

What will brands

Brands will play a bigger role in our lives in 2030, but our relationship with them will be more assertive, as we become more responsible for sourcing our vital needs, take control of our own data and become ever more transient



By Nick Liddell, *Dragon Rouge*

In December last year, Forbes' website featured an article called 'The Death of Mega-Brands', which predicted that "iconic brands like Tide... Chevrolet, Levi's, Nike, Coca-Cola, Wheaties, Cheerios, Skippy, Ralph Lauren, Gap, and on and on, are going to suffer a precipitous

decline in relevance, in sales, and in share of market – or drop dead, at the very least." This sentiment is a familiar one. Branding's death knell has been tolling for a long time. Each year sees a raft of similar articles and thought-pieces predicting the demise of branding as we know it. Here are just a few examples from the past couple of years: 'The sudden death of brands', 'The death of brands

as we know it', 'The death of brands is much closer than you think', 'Is social media the death of branding?', 'The death of branding', and my personal favourite, 'The Death of Branding and the Scam of Storytelling'.

Are we really witnessing the end of the multibillion-dollar brand? If history tells us anything, it is that brands are surprisingly resilient. Some of the world's biggest brands

look like in 2030?

– Coca-Cola, Louis Vuitton, Gillette – are over a century old. Brands are valued on the basis that they have indefinite useful lives. They can stretch into new markets and categories. They can reinterpret themselves for successive generations. They can adapt to the changing world around them. Based on the evidence, it would seem that reports of branding's death are greatly exaggerated.

Rather than diminishing in importance, there are plenty of reasons to believe that brands will continue to grow in influence as we approach 2030. The world will change dramatically over the coming 16 years – even more dramatically than the past 16. This is pretty scary when we consider the unprecedented change we have witnessed over that time: the introduction of the euro; 9/11; the election of Barack Obama; global recession.

In 1999, Amazon was a quirky online bookseller, widely ridiculed as 'Amazon bomb' by analysts, who pointed out that the company had never turned a profit. Apple was a niche computer company that had just released a new range of colourful iMacs and sat at number 273 in the *Fortune* 500 list of companies, far below Gap (174), Sun Microsystems (164), Toys R Us (151) and Eastman Kodak (121). The predominant social media brand at the time was Friends Reunited. Facebook wasn't launched until 2004 and Twitter didn't appear until 2006.

We can realistically expect to see twice this level of social and technological disruption occur by 2030. The world will change in ways that most of us cannot dream of. But there are major social, political, economic, technological and environmental forces at work that we can predict with a reasonable level of confidence. These forces will shape the way we live and work. They will influence the demands we place on brands as individuals. And they will determine the role brands will be expected to fulfil in creating a more mobile, more prosperous and happier society.

SPACE WILL BECOME A LUXURY

The UK population is expected to rise to 70 million by 2030 – an increase broadly equivalent to doubling the combined populations of Greater Manchester, the West Midlands, Tyneside and Liverpool and 92% of us will live in increasingly cramped cities. The Royal Institute of British Architects points out that new homes built in the UK are already the smallest in Western Europe, with a footprint equivalent to a Jubilee Line Tube carriage.

We will have less space to sell and store food, clothing and personal care products. This means that brands in 2030 will have to work much harder to earn a place in our homes. Fast-moving consumer goods will need to learn to move even faster as we purchase our groceries in smaller batches and more frequently. BOGOF will lose its allure once 'one' is more than enough. Brands will need to find more imaginative ways to promote their products in a manner that adds value and emphasises quality, rather than delivering greater quantities that people can no longer accommodate. Ocado won't

deliver a big shop once a week: it will deliver much smaller quantities within the hour, as well as collecting and recycling our waste in return. Packaging will become dramatically smaller, dramatically slimmer, or, in some cases, disappear altogether.

Value chains will also need to accommodate local sourcing. In 2030, we will think it absurd that Morrisons ever created Market Street – its out-of-town high street within a store concept. Instead, Morrisons and its competitors will fight to reclaim our high streets by providing training, logistics, marketing and financial support to local butchers, bakers and grocers.

SOCIETY WILL BECOME MORE MOBILE

Individuals will increasingly become households in their own right. It is anticipated that there will be 10.9 million single-person households by 2030. This will make society even more mobile than today. Forty per cent of London's inhabitants are already foreign-born and social mobility will continue to rise. Seventy-one per cent of Millennials want and expect to work overseas at some point in



their careers and 41% prefer to communicate electronically while at work, rather than face to face or by telephone. Careers will no longer be linear: the next generation of workers is more likely to move between professions and competencies. Our definition of personal growth will alter as people invent and reinvent their working lives. Large employer brands like IBM and Accenture will need to rethink how they recruit, develop and promote an increasingly entrepreneurial workforce.

Rather than being a measure of success, accumulating 'stuff' will increasingly be seen as an impediment to personal growth and social mobility. In response, brand owners will shift from a product mindset to a service ethic. Subscription models will supplant ownership models. Future generations will become increasingly apathetic about ownership, preferring instead to subscribe, rent, or share. More of us will live Airbnb lifestyles, moving between cities and countries, renting and sharing assets. The

distinction between homes and hotels will blur further. Imagine Foxtons running a subscription service, allowing people to move between Foxtons-managed properties at short notice. Hilton will expand into townhouses, giving its customers greater flexibility and intimacy.

We will edit out the unnecessary from our lives so we can be more mobile and move more freely. This will require a fundamental change in business models, as brands focus on providing services to 'users' instead of selling products to 'owners'. Our wardrobes, homes and white goods will be subscribed to in the same way that mobile telephones, snack boxes and vegetable boxes are today. We will contract lifestyle brands such as *GQ*, *Vogue* and *Mr Porter* to curate and supply our clothes. In 2030, owning watches, razors and cars will be seen as antiquated as buying CDs and DVDs is today.

WE'RE ALL GETTING OLDER

One in three babies born in 2012 is predicted to live to 100. An ageing population will force us to reappraise how we think about getting old; it will also have implications for how we think about being young. Three million adults in the UK currently live with their parents. The 'garden room' market has jumped 50% in the past two years, as parents try to build space for a boomerang generation that craves independence, despite failing to strike out on its own. We will increasingly rely on people who would currently be considered 'past their sell-by date' to play a more active role in society and the economy.

Brands will need to change substantially to accommodate an ageing population. PlayStations will be targeted at people over 70 who are keen to stay connected and stimulated. McDonald's will no longer be the preferred hangout of disaffected teens with nowhere else to go – it will be a social hub for time-rich retirees in search of coffee and company. Nike, Durex and Heineken's target audience won't be in their twenties and thirties – they will be in their fifties and sixties. Rather than hosting youthful, hopeful graduates, Google Campus will be a breeding ground for 'grantpreneurs' – older, asset-rich entrepreneurs with a lifetime of experience and ideas to draw upon.



WE WILL REDEFINE RICHNESS

As we emerge from the rubble of recession, our concept of 'prosperity' is switching from harder, economic measures to embrace softer, more intangible aspects of success – 14% of people in the UK say that the recession has been a positive experience that has focused them on the things that make them happy. Two in three people worldwide believe they would be better off if they lived more simply. We have already begun to reconsider how we define prosperity. In March 2012, the United Nations implemented Resolution 65/309, placing 'happiness' on the global agenda. In the same year, the UK published its first official index for 'National Happiness'.

An increasing appreciation of these non-financial definitions of success will draw us towards more authentic experiences. The 'chain' branded experience will be dead in 2030. Starbucks, Intercontinental and Ikea will still exist, but their retail environments will be built out of local materials to reflect local tastes and customs. These brands will rely for their integrity on a clear set of values, rather than a globally ubiquitous set of products, logos and corporate speak.

Our definition of 'exclusivity' will change and what we consider to be a luxury brand will also change. The best restaurant in town will no longer be Balthazar or Bocca di Lupo, but private kitchens accessible through Eatwith. Idiosyncratic items with a transparent back-story, limited production and careful distribution will replace 'the latest must-have' coat, handbag or shoes. The ease of finding and buying products and services over the internet will give us a greater appreciation of connoisseurship. Luxury brands like Gucci and Chanel will need to adopt a strategy of deliberate elusiveness, constantly shape-shifting and surprising, playing a never-ending game of cat and mouse with their devotees.

Social media in 2030 will be even more diverse. Facebook and Twitter may still follow a volume business model, but they will offer micro-social networking, allowing users to be more discerning in managing their social circles, as well as providing more opportunities for brand owners to add value rather than creating more noise. A generation of more exclusive social media platforms will follow in their wake,

prioritising quality of interaction over quantity. LinkedIn will contain a VIP service for elite professionals to network exclusively with each other, as well as accessing a suite of enhanced services for managing their working lives.

THE INSPIRATION AGE

As our ability to collect data on ourselves explodes, opportunities for managing – and mismanaging – our lives will increase exponentially. It is estimated that last year 667 exabytes of data flowed over the internet (667 exabytes of sand would cover all the planet's beaches 90 times over). Data is becoming increasingly difficult to escape. Wearable technology means that every aspect of our lives – our health, our working habits, even how we eat pasta or brush our teeth – can be measured and managed.

This presents huge opportunities for brands. Data will become a currency. We are already able to pay for products and services by sharing our data – this is pretty much how half the internet works. In the future, this will become a far more explicit and deliberate transaction. I will receive a preferential interest rate from NatWest if I agree to share my transaction history. I will pay a lower premium to Aviva for my car insurance if I allow it to monitor my blood alcohol level, how frequently I blink when driving and the speed of my car. My Nectar card won't just reward me for what I spend with participating retailers, it will also let me earn points by posting positive comments over social media, and by disposing of branded packaging responsibly.

But the ubiquity of devices to monitor our every movement also represents a huge banana skin for brands. There will always be parts of our lives that we wish to be kept private. In 2030, JD Wetherspoon, Café Rouge, Coffee Republic and Virgin Atlantic may decide to go 'data dark' for people who want to relax alone or enjoy the company of friends without the intrusion of digital devices. Permission will become increasingly important to brand owners who wish to avoid being consigned to the 'junk brands' filter of our personal firewalls. Taking ownership of our personal data will give us yet another stick with which to beat the brands that irritate us, as well as providing an opportunity to create a more intimate,

reciprocal relationship with brands that delight us.

WE WILL RELY MORE ON OURSELVES

The reality of resource scarcity will hit home, encouraging us to take matters into our own hands and to assume greater control of our own wellbeing. Demand for water, food and energy is likely to outstrip supply, leading to higher prices. Food prices are projected to rise 40% by 2030. Energy demand is likely to increase by 50%. At the same time, our trust in government to solve these problems is waning – 50% of Millennials think that in the future, more than any other sector of society, business will achieve the greatest impact on solving society's biggest challenges. By implication, brands will be expected to fulfil valuable public functions. We will expect brands to do more than just sell us 'stuff'.

In 2030, B&Q will no longer flog people drills that are used for only 15 minutes of their lifetime. Instead, B&Q stores will help to educate local communities about home maintenance, as well as helping people in those communities to find out about and to benefit from each others' DIY capabilities. In 2030, Waterstones won't just be a place I can go to buy books. It will be a hub for education, innovation and entrepreneurship. BMW won't be the brand of car I own. It will be a completely integrated and personalised way of getting around, whether by car, by bike or by foot.

Does this mean that brands will play a bigger role in our lives in 2030? Almost certainly. But their role will become more subtle and our relationship with them more sophisticated. We will be far less inclined to see ourselves as consumers. If brands play a bigger role in society in 2030, it is because they will have earned the right to do so.

They will help us to reduce the amount of food, water and energy we collectively waste. They will value and respect our data as well as our spending power. They will sell us services instead of 'stuff'. They will make growing old more fun and fulfilling. They will help us to craft a future we can look forward to.

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