

# **Global Brand and Marketing Management Theory & Practice**

**Marco Mäkinen, Executive Vice President, Strategy  
TBWA\Helsinki**

# Contents

Why

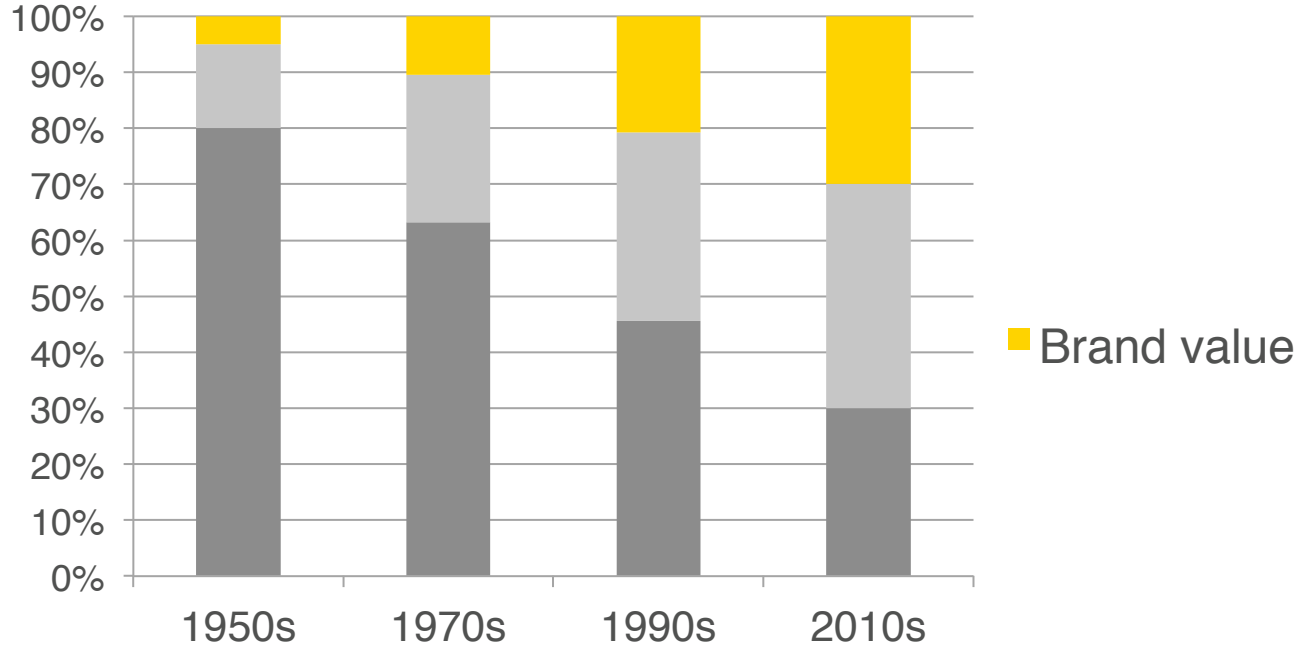
Theory

Practice



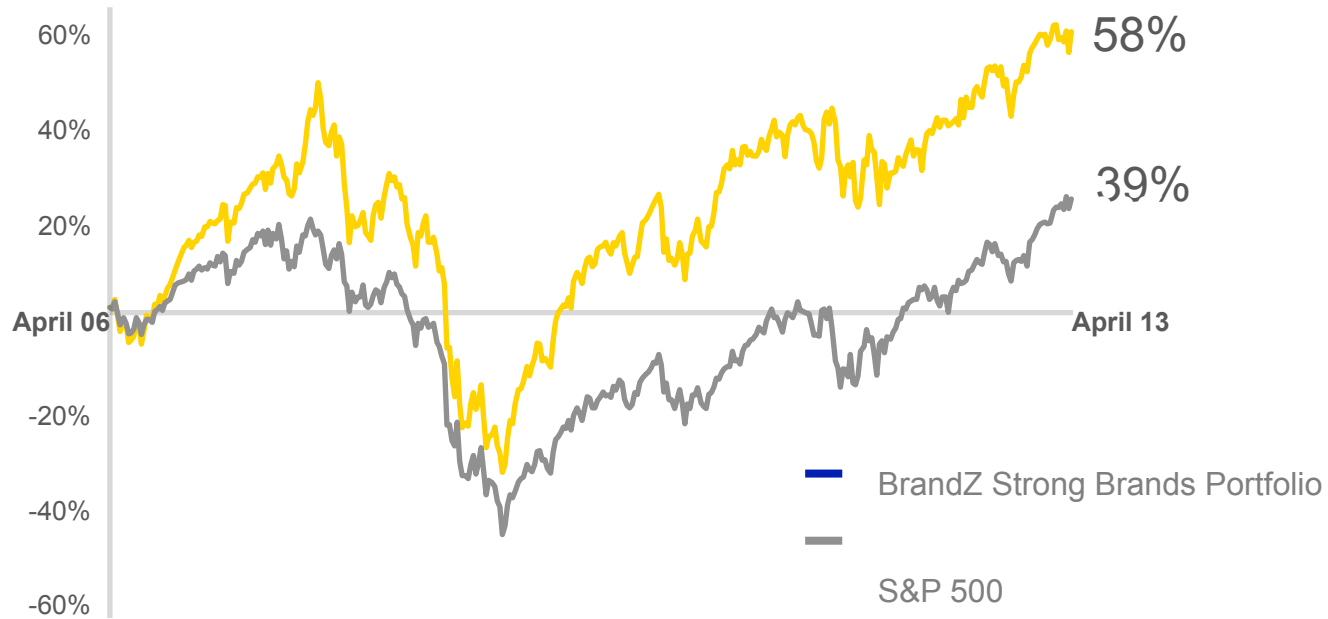
# Why?

# Brand equity forms and increasing share of company value/market cap



Source: Brand Finance. Top 500

# Companies with Strong Brands Outperform the Market During in all economic situations



# Brand impacts each of the seven key financial drivers of shareholder value – across sectors and countries

Ensure levels and security of demand, greater market share

Command premium pricing, improve supplier terms

Reduce tax rate through internal licensing

Lower staff acquisition costs, increase productivity and retention

Reduce capital cost of entry into new categories

Create differentiation, overcome commoditization

Reduce overall business risk, lower WACC

Revenue Growth Rate

EBITDA Margin

Cash Tax Rate

Working Capital Investment

Capital Expenditure

Competitive Advantage Period

Cost of Capital

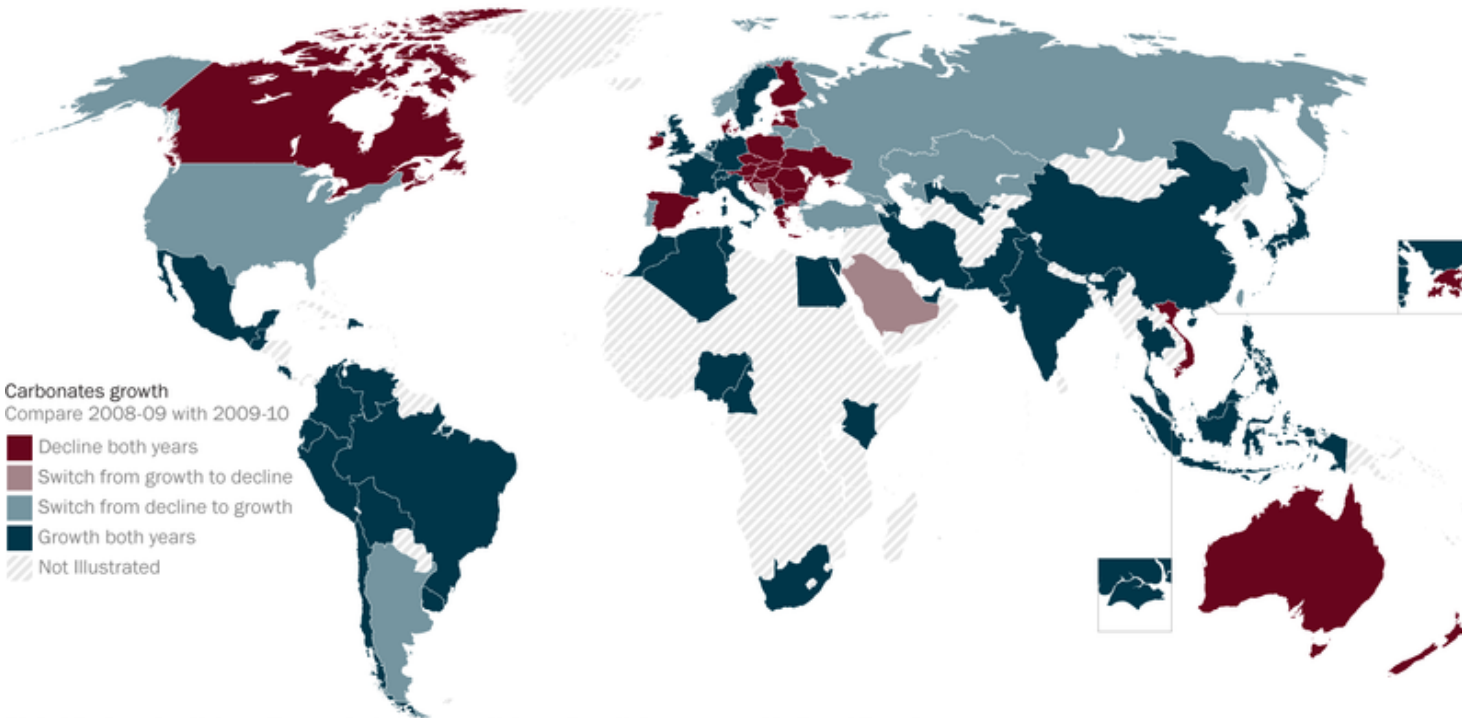
# Continued growth requires a global perspective

DATAGRAPHIC

## Passport: Soft Drinks

GROWTH IN GLOBAL CARBONATES

Compare 2008-09 against 2009-10



### Global Carbonates Volume Recovering

On a global basis in 2010, carbonates volume grew

### Volume Growth Improvement is Broad Based

The growth rate went from negative to positive in a

I don't know who you are.  
I don't know your company.  
I don't know your company's product.  
I don't know what your company stands for.  
I don't know your company's reputation.  
Now, what was it you wanted to sell me?





**Products are made  
in factories**

**BRAND**





A man in a dark suit stands with his back to the camera, looking at a wall covered in large, white, hand-drawn arrows pointing in various directions. The text "They only exist in the minds of customers" is overlaid in the center of the image.

**They only exist in the  
minds of customers**

A black and white photograph of two men in a workshop. The man on the left is looking down at a component held by the man on the right. The man on the right is wearing glasses and a dark polo shirt with the name 'Pat' visible. They are surrounded by industrial equipment, including a large flexible hose. The text 'In the minds of employers.' is overlaid in the center in a large, white, sans-serif font.

**In the minds of  
employers.**

A man in a dark suit, white shirt, and patterned tie is shown from the chest up. He is holding a black marker and drawing a bar chart on a glass surface. The chart consists of four vertical bars of increasing height from left to right. The tallest bar is filled with white diagonal lines. To the left of the bars is a vertical line with an upward-pointing arrowhead. The background is a solid light blue color.

**Investors...**



A man in a dark suit and red tie is the central focus, surrounded by a dense crowd of people. Many of these people are holding cameras and microphones, indicating a press conference or a media event. The scene is crowded and busy, with various pieces of equipment like cameras and microphones visible in the foreground and background. The lighting is somewhat dim, suggesting an indoor or evening setting. The overall atmosphere is one of intense media attention.

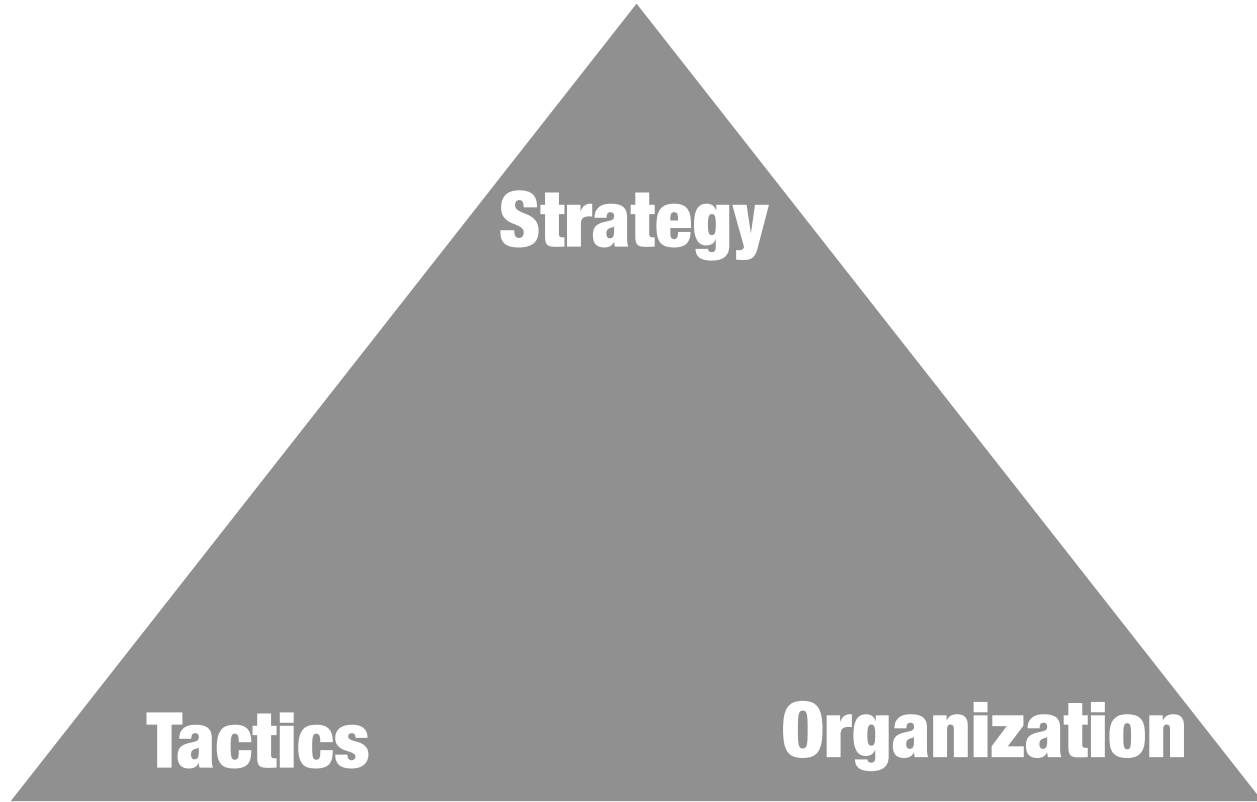
**Journalists...**

**Strong brands are created when people share the same perceptions.**



**These perceptions can't  
be controlled, but they  
need to be managed.**

# Theory



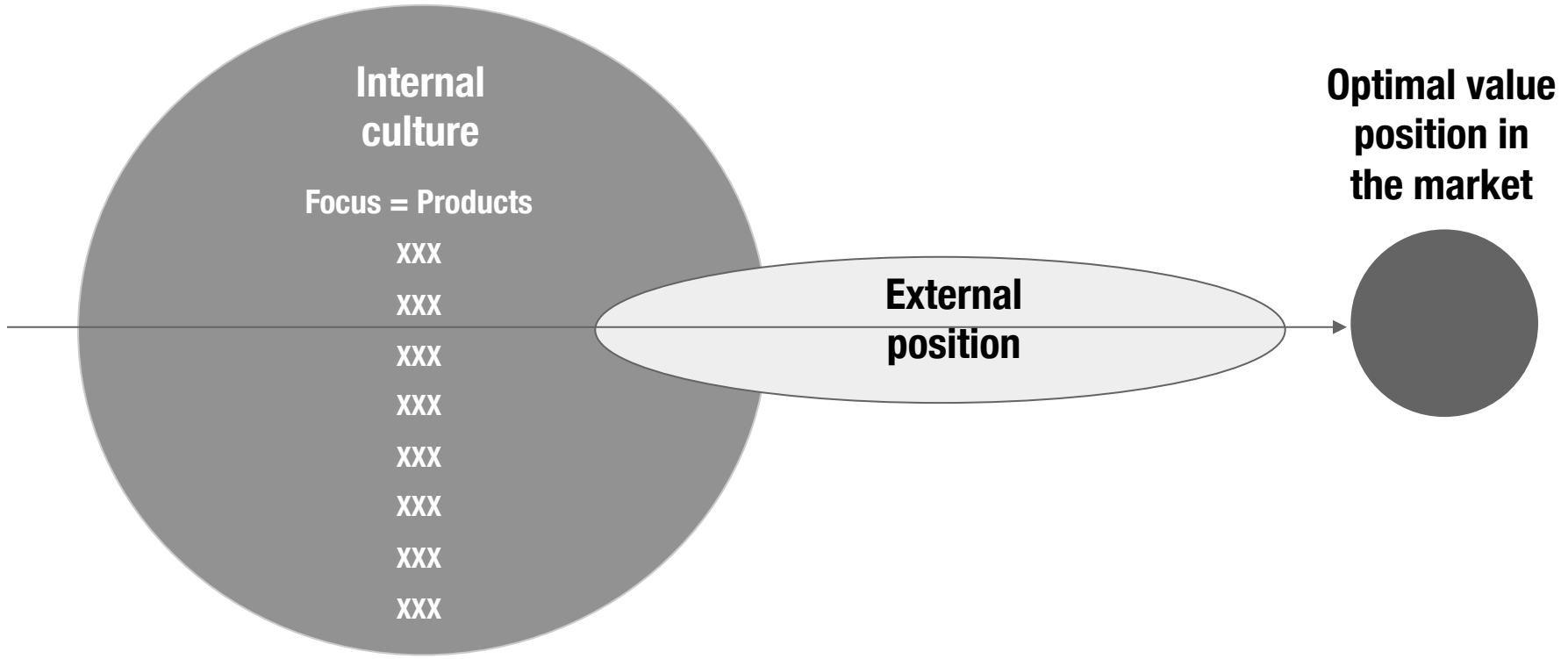


# **Global Brand Strategy**

**Brand architecture**

**Brand portfolio**

**Positioning**



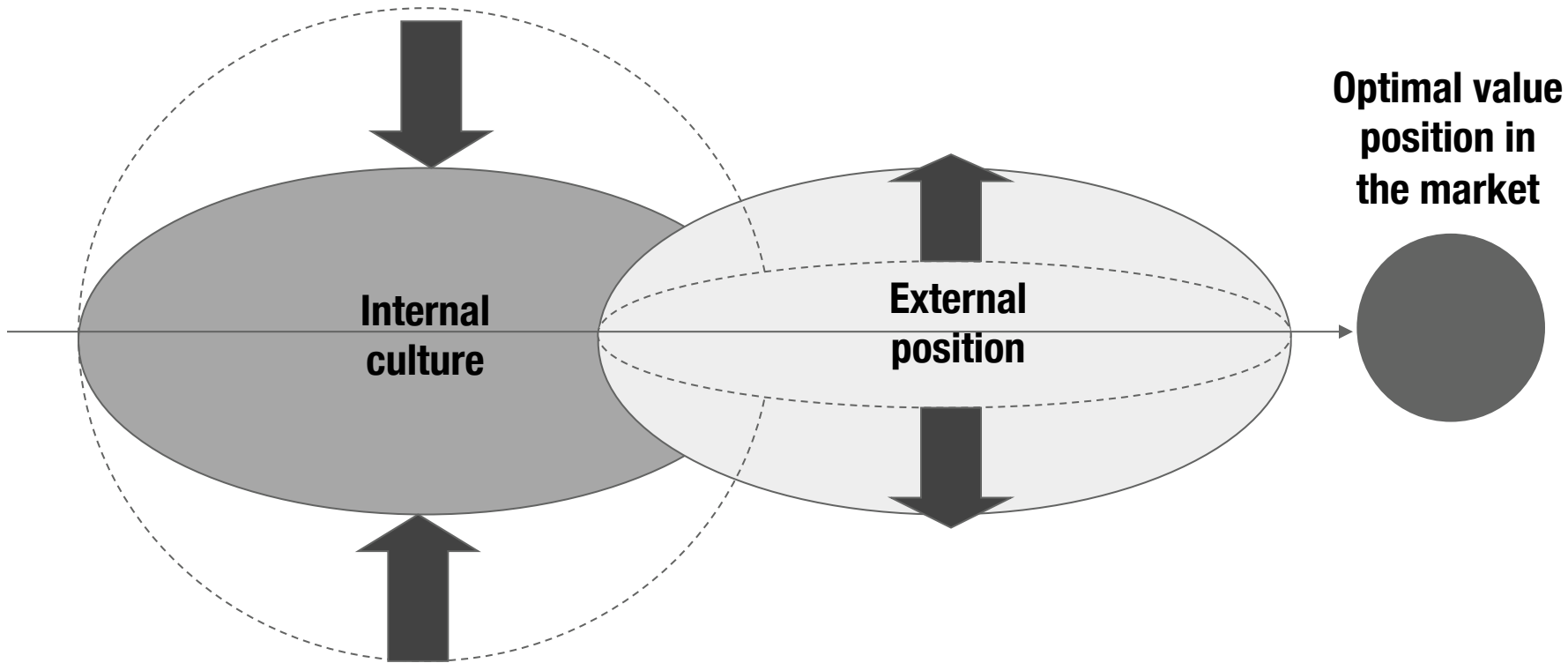
**Internal culture**

Focus = Products

- XXX
- XXX
- XXX
- XXX
- XXX
- XXX
- XXX
- XXX

**External position**

**Optimal value position in the market**

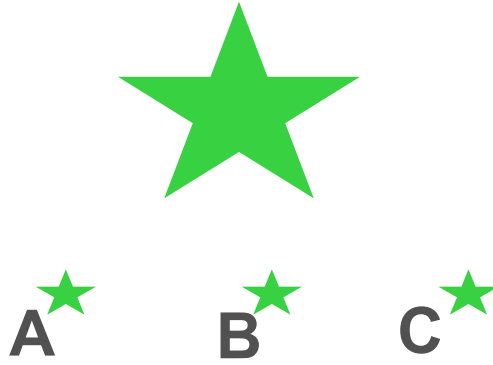




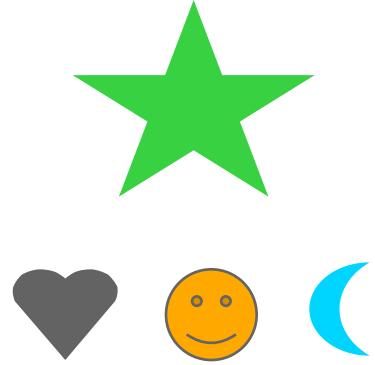
### Monolithic



### Endorsed



### Seperate



Source: WallyOlins: Corporate Identity

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**citigroup**

**citigroup**

**citigroup**

**citigroup**

**citi**

---

**CITIBANK**

**citibank**

**citi**

**citi**

**citi**

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**Commercial  
Credit**

**citifinance**

**citifinance**

**citi**

**citi**

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**Travelers**

**Travelers**

**Travelers**

**cititravelers**

**citi**

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**PRIMERICA  
Financial Services**

**PRIMERICA**

**PRIMERICA**

**citiadvisors**

**citi**

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**SALOMON  
SMITH BARNEY**

**SALOMON  
SMITH BARNEY**

**SALOMON  
SMITH BARNEY**

**citisalomon  
smithbarney**

**citi**



**ACCOR**

The spirit of smiles

S O F I T E L  
L U X U R Y H O T E L S



MARS

Mars

Uncle Ben's

Pedigree

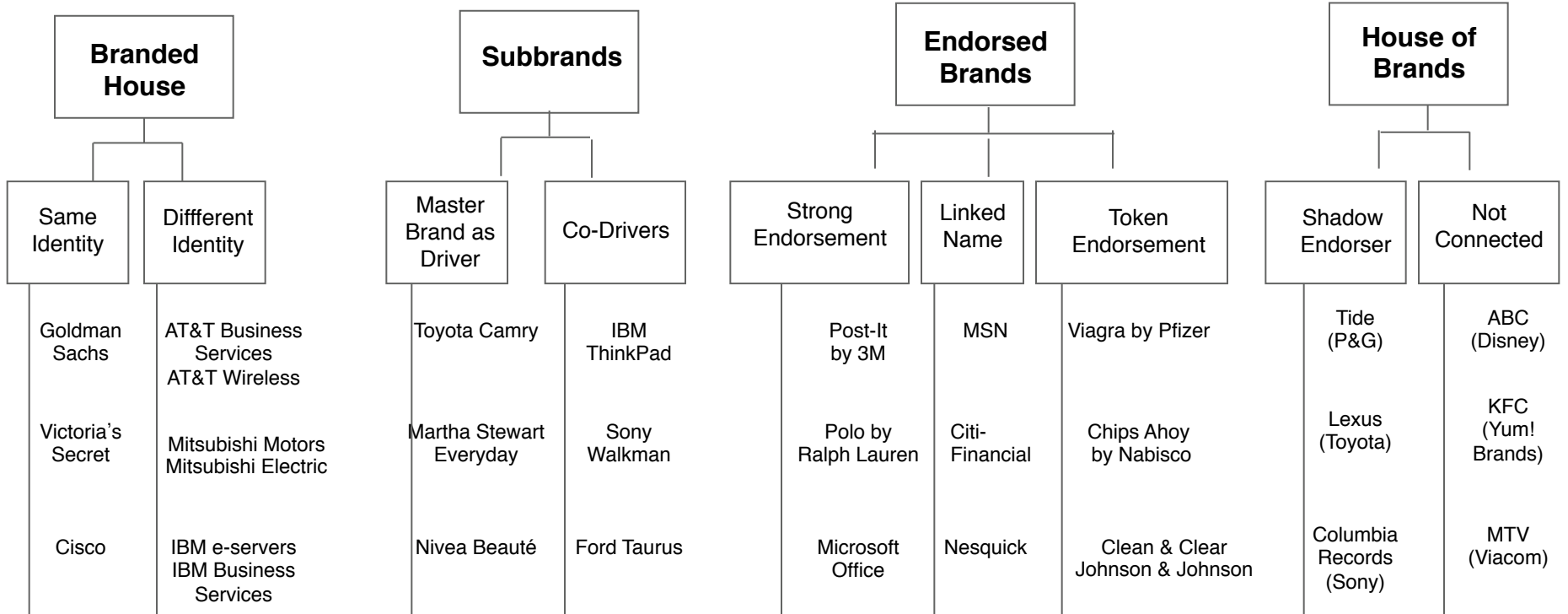
SNICKERS

DOLMIO

whiskas



# Brand Relationship Spectrum



INDICATOR OF ORIGIN



Corporate  
▪ umbrella brand

Corporate  
▪ source brand

Corporate  
▪ endorsing brand

▪ Maker's mark

▪ Umbrella brand

▪ Source brand

▪ Range brand

▪ Line brand

▪ Product brand

PRODUCT DIFFERENTIATION



Promise A

Promise B

Promise C

Promise D

Product or  
range A

Product or  
range B

Product or  
range C

Product or  
range D

Brand A

Brand B

Brand C

Brand D

Endorsing brand

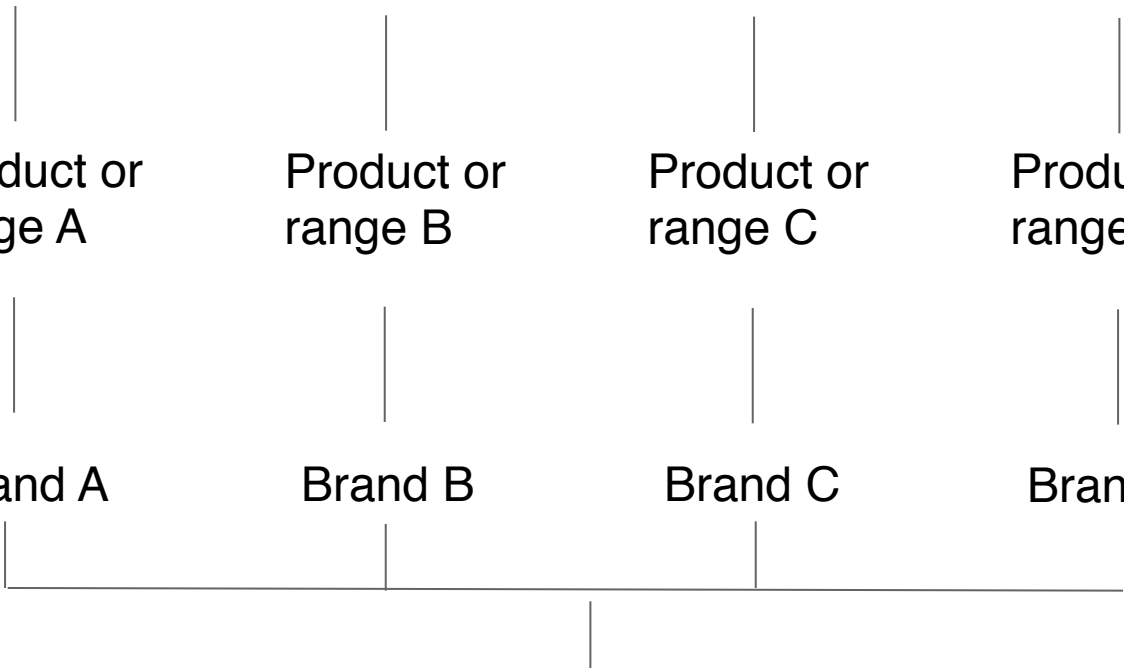
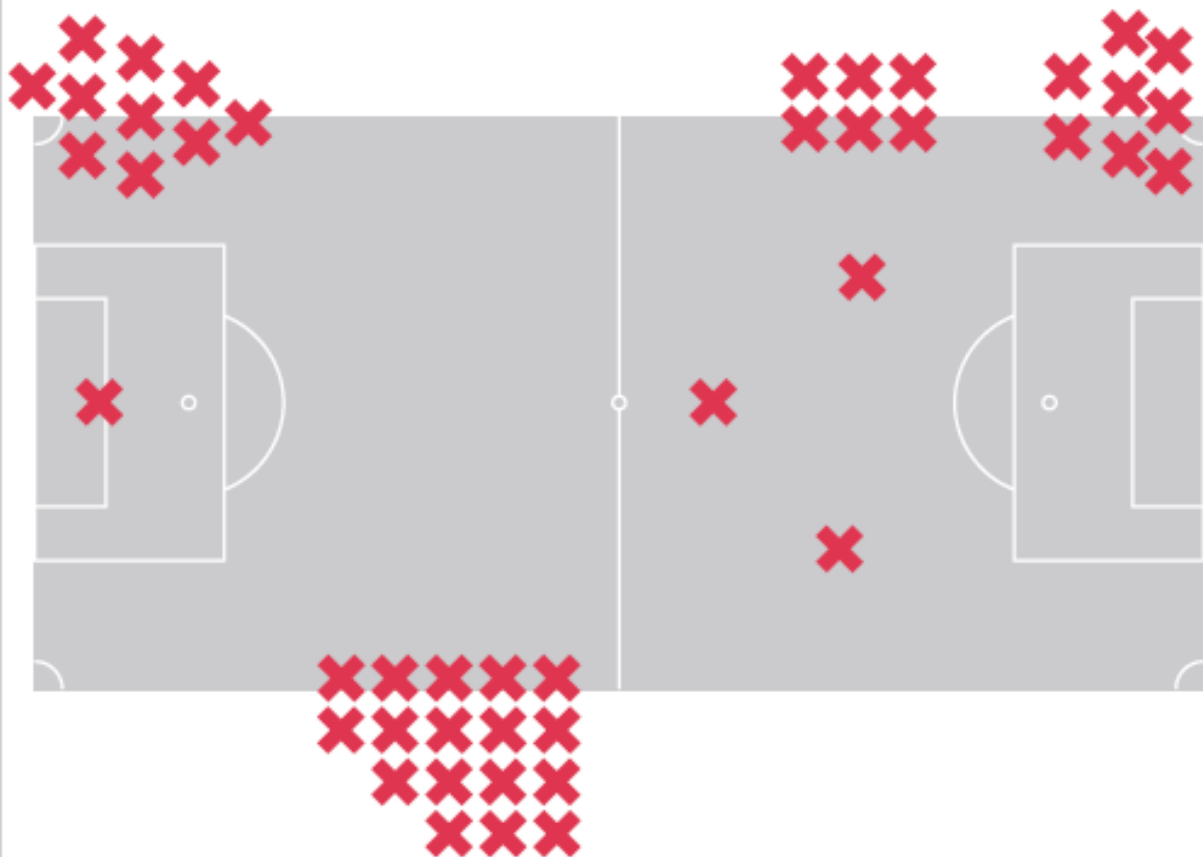
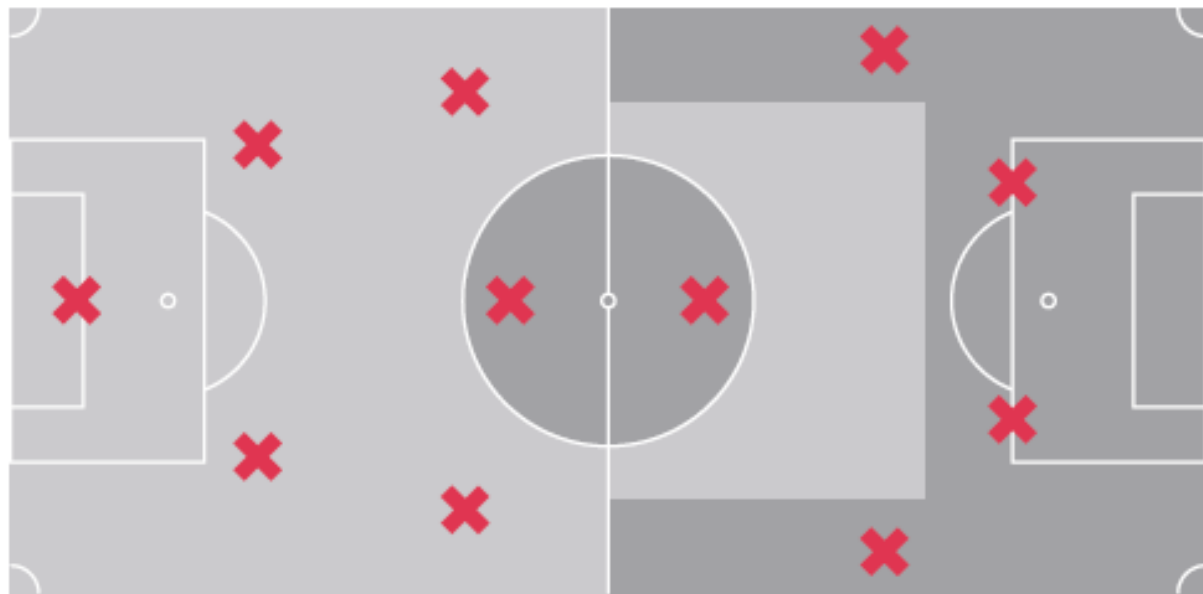


Figure 6.5: The typical brand portfolio



Source: Davidson, H. (2002 b) Accenture presentation.

Figure 6.4: Ideal brand portfolio



Source: Davidson, H. (2002 b) Accenture presentation.

Figure 6.6: The Boston matrix – cash management

Relative market share  
(ratio of company share to share of largest competitor)

		High	Low												
Market growth (annual rate in constant £ relative to GNP growth)	High	<p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">'STAR'</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Cash generated</td> <td style="text-align: center;">+ + +</td> </tr> <tr> <td style="padding: 2px;">Cash use</td> <td style="text-align: center;">- - -</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">0</td> </tr> </table>	Cash generated	+ + +	Cash use	- - -		0	<p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">'QUESTION MARK'</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Cash generated</td> <td style="text-align: center;">+</td> </tr> <tr> <td style="padding: 2px;">Cash use</td> <td style="text-align: center;">- - -</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">- -</td> </tr> </table>	Cash generated	+	Cash use	- - -		- -
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		0													
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Cash use	- - -														
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Low	<p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">'CASH COW'</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Cash generated</td> <td style="text-align: center;">+ + +</td> </tr> <tr> <td style="padding: 2px;">Cash use</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">+ +</td> </tr> </table>	Cash generated	+ + +	Cash use	-		+ +	<p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">'DOG'</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Cash generated</td> <td style="text-align: center;">+</td> </tr> <tr> <td style="padding: 2px;">Cash use</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">0</td> </tr> </table>	Cash generated	+	Cash use	-		0	
Cash generated	+ + +														
Cash use	-														
	+ +														
Cash generated	+														
Cash use	-														
	0														

Source: Boston Consulting Group

**Brand Levels**

**Corporate brand**

VOLKSWAGEN AG

**Master brand**



**Sub-brand**

**Golf**



**Variant name**

**GTI**

**Ingredient**

**BOSCH**



**Shadow endorser**

**Endorser**

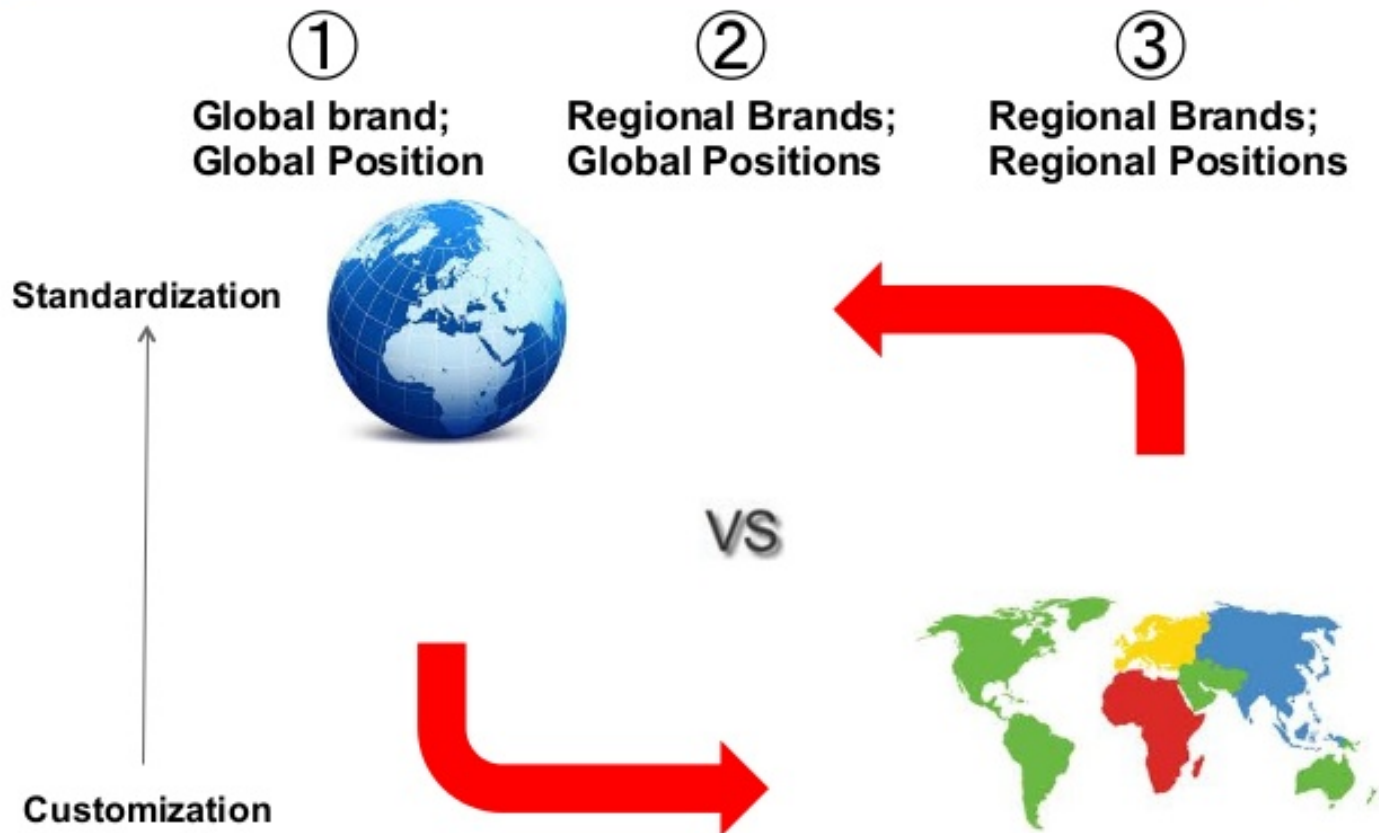
**Driver**

**Identifier**

**Ingredient**

**Brand Roles**

## Brand Strategy & Positioning





## Regional brands, regional positionings

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Global Brands



Multi-Country Brands



Local Champions

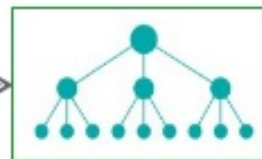


# Marketing Practice

Customization

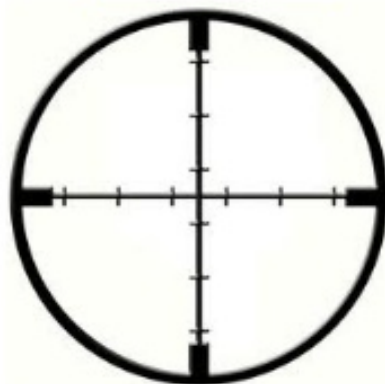


Standardization



?

Positioning



Activation



## Benefits of Standardization



***Brand-Building***

## Benefits of Customization



***Demand Generation***



**Decentralized/  
Customized**



**Centralized/  
Standardized**



Market Heterogeneity

.....

Market Homogeneity

Niche/"Long Tail"

.....

Mass Marketing

Local Relevance

.....

Global Consistency

Demand Generation

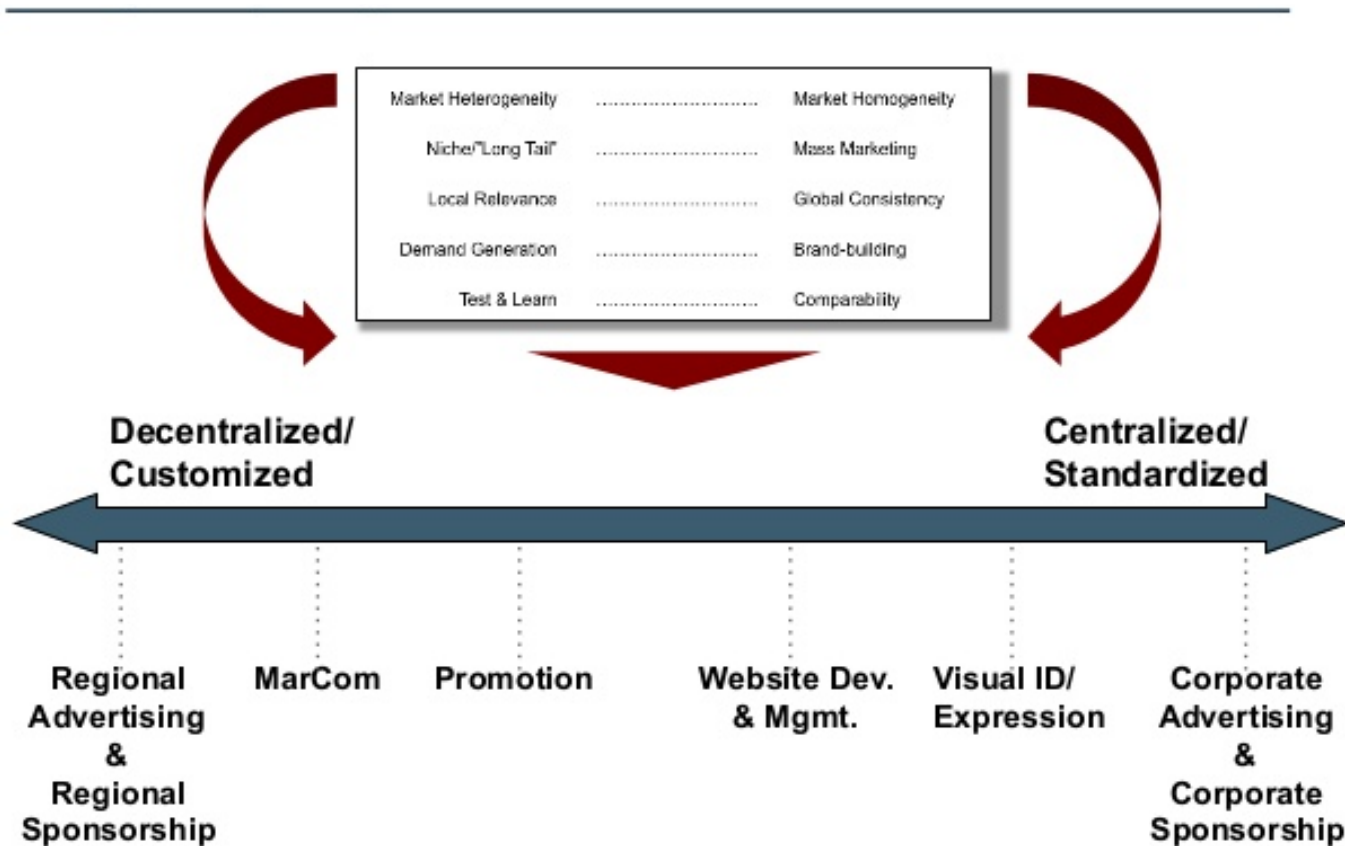
.....

Brand-building

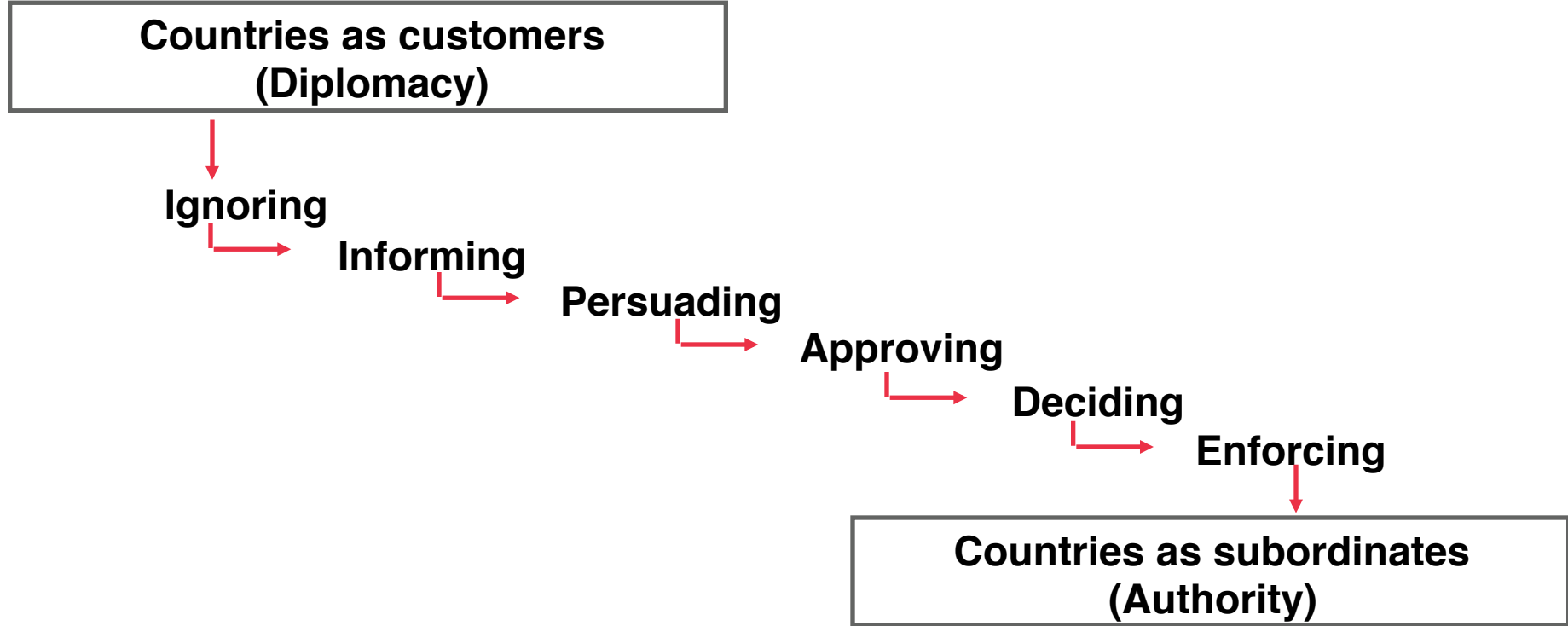
Test & Learn

.....

Comparability



# Levels of Corporate Involvement



# There is no “One Right Model”



**ABSOLUT**



**Mars**

Brand positioning  
and values



Core creative idea

Execution







iPad is here.



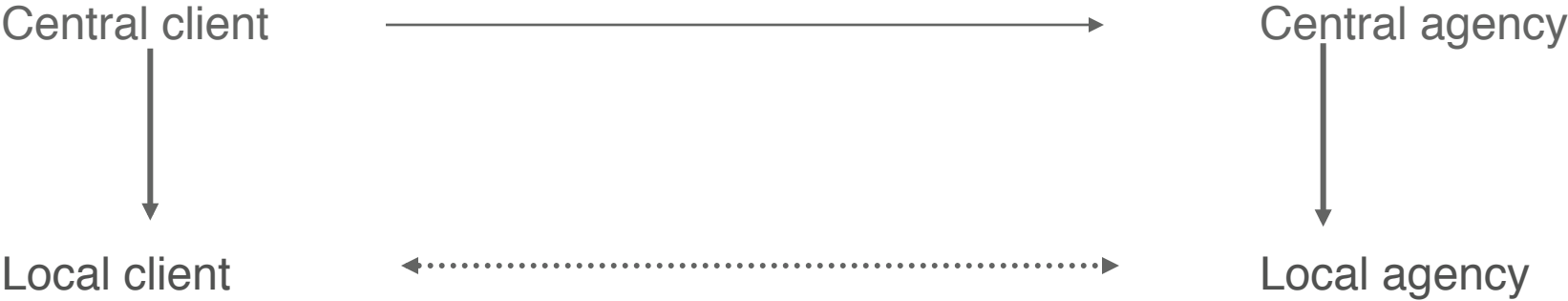
iPad est arrivé.



iPad è qui.



# Complete Central Control

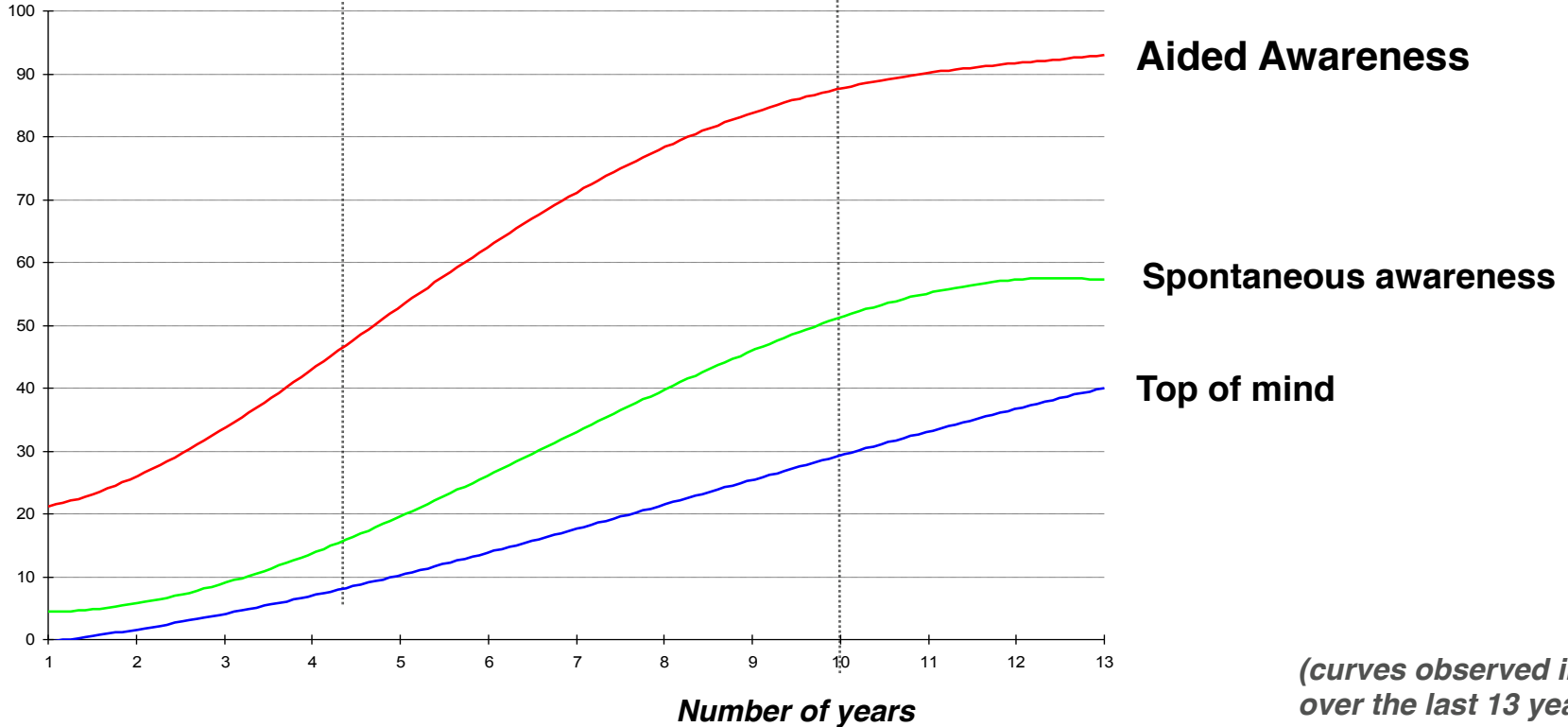


- ▶ Lines of authority
- .....▶ Lines of consultation

**PHASE 1  
Launch**

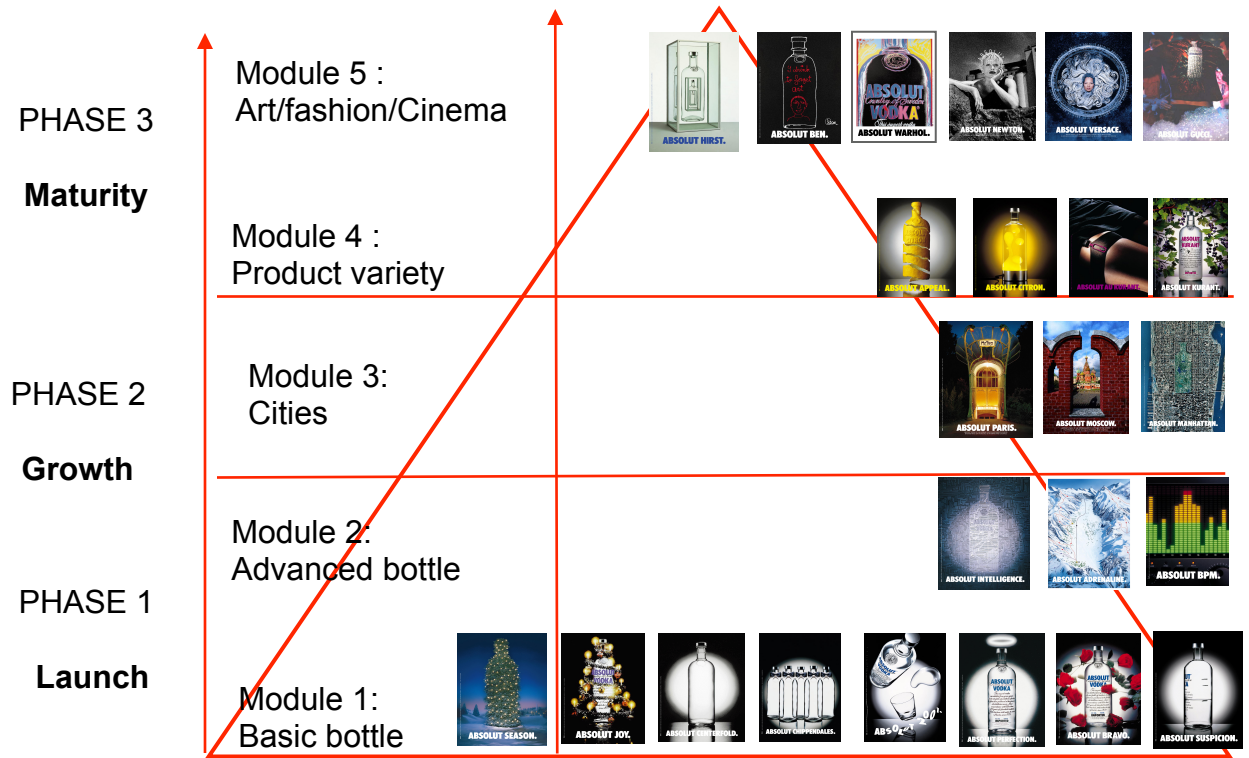
**PHASE 2  
Growth**

**PHASE 3  
Maturity**



*(curves observed in the US  
over the last 13 years)*

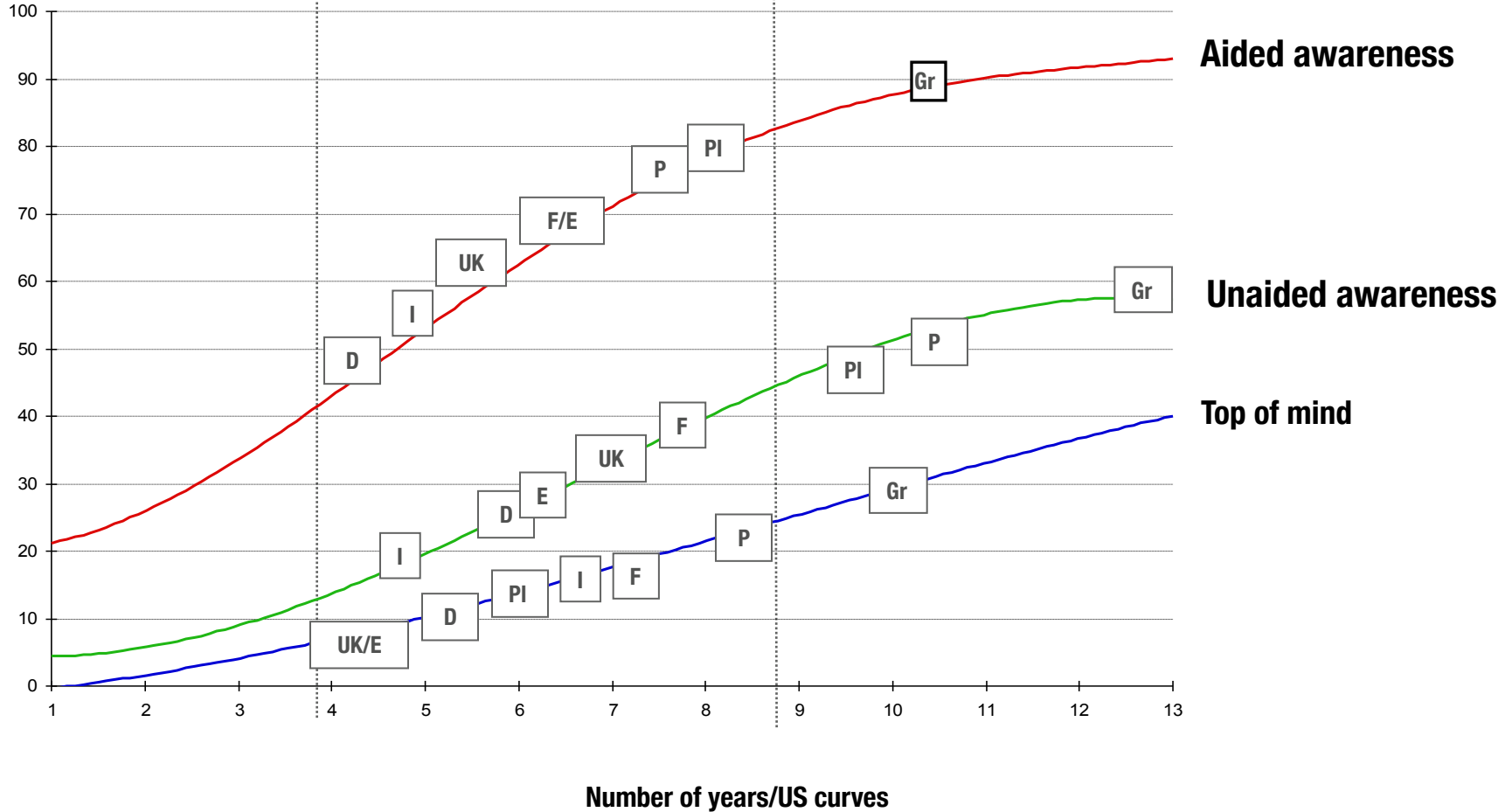
# The creative executions are adapted to each phase of the brand development



**PHASE 1  
Launch**

**PHASE 2  
Growth**

**PHASE 3  
Maturity**



# Shared Best Practices

Central client



Local client



Central agency



Local agency



Lines of authority



Lines of consultation





# Local Autonomy

Central client



Local client



Central agency



Local agency



Lines of authority



Lines of consultation

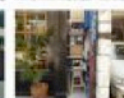
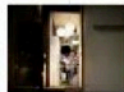
The image shows the Ikea logo, which consists of the word "IKEA" in a bold, blue, sans-serif font. The letters are contained within a yellow oval shape, which is centered on a dark blue horizontal bar. The overall design is simple and iconic.

**IKEA**

# SUKIMA GALLERY

Re-design Tokyo street look with IKEA furniture.

\*SUZUKI - "Ippon-ga-tennen building"



**Describe the brief from client.**

The client wanted to create a modern living space in a traditional building. The brief was to create a modern living space in a traditional building. The brief was to create a modern living space in a traditional building. The brief was to create a modern living space in a traditional building.

**Describe the challenge and key objectives.**

The challenge was to create a modern living space in a traditional building. The key objectives were to create a modern living space in a traditional building. The key objectives were to create a modern living space in a traditional building.

**Describe how you arrived at the final design.**

The final design was arrived at through a series of iterations. The final design was arrived at through a series of iterations. The final design was arrived at through a series of iterations.

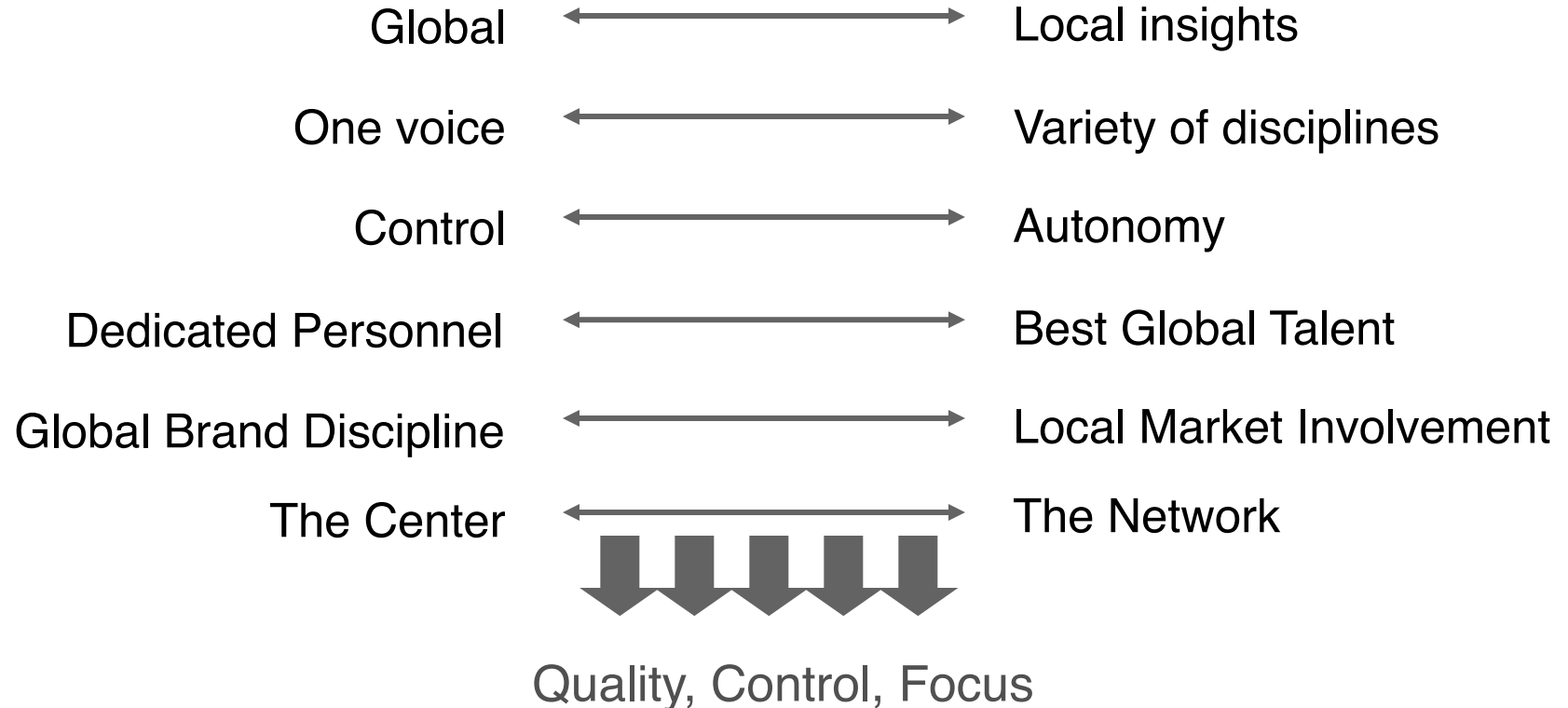
**Show some indication of how successful the outcome was in the market.**

The outcome was successful in the market. The outcome was successful in the market. The outcome was successful in the market.

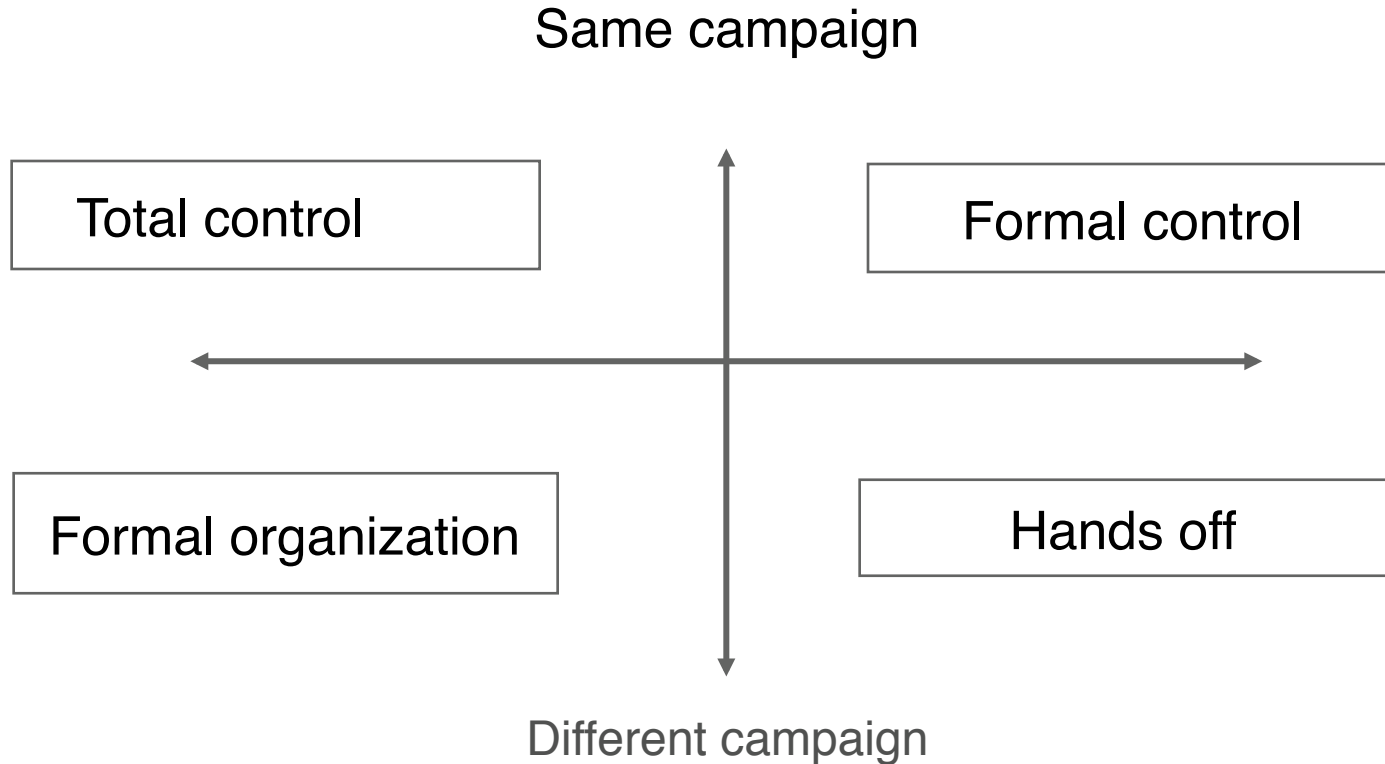


**Mars**™

# Approach must positively manage the tension between



# What are the options? **Co-ordination mapping**



# Identifying Market Potential

INVESTMENT LEVEL		
High	Medium	Low

Population

Per Capita Spend

Category Life Stage

Brand Life Stage

Controls:

pricing, marketing  
spend, promotional  
allowances

Category Trends

Competitive Barriers



# Identifying Product Mix

RANGE		
BROAD	MODERATE	NARROW

**Special formulations**

**Specific target products**

**Sophisticated yogurt market**

**Unsophisticated yogurt market**

# Marketing Mix - Product, Audience and Channel

## Product

- Design/Form
- Brand Name
- Indications
- Positioning
- Packaging
- Pricing
- Advertising/Sales Promotion

## Audience: Roles & Incentives

- Mums
- Nutritionists
- Actives/Health oriented

## Channels

- Grocery
- Health
- Convenience
- Partner (McDonalds's etc.)

STANDARDIZATION		
FULL	PARTIAL	NONE

# Advertising Message and Media

## Message

Copy Strategy  
Copy Execution  
Copy Production

## Media

Media Planning  
Media Budget  
Market Promotional Allowances  
Market Media Access  
(DTC, detailing, etc.)

## Market Research

## Performance Tracking

STANDARDIZATION		
FULL	PARTIAL	NONE

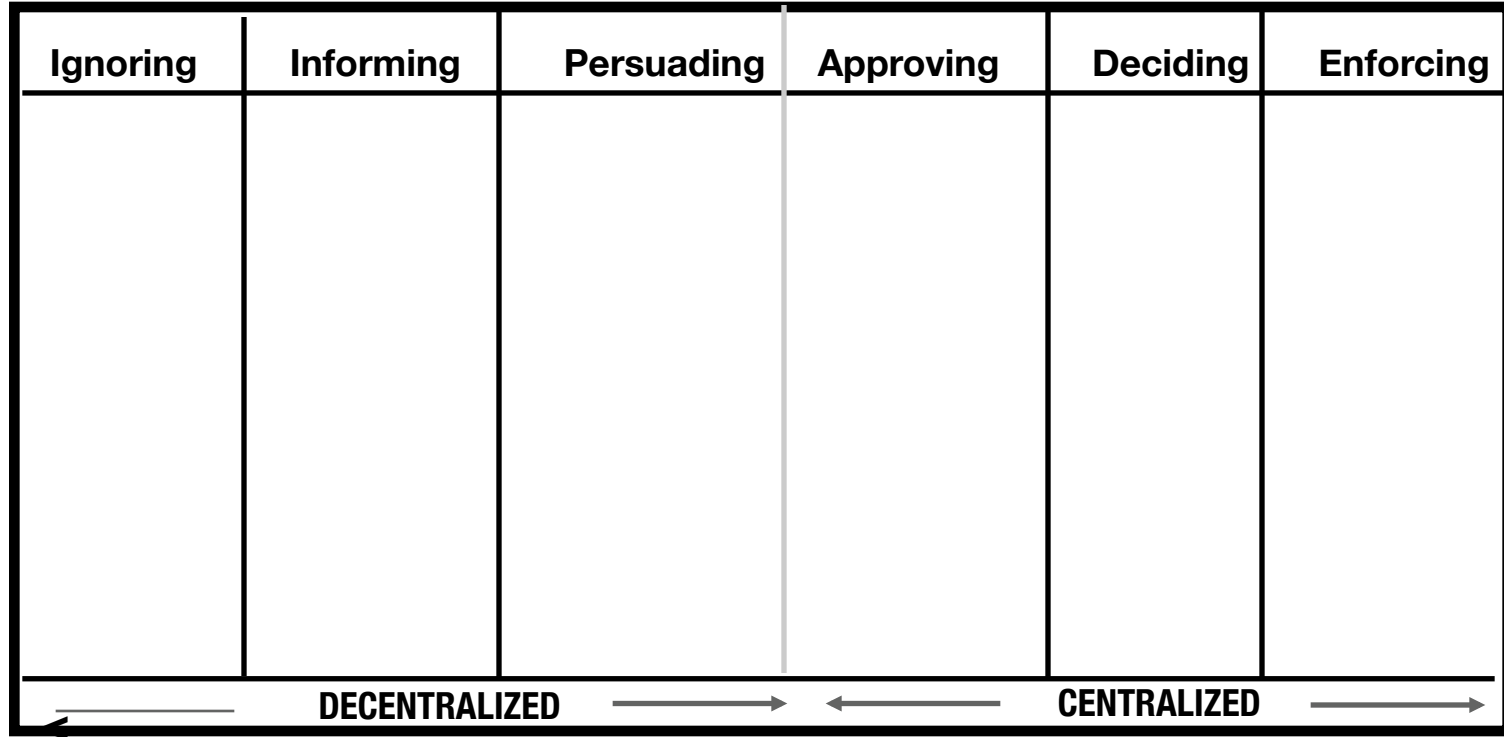
# We learn what role corporate wants to play in marketing decisions...

	Ignoring	Informing	Persuading	Approving	Deciding	Enforcing
Product						
Brand Name						
Indications						
Positioning						
Packaging						
Pricing						
Advertising						
Sales Promotion						
Audience Selection						
Distribution Channels						

← DECENTRALIZED → ← CENTRALIZED →

# And communications decisions...

**Copy Strategy**  
**Copy Execution**  
**Copy Production**  
**Media Planning**  
**Media Budget**  
**Market Research**  
**Performance/  
Tracking**





**Decentralized/  
Customized**

**Centralized/  
Standardized**



**Flexibility**



**Consistency**



**Free reign**



**Uniformity**

# There is no “One Right Model”

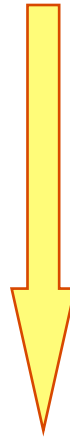


**ABSOLUT**



**Mars**

Brand positioning  
and values



Core creative idea

Execution

# Strategy vs. tactics



**Tactics, channels and trends change fast, strategy  
must last longer**

# Strategic priorities for 2019



If businesses want to win, they need to stay customer-relevant or outperform on what customers really need.

The Marketers' Toolkit 2019

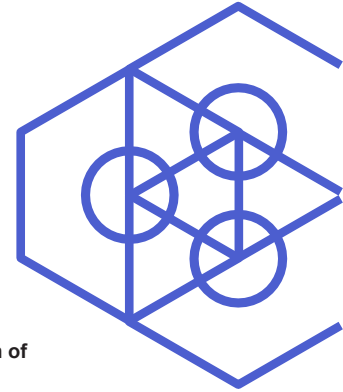
**Mark Evans, CMO, Direct Line**

## In this chapter:

- Ⓞ **Globally, more than half of marketers say they are being threatened by category disruption**
- Ⓞ **Customer experience is the chief concern. But less than a fifth of brands have consistent experiences across channels**
- Ⓞ **Almost half of marketers see viewability and accurate measurement as their biggest cause for concern going into 2019**

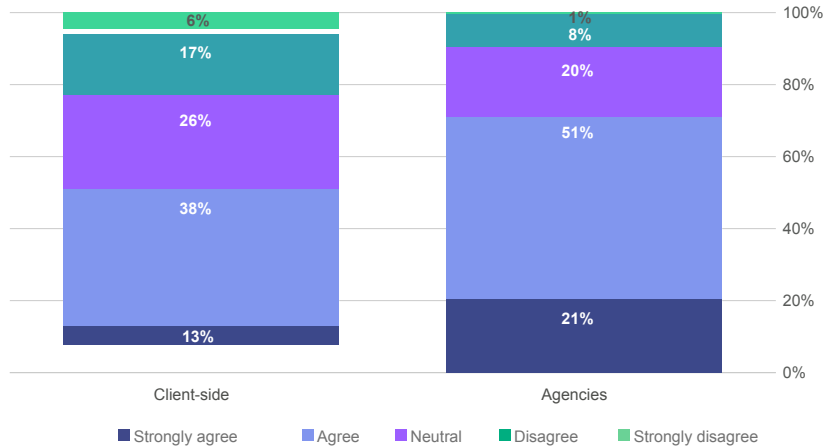
This chapter focuses on the over-arching issues that are affecting brands and their strategies over the year ahead. For the second year running, customer experience dominates the agenda of marketers. This reflects the need to respond to disruptive, digital-led brands which prioritise user experience and first-party data. But the survey also reveals a lack of confidence in current levels of customer service, with most respondents admitting there is a problem of consistency between channels.

A strong theme in the results is that brands and their agencies are less focused on communications innovation this year, and are prioritising process and business innovation as their digital transformation journeys continue.



# Responding to disruption

“My brand / our clients are being threatened by category disruption”



The Marketer's Toolkit 2019

## Commentary

The majority of marketers responding to the survey, particularly agencies, agreed that their brand or clients are being threatened by category disruption.

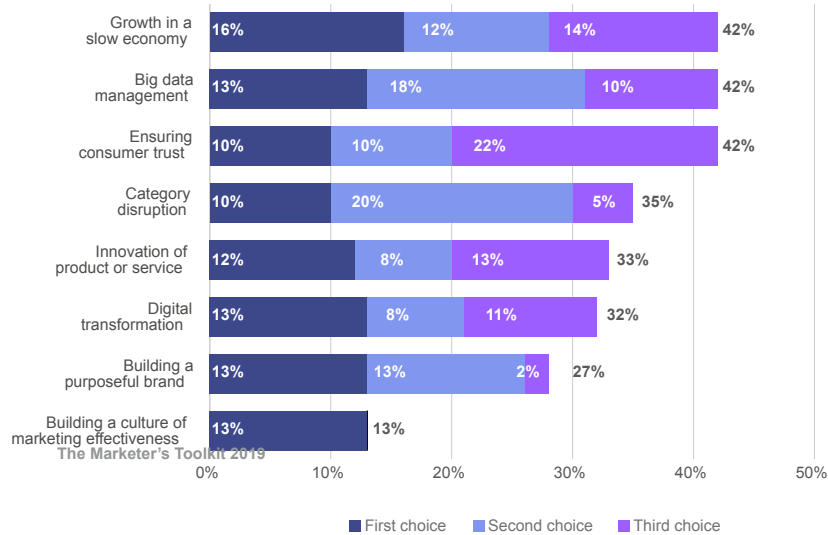
As is clear from the CMO interviews, this disruption is often driven by 'challenger' brands with alternative business models that focus on human-centric innovation and commonly capitalise on the opportunities presented by digital technologies. These businesses are commonly solely or primarily online, and are not burdened by legacy structures and processes.

The need to respond to disruptive entrants to the market is a common theme throughout the report.

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# Growth, trust and data dominate...

Which three of the following industry challenges will be most important for your brand in 2019? *Brand respondents*



## Commentary

Brands and agencies were asked what their top industry challenges were for the year ahead. The results on this page and the next highlight the different positions from which brands and agencies view challenges. There's a misalignment of priorities between the two groups; the top three challenges for brands are the bottom three challenges that agencies expect their clients to be focused on.

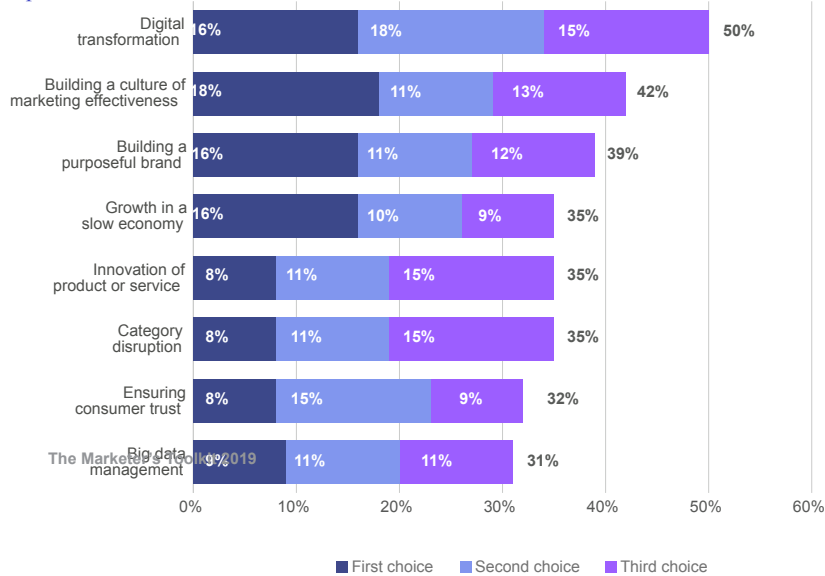
For brands, growth, data management and ensuring consumer trust were each selected by 42% of respondents. These could be considered the more 'business as usual' challenges of those listed, reflecting this year's theme of marketers concentrating on process, consistency and back-end innovation, as opposed to communication innovation and experimentation with emerging tech and media.

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Growth is an increasing topic of discussion for CMOs dealing with disruption. This year saw the creation of the [CMO Growth Council](#) – a joint venture between Cannes Lions and the Association of National Advertisers (ANA) – which aims to set a leadership agenda for driving growth.

## ... but agencies see it differently

Based on the clients you work with, which of the following industry challenges do you expect to be of most importance to brands in the year ahead? *Agency respondents*



### Commentary

In comparison, more than half of agencies perceive digital transformation to be an important challenge to their clients in the year ahead. The top three challenges selected by agencies all centre around brand change, in terms of digital, culture and purpose.

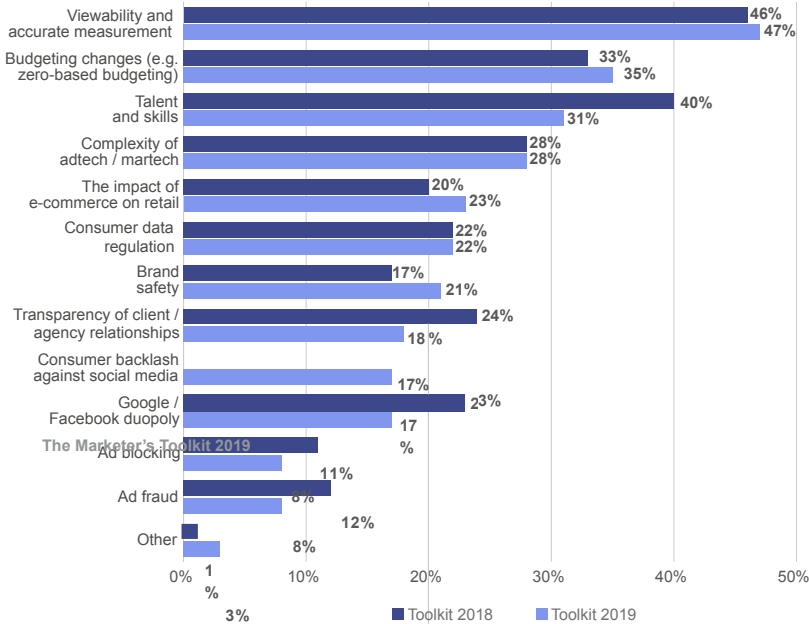
Building for purpose is clearly more of a priority for agencies than for brands. Brand purpose is seen as a way to drive long-term sustainable business growth and in some ways is a response to the trust issues brands say they face.

Misuse of this technique and the 'over-rewarding' of these ideas at awards have sparked debate and some brands have questioned whether the industry has reached 'peak purpose'. This could explain the difference between the agency and brand response here.

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# Viewability and measurement will cause most concern

When drawing up your marketing plans for 2019, which of the following industry issues are the biggest causes for concern? *All respondents*



## Commentary

The mixed opinions on Amazon's impact are reflected in the biggest causes for concern for marketers, with 'The impact of e-commerce on retail' registering as the fifth biggest concern, but behind issues of measurement, budgeting and talent.

'Viewability and accurate measurement' is a concern for almost half of those surveyed, and this is echoed later in the report where respondents rank their ability to measure channel effectiveness.

In a battle to cut media costs and optimise ad performance, brands will remain focused on accurately measuring their advertising performance in 2019, and need the talent to support this mission.

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# Technology trends for 2019



Technology is disrupting the way the guest interacts with the brand in the moment of consumption

The Marketer's Toolkit 2019

Fernando Machado, Burger King

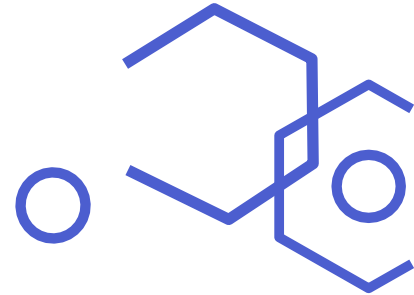
## In this chapter:

- Ⓞ **Artificial intelligence is the number one area of tech investment, specifically the use of AI and machine learning to power personalisation**
- Ⓞ **Voice tech is gaining traction, particularly for search; payment tech is a growing priority due to the rise of e-commerce**
- Ⓞ **A sizeable minority agree they have focused too much on tech**

Technology is being used to facilitate the customer experience objectives of brands. Artificial intelligence remains the most-used emerging technology, in the context of dynamic content personalisation to optimise individual experiences.

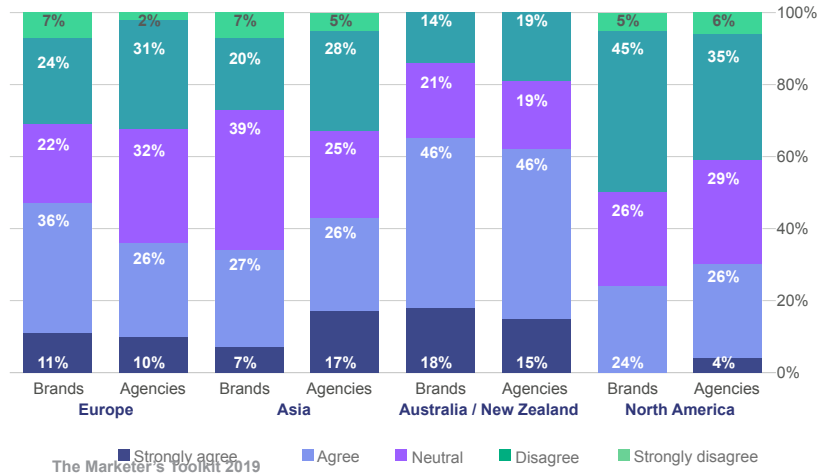
Voice also remains a growth area, largely driven by voice search. A higher proportion of both brands and agencies are prioritising voice interfaces as the popularity of voice assistants increases.

CMOs that were interviewed for the report spoke of some experimentation with tech, but were more focused on organising data, people and processes to optimise spend. Although brands still have an appetite for trying new technologies, a sizeable minority now agree that they've focused too much on tech at the expense of tried-and-tested techniques.



# Mixed feelings about ongoing tech spend

“Marketers have over-invested in tech at the expense of tried and tested techniques”



## Commentary

The martech industry has grown at speed over the last few years. There are over 6,800 martech vendors, and the industry is worth up to \$52bn in the UK and North America alone according to a [recent WARC report](#).

The growth of digital has fuelled this market expansion, but [effectiveness studies](#) have warned against focusing solely on the latest tech platform or digital channel over established, long-term media strategies.

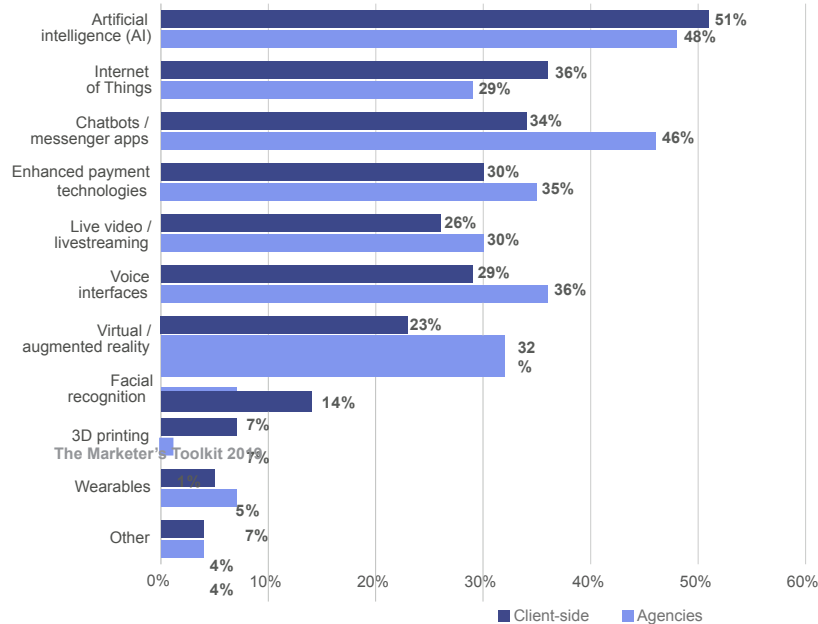
We asked respondents if they feel that marketers have over-invested in tech, and opinions are mixed. Those in Australia and New Zealand are significantly more likely to agree than those in North America, where 50% of respondents disagreed.

Mark Evans at Direct Line spoke of his experience with technology: *“We have experimented with AR and podcasts in the last year with good effect but we try to keep our feet on the ground (rather than fly away with the digital fairies) and fiercely maintain media neutrality.”*



# AI is the top tech priority for 2019

Which of the following emerging technologies do you expect to be most important to you in 2019?



## Commentary

Applications of artificial intelligence are now present in the vast majority of industries, and the benefits of integrating AI systems don't just apply to big businesses; the capabilities of AI for advanced analytics, predictions, and personalised consumer relationships will be crucial for small businesses.

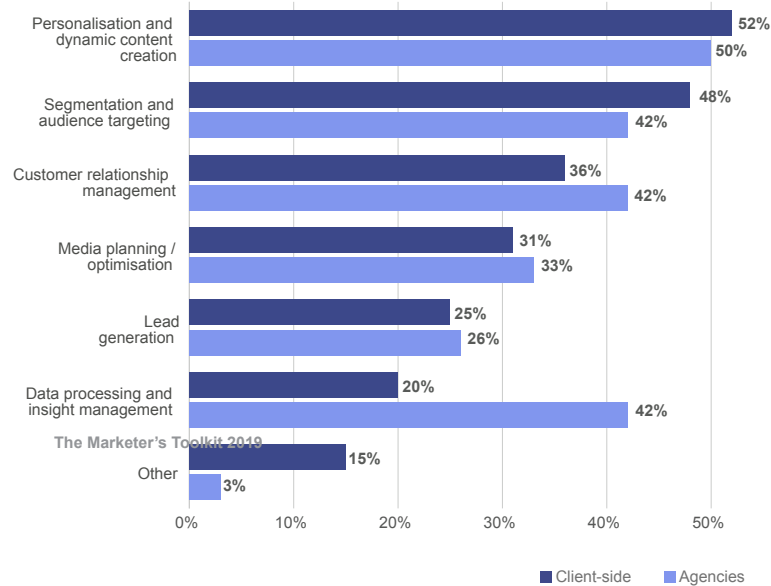
Our research shows that marketers are feeling this effect. More than half of brands expect AI to be of high importance to them in 2019; a significantly higher proportion than selected the next highest tech – the Internet of Things.

Enhanced payment technologies was selected by around a third of marketers this year: an increase on last year and a sign of the impact that e-commerce is having on sectors beyond retail.

Fernando Machado, CMO at Burger King explained: *"We are seeing the rise of technology in ordering and payment. Starbucks is a player that has done a terrific job. You go to a Starbucks and you see everyone ordering on their cellphone. That's just a better experience for the guest."*

# AI investment focused on creating greater relevance

In which aspects of your marketing are you using AI?



## Commentary

The top uses of AI feed into the customer-centricity agenda – these are around creating greater relevance. For those using AI, more than half are using it for personalisation and dynamic content creation. Artificial intelligence allows marketers to make use of significantly more data, including real-time location and behavioural data to enhance the level of personalisation they can achieve.

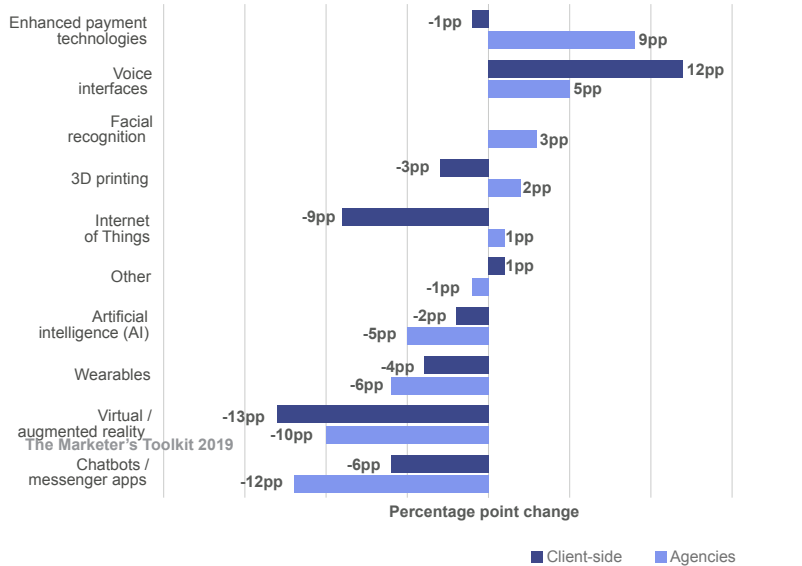
This highly granular data and the speed with which it can be processed and applied using AI is allowing greater segmentation and targeting, and this functionality is being used by more than 40% of the brands and agencies that are using AI.

Others are using AI for lead generation and management, as explained by Dun & Bradstreet's Josh Mueller:

*"One of the things that we're starting to explore are some of the boutique players that are using AI. And so we're working with a company right now that actually helps us automatically reply to leads that our sales people don't get a hold of immediately."*

# Payment tech and voice gain ground

Which of the following emerging technologies do you expect to be most important to you in 2019? YOY percentage point change in those selecting each as important



## Commentary

This chart shows the year on year percentage point change in those selecting each technology as important to them in 2019 (original chart on page 30).

Payment technologies and voice are growing technologies, while chatbots and VR/AR were selected by a lower proportion of marketers this year. There are not yet many clear-cut use cases for these technologies in marketing, and activity to date has been largely experimental.

Our CMO interviews reflected this. Mark Evans, Marketing Director at Direct Line said:

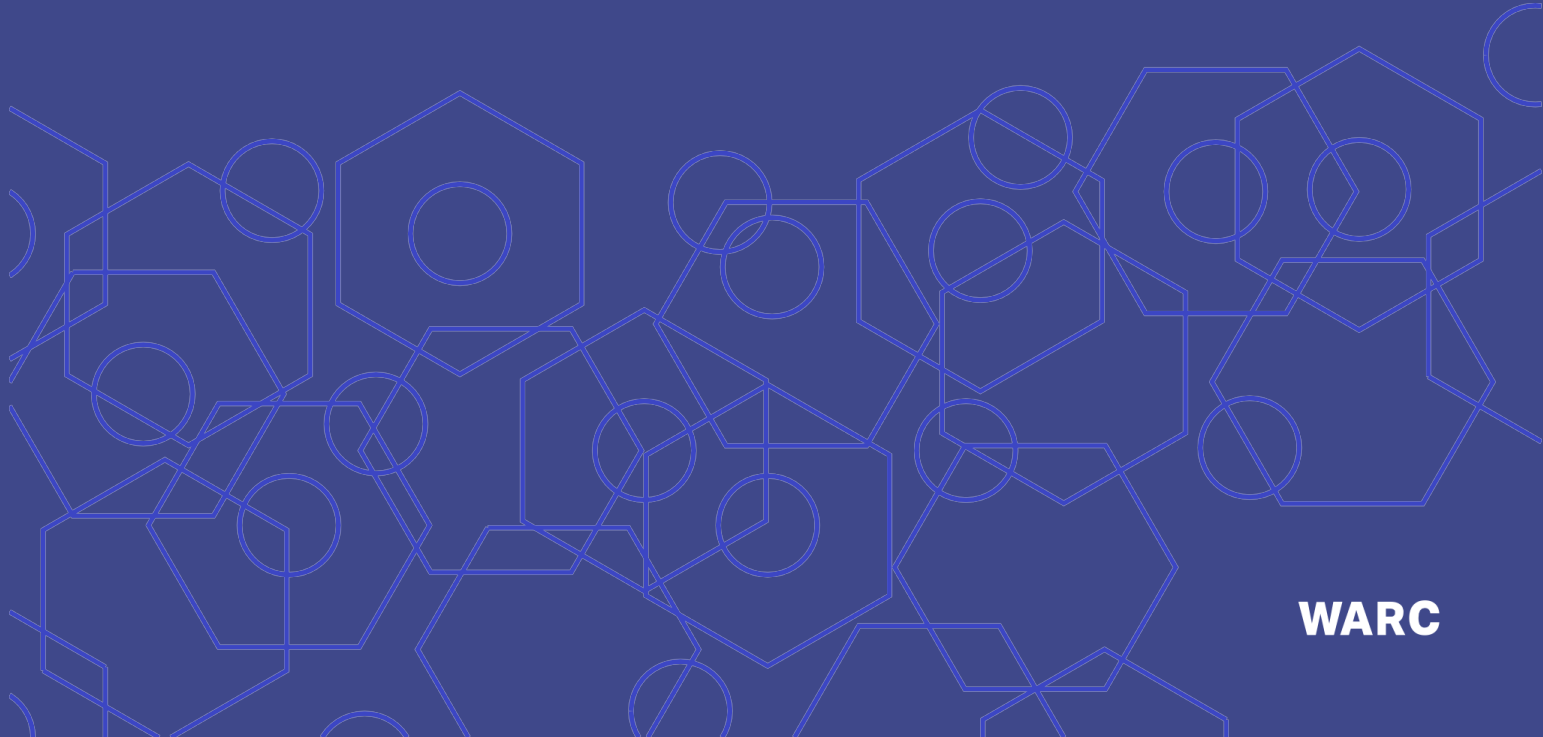
*"We have a carved out a test and learn budget which allows us to pilot emerging technology such as with our AR activity in Kings Cross in January this year."*

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# Media

Video, search and mobile are set to see continued growth in marketing investment. Instagram and YouTube are set to benefit from the shift to video, while the emergence of Amazon as a search platform appears to be an attractive prospect for brands.

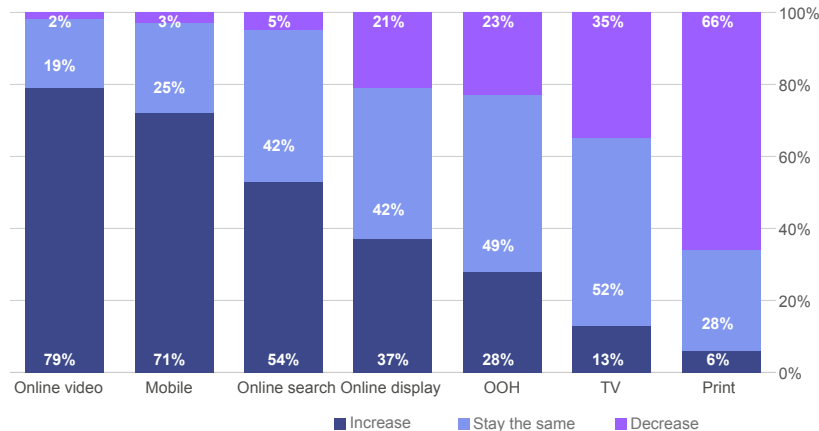
# 3



**WARC**

# Video, mobile and search set to shape 2019

How do you expect your investment in the following media channels to change in 2019? *All respondents*



79 The Marketer's Toolkit 2019

*Excludes respondents who do not use these channels*

## Commentary

Budgets are clearly being shifted from offline to online channels according to the survey respondents. Online video will be the biggest winner over the next year, with 79% expecting to increase their budgets.

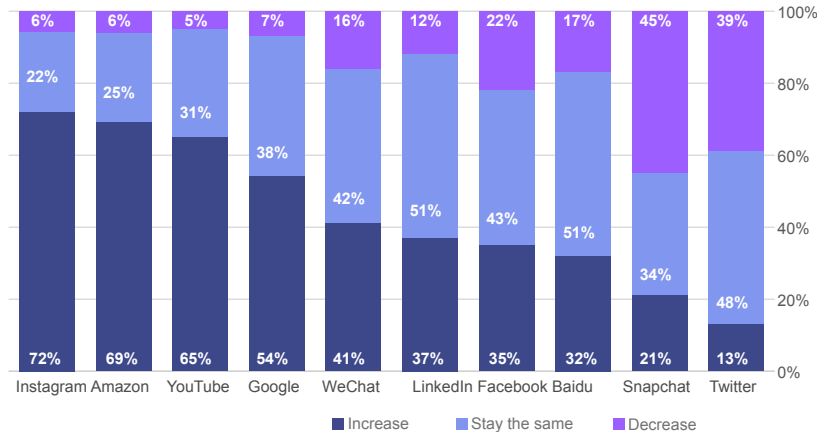
According to [WARC's Global Ad Trends](#) on online video, spend on the channel is expected to reach \$30bn worldwide this year, and is set to account for almost half of daily internet consumption by 2020.

Search is also a growing channel; driven by the divergence of search formats away from desktop search engines to mobile, voice, image and new players like Amazon. Search is set to account for one in five dollars spent on advertising worldwide this year, and according to one [report from iProspect](#), up to 50% of all search queries in the UK are expected to be voice-led by 2020.

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# Instagram and Amazon to be growth platforms

How do you expect your investment in the following digital channels to change in 2019? *All respondents*



*Excludes respondents who do not use these channels*

## Commentary

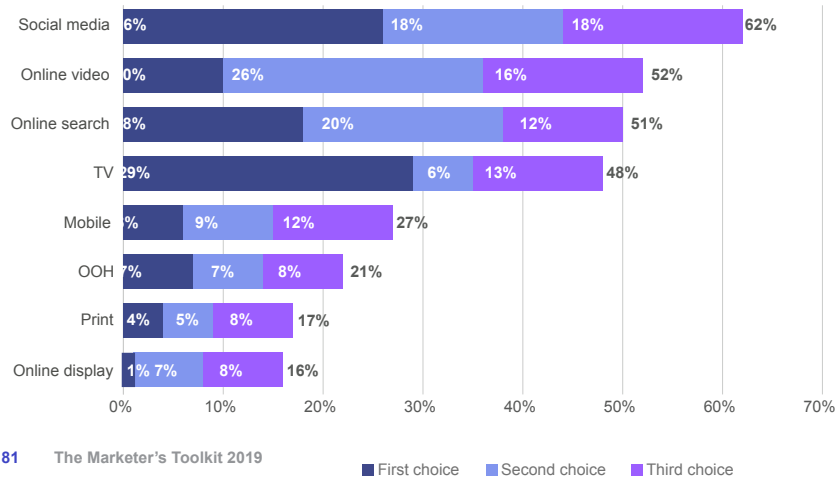
Spend will be directed towards visual media in 2019, with the largest proportion of respondents expecting to increase investment in social platform Instagram in 2019.

The effectiveness of Amazon as an e-commerce platform is shown in the results – 69% of those using the platform are planning to increase their investment on it in 2019 as the retailer becomes the start point for more and more journeys to purchase.

Snapchat and Twitter are set to be the losers in 2019; more brands will decrease spend on these social platforms than increase it, which may lead to a decrease in overall budgets going to the two.

# Social media perceived to be the most effective channel

Rank the top three most effective channels for meeting your marketing objectives



## Commentary

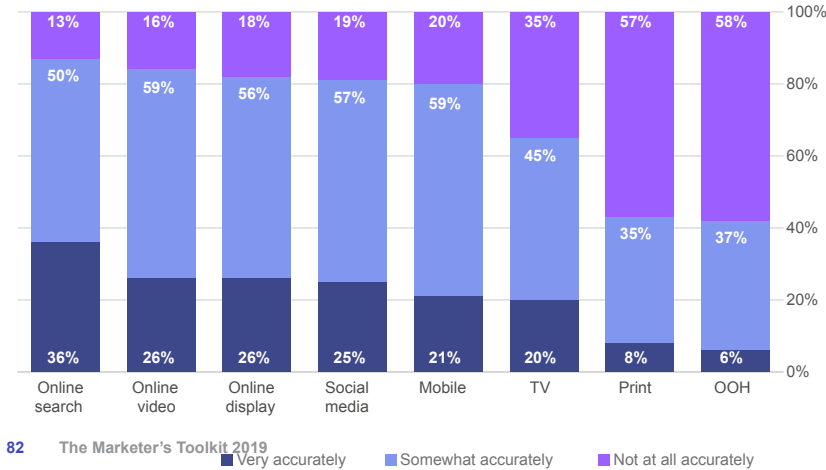
One reason brands may be reluctant to withdraw spends from some online platforms is because they have found them to be highly effective. 62% of brands and agencies ranked social media as one of their top three most effective channels, with more than a quarter making it their top channel.

Noteworthy is that those who selected TV as a top three channel were more likely to select it as their first choice than any other channel – 29% said their most effective channel was TV, over 26% that said social media. Another point of note is the low proportion of respondents who rank mobile as top for effectiveness, yet a full 71% are planning to increase investment in the channel in 2019.

These results might be a reflection of the role of social and search as targeted 'activation' channels, rather than brand-building media. With the exception of TV, broadcast, non-targeted channels fare less well, but it is interesting that online display (which is theoretically highly targetable) is at the bottom of the heap.

## But online search is the most measurable

How accurately are you able to measure effectiveness (in terms of ROI) of these channels?



### Commentary

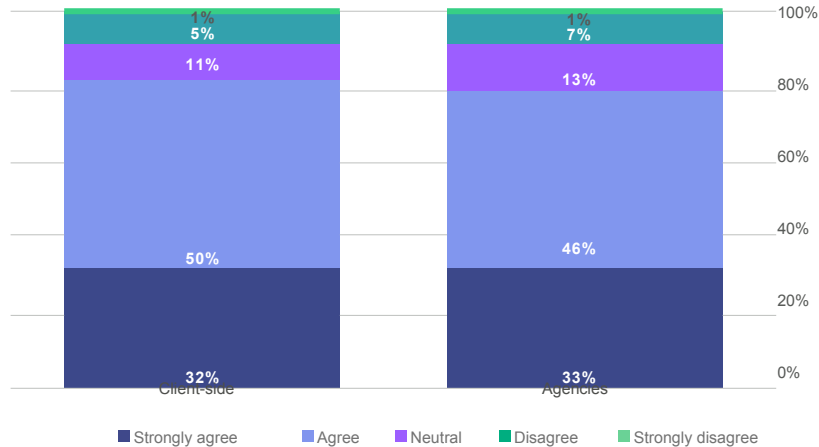
Though social media is perceived to be the most effective channel, only a quarter are able to measure it 'very accurately'. The top concern for brands and agencies is accurate measurement, and with less than a quarter able to accurately measure the majority of channels, there is a clear opportunity for improvement.

This is also clear in the CMO interviews, where several respondents named attribution across channels as a key challenge.



## Brands find value in short-form video

“Short-form video is an effective tool for consumer engagement”



### Commentary

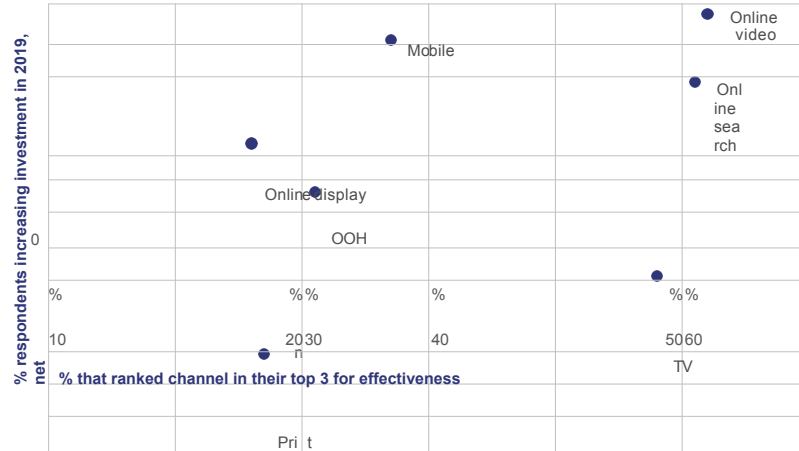
A huge 82% of brands agree that short-form video is an effective tool for consumer engagement; a clear driving force behind the predicted growth of online video in 2019.

To reach consumers in a low-attention economy, brands need to be engaging consumers where they are spending their time. Increasingly, this is with short-format video. The question for brands is whether this format can deliver the same emotional and branding impact as long-form video.

This is an area of ongoing research, and indications are that short-form can deliver significant brand impact - see page 55 for more on this research from MediaScience / Ehrenberg-Bass. This survey suggests that brands are seeing this impact.

# Little correlation between effectiveness and investment

Channel effectiveness vs. net investment outlook over the next year



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## Commentary

A striking finding from this research is that when the top three ranked channels for effectiveness were plotted against the net proportion of respondents planning to increase their budget in 2019, the correlation was not strong.

Online video has clear effectiveness, and the biggest net increase in budget, but for TV, despite its effectiveness, more marketers expect to decrease budgets than increase them over the next year. The opposite is true of mobile, which appears to still be riding a wave of investment, but is behind TV in terms of its measurability and perceived effectiveness.

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\*y axis calculated as % responding 'increase' to the channel, minus % responding 'decrease'. See chart on [page 41](#) for original data.



# 2019 EDELMAN TRUST BAROMETER

Global Report

#TrustBarometer



A black and white photograph of Theresa May, the former Prime Minister of the United Kingdom, standing in front of several flags. The image is overlaid with a decorative graphic of blue, wavy, concentric lines that flow across the bottom and right sides of the frame. The text 'Divided by Trust' is written in a bold, white, sans-serif font on the left side, partially overlapping the blue lines.

# Divided by Trust



# DISTRUST CONTINUES

## Trust Index

Global Trust Index increases 3 pts to neutral

15 of 26 markets are distrusters, down 3 from 2018

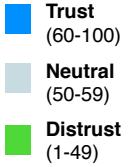
2019 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." 9-point scale; top 4 box, trust. General population, 26-market global average.

### ▲ 2018 General Population

49	Global 26
74	China
71	Indonesia
68	India
66	UAE
58	Singapore
54	Mexico
54	The Netherlands
53	Malaysia
49	Canada
47	Argentina
47	Colombia
47	Spain
46	Turkey
45	Hong Kong
44	Brazil
44	S. Korea
43	Italy
43	U.S.
41	Germany
40	Australia
40	France
39	U.K.
38	Ireland
38	S. Africa
37	Japan

### ▲ 2019 General Population

52	Global 26
79	China
73	Indonesia
72	India
71	UAE
62	Singapore
59	Malaysia
58	Mexico
56	Canada
55	Hong Kong
54	The Netherlands
52	Colombia
49	U.S.
48	Australia
46	Argentina
46	Brazil
46	Italy
46	S. Korea
45	S. Africa
45	Turkey
44	France
44	Germany
43	U.K.
42	Ireland
40	Spain
39	Japan



### Biggest changes in

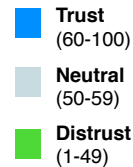
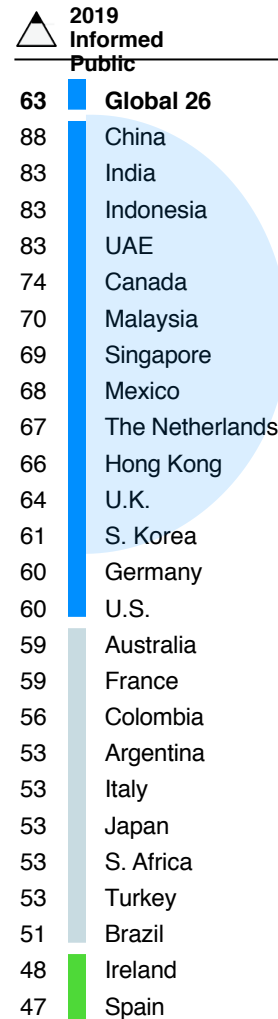
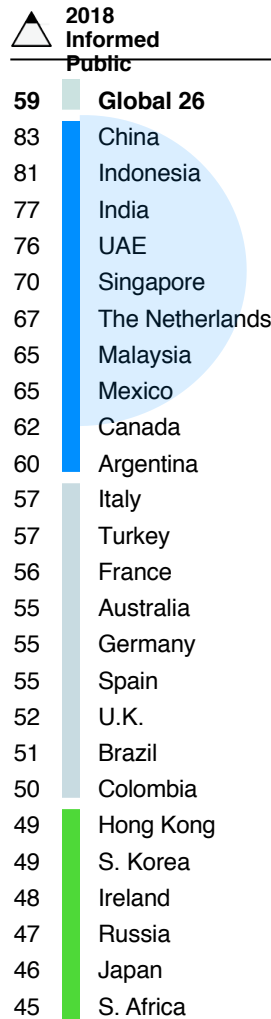


# TRUST RISES FOR INFORMED PUBLIC

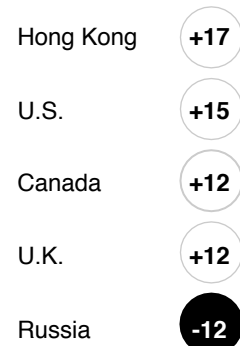
Trust Index

A 4-point increase in the global Trust Index

2019 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” 9-point scale; top 4 box, trust. Informed public, 26-market global average.

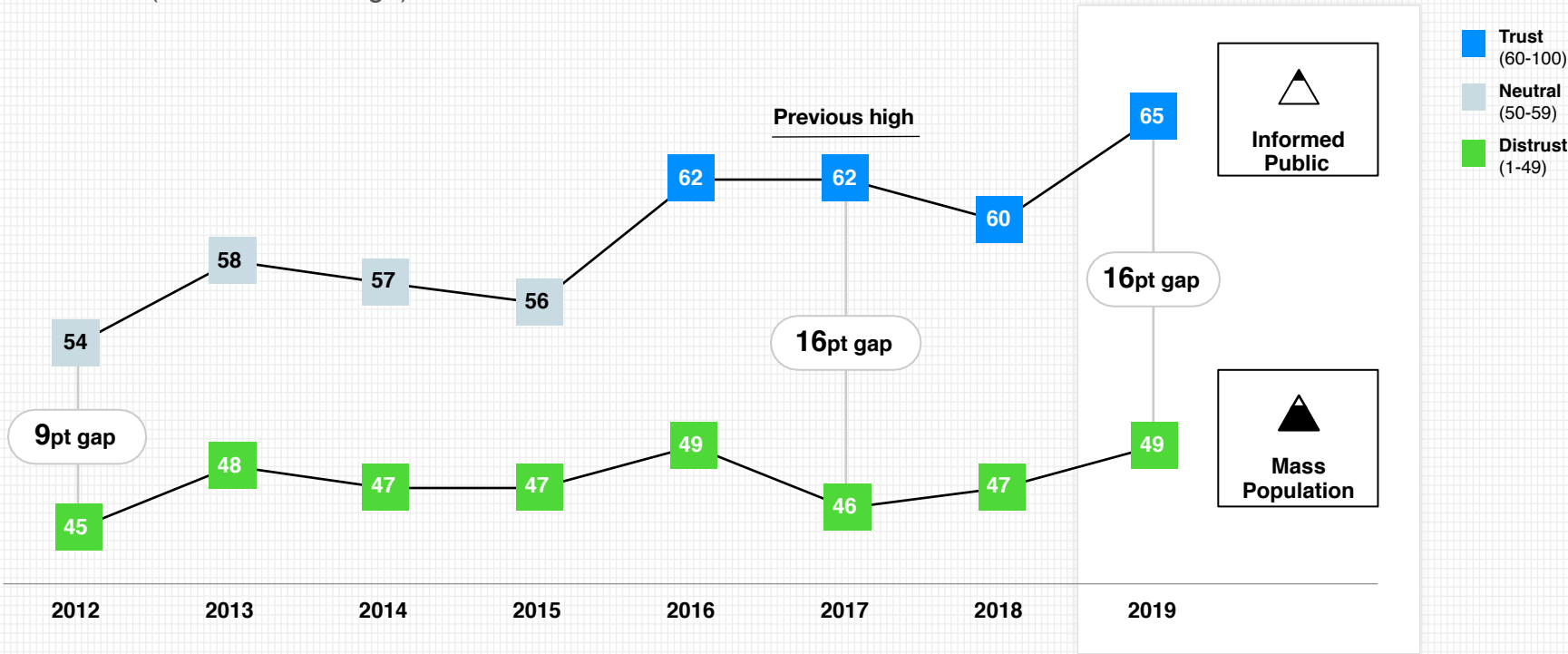


## Biggest changes in



# TRUST INEQUALITY RETURNS TO RECORD HIGHS

Trust Index (23-market average)



2019 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” 9-point scale; top 4 box, trust. Informed public and mass population, 23-market average.

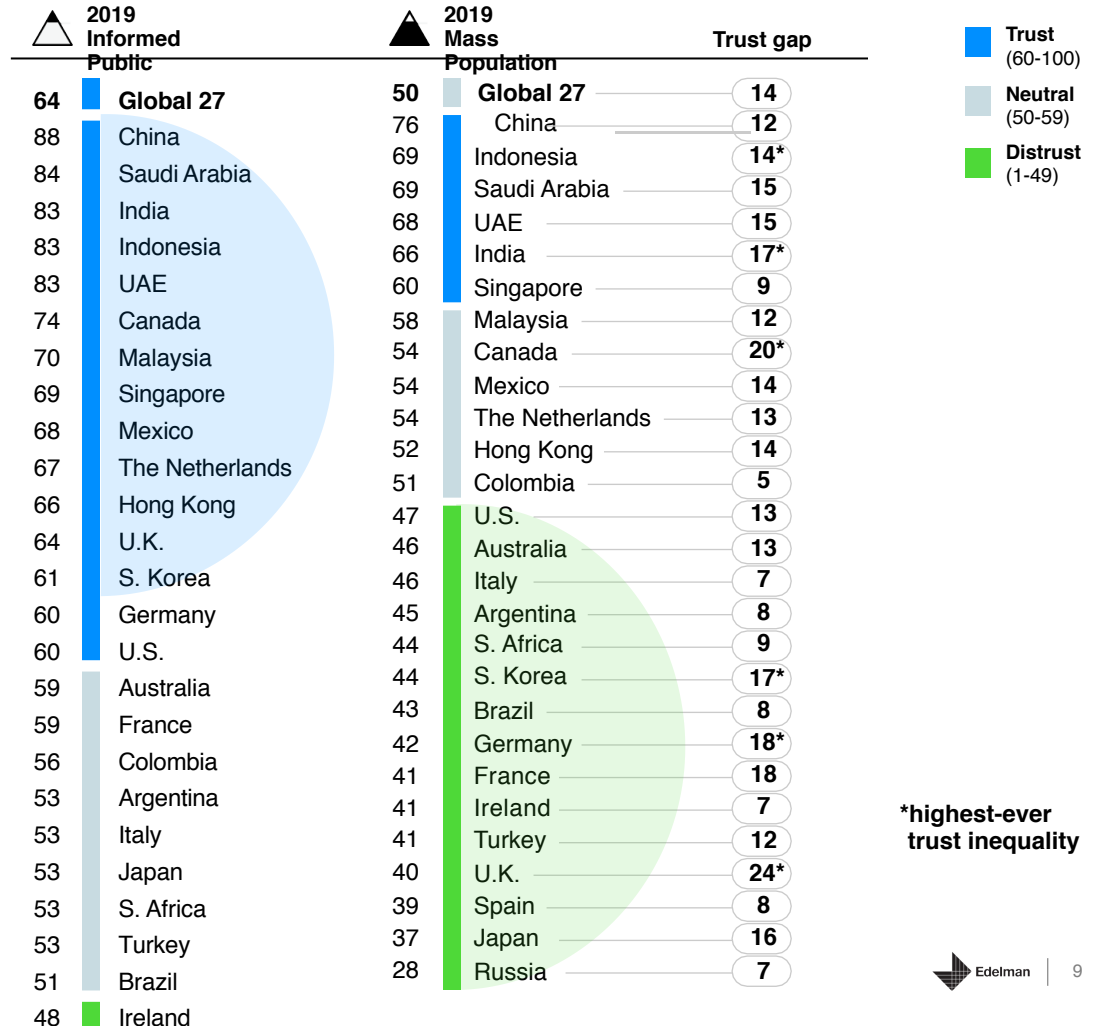
# A WORLD OUT OF BALANCE

## Trust Index

Mass population 14 points less trusting

18 markets with double-digit trust gaps

2019 Edelman Trust Barometer. The Trust Index is the average percent trust in NGOs, business, government and media. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." 9-point scale; top 4 box, trust. Informed public and mass population, 27-market global average.



\*highest-ever trust inequality

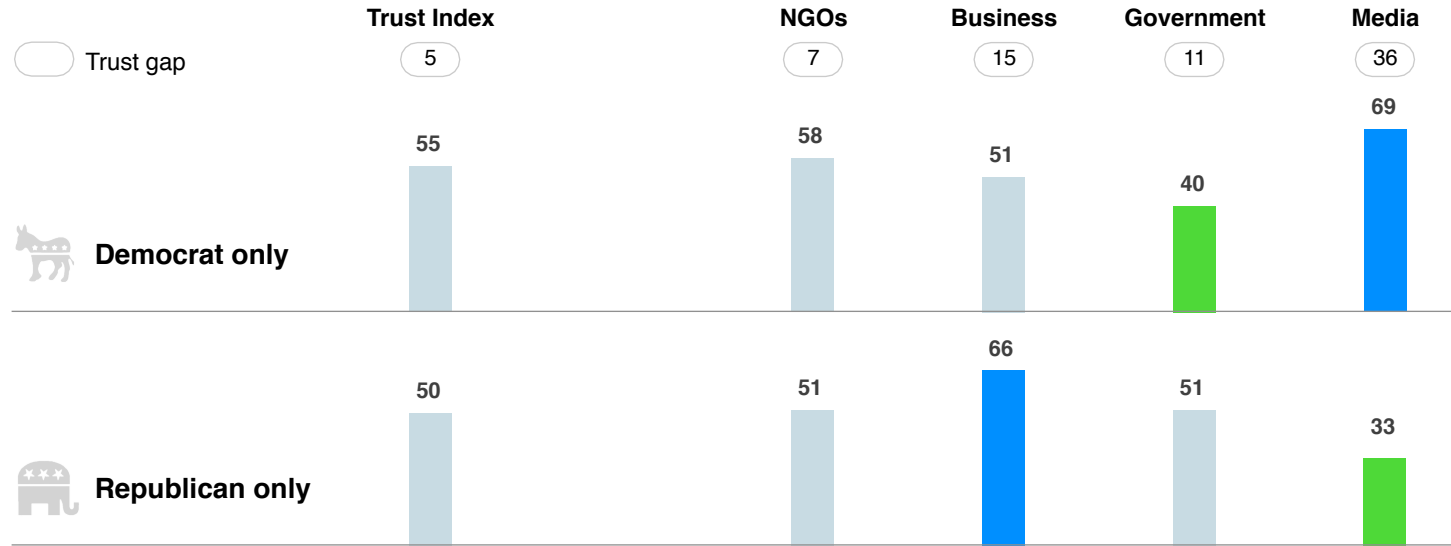




# CONTINUED POLITICAL DIVIDE IN THE U.S.

Percent trust among 2018 U.S. midterm election voters

■ Distrust ■ Neutral ■ Trust



Which political party did you vote for/ intend to vote for in November's congressional midterm election? (%)

- 37 Democrat only
- 25 Republican only
- 25 Mix
- 11 None

2019 Edelman Trust Barometer. TRU\_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal." 9-point scale; top 4 box, trust. Q39. Which political party do you intend to vote for or did you vote for in this November's congressional midterm elections? General population, U.S., among Democratic only voters (n=405) and Republican only voters (n=269).

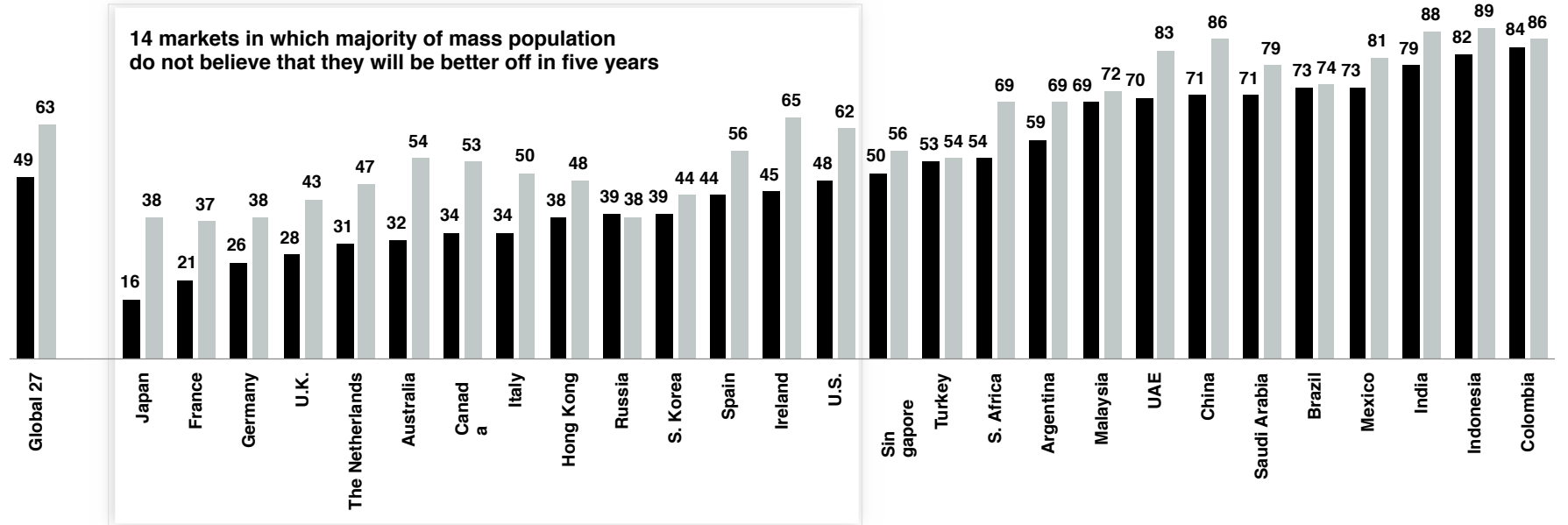


# An Urgent Desire for Change

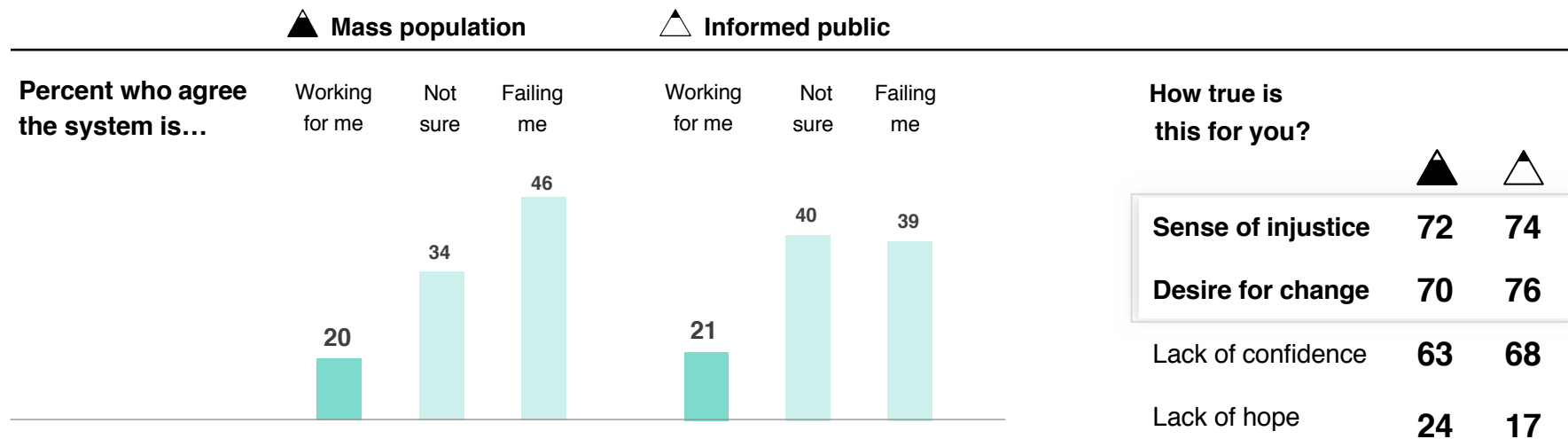
# DEVELOPED WORLD PESSIMISTIC ABOUT FUTURE

Percent who believe they and their families will be better off in five years' time

■ Mass population ■ Informed public



# ONLY 1 IN 5 BELIEVE THE SYSTEM IS WORKING FOR THEM



2019 Edelman Trust Barometer. “System failing” measure. For full details on how the “system failing” measure was calculated, please refer to the Technical Appendix. POP\_MDC. Below is a list of statements. For each one, please rate how true you believe that statement is using a nine-point scale where one means it is “not at all true” and nine means it is “completely true”. 9-point scale; top 4 box, true. Informed public and mass population, 27-market average. Sense of injustice is an average of POP\_MDC/1,2,3,8; Desire for change is POP\_MDC/9; Lack of confidence is POP\_MDC/10; Lack of hope is an average of POP\_MDC/18,19,20 [reverse scored].



# THEY'RE TAKING CHANGE INTO THEIR OWN HANDS



“Yellow Vests” demonstrate for economic justice



India’s “Women’s Wall” demonstrate for equality



Amazon employees protest working conditions




Salesforce employees protest work for U.S. border agency



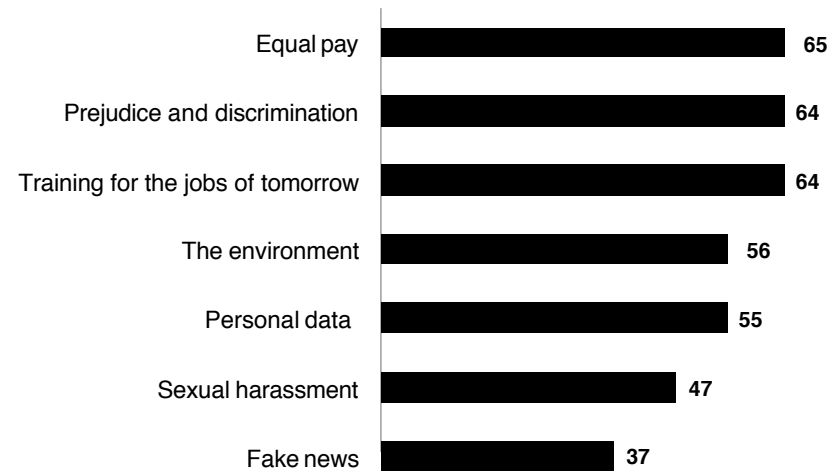
# Making Change Happen

# LOOKING FOR LEADERSHIP FROM CEOS

Percent who say that CEOs should take the lead on change rather than waiting for government to impose it

**76%**   
**+11pts**

Percent who agree CEOs can create positive change in:

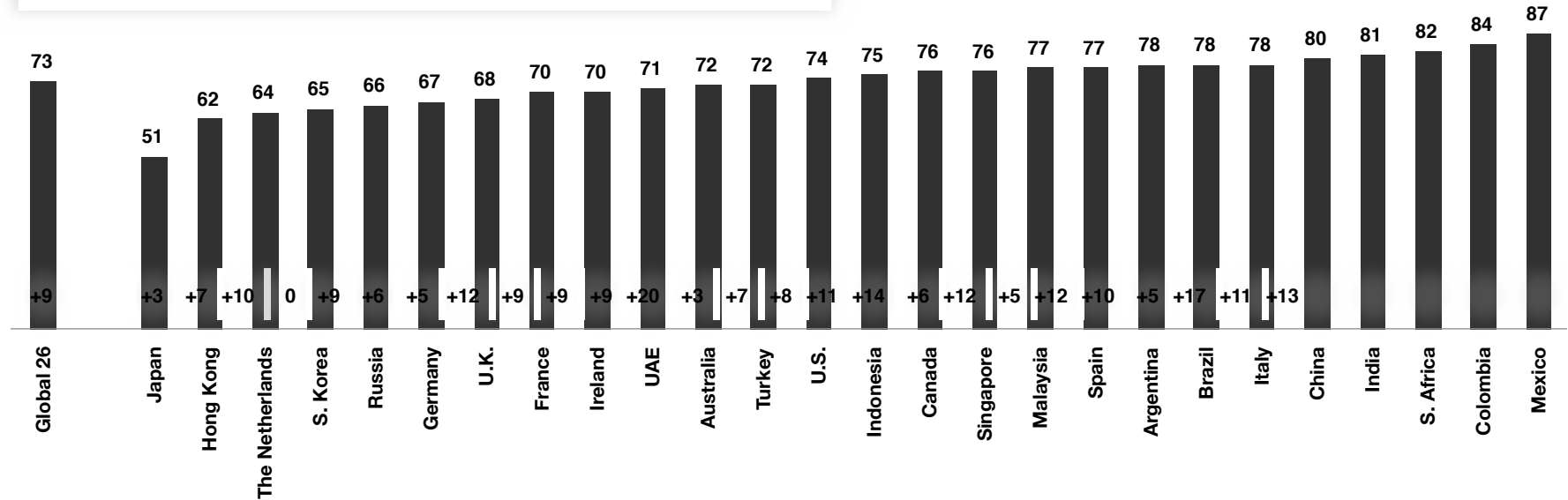


# COMPANIES CAN IMPROVE SOCIETY—AND ALSO DO WELL

Percent who agree

“A company can take specific actions that both increase profits and improve the economic and social conditions in the communities where it operates”

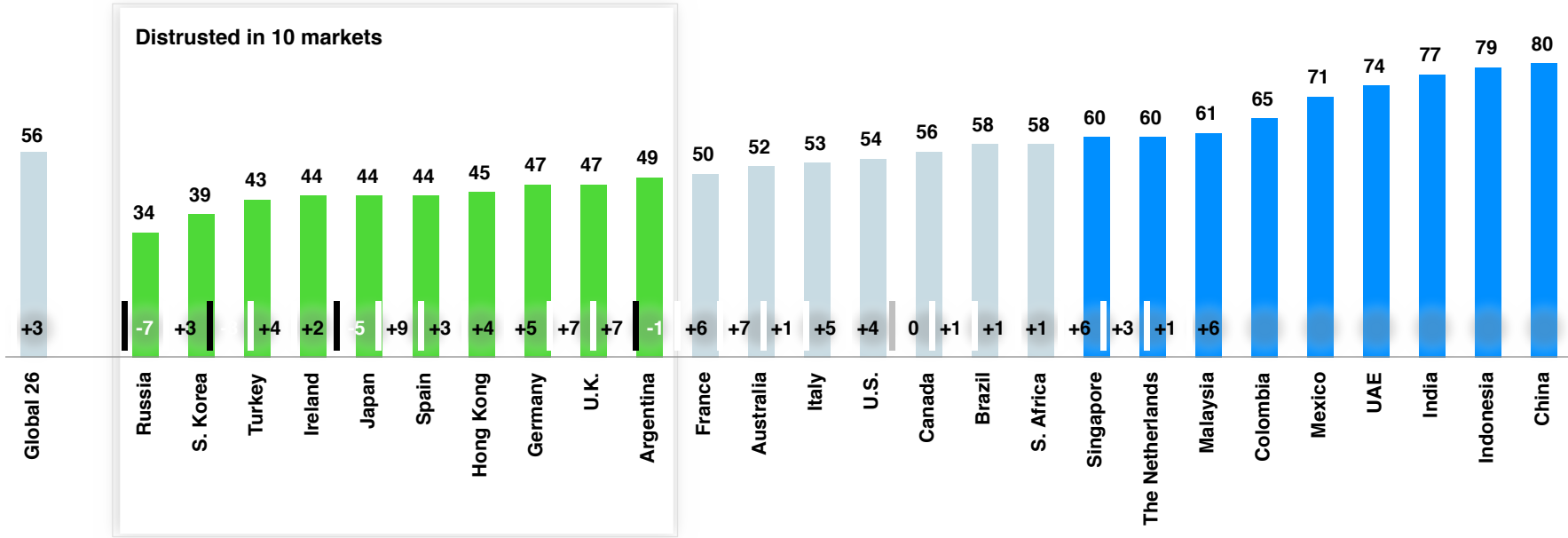
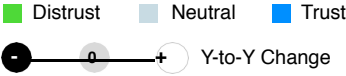
● ○ Y-to-Y Change





# TRUST IN BUSINESS INCREASES IN 21 OF 26 MARKETS

Percent trust in business



2019 Edelman Trust Barometer. TRU\_INS. [BUSINESS IN GENERAL] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a nine-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal.” 9-point scale; top 4 box, trust. General population, 26-market average.

**How to be on strategy, tap into the zeitgeist and use current channels.**



**Thank you**

