

2013 – OUR YEAR IN REVIEW



For 14 years we've avoided sending out a newsletter, suspecting that you have enough to read

But a few people have asked for news, so we've gone all-in!

This is our first, and it's a review of our 2013

We are calling it **Insights & Outsights**, which covers what we do for clients

Going forward we'll send them very occasionally and only if we think we have something worthwhile saying

If you'd rather not receive them, please say, or wait until our next one, which will be email-based and contain an unsubscribe link

And *Thank You* for taking the time to read it!

IN THIS REVIEW

Things We've Been Working On...

[Our paradoxical newsletters](#)

Targeted newsletters that avoid the need for many different ones

[Proactive Competitive Intelligence for Brands](#)

An extensive and cost-effective assessment of competitor actions and intent, aimed at senior brand and category managers

[Professional networks](#)

A paper written in conjunction with specialist recruitment consultants TFPL on the power and use of networks

A Few Recent Takeaways...

[Brand-building is getting cheaper, faster](#)

L'Oréal's initiative with YouTube personality Michelle Phan marks a new beginning for luxury brand creation

[Olympics ads consistently underperform Super Bowl ads - want to know why?](#)

Why do Super Bowl ads resonate with consumers in a way that Olympics marketing often fails to? We take a look

[Slow-moving food suppliers risk regulator's ire and lost market opportunities](#)

With consumers and regulators demanding healthier food, food companies might be able to make small changes and stay one step ahead

[Marketers: your audience might not be as tech-smart as you!](#)

Boomers might be economic giants but many still struggle with simple technology

[Research Retrospective - The Sharing Economy](#)

A look back at what we got right and wrong on work we did five years ago on how greater data availability would spark the sharing economy

Finally...

Coming soon! – two more alerts are joining the 360 stable

[e-tail360](#)

Covers all aspects of the B2C CPG e-commerce space

[KoolHawk](#)

Looks at the interesting and novel with a CPG twist

[Team news](#)

Some snippets about what our team has been up to

[Over and out](#)

Where we are and how to get in touch with us

OUR PARADOXICAL NEWSLETTERS

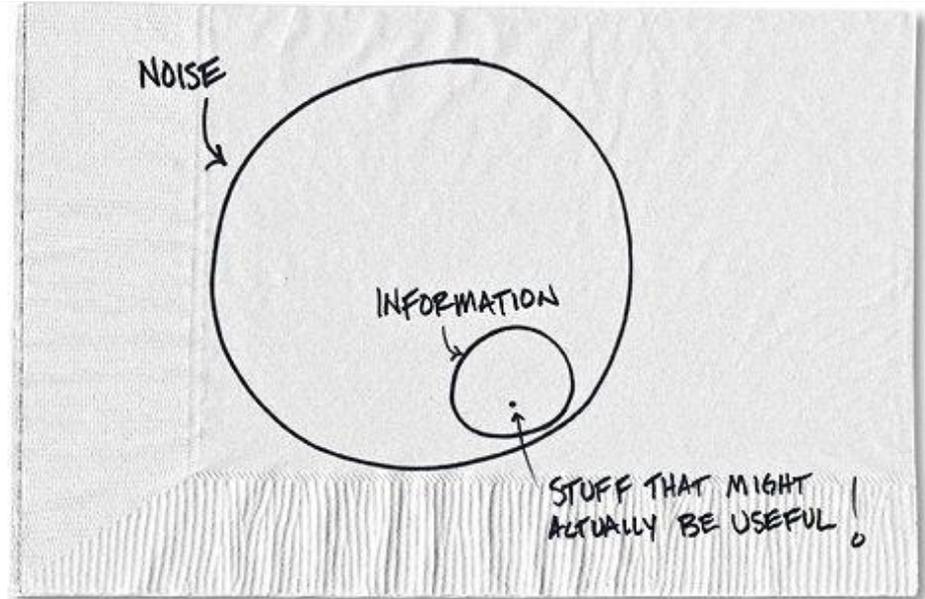
Like the paradox "All generalizations are wrong" (apart from this one), we think all newsletters are too broad (apart from ours)

We aim to deliver just the information individuals need, based on a comprehensive review of material carefully curated and summarized

Launched a year ago, we now send out about 5,000 newsletters a month with users at all of the top six personal care companies (L'Oréal, P&G, Unilever, J&J, Kimberly Clark and Colgate) and five of the top six food companies (Nestle, PepsiCo, Yum, General Mills, ConAgra and Kraft)

We cover food, personal care, health and wellness, and more

Click on the links to have a look but it's frankly the sort of thing best discussed – call us!



See some focused alerts:

- [P&G Activity Tracker](#)
- [Obesity and Weight Control News](#)
- [Food Trends News](#)



PROACTIVE COMPETITIVE INTELLIGENCE FOR BRANDS

Too often time-pressed senior brand and category managers don't get critical information in a timely, digestible form

Our brand-focused proactive competitive intelligence output seeks to change that with seven modules – macroeconomic status, company performance, brand performance, brand awareness, advertising & promotion, news & reviews, and NPD & innovation – delivered at regular points through the year

It's geared to delivering robust understanding of competitor developments and intent

Drop us a line and we'll send you some samples

The screenshot shows a presentation slide with a navigation bar at the top containing seven categories: Macro-context, Company performance, Brand performance, Brand awareness, Advertising and promotion, News & reviews, and NPD & innovation. The main content area features the title 'Proactive Competitive Intelligence for Brands' in a large, dark blue font. The footer includes the 'business 360' logo on the left and a small copyright notice on the right.

Macro-context Company performance Brand performance Brand awareness Advertising and promotion News & reviews NPD & innovation

Proactive Competitive Intelligence for Brands

business 360

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PROFESSIONAL NETWORKS

Massive growth in social and professional networks is changing how individuals find work and how organizations find talented people

Business360 collaborated with specialist recruitment firm TFPL on a survey that looked at how these networks are changing the interface between professionals and organizations

In addition to desk-based research and an online survey, we conducted a number of interviews and used our own experience: Business360 as a provider of professional services delivered remotely, and TFPL as a provider of talent location services

If you would like a copy of our summary report, please get in touch

The rise of professional networks as a resource

A white paper by
Business360 and TFPL

December 2013

business
360

tfpl

BRAND-BUILDING IS GETTING CHEAPER, FASTER

Following on the heels of [DollarShaveClub's](#) great 2012 video we have [Poo-pourri](#), demonstrating the power of social media and word-of-mouth awareness to create a new category. Poo-pourri has been around since 2007 but it's this video that got them going

Look what both these brands got right – the acting, the production, the humor, seamlessly folding in education about a new proposition, demonstration of effectiveness and the call to action. Impressive

Viral campaigns online are creating real challenges for slower moving, traditionally offline brands but they're not all standing still

American make-up demonstrator Michelle Phan became a YouTube hit with a following large enough to compel L'Oréal to launch a makeup brand [just for her](#). L'Oréal was tempted by the prospect of reaching a loyal following and young demographic. Announced in August and with a store in New York from October it will be interesting to see how L'Oréal's so-called "incubator brand" fares. Launching a luxury brand has never been so easy

See what you think. The actress in the Poo-pourri ad – [Bethany Woodruff](#) – is becoming something of a minor celebrity



20 million views



1,702k likes



5,354k subscribers



1,122k followers

Instagram



465k followers

OLYMPICS ADS CONSISTENTLY UNDERPERFORM SUPER BOWL ADS - WANT TO KNOW WHY?

With the Sochi 2014 Winter Olympics almost upon us we can expect a deluge of Olympics themed ads, but if prior experience is a guide the accompanying ads will be lame compared with those for the upcoming Super Bowl XLVIII

How do we know? We worked with [BrainJuicer](#) to review the effectiveness of the London 2012 Olympics ads, and also to see how they compared with ads from other sporting events and, indeed, other-themed ads in general

BrainJuicer uses proprietary methods to track consumers' emotional responses to ads (believing "*great emotional advertising leads to greater effectiveness*") and we sifted through this information to see what lessons we can find

It turns out that Olympic ads tend to be very heavy on sporting associations but light on emotional impact, with one stunning 2012 exception - [P&G's 'Thank You Mom / Best Job'](#) truly hit it out of the park. The campaign won Effie Gold, was estimated to deliver over US\$200 million in incremental sales in the US alone, and met its US\$500 million global target

But the Super Bowl keeps turning out brilliant 5-star emotional advertising each year. And if you look at why, we find these ads use music not voice-overs; kids and animals over celebrities; and appeal to our hearts rather than our minds - they make people feel something rather than tell them what to feel

Compare Olympics and Super Bowl ads in coming months and let us know if we're right or wrong!



SLOW-MOVING FOOD SUPPLIERS RISK REGULATORS' IRE AND LOST MARKET OPPORTUNITIES

Food suppliers are being pushed to reformulate products as consumers and regulators demand change. In November, the US Food and Drug Administration proposed that partially hydrogenated oils (trans fats) should no longer be "generally recognized as safe," effectively banning them

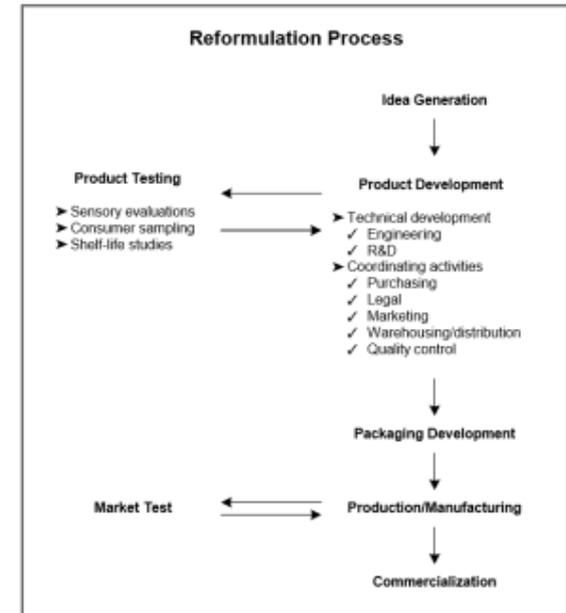
This is just one battleground for food suppliers. Look around the world and you'll see calls for fat taxes this week, sugar bans the next: tougher regulation is all but inevitable

Reformulating can be more complex than it sounds, and might easily add 10% to product costs, but even so, it does seem most suppliers are particularly stubbornly inactive

An [Australian study](#) published in September 2013 looked at reformulations in 'child-oriented food products' from 2009 to 2011 and found little overall improvement in healthiness of 120 products it reviewed. The authors stressed the "need to develop comprehensive, targeted and standardised reformulation benchmarks to assess the extent of reformulation occurring in the food supply"

While tighter regulation looms, evidence is increasingly showing that small formulation changes can bring large health benefits that would allow products to stand out from the (unhealthy) crowd

A University of Glasgow study published in October shows that pizzas, and other "nutritionally dubious foods", can be restored to healthy status by reformulating without ruining the taste. The researchers did a little experimenting and came up with a recipe using less salt; whole wheat flour; a little Scottish seaweed for flavor, vitamin B12 and fiber, iron, vitamin A, vitamin B12 and iodine; and red peppers for vitamin C. Both children and adult taste testers "gave it the thumbs-up for taste and attractiveness"



[Healthy pizza](#). Nice!

MARKETERS: YOUR AUDIENCE MIGHT NOT BE AS TECH-SMART AS YOU!

It's possibly too easy to get carried away with the power of technology, but marketers need to be aware of the different skills of each consumer segment

Boomers are often keen to use new technology but they didn't grow up in the digital age, and often aren't as comfortable with it as younger generations

We recently did some work looking at how advertisers had misused technology through overreach and failure to truly appreciate their audience. In the process we came across these amusing examples of the ways boomers often fail to get technology

These three are G-Rated but best not [read all](#) of them if you're easily offended...



RESEARCH RETROSPECTIVE - THE SHARING ECONOMY

The Sharing Economy is all the rage now – [Airbnb](#), Car sharing ([RelayRides](#), [Getaround](#)...), ride sharing ([Lyft](#), [SideCar](#)...), bike sharing ([Spinlister](#), [Citibike](#)...) and on and on. But five years ago, when we were asked to look at how sharing of personal information would create new business models, it was virtually unknown

We got much of it right but didn't appreciate how pervasive the change would be. We predicted the biggest impact would come where people/companies have large investments in fixed assets that are only occasionally used – think cars (sitting idle for 23 hours a day on average), houses (much empty and unused space), designer clothes (worn just once or twice), power tools (used rarely for special jobs)

This proved correct, but the sharing economy is proving more far reaching and changing many more businesses – think loans ([Lending Club](#)...), WiFi ([Fon](#)...), washing machines (such as [La Machine du Voisin](#)), household goods ([NeighborGoods](#), [SnapGoods](#)...)

And we're convinced we're in the earliest stages of this trend and many businesses are yet to be disrupted. One example is local distribution. FedEx, UPS, DHL and numerous urban delivery companies have massive infrastructures that may be upended by peer-to-peer distribution

A former client of ours started [Piggy Baggy](#) in Finland, one of the earliest to get onto this space and explore how people could carry around other peoples' bags and delivery items. It sounds unlikely but in an update to our research we discovered Walmart is already assessing feasibility...



From Torben Rick

TWO NEW ALERTS COMING SOON...

E-retailing is complex and rapidly-changing and increasingly seen by CPG companies as a critical channel

Amazon's push into CPGs and beauty leads some analysts to predict that these categories are next on its list of categories to transform

Significantly, the US lags in best practice. Alex Tosolini at P&G said earlier this year that *"the US is not the most advanced place for e-commerce in our categories. China, [South] Korea and Japan are great examples of more developed markets in terms of penetration of categories sold online..."*

Our planned newsletter, **e-tail360**, will deliver news and developments as this market evolves.

To learn more and give it a spin, please get in touch



TWO NEW ALERTS COMING SOON...

Our second newsfeed is much more fun
(with apologies to those that find e-tail rousing)

Many important ideas and innovations spring from what might seem to be weird and wacky

Such manifestations might appear at first glance to be trivial, faddish, or even irrelevant, but they often capture the zeitgeist in a way the more mundane fails to

For that reason, we will launch **KoolHawk**: “Kool” is an exceedingly clever and sophisticated corruption of “cool” (took us ages to come up with that), in the sense of being positive and new, and “hawk” (you might not be surprised to learn) aims to evince the notion of seeking out with laser-like focus the fascinating and thought-provoking from an ocean of banality

KoolHawk will feature examples of noteworthy and off-the-wall news, products and observed events, mostly related to the CPG world, as distinct from the many existing trend sites that are fascinating but (in our view) dizzying and unfocused

However it turns out, it should be fun to browse



TEAM NEWS

Our distributed team means we have people in many countries, experiencing a range of political and social events, and natural phenomena

Some of our team in the Philippines have been terribly affected by the recent typhoons. News has been very sad and aid causes will be a focus of our holiday giving. On a brighter note, we have been amazed at the resilience and fortitude of our Filipino team. Two had their roofs blown off and suffered massive damage to property but they still wanted (and managed) to complete daily assignments. Remarkable

And in Ukraine Yurri, a programmer, is finding it difficult balancing work commitments and protesting on the streets of Kiev against his government's U-turn on signing an agreement on closer ties with the European Union. With a global network, the world's events really hit home

John continues to try and 'devirtualize' his workplace by visiting people in the team that he has worked with, often for years, but only knows through email, text and, sometimes, phone conversations. Highlights thus far include meeting Yurri, Anne, a researcher in the UK, and Debbie, an analyst in the US. Recent efforts to visit Carol (researcher) in France and Paul (writer) in Virginia didn't eventuate but new plans are being hatched

Roger says he's not coming out of his newly-built garden office. It's little more than posh shed, but it has electricity and broadband, which is pretty much all he needs. On his daily commute, he gets to inspect his vegetable garden and Olly, the decimated olive tree



OVER AND OUT: WE LOOK FORWARD TO HEARING FROM YOU IN 2014!

It leaves us just to say we hope you have an enjoyable break over the holidays, a Happy New Year, and thank you for your support in 2013

Thanks for reading. We'd welcome any and all comments

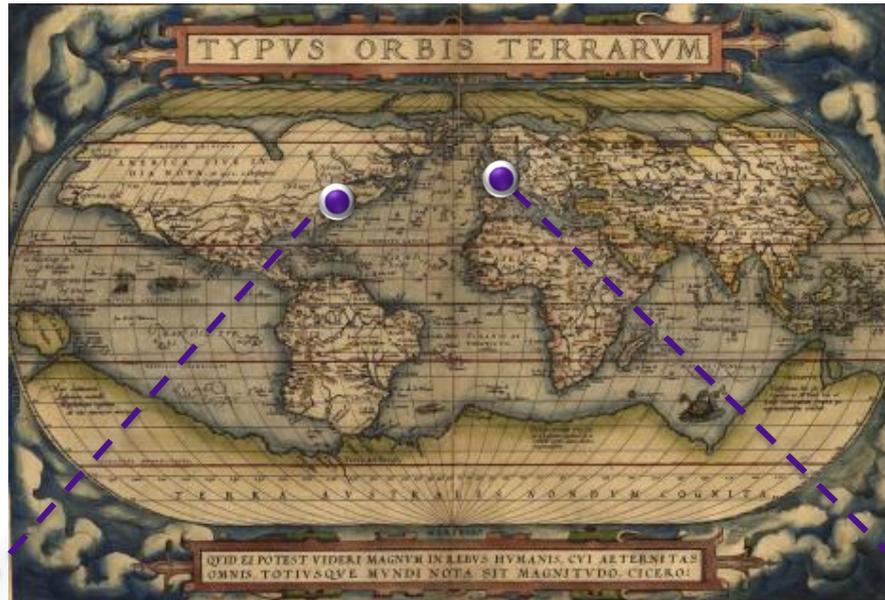
You know where we are, and we'll be here for the rest of 2013 and again in 2014...



John (New York)

+1 212 866 4680

john.marchant@business360.com



Roger (Kent, UK)

+44 (0) 7941 372343

roger.sharp@business360.com