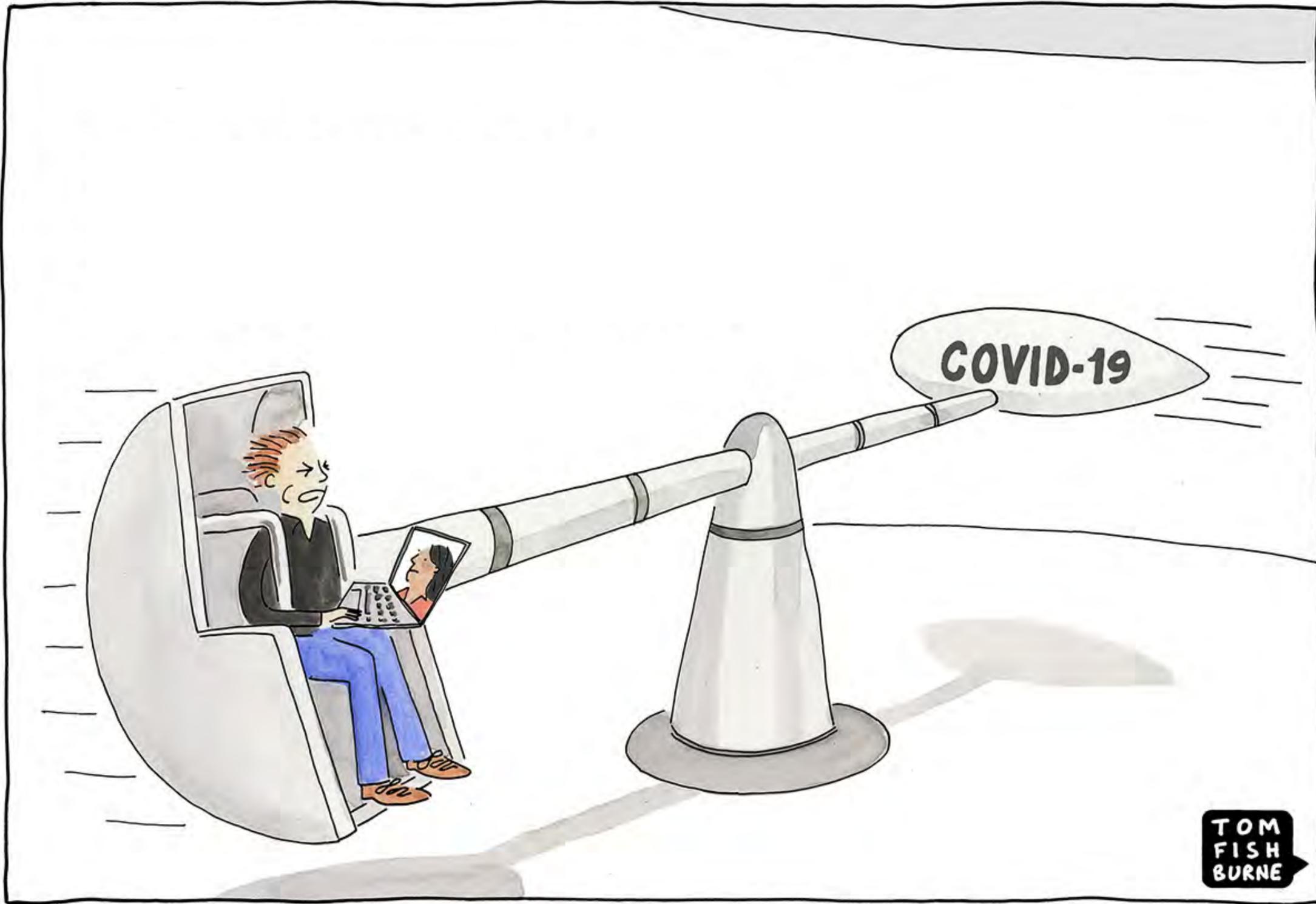
Re-set productivity and performance expectations

Trend #3
The **end of e-commerce**
as we **know it**

“

I hope 15 years later people forget about e-commerce –
because they think it's like electricity.

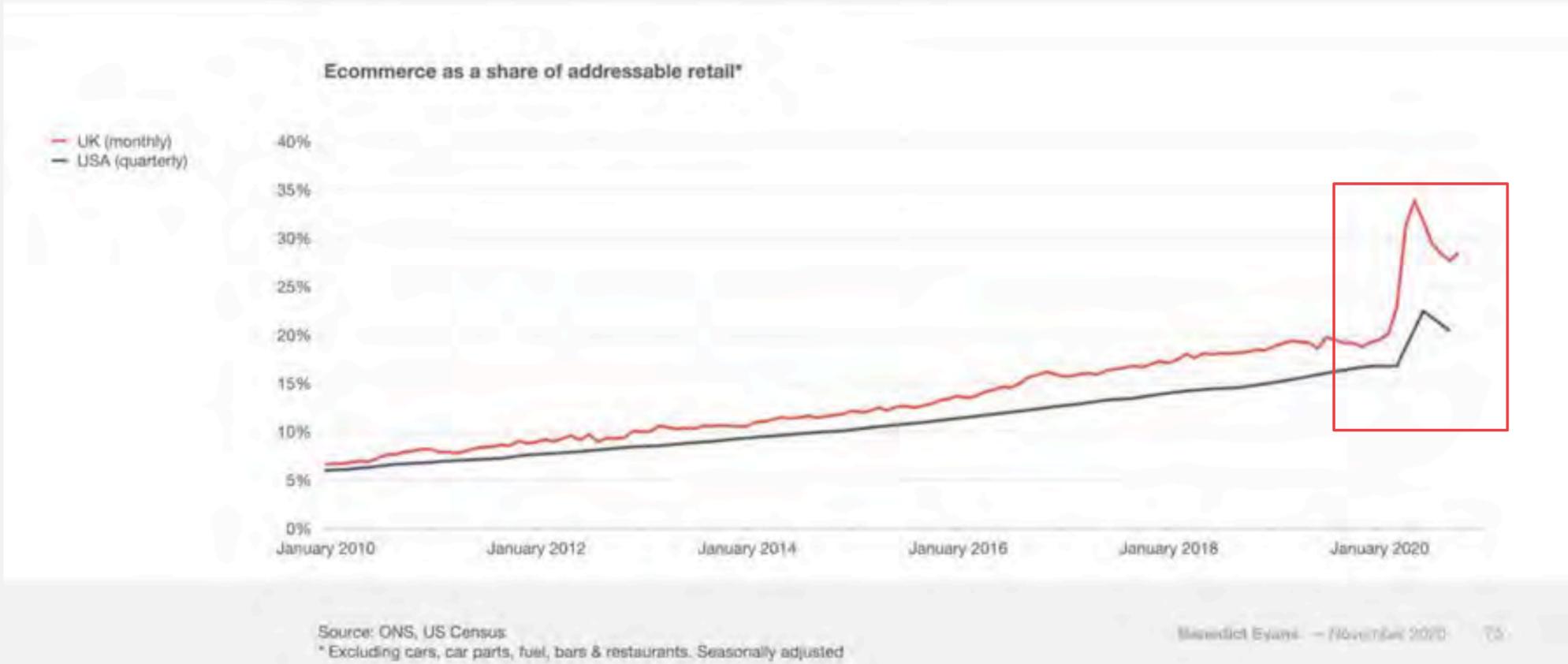
– *Jack Ma, Founder of Alibaba, speaking in 2015*



© marketoonist.com

Five years in three months

Lockdown accelerates adoption of e-commerce

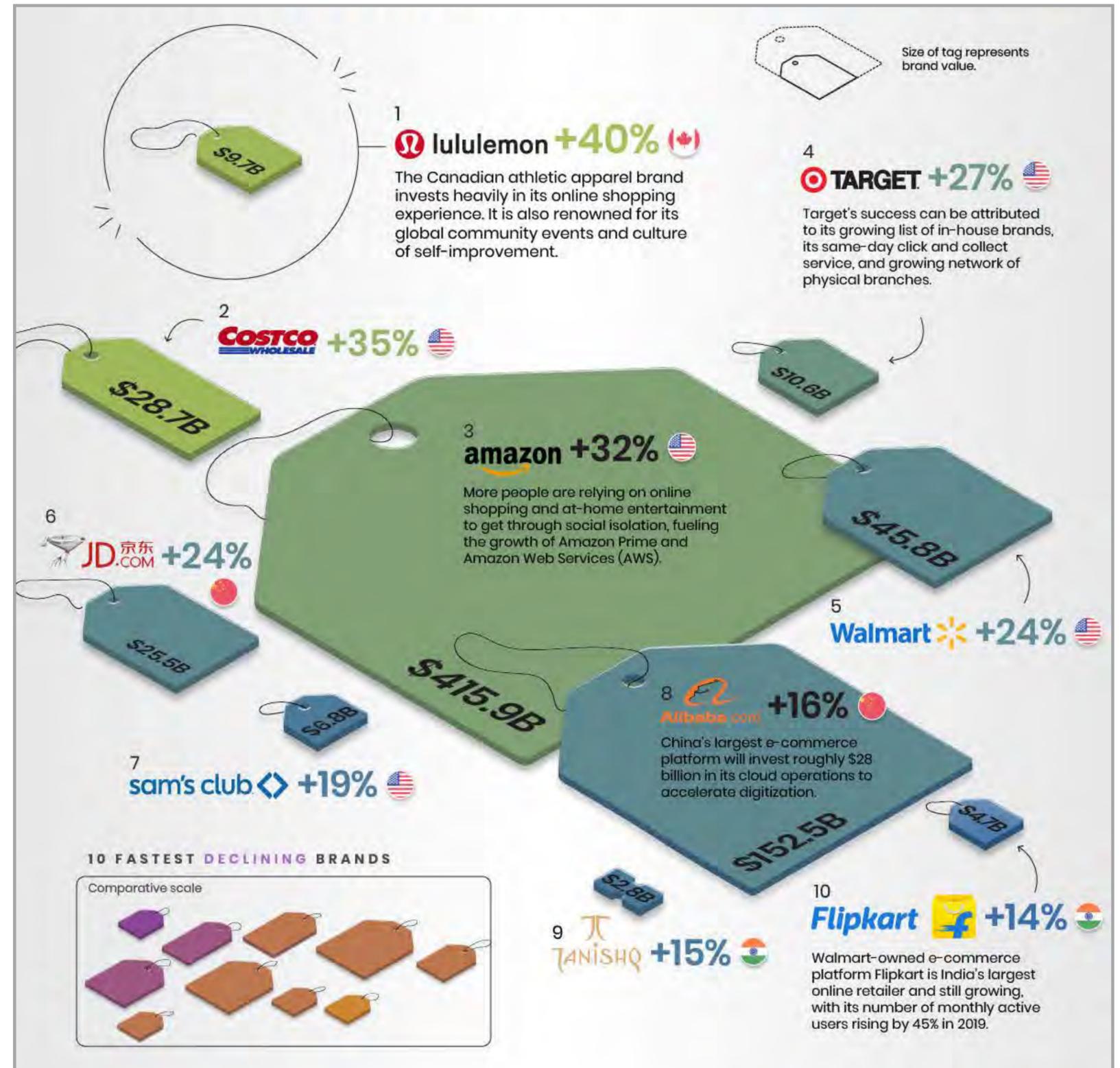


Source: <https://www.ben-evans.com/benedictevans/2020/11/22/finding-a-new-level-for-ecommerce>

Predictably, giants like Amazon and Alibaba capitalized, and continue see booming growth

Alibaba's Singles' Day sales in 2020 grossed \$74 billion compared with \$38 billion in a 24-hour period on 11.11.

Amazon sold \$10.4 billion worth of goods on Prime Day, up 45.2% from \$7.16 billion in 2019.

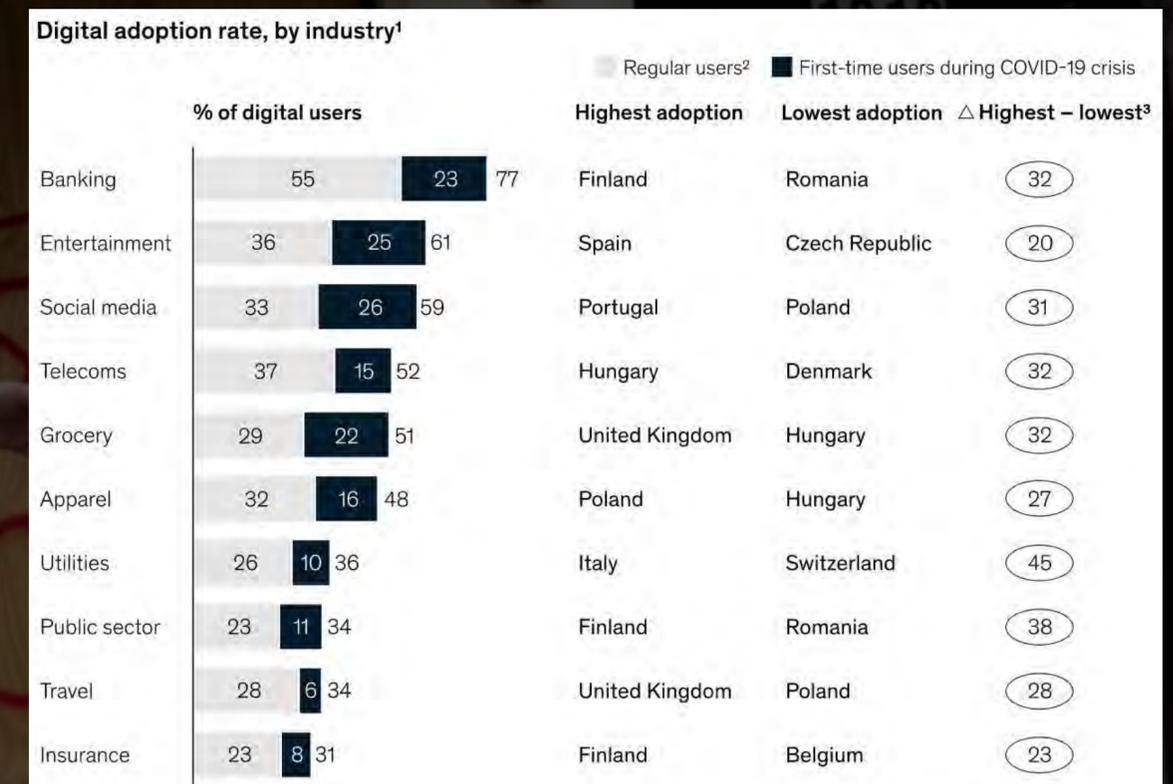
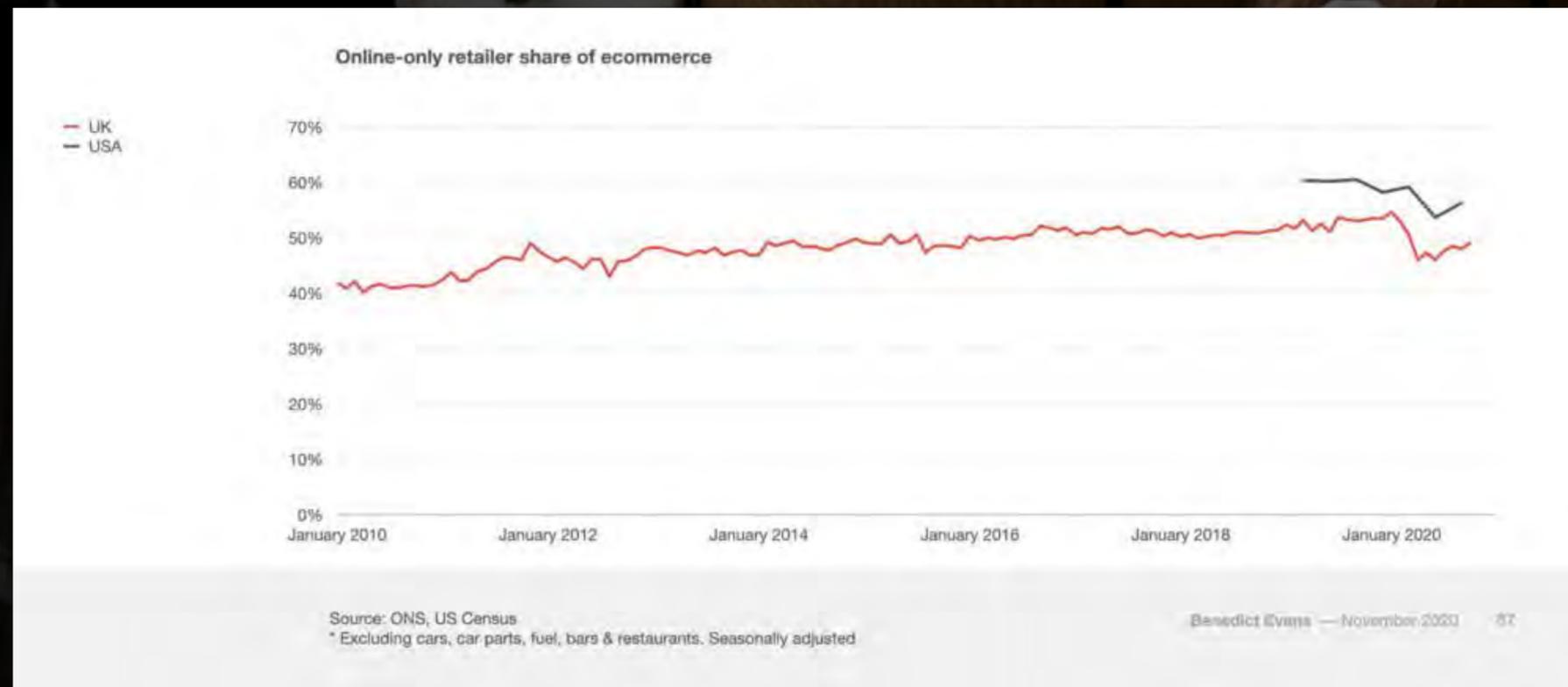


Sources:

1. <https://www.emarketer.com/content/us-ecommerce-2020>

Image: The Visual Capitalist, <https://www.visualcapitalist.com/amazon-worlds-most-valuable-retailer/>

While physical **brick-and-mortar retailers** are under threat, their **share of e-commerce is growing**



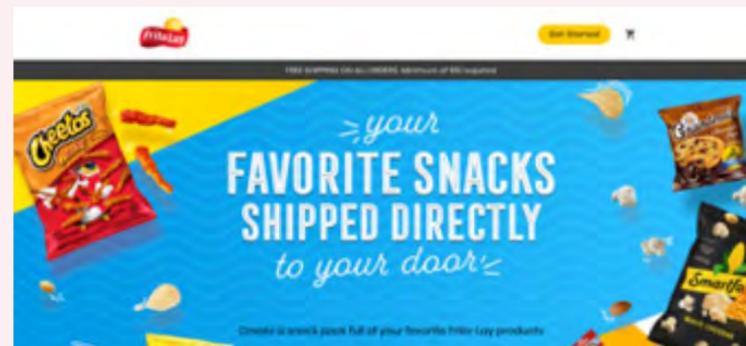
Sources:
 1. <https://www.ben-evans.com/benedictevans/2020/11/22/finding-a-new-level-for-ecommerce>
 2. McKinsey Research (20,000 European consumers), June 2020

Image: <https://www.businessinsider.com/j-crew-closing-stores-list-of-addresses-closing-2020-7>

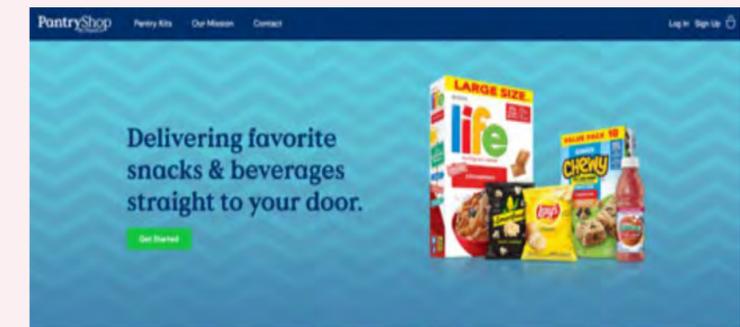
And traditional B2B brands are going **directly to consumers**



KraftHeinz: heinztohome.co.uk



Pepsi: snacks.com



Pepsi: PantryShop.com



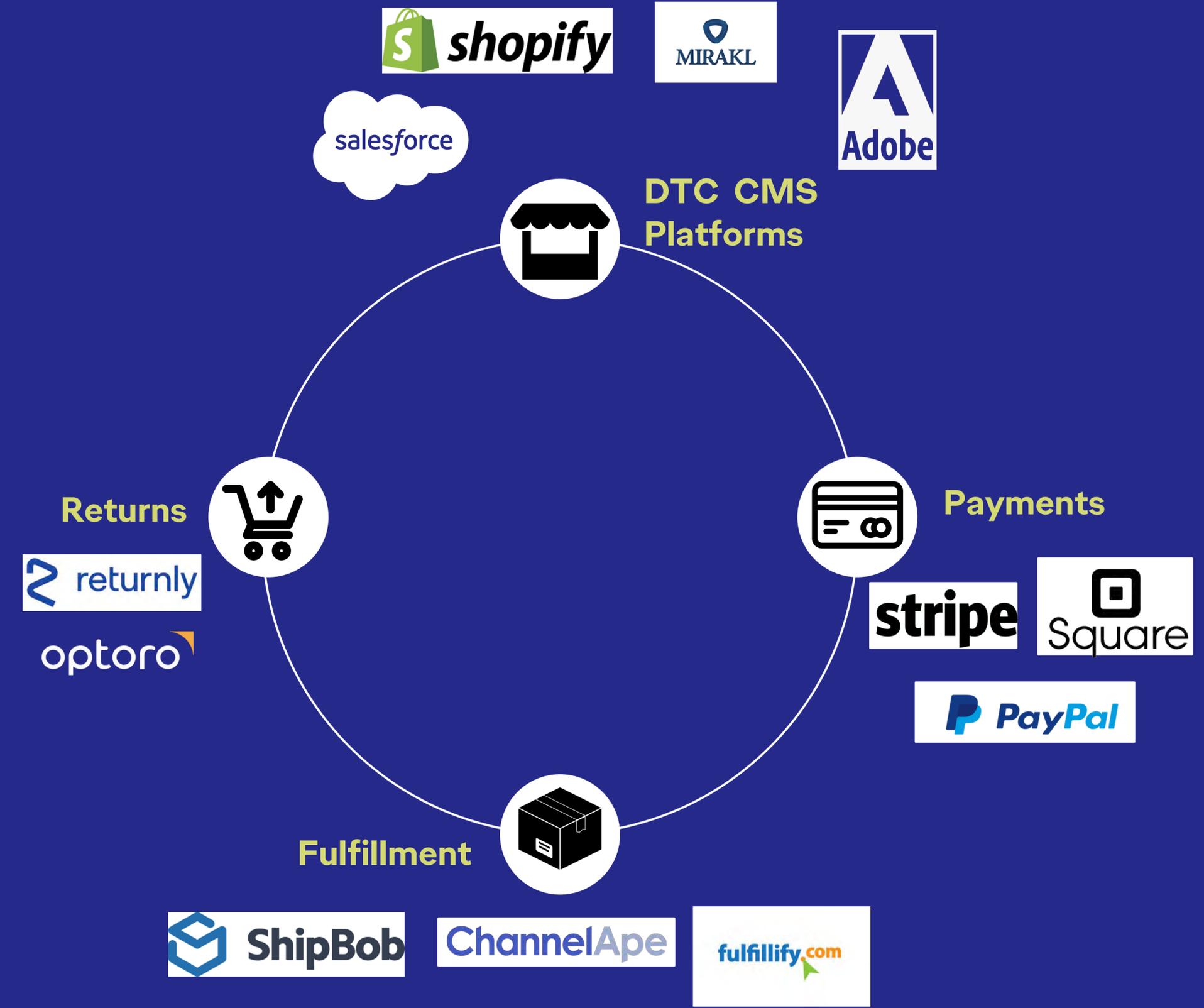
Unilever: leverdirect.co.uk



ABInBev: ze.delivery

Online platforms enable businesses of any size to quickly stand up an e-commerce business

- Shopify subscription solutions **revenue was \$245.3 million, up 48% year over year**
- Salesforce reported its Marketing and Commerce Cloud software revenue **grew 21% in Q2**



Partnerships accelerate now essential capabilities like last-mile delivery, BOPIS, and click and collect

H&M transforms its retail: turns outlets into logistic hubs

CHIPOTLE PARTNERS WITH UBER EATS AND A DATING APP FOR DATE-NIGHT MEALS



LOCKDOWN 2.0 IKEA switches to contactless click & collect, click & deliver and remote appointments

BRIEF

Walmart adds to its last-mile arsenal with acquisition of startup assets



RETAIL

Nestlé's confectionery 'essentials' now available through Deliveroo in UK



Walgreens and DoorDash Announce On-Demand Delivery Collaboration



DOORDASH

Integrating digital into physical experiences is making it safer, more personal, and convenient

- **Over half** of consumers are willing to spend more if that means they can **avoid speaking** with a clerk
- Digital touchpoints influenced **52% of the \$3.8 trillion total US retail market** and **48% of the \$1.9 trillion total EU-7 retail market** in 2019
- 31% of US online adults **used smartphones to compare prices while in a physical store** in the past three months (July 2020)
- Restaurants and cafes implemented online ordering and shops are using checkout automation as a result of COVID-19

Sources:

1. Forrester, "Add a new payment option to drive e-commerce," <https://go.forrester.com/blogs/add-a-new-payment-option-to-drive-e-commerce-a-business-case/>
2. Forrester, "The Art and Science of Retail e-Commerce," <https://www.forrester.com/report/The+Art+And+Science+Of+Retail+eCommerce/-/E-RES84941?objectid=RES84941>



Our prediction

2021 is the year that e-commerce **will become more than just a channel**. E-commerce solutions will be the backbone of businesses' **customer experiences**.

This consumer behaviour **is here to stay**



60%

of U.S. consumers agree they are shopping more online now than before COVID-19



70%

of European consumers plan to use digital services at least as frequently post-COVID

Sources:

1. Global Web Index April 2020 Research: <https://www.reuters.com/article/us-retail-europe-analysis/pandemic-turns-europes-retail-sector-on-its-head-as-shoppers-stay-close-to-home-idUSKCN24S0D7>
2. McKinsey Research (20,000 European consumers), June 2020

In 2021, e-commerce is an imperative for all businesses.

WHAT TO DO NEXT

1.

If you haven't set up an omni-channel e-commerce presence do so NOW

2.

Partner to accelerate your capabilities and scale

3.

Build distinctive, brand-driven omni-channel brand experiences

4.

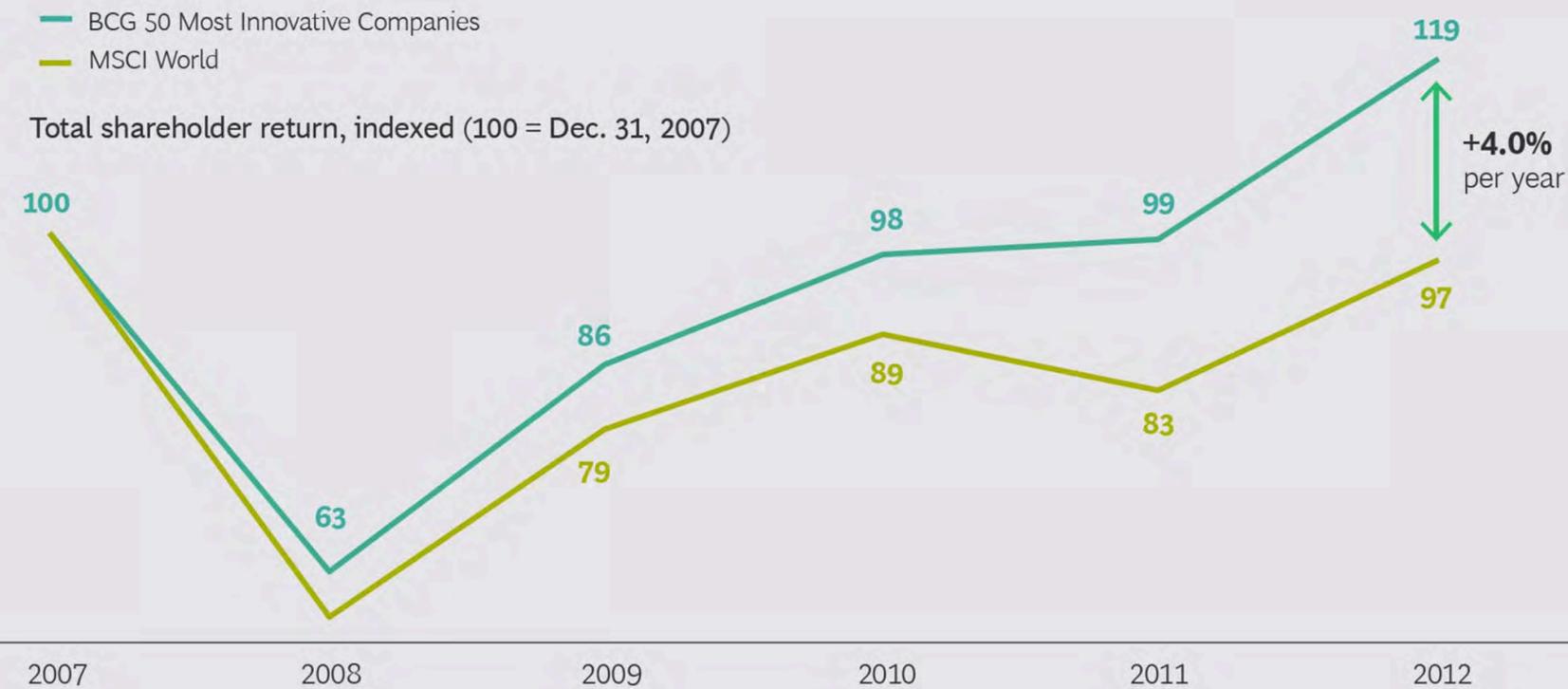
Define the role of all customer touchpoints including the role of employees in delivering the shopping experience

Trend #4

Green recovery will usher in a new
decade of **innovation**

Historically, **innovation** has been critical for brands to return to growth

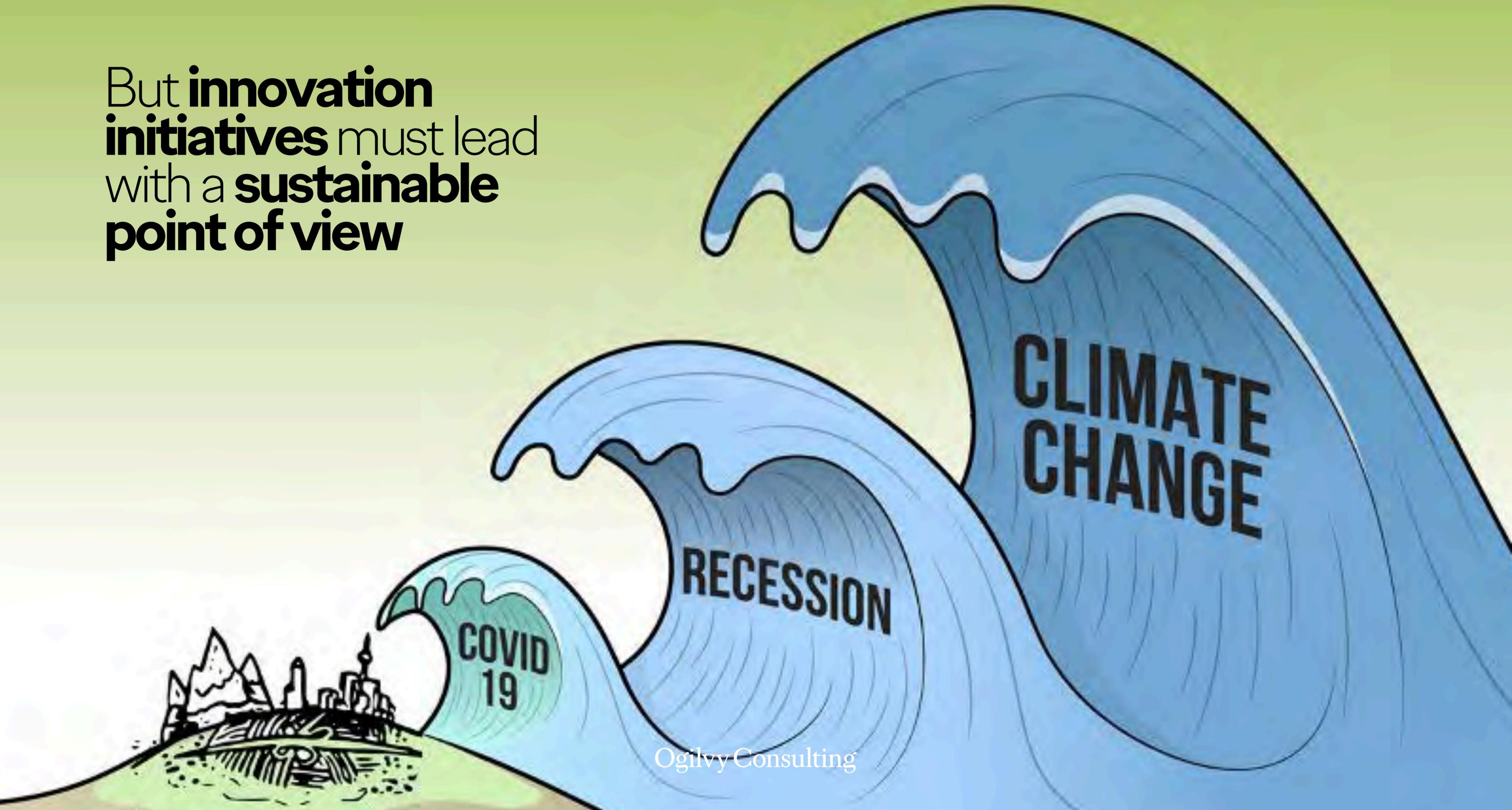
EXHIBIT 1 | Top Innovators Accelerated Out of the Last Financial Crisis



Sources: BCG Global Innovation Survey; CapitalIQ.

Note: The graph shows the TSR performance of the publicly listed companies on BCG's list of 50 top innovators, starting on Dec. 31, 2007, continuing through the crisis, and ending on Dec. 31, 2012.

But **innovation initiatives** must lead with a **sustainable point of view**



Consumers are **demanding sustainable** **yet affordable** products

80%

of consumers say that they are changing their purchase preferences and behavior based on brands' and retailers' environmental impact

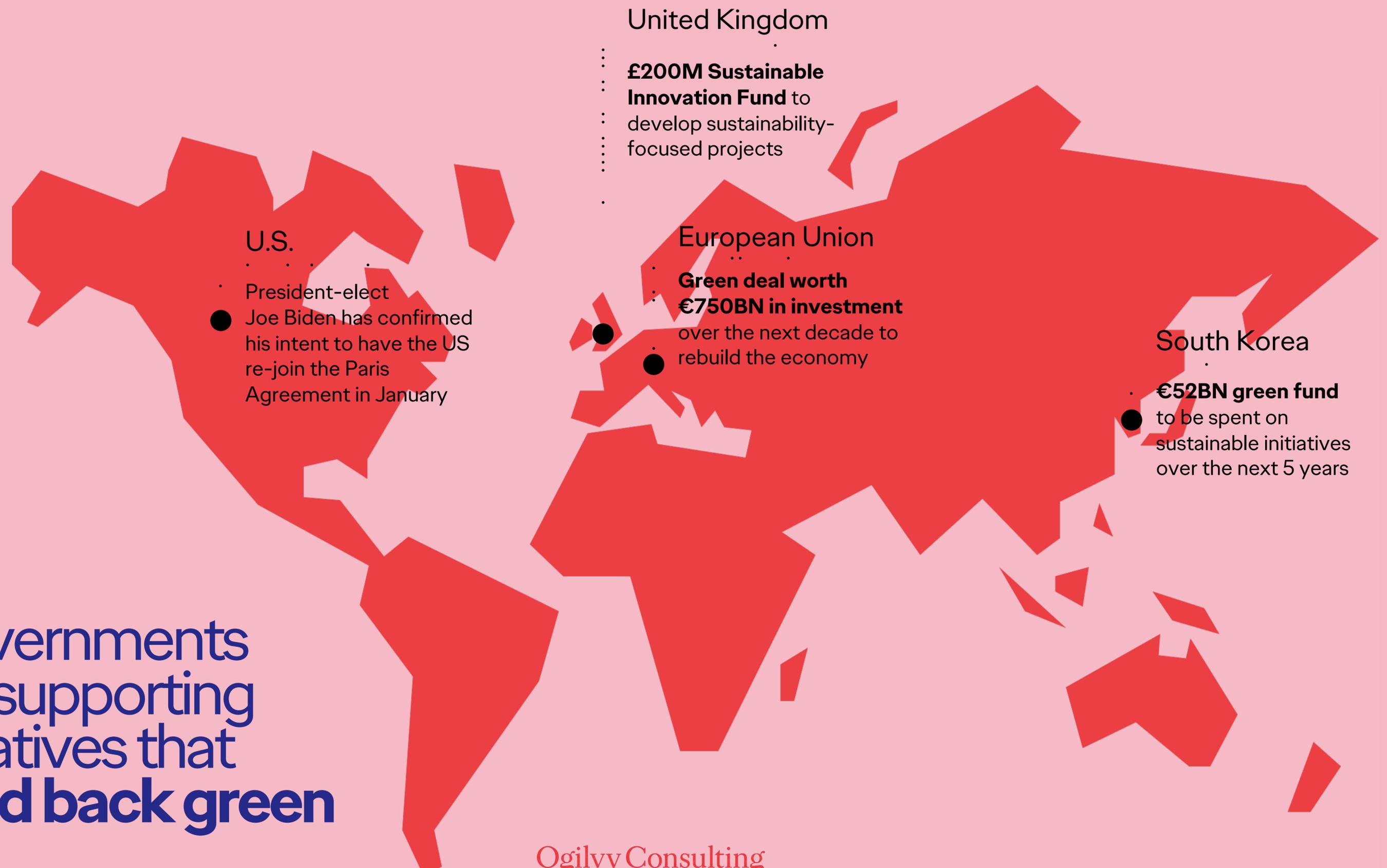
53%

of consumers overall (and 57% in the 18-24 age group) have switched to lesser-known brands because they were sustainable

72%

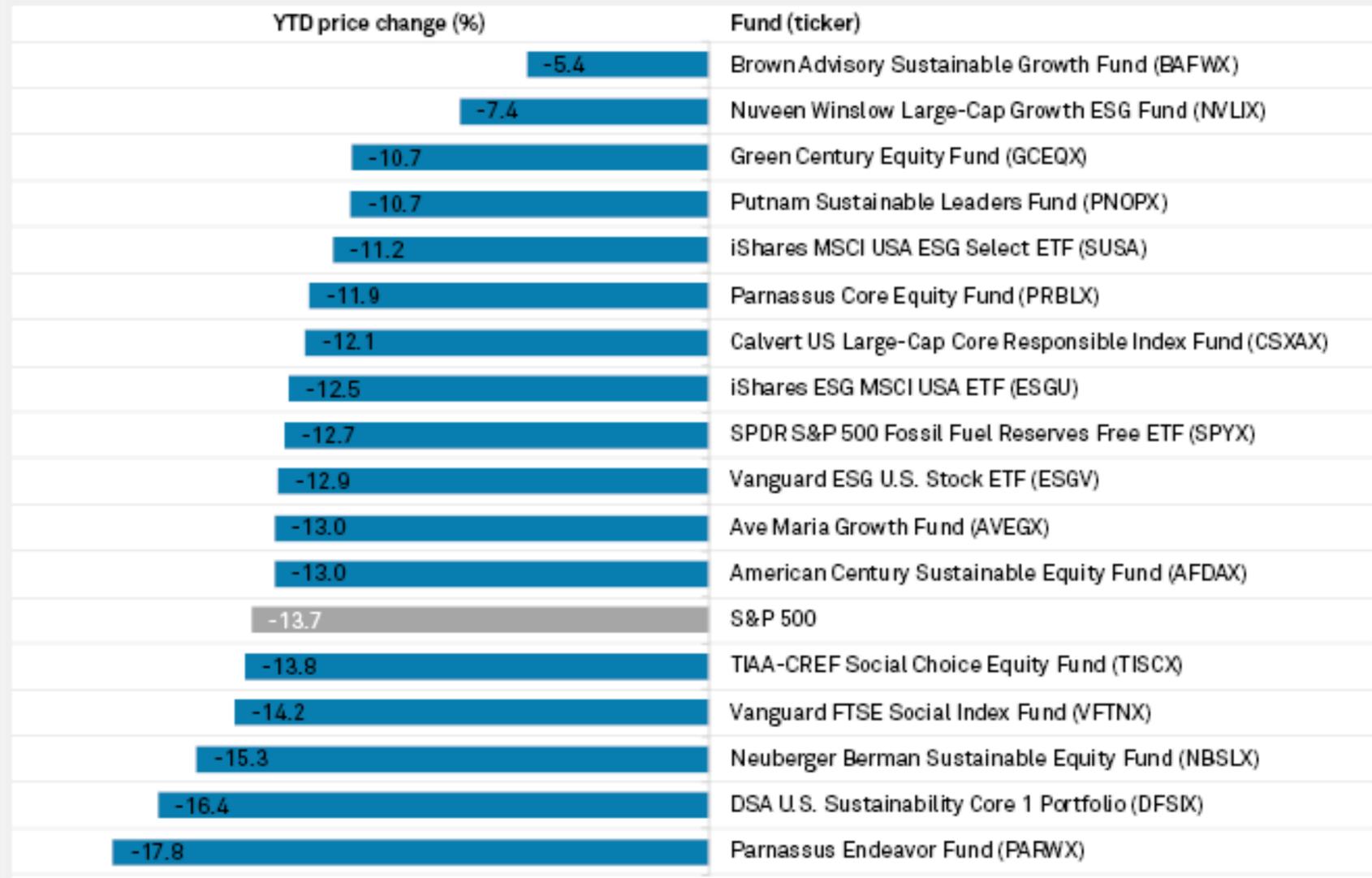
of retailers believe consumer price sensitivity will remain high in the coming years, causing 93% of retailers to re-assess key-value items

Governments
are supporting
initiatives that
build back green



Investors are betting on brands with green characteristics

Several ESG funds outperforming the S&P 500 in 2020



Data compiled April 10, 2020.
 Analysis limited to select U.S. equity ESG exchange-traded funds and mutual funds, with more than \$250 million in assets under management including all share classes.
 Price change measured from Dec. 31, 2019, to April 9, 2020.
 Source: S&P Global Market Intelligence

A photograph of Prince William and an older man sitting on a wooden table outdoors. Prince William is on the right, wearing a grey blazer and blue trousers, gesturing with his hands as he speaks. The older man is on the left, wearing a blue blazer and dark trousers, listening attentively. They are seated on a wooden table with two green books on it. The background is a brick wall with greenery.

“
The next ten years
present us with one
of our greatest tests
– a decade of action
to repair the Earth

– Prince William

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But brands need to get
creative

1. Create purpose-driven solutions



The **North Face** is repositioning around purpose and committing deeply to sustainability in its products with a new global innovation center. Its projects tackle material innovation that will allow the company to meet its conservation goals.



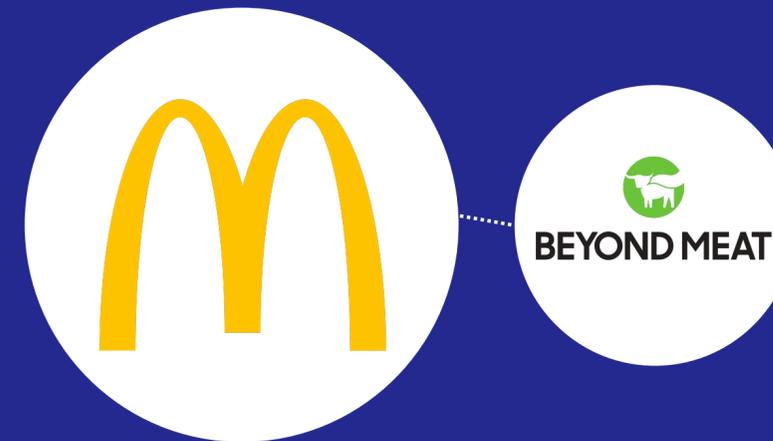
Amazon has launched Climate Pledge Friendly, a new program to help make it easy for customers to discover and shop for more sustainable products. Customers will now see the Climate Pledge Friendly label to signify that products have one or more of 19 different sustainability certifications.



2. Build through partnerships



Mondelez recently announced the packaging for its Philadelphia brand will be made with recycled materials starting from 2022 and aims to use 100% recyclable packaging for all products by 2025.



McDonald's recently unveiled its McPlant line, which includes a meatless patty co-created with alternative protein provider Beyond Meat.

3. Evolve through regeneration



IKEA has launched the Buy Back scheme, which encourages customers to take their unwanted IKEA furniture back to store where they'll receive vouchers up to 50% of the original purchase price. Second-hand products will be sold in the 'as-is' area of stores.



Circular shopping and delivery service **Loop** offers everyday products from hundreds of brands in specially engineered reusable and returnable containers.

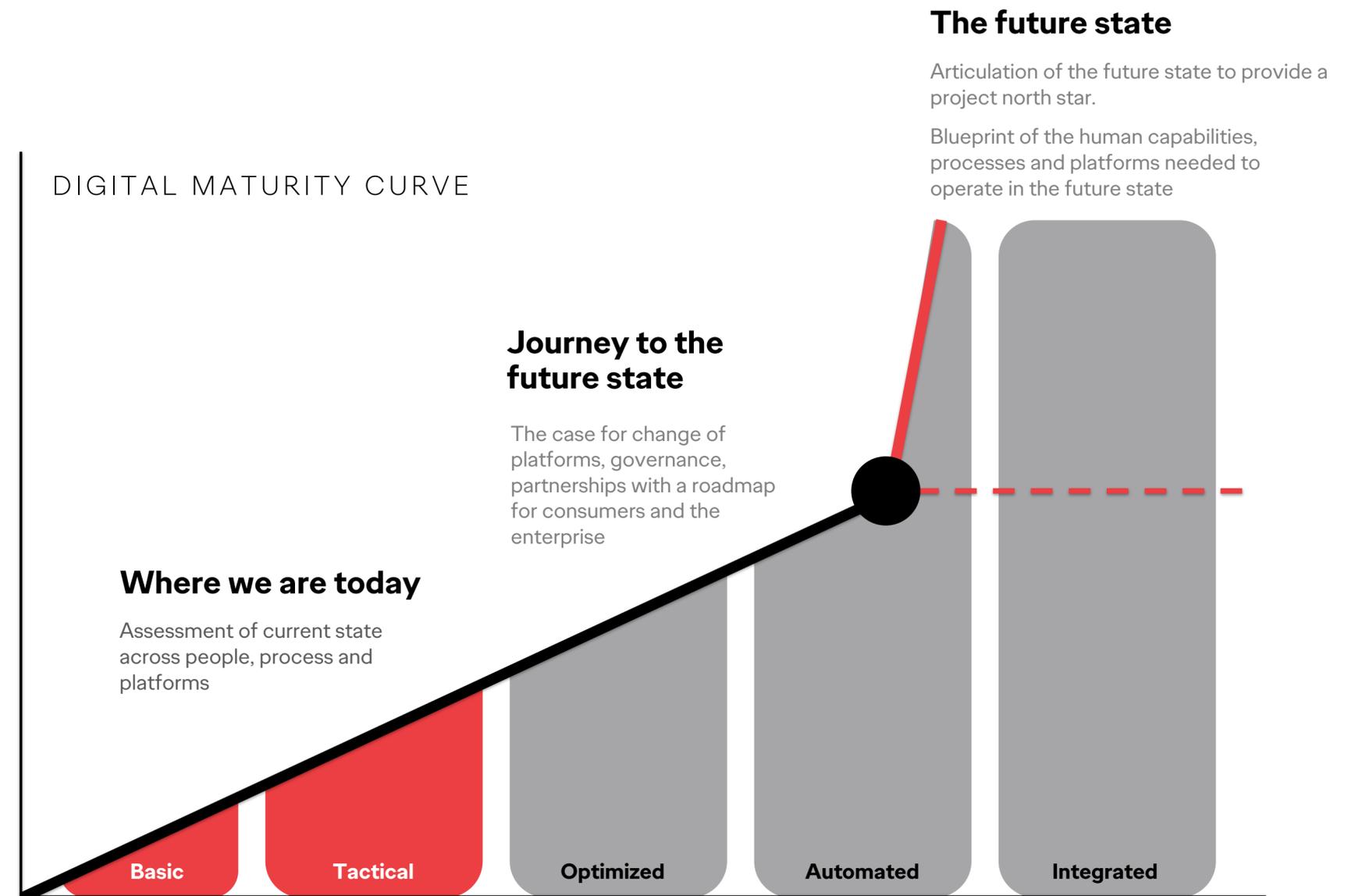


Trend #5
Brand Experience becomes **principled**

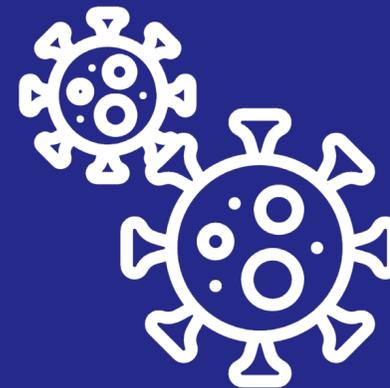
The transformation cycle is in hyperdrive

Prior to 2020, many businesses were already in some sort of digital transformation. However, as society has adapted to life with COVID-19, it has become imperative for brands to make decisions and change faster than ever before, or risk losing customers.

A big part of brands' ability to survive and grow in 2021 will be the strength and relevance of their purpose and how well they embed it across touchpoints and brand experiences.



Connecting **digital touchpoints is not enough** to make brands stand out ...



COVID-19 leads to an increased preference for trusted products over novel ones.

Sources:

1. Chelsea Galoni, Gregory S Carpenter, Hayagreeva Rao, Disgusted and Afraid: Consumer Choices under the Threat of Contagious Disease, Journal of Consumer Research, Volume 47, Issue 3, October 2020, Pages 373–392, <https://doi.org/10.1093/jcr/ucaa025>

Brands build trust through **action** in accordance with **their purpose/vision/mission**

A recent Google report, “How Consumers View Brand Purpose in 2020”, confirms that **consumers value positive action** over the unrelenting pursuit of profit,

A **strong brand purpose** will guide the creation of products and services that add real value to the brand’s customers and the society. It is this **shared value** that connects the brand to the consumer and creates a **trusted relationship**.



To be the most hospitable company in the world by creating heartfelt experiences for Guests, meaningful opportunities for Team Members, high value for Owners and a positive impact in our communities.



Building healthy habits in homes, schools and communities



To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education and research

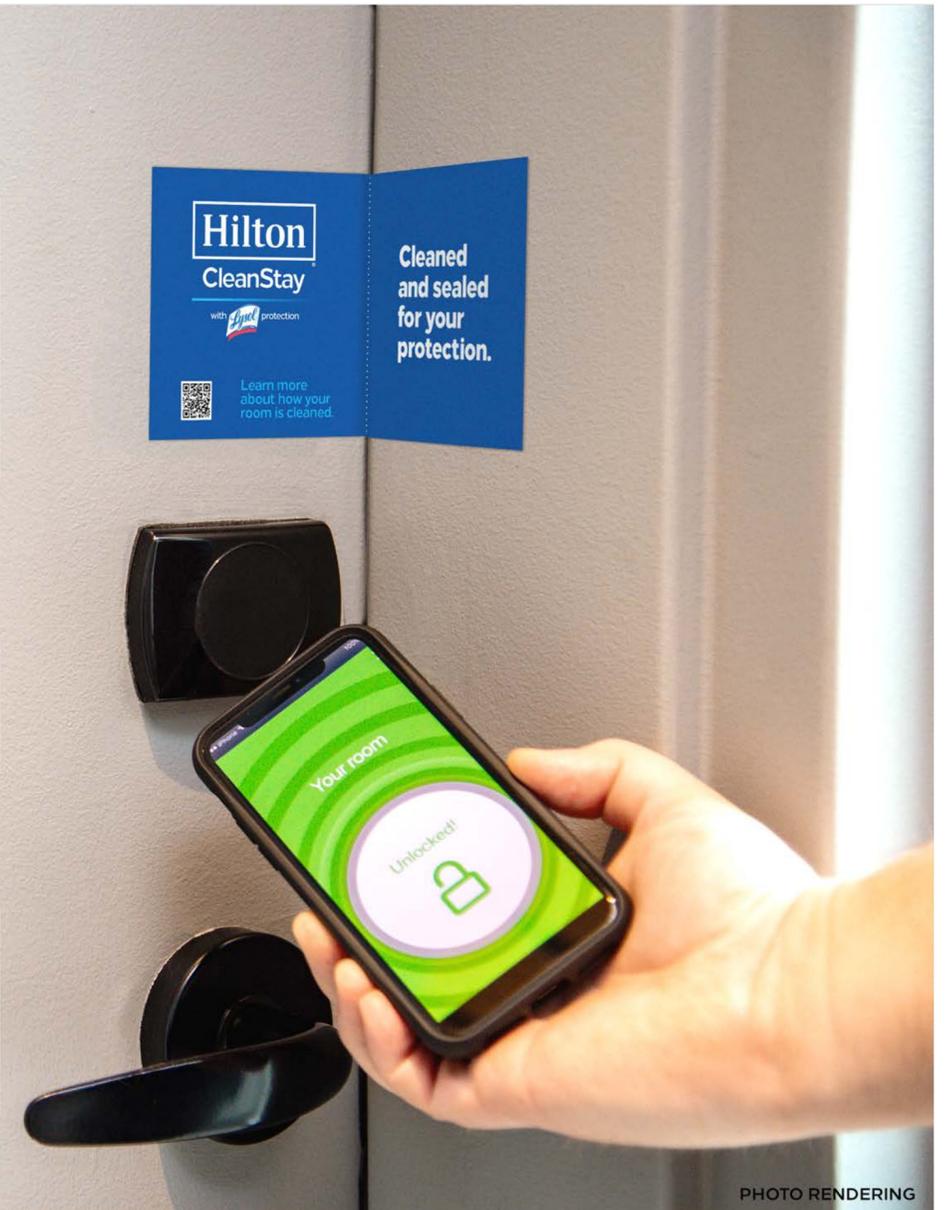


PHOTO RENDERING

Source:
Image: Hilton CleanStay with Lysol Protection Launch June 2020

Purpose does not have to be about saving the world but it does have to be **relevant to your audience**

Apple and Amazon, some of the world's most valuable brands, defy the conventions of most other publicly traded companies; their choices are dictated by a single purpose and not by their share price.

“We aim to be Earth’s most customer centric company”

Amazon’s Mission

01  +38% 322,999 \$m	02  +60% 200,667 \$m	03  +53% 166,001 \$m	04  -1% 165,444 \$m	05  +2% 62,289 \$m
06  -10% 56,894 \$m	07  -8% 51,595 \$m	08  -3% 49,268 \$m	09  -6% 42,816 \$m	10  -8% 40,773 \$m
11  -4% 39,756 \$m	12  -8% 36,971 \$m	13  -12% 35,178 \$m	14  -14% 34,885 \$m	15  +6% 34,388 \$m
16  -4% 34,119 \$m	17  -2% 31,720 \$m	18  +12% 28,011 \$m	19  New 26,060 \$m	20  -11% 21,694 \$m
21  -4% 21,203 \$m	22  +6% 20,220 \$m	23  -10% 19,458 \$m	24  +6% 19,161 \$m	25  +3% 18,870 \$m

Interbrand Best Global Brands 2020

Popularity and fame do not equate to purpose

Xbox was a well-established and thriving brand when it launched Xbox Entertainment. After two years, the initiative failed, costing Xbox millions of dollars and 18,000 jobs.

Why?

Though the brand recognized an opportunity to "own the living room," Xbox Entertainment's position was not clearly connected to Xbox's purpose and expertise in making the world's best gaming experiences.

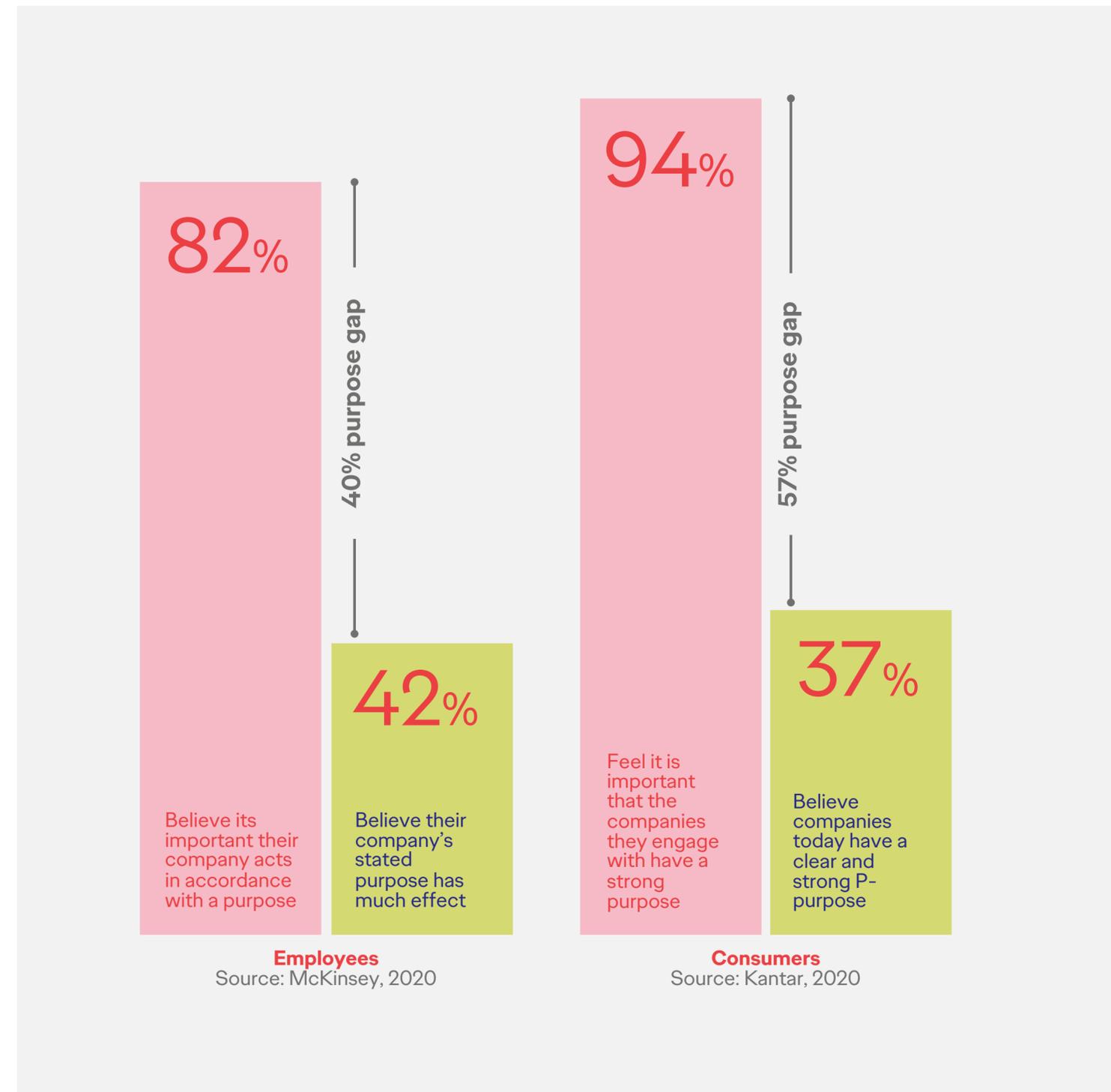
Brands that fail to **deliver on their promise across experiences** will lose relevance

Consumers choose to buy from brands they believe in.

Brands that fail to act on and deliver on their promise – through their products and services, their customer experience, the way they treat employees, and their impact on the community – will continue to lose relevance.

The “**Purpose gap**” will only grow faster given anxieties and expectations brought forth by COVID-19. People want brands to make their lives easier and add meaningful value.

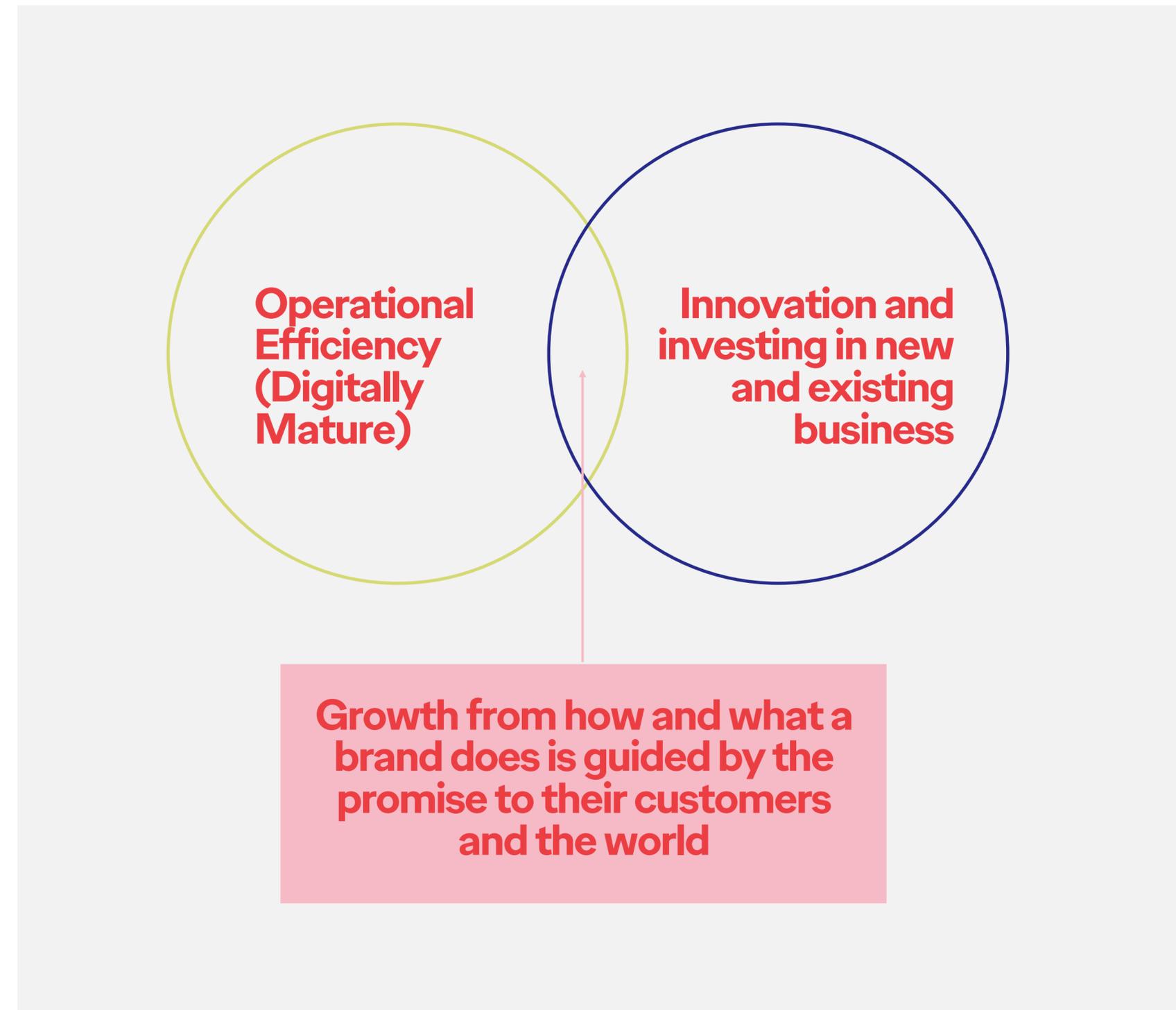
To thrive past this pandemic, brands must unify their vision and promise and deliver it in every aspect of their brand experience.



In 2021, brands survival will depend on their ability to respond to **consumer needs and behaviors**

Compare a giant like Unilever that aims to deliver on its promise to one that was slower to respond to increasing consumer demand for sustainable goods, Kraft Heinz.

Unilever derived 75% of its overall growth in 2018 from its sustainable living brands...While Heinz wrote off \$15B in its valuation in 2019 and has a portfolio of brands that have failed to align its initiatives to a unified brand promise.



Brands should define a set of **experience principles** to guide consistent execution across touchpoints

VISION: a single statement that all employees can understand about **why the brand exists and what it brings to the world**

EXPERIENCE PRINCIPLES: a set of guidelines about **how the brand should look and feel to customers** that help practitioners develop and consistent experiences across the brand ecosystem

Brand experience principles are designed to remove ambiguity and guide the brand to deliver in practice.

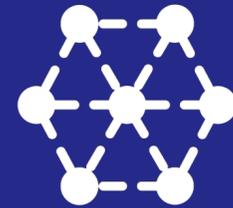
- Enable faster decision-making
- Bring clarity and direction
- Act as a lighthouse for the brand
- Drive consistency and authenticity



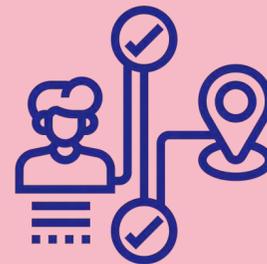
Delivering on your promise requires the **entire enterprise and a long-term commitment**

Even if you are dubious that delivering the promise is a core business driver, it's important to understand that not delivering on one poses a significant risk to the brand's ability to pivot, respond, and grow.

Delivering on your promise pays dividends, both to traditional business KPIs and softer measures. Consumers who believe in a brand are more likely to become vocal advocates and pay a premium for its products. Meanwhile, employees are more likely to want to work for your organization and remain loyal to it. Finally, it will drive innovation.



Connect all parts of the ecosystem with brand experience principles



No part of the consumer journey is left untouched; the entire lifetime journey from acquisition to advocacy and beyond



The entire organization must embrace change; it cannot just be a focus of one group or team

What to do next



The 2021 trends:



#1: Behavioural Science forges a new frontier in marketing



#2: Employee experience becomes a key driver of business growth



#3: The end of e-commerce as we know it



#4: Green recovery will usher in a new decade of innovation



#5: Brand experience becomes principled

Questions?

Thank you and have a wonderful 2021

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