



Thanks, everyone, for joining today's FutureView LIVE 2016. Happy New Year!

This is our annual step back from the everyday to look ahead to the future. Our focus in these LIVEs is always the U.S. marketplace, but many of these dynamics play out globally as well.

Starting this year, we have added a mid-year FutureView LIVE, which is scheduled for Wednesday, July 27. To repeat, Wednesday, July 27. Mark your calendars for another look at trends and futures to help you, as you can see in the bottom corner here, profit from change.

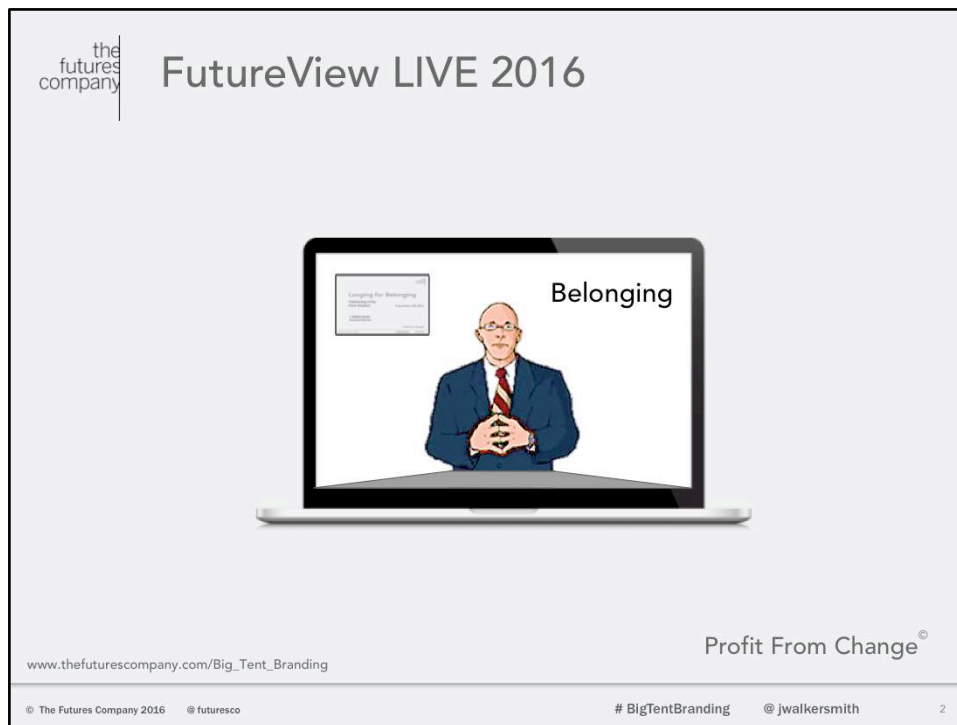
Today, I want to talk about a change in the marketplace I believe is largely unappreciated. We call it the longing for belonging. That's today's theme, and the business imperative it demands is something we're calling, quote/unquote, Big Tent Branding. That's today's hashtag, too, as you can see in the bottom right rail. #BigTentBranding. We're live-tweeting today's event and we encourage you to join in.

Unfortunately, we won't have time today for questions, but your account person is happy to follow up.

In that vein, let me also mention that we will be offering one-on-one follow-up conversations with me to discuss these ideas and their implications for your brands. If you're interested, contact your account person, submit a few questions you're wrestling with in advance, and I'll get on a call with your team to talk about what these ideas mean for your business.

And one last bit of housekeeping. Immediately following today's presentation, this deck will be available for download at the link you see in the lower left-hand corner.

So, with that, let's jump in.



Over the years, we have covered many topics in our FutureView LIVEs. We anticipated the sharing economy. We foresaw the rise of mindfulness. We knew how consumers would manage their affairs during the downturn.

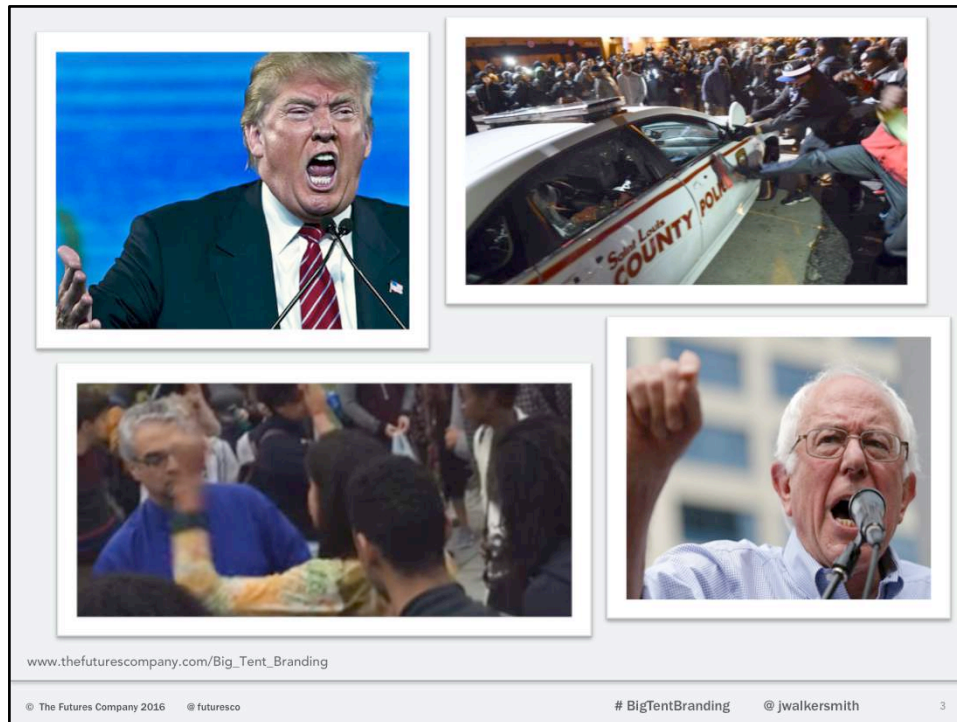
The last three focused on technology. The shift from active to passive digital. The on-demand business model. And, finally, programmatic consumption, which is to say, the algorithms we will have to advertise to in the future.

All of these remain important. But there is another dynamic on the rise.

It is all about the mood of consumers – a temperament best characterized as a, quote/unquote, “longing for belonging.” Belonging is the key idea here.

Consumers want to belong ... to belong.

Now, this may seem pedestrian, but it is a fundamentally different way of thinking about today's consumers.



Let me ask you, if you were to pick a few images for your Pinboard that best represent the year just past, how about these?

Are these the right pictures of the mood of America?

This is certainly what media headlines would have you believe. The mood is anger. People are angry. And fearful. So if you want to connect with consumers, market to anger and fear. That's what Faith Popcorn told *Fortune* – bullet-proof homes, armored communities, filtered water. (1)

That's what *New York Times* columnist Frank Bruni said over the weekend – quote/unquote, “obnoxiousness is the new charisma.” (2) Trump and Cruz, he said, are, quote, “lend[ing] voice ... to a potent anger among...a band of voters so distrustful of the usual etiquette that they think valor lies in viciousness, integrity in insult,” end quote.

If you want to know what America looks like, pin up pictures like these, they say.

(1) Eileen Daspin, “Here’s What Top Trend Spotter Faith Popcorn Sees for 2016,” *Fortune*, December 30, 2015, <http://fortune.com/2015/12/30/faith-popcorn-predictions-2016/>

(2) Frank Bruni, “Obnoxiousness is the New Charisma,” *The New York Times*, January 9, 2016, <http://www.nytimes.com/2016/01/10/opinion/sunday/obnoxiousness-is-the-new-charisma.html>



So this is the question I want to address today.

What is the mood of the American consumer?

The smart money is on anger. And if not anger, then fear. Fear of terrorism, of immigrants, of refugees. Fear giving way to anger.

Is this what we need to reflect in our marketing? Is this what we have to look forward to in 2016, especially as the political season gets into high gear?

I think this specter of the angry American is more phantom than fact. Yes, there is some truth to it. Both anger and fear are part of the mood today.

But there is a deeper dynamic at work – the longing for belonging – two indicators of which happen to be anger and fear.

Anger has long been a favorite way to parody the rough-and-tumble texture of American life.

You see here the character Howard Beale from the 1976 movie *Network*. He's an aging anchor on a declining network news show who reached his breaking point with a screeching rant on air that galvanizes people all over the country to lean out of their windows and yell with him, "I'm mad as hell and I'm not going to take this anymore."

It was considered not just a reflection of the times but a statement that, deep within, people are quietly seething with anger about the banality of American life.

So this picture of anger as the prevailing mood in America is far from new, far from anything rooted in recent events.

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## Confrontational

### Online

In 2006, one  
obscenity every  
two minutes  
in chat rooms

<http://www.nbcnews.com/id/29681795/ns/health/t/recession-f-bombs-why-sweating-feels-great/#.VpHKJDZ3dT>

### At work

In 2011, half said  
treated rudely  
at least once a  
week – vs. one-  
quarter in 1998

<https://hbr.org/2013/01/the-price-of-incivility/>

### On TV

Profanity across  
all network prime-  
time programming  
up 69% 2005-2010

<http://www.parentstv.org/PTC/publications/reports/2010ProfanityStudy/study.pdf>

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Indeed, our everyday language has a pretty hard edge to it. A visitor from another planet might listen to us for the first time and wonder why we're so angry all the time.

We are confrontational. And not just in tense situations, but in every situation.

Online, you can't go two minutes without a curse word.

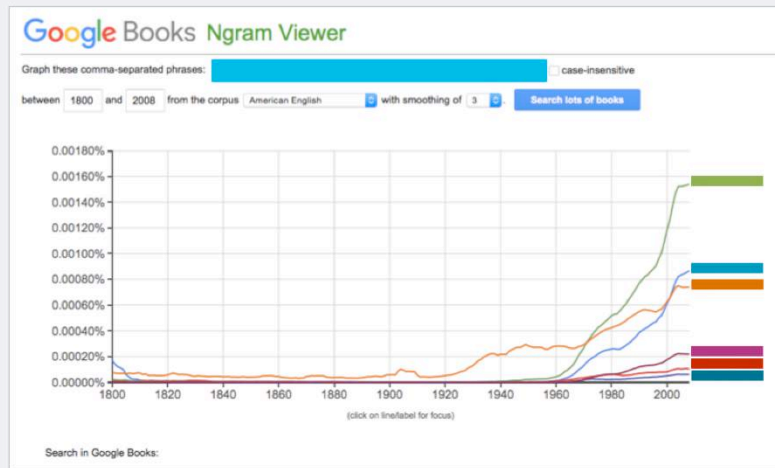
At work, rudeness is a weekly thing.

And when you get home and turn on the boob-tube, it's more of the same.

No surprise, then, that PR firm Weber Shandwick found in its Fourth Annual Civility in America survey that 70 percent feel incivility has reached crisis proportions. It's normal, with four in ten expecting to be treated rudely within the next 24 hours. (3)

(3) Weber Shandwick, *Civility in America*, 2013, [http://www.webershandwick.com/uploads/news/files/Civility\\_in\\_America\\_2013\\_Exec\\_Summary.pdf](http://www.webershandwick.com/uploads/news/files/Civility_in_America_2013_Exec_Summary.pdf)

# Confrontational



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<https://books.google.com/ngrams/>

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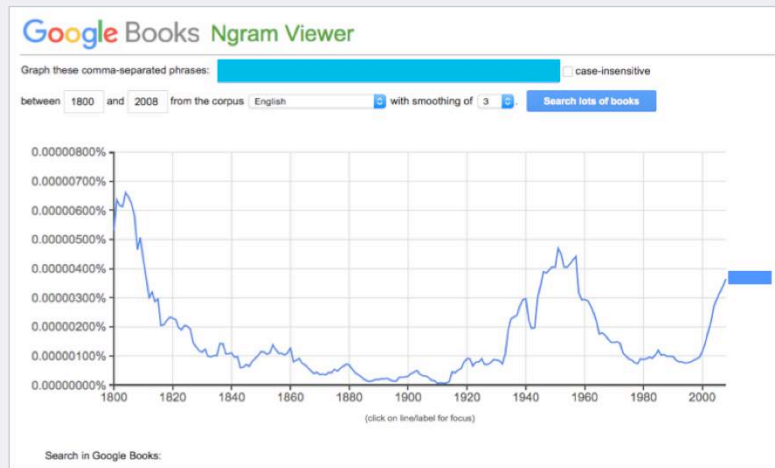
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This coarseness of everyday life has been rising for decades – basically, since the 1960s – with no sign of stopping. I searched the corpus of books that Google has scanned going back to the 19<sup>th</sup> century for the six worst curse words I know – and believe me, I know some pretty bad ones. And you see the trend here.

And it's not that curse words have changed such that today's words are just substitutes for archaic words, and thus cursing hasn't really gone up.

# Confrontational



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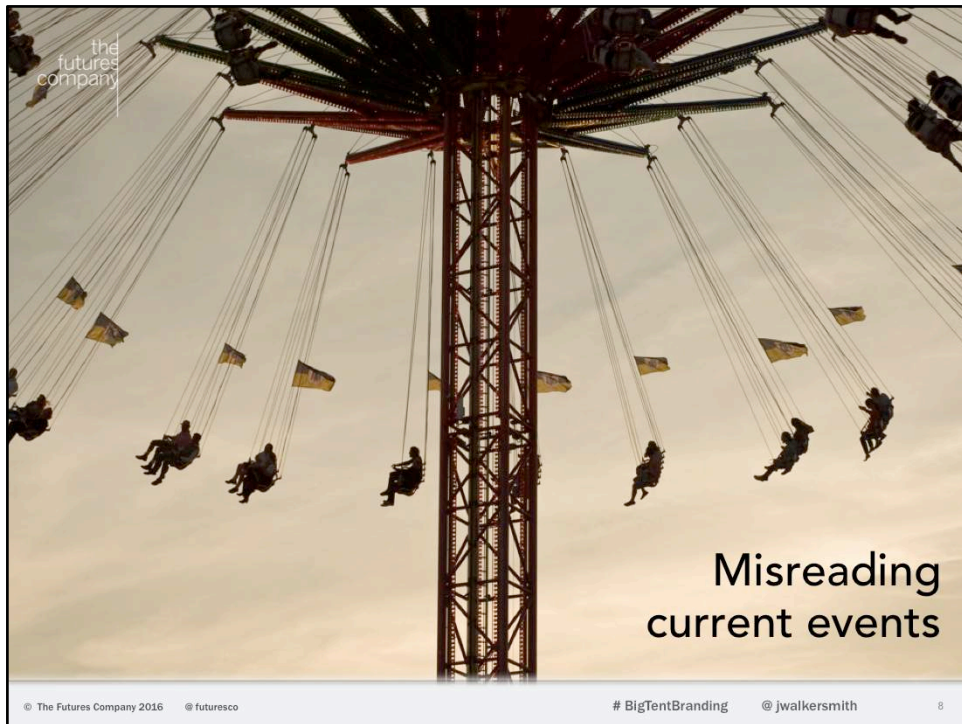
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I searched a book on 19<sup>th</sup> century language for the equivalent of perhaps the single most offensive curse word in the English language. Usage of this old-timey equivalent dropped as it became outdated. Then it peaked again before the modern term took off and replaced it in the sixties. But then, two decades later, it was revived. So nowadays, we get cursed at not just with the old word or the new, but with both.

This double-dosing of profanity pretty much says it all. We live life in a context that is more confrontational than ever. So anger is a part of it, but not the bigger part of it that matters most to our brands.





It's easy to understand why the prevailing takeaway is that people in the U.S. are spinning apart, erasing any bonds of belonging. And thus why we, as marketers and strategists, think that maximizing business potential is tied wholly to isolated individual utilities.

We see more partisanship. More echo chambers of information and tastes. More geographic clustering and economic divides. More protests over identity and more celebrations of ethnicity. It is as if we live in a centrifuge relentlessly dispersing us into ever smaller pockets of separation and isolation.

In an angry America, what is there, anymore, to belong to?

Yet I believe anger as the driving dynamic in the mood of America is a misreading of current events. And a misreading with consequences for the business models we use to drive our brands.



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# The Marketplace Ahead



## Longing for Belonging

- Break it down in three parts ...
  - What's eating at consumers?
  - How are consumers reacting?
  - What do consumers need and want?

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Here's what I want to do today.

I want to break down this hypothesis about anger to get to what we believe is the deeper dynamic at work.

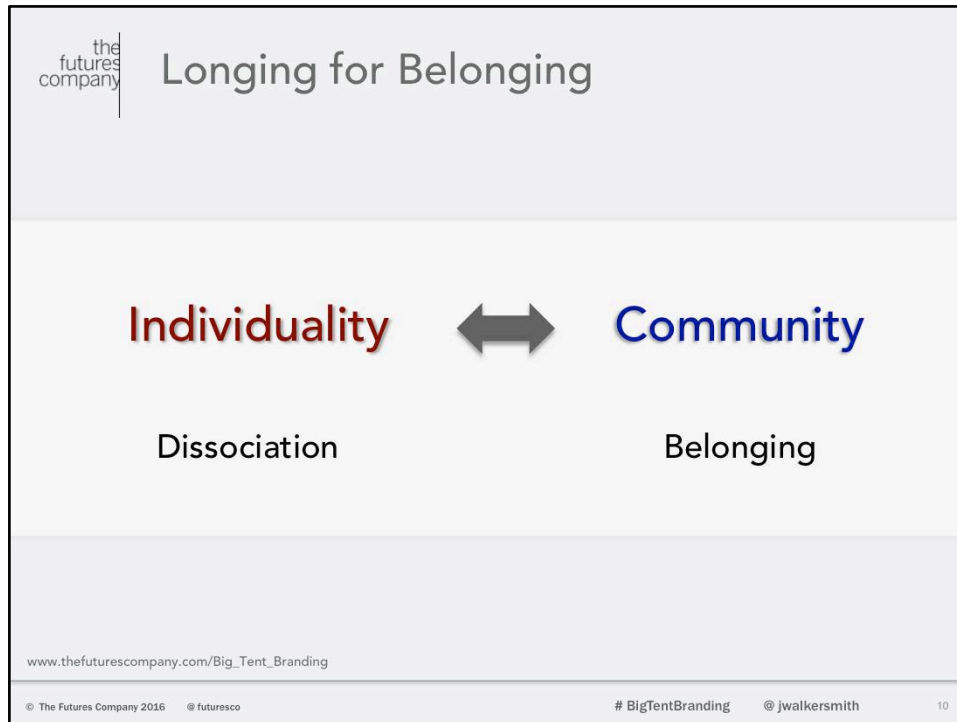
And then offer an overview of how we think your brands can thrive.

The business opportunity is not to follow the rise of coarseness, but to dissect what this points to as the real opportunity.

Just because people live with this doesn't mean they're resigned to it. People might splinter off to avoid things that they don't want to hear or put up with, but that doesn't mean people prefer splintering to belonging.

In fact, what we see in all of this splintering is not a preference for estrangement but a desire to reinvent belonging. By failing to recognize this longing for belonging, we misread the data and misinterpret the consumer mood.

Now, people don't want less for themselves. But they don't want their hard-won individuality to cut them off from connection to a broader narrative either. In our lingo, people want a Big Tent. Nowadays, our brands do too little of this.



Contemporary business strategy zeroes in on the individual. The promise we see in Big Data and the uses we make of programmatic advertising are to deliver highly individualized, highly personalized, singularly crafted offers and messages to distinct individuals. Every person gets something unique, something distinct. We herald this as the apogee of marketing.

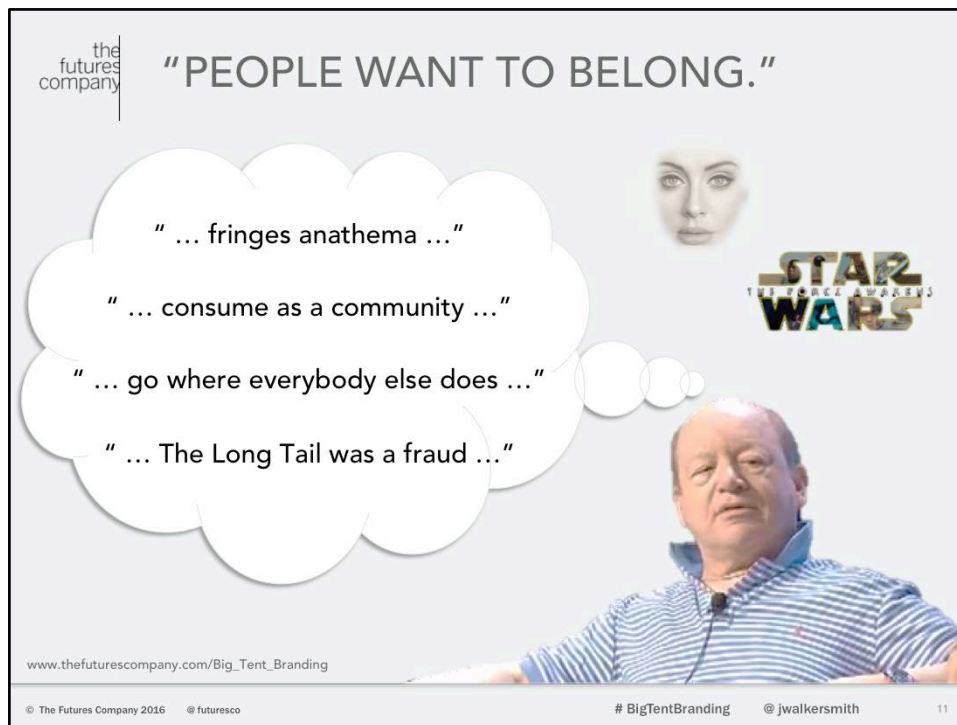
There is absolutely nothing wrong with this. We celebrate customization these days because we finally have the tools to really do it.

But in doing so, we forget Harry Nilsson's 1968 lyric, made famous by Three Dog Night, that, quote, "one is the loneliest number."

Individuality is not all there is for consumers. People are in a tug-of-war between individuality and community.

In our contemporary marketplace, offering too little community in our focus on dissociated, hyper-individuality leaves people "longing for belonging." There is a big opportunity in this overlooked need. Belonging should be on our radar.

Not to go back to selling the very same thing to everybody, but rather to remember that even steeped in uniqueness, people still want to belong.



Bob Lefsetz is one of the smartest cultural observers around, controversial for pulling no punches. Recently, he remarked that the successes of Adele's "25" and Star Wars: The Force Awakens prove yet again that, quote, "owning your own plot of land on the fringes is anathema to the human condition." (3)

He continued, "Of course we want to dig down deep into our personal interests ... But don't confuse that with what we desire to consume as a communityN... Everybody wants to go where everybody else does ... The "Long Tail" was a fraud. Millions of tracks on Spotify have never been played."

He's right about the long tail – an interesting hypothesis, repeatedly and definitively disconfirmed by data.

He's not disparaging customization. He's just noting that, quote, "10 million people want Adele tickets and Star Wars grosses \$238 million in a weekend." "What does this tell us?" he asks. In all caps, he answers with the headline here – "PEOPLE WANT TO BELONG."

(3) Bob Lefsetz, "Entertainment Unicorns," The Lefsetz Letter blog, December 20, 2015, <http://lefsetz.com/wordpress/index.php/archives/2015/12/20/entertainment-unicorns/>

# What's eating at consumers?

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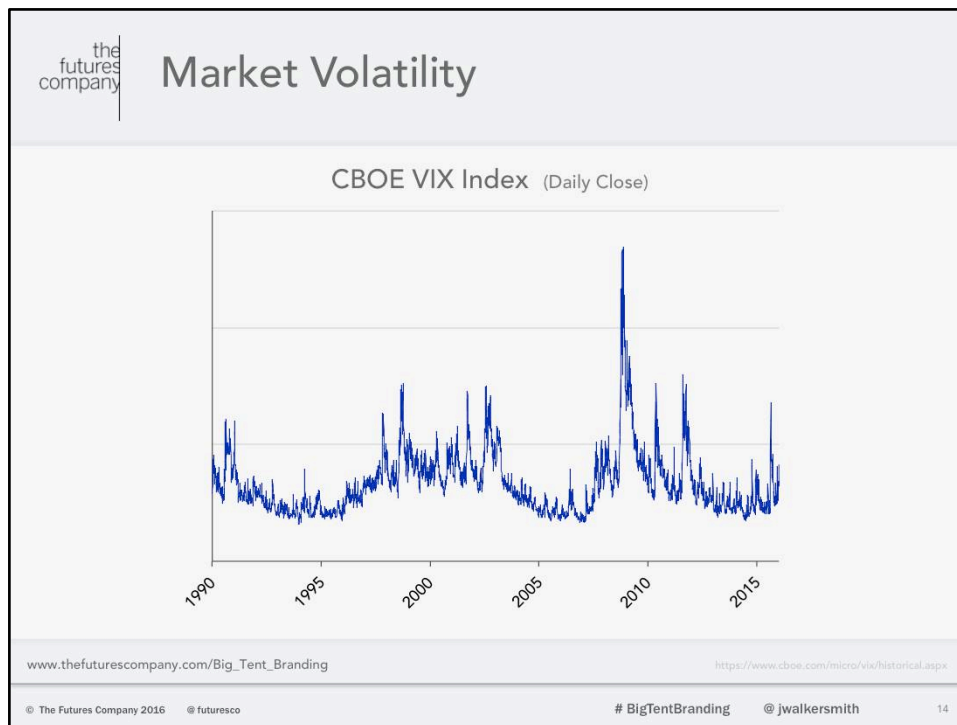
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So if people want to belong, what's up with all the anger and fear? What is the overarching context of life that is weighing down on people? What are people having to cope with?



One acronym sums up life these days. VUCA. It's a military term coined immediately after the end of the Cold War. Consultants like me have hijacked it to describe a world that is ever more volatile, uncertain, complex and ambiguous. Each of these characteristics has some specific implications about business, and if you want you can read our point-of-view about what this means for a 21<sup>st</sup> Century Business in last year's Atticus-award winning white paper, written by Andrew Curry, a director in our London office. It's available on our Web site as a complimentary download.

My point is simply that VUCA is the turbulent, crazy world consumers find outside their front door everyday. Take volatility, for example.



There are no good indices of social volatility, but the Chicago Board Options Exchange maintains a widely used volatility index for financial markets called the VIX.

If you look left to right, you see that the 1990s were pretty stable. This was the so-called Great Moderation.

But as the nineties drew to a close with the dot-com bust, 9-11 and the financial meltdowns in Mexico, Asia, Argentina and Russia, volatility soared. Eventually, markets quieted down, but then came the financial collapse and volatility skyrocketed.

Since then, volatility has been recurring. We are experiencing it yet again right now.

This is the roller coaster that consumers live with these days as the new normal.



But this roller coaster is more than volatility. Three things, in particular.

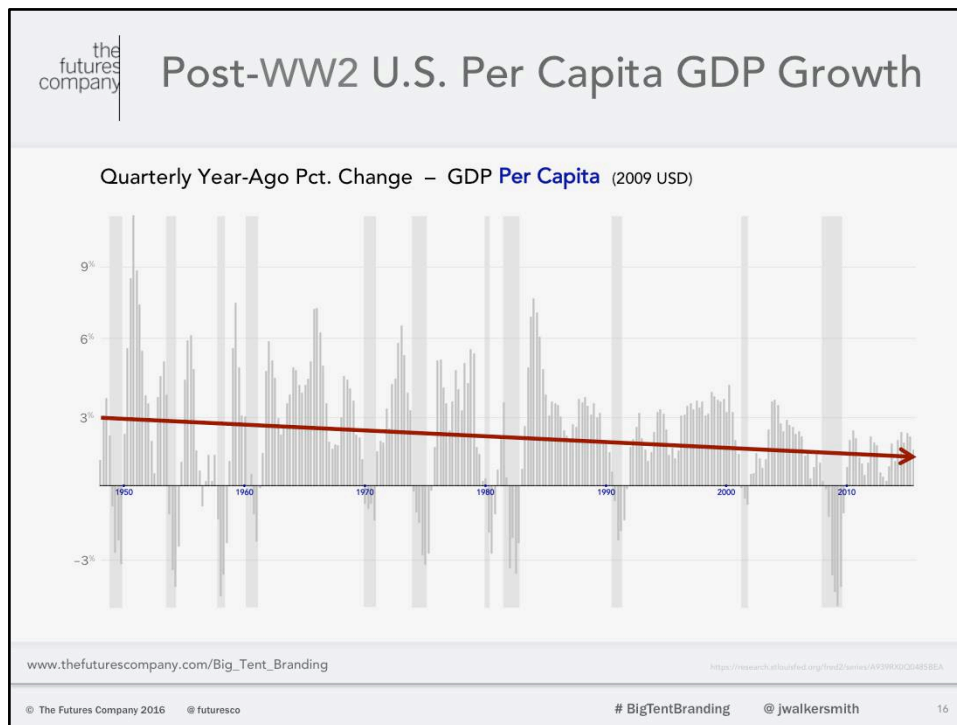
One is slower economic growth.

Another is widening political divisiveness.

And the other is lack of trust.

Let's take a quick look at each before moving on to the impact of these things on the consumer mood.

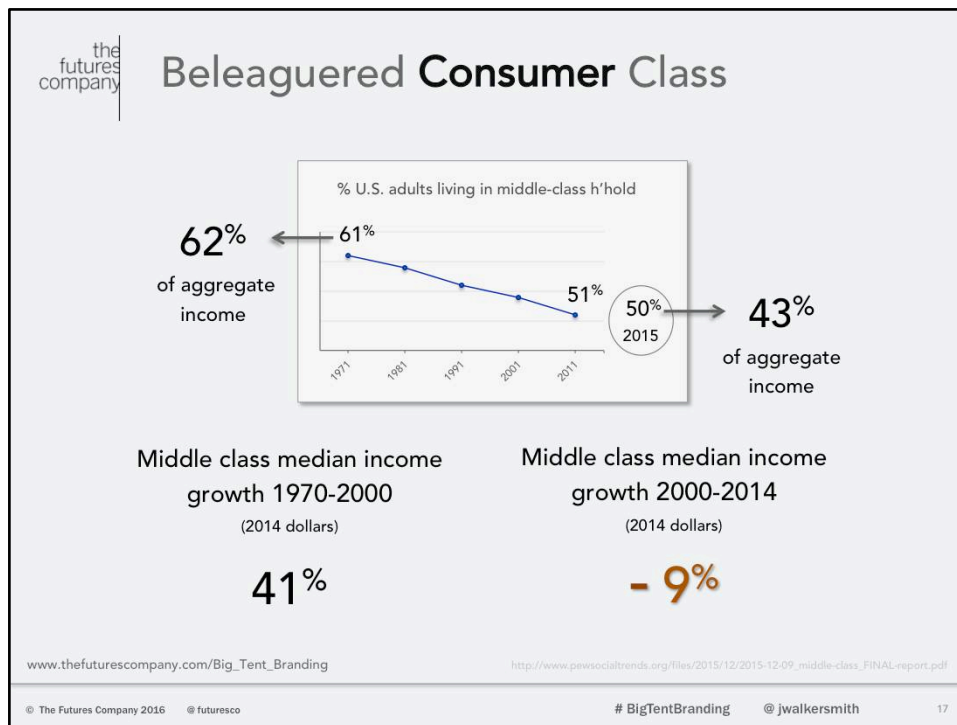




This chart shows quarterly GDP growth per capita in the U.S. since the end of WW2.

The trend line is steadily down. Just look at the far right and you can see that the economy is not growing like it used to. That's a very big problem.

You'll hear a lot more from us about this specific topic of Slow Growth over the next several months. But today, I just want to emphasize the impact that this is having on the consumer mood.



The middle-class is struggling. I call this the consumer class because the marketplace depends fundamentally on the middle-class.

A recent analysis by Pew finds a steady decline in the size of the middle-class since 1970.

Not only that, but buying power has shrunk from a level proportionate to size to one substantially lower, indeed, one in which the middle-class commands a lot less spending power than you would expect based on population. This, of course, is due to rising inequality.

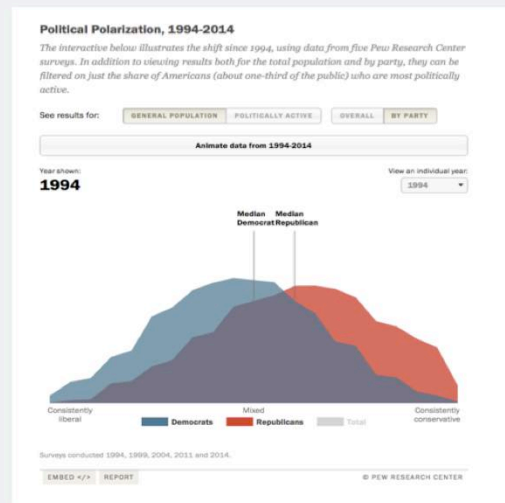
The middle-class is losing ground. Strong growth in incomes has given way to reversals.

The economic pie is not as big as it needs to be because growth has slowed. The result is a consumer class under extreme pressure.

For example, earlier this month, Bankrate.com released its latest survey of American finances and found that nearly two-thirds do not have enough cash on hand to pay for just a \$500 emergency. (4)

(4) Kristin Wong, "Most Americans Lack Reserve Cash to Cover \$500 Emergency: Survey," NBC News, January 8, 2016, <http://www.bankrate.com/finance/consumer-index/money-pulse-1215.aspx>

## Political Polarization



[www.thefuturescompany.com/Big\\_Tent\\_Branding](http://www.thefuturescompany.com/Big_Tent_Branding)

<http://www.people-press.org/2014/06/12/section-1-growing-ideological-consistency/#interactive>

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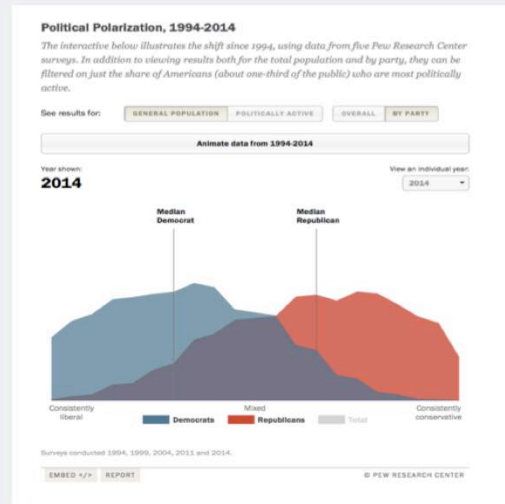
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These financial pressures are front and center in the current election cycle, which just adds to the pressure weighing consumers down because, as we know, politics have become more divisive.

The Pew Center plotted this by showing the ideological distribution for Democrats and Republicans from 1994 to 2014. Just to make this point, let me show you the charts for just these two years, separated by two decades.

Here you see in the mid-term year of Clinton's first term, contrary to what we remember, there was a lot of overlap and the average Democrat and average Republican weren't all that far apart.

## Political Polarization



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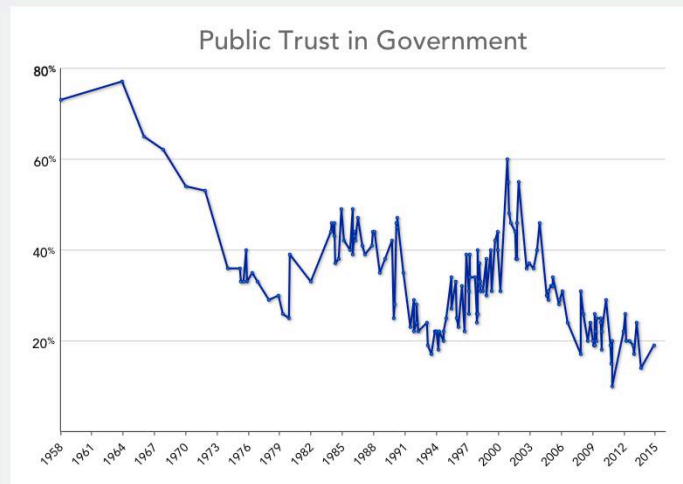
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Fast forward, and you see both Democrats and Republicans moved to the extremes. The good ol' days people pine for aren't imaginary.

For our purposes, the key takeaway is the splintering of politics and the decline of a shared middle, or a place where most people can find a shared space to belong together.

## Vanishing Trust ... Government



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<http://www.people-press.org/2015/11/23/public-trust-in-government-1958-2015/>

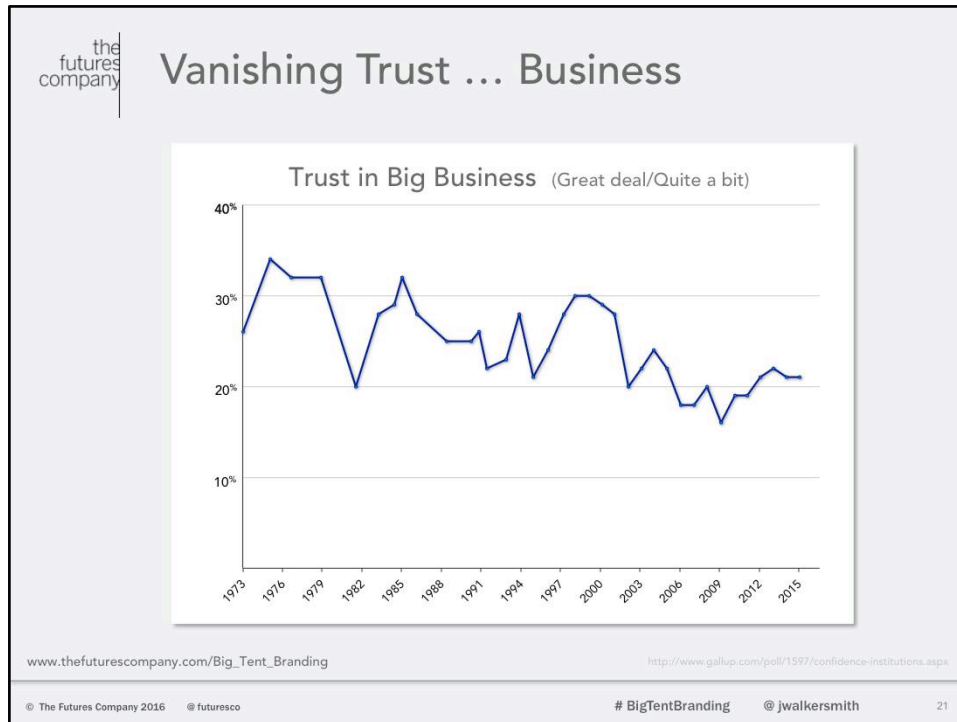
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The possibility of belonging is hampered not only by partisanship but by mistrust as well.

This is a well-known chart from Pew that aggregates surveys from a number of organizations about trust in government since 1958. The trend is steadily down, two temporary reversals notwithstanding. The latest survey is just slightly above the all-time low.



It's not just government. This chart show Gallup's measure of trust in Big Business since 1973. Again, steadily down, especially over the past 15 years.

In a related vein, Y&R's BAV Consulting, a WPP sister company of ours, reports that in 1997, 52 percent of all brands across all categories enjoyed a high level of trust. In 2008, just 22 percent. (5)

(5) Derrick Rozdeba, "Lies and the Declining Trust in Brands," Branding Strategy Insider, January 4, 2016, <http://www.brandingstrategyinsider.com/2016/01/lies-and-the-declining-trust-in-brands.html>

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# What's eating at consumers?

## Change ... exclamation point

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So the answer to our question of what's eating at consumers is change.

Indeed, change with an exclamation point.

And without a doubt, that affects the mood of consumers. Remember, whatever else you may study and measure about consumer attitudes and enthusiasm for your brands, all of it is shadowed by this overhanging cloud of slowing growth, widening partisanship and vanishing trust. In these three ways, at least, life is harder than ever. The consumer marketplace has changed, and that impacts how you profit from it going forward.



# How are consumers reacting?

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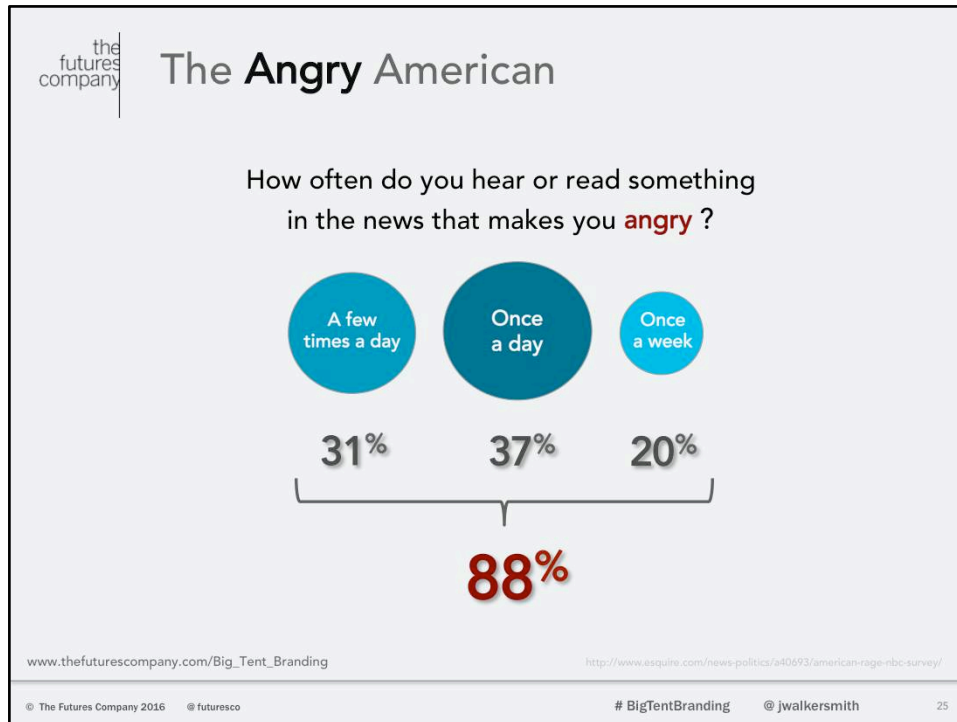
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Given the situation in which they find themselves, how are American consumers reacting? And what does this mean for their mindset, their mood?



As I've said already, it's taken for granted that all of these things together – coarseness, economic weakness, financial insecurity, ideological divisiveness and distrust – have soured the mood of America. It's supposedly anger and fear, and nothing else – and if this is the tenor of the public square, it is this anger and fear that dictates what we should do.

Well, let's just see. Let's take a look at what recent data from several organizations show, starting with anger.

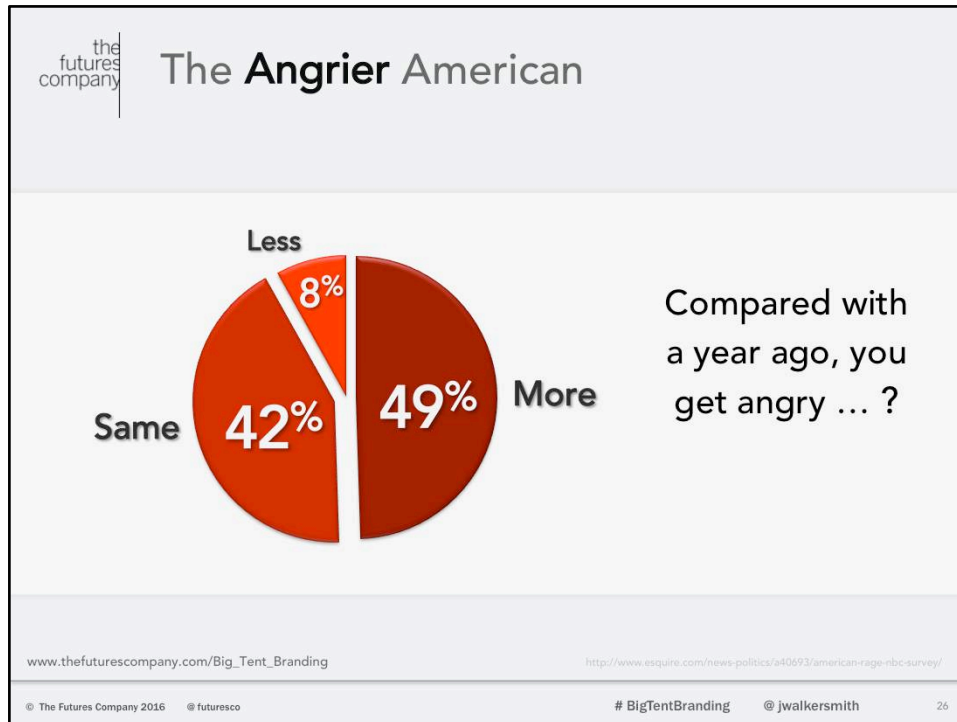


*Esquire* and NBC News recently released a survey that seems to establish that everybody gets incensed about something at least once a week, and most more often than that.

But here's the thing – and now I have to get all nerdy researcher on you – there's no benchmark here. Is this worse than before? Because if it's the same, then people are no more angry than before, even if we have a couple of politicians who like to vent.

Besides, isn't the news supposed to make you mad about things that need fixing? And how angry is this? This survey question is how often not how much.

In short, we have no way of making sense of this question.



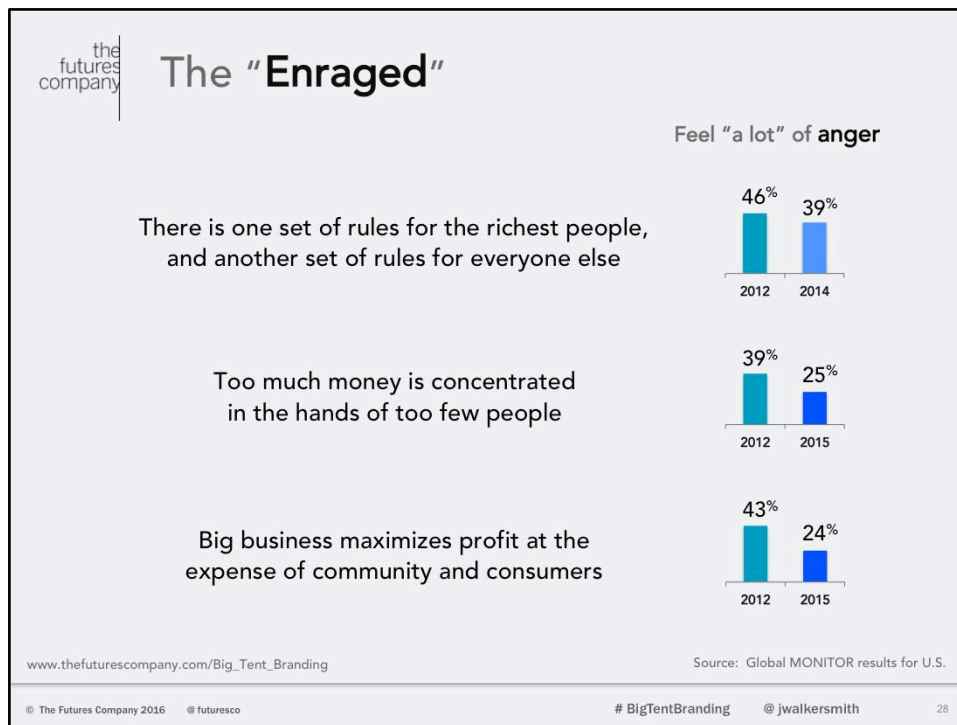
Now, to be fair, they asked another question as a benchmark. But not only does it significantly diminish their headline – at best, it's half not 88 percent – it is a poor benchmark.

Nerdy researcher again, questions like this are about as reliable as eyewitness testimony in court. No matter how confident we are, our memories are notoriously bad. So, let's put these data on hold pending further review.



The best way to trend self-report questions in surveys is to compare what people say today against what they said before. Not what do you remember, but what do you report now versus what you reported then.

And when we do that for anger ...

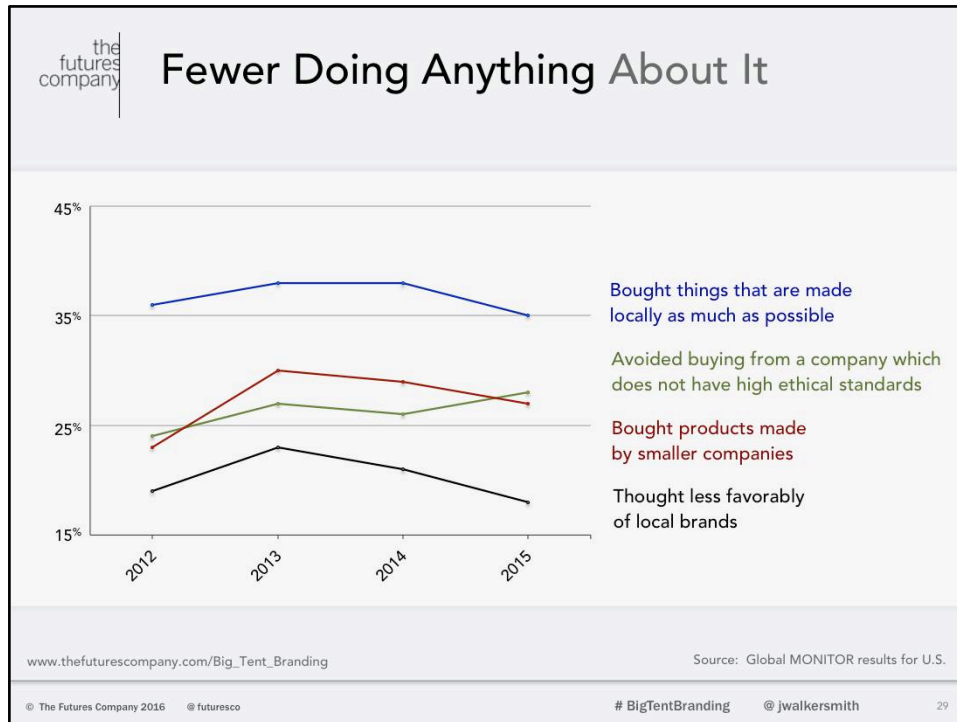


... we find that the percentage of people feeling a high degree of righteous anger is declining.

A few years ago during the heyday of Occupy and Arab Spring, we created an anger scale for Global MONITOR that we called the Global Enraged. I did a keynote about it for the 2013 ARF annual conference.

We used this scale to assess the anger, if any, that people around the world felt about a variety of issues, and we linked that to consumer behavior.

We've continued to ask a few of the questions, and you see a handful here for the U.S. In every case, the prevalence of anger is down by a good bit.



Moreover, whatever angry voters may express at the ballot box, they are less likely than before to take out their ire at the cash register.

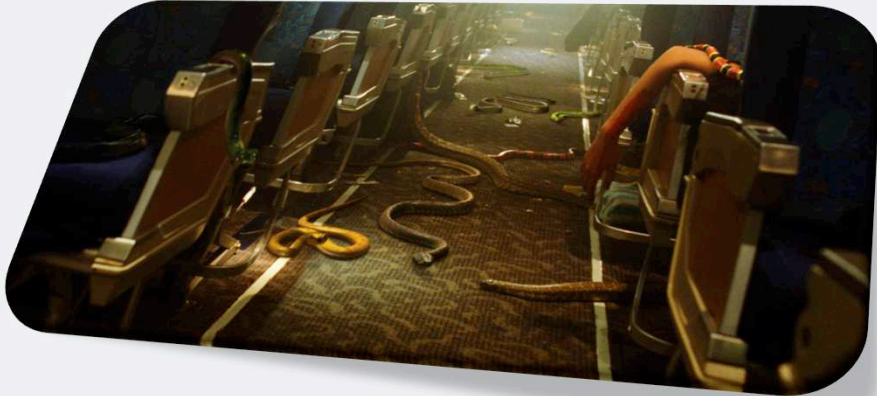
In short, anger is declining in every way.

So I'm unconvinced that anger is the dominant dynamic driving the mood of America. It's a big media story, but I wouldn't bet my brand on it.

Nor would I bet my brand on fear of terrorists.



## A Benchmark for Fear



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Let's get benchmarking out of the way upfront. How do we recognize a high level of fear?

Well, I pick this: Snakes!

Here they are starring in that B-movie, *Snakes on a Plane*. In my opinion, if you fear something more than snakes, then, paraphrasing Samuel L. Jackson in this flick, you have had it with whatever that is. That would be fear worth paying attention to in your marketing and strategy.



Here, then, is the benchmark for fear. It comes from the Chapman University study of American phobias.

If people don't fear terrorists any more than they fear snakes, then, honestly, I don't think we should worry about fear as the defining facet of the mood of America.

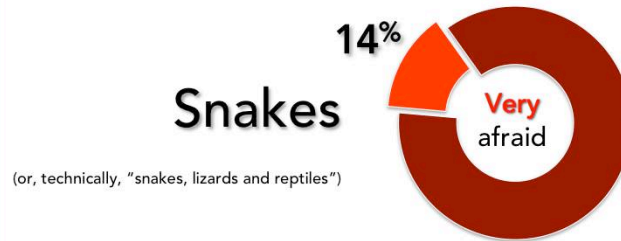
And by the way, not just any degree of fear. I would argue as nerdy researcher that when it comes to something like fear, the only opinion we care about is the most extreme.

If you're just sort-of-worried, you're not so fearful that you'd change how you vote or how you buy. In fact, pundits don't mean sort-of-worried. They're talking about people scared out of their wits.

So we have to parse the data more tightly. Not any level of fear – like top two box shown here – but only the most fearful, or top box ...

## A Benchmark for Fear

Chapman University Survey of American Fears, 2015 (Wave 2)



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<http://joyfulpublicspeaking.blogspot.com/2015/10/corruption-of-government-officials-was.html>

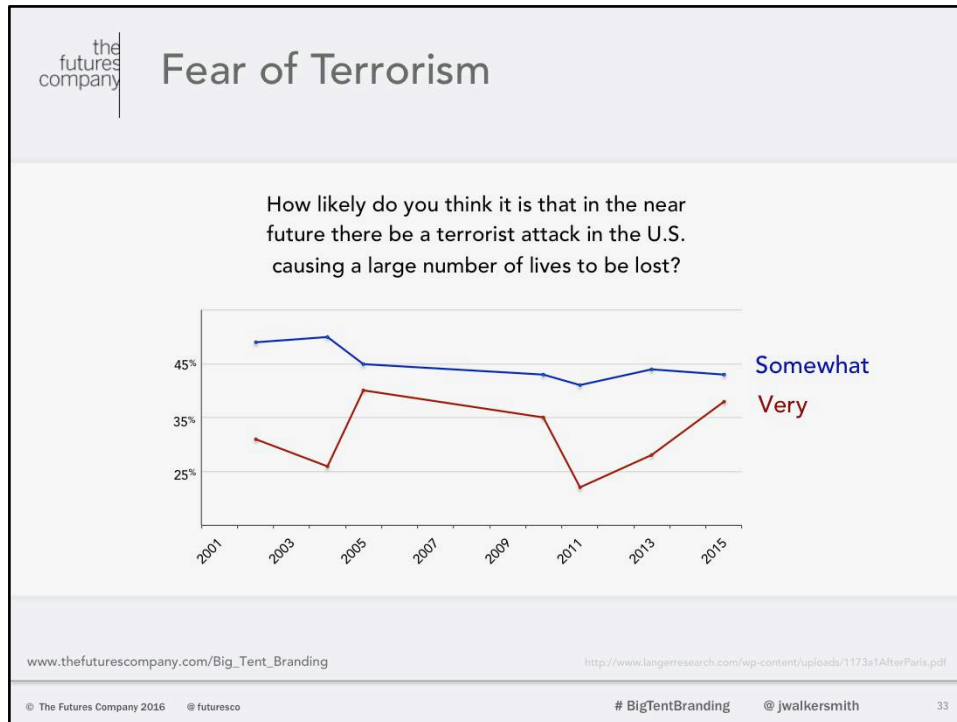
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... which is this.

Here's the proper calibration for our benchmark. What we are looking for are top-box fears in excess of this top-box fear of snakes.

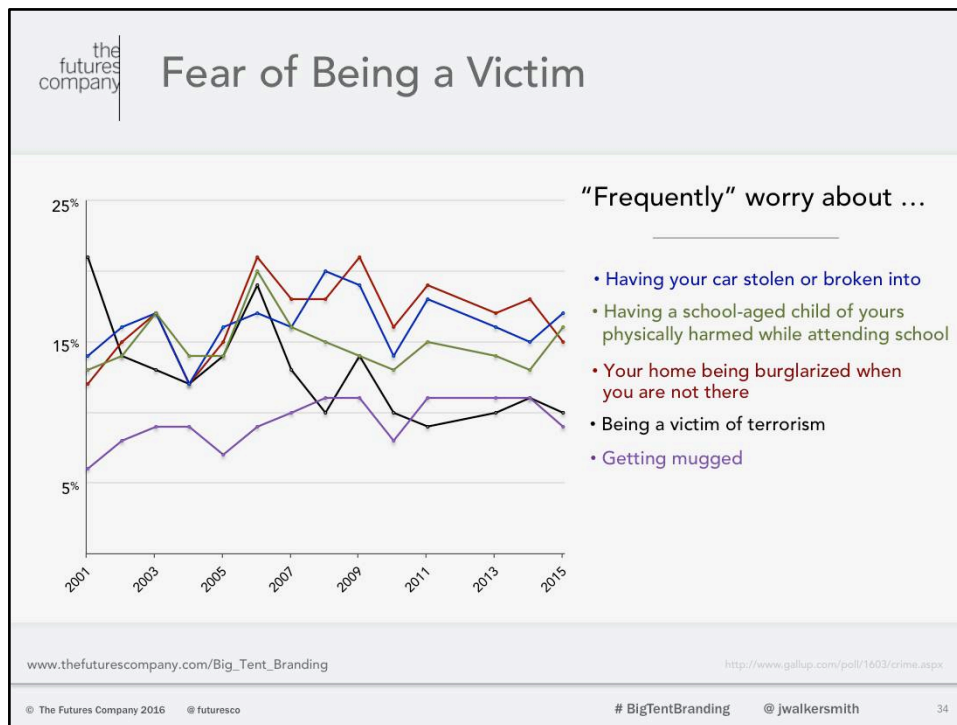


So are we worried about terrorism? Yes, we are.

Top box worry in the long-term tracking done by Gallup is well above our benchmark.

And note how “somewhat,” or second box, is stable over time. Being sort-of worried doesn’t change much. As I said, you track fear with top box.

But what, exactly, are people worried about when it comes to terrorism?



People seem to worry about terrorism as a policy issue not as a personal fear.

In fact, there is no crime that people fear personally that measures up against fear of snakes.

When you see news stories about fears of terrorism, play close attention to the question being asked. There have been a lot of headlines about public opinion regarding terrorism as a, quote/unquote, "critical issue." That's asking people if it's a high priority policy that our leaders need to address. It's not the same thing as being afraid of it personally.

And that's the difference we see here between this chart and the one I just showed you.

When it comes to being a personal victim, terrorism scares fewer people than snakes.

And this is emblematic of what we see overall.

Yes, anger and fear are a part of the consumer mood, but not the driving dynamic. They're part of the mix. They're a piece. Just not the whole story. Just not what's most important.



Chasing anger and fear with our marketing and strategy is a snipe hunt.

There is anger and fear. Just not as much as we're led to believe.

But this anger and fear arises from something deeper, which is a struggle about belonging.

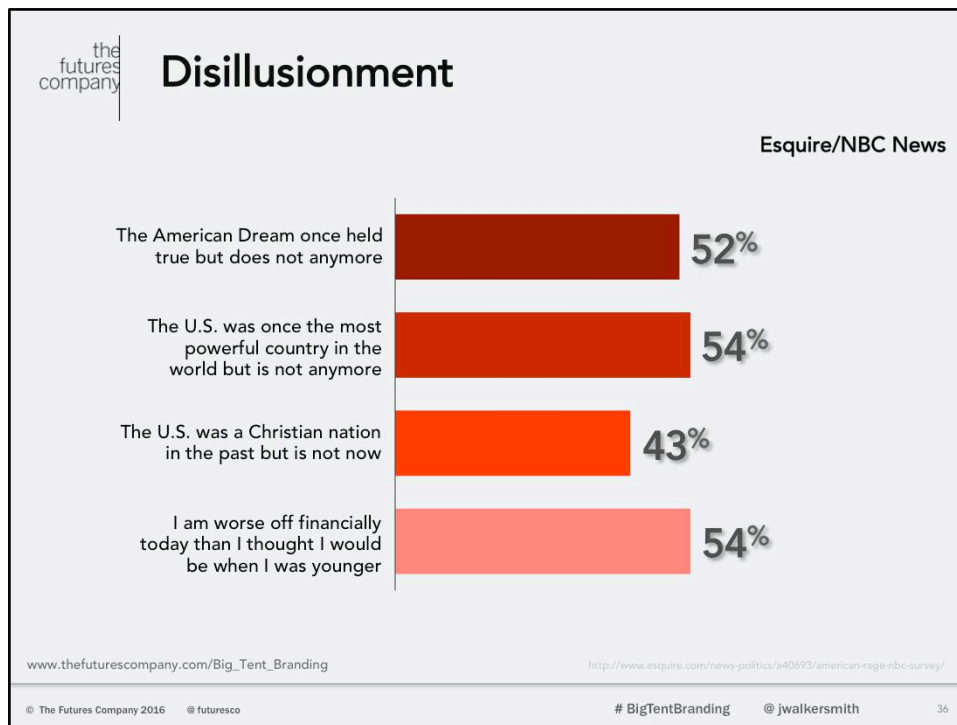
People feel they have been left out, or worse, pushed out of the circle. They feel that they no longer belong. That they are no longer in with the group.

There is a sense that the old narrative no longer includes them.

What people want is to feel a renewed sense of belonging, not to vent their anger or fear. They want to belong ... again.

You see this unambiguously in the erosion of our national narrative. You see it, too, in the ways in which people are defining their personal identities and lifestyles.

Let's look first at our national narrative – the American Dream.

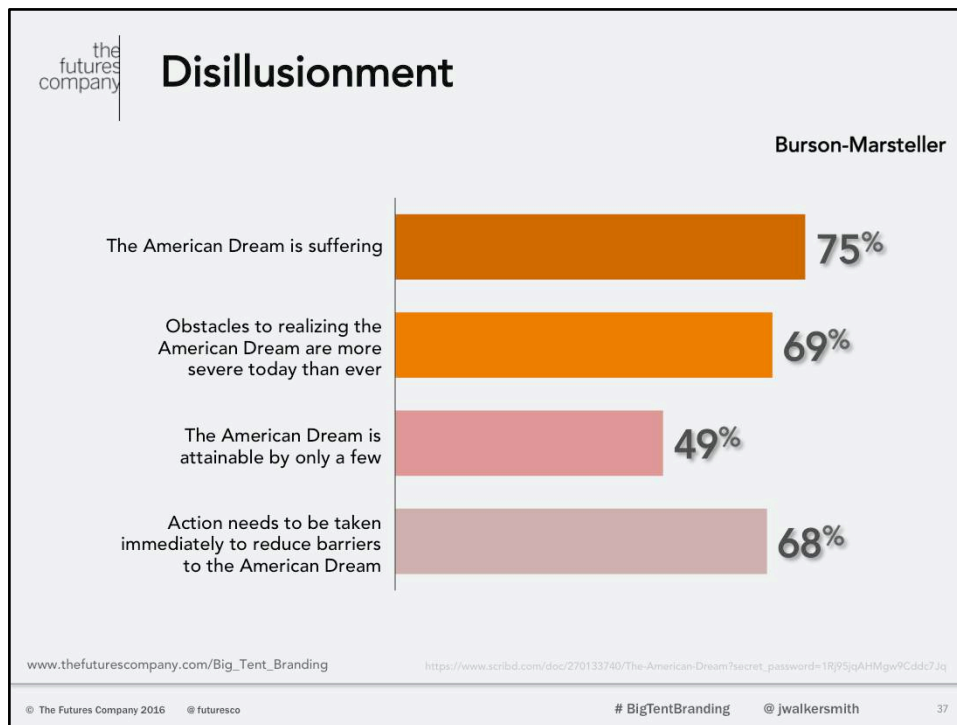


The *Esquire*/NBC News survey found that half feel that the country they knew no longer includes them – that it no longer welcomes their hopes, dreams and aspirations.

A lot of people have lost the sense that they still belong in the narrative of America. It makes them angry. It makes them fearful. But what they want is to belong again.

Focusing just on anger and fear misses the point. It's not the angry American we need to target. It's the American longing for belonging.





Even more widespread is the feeling that without immediate action, obstacles will continue to keep the American Dream out of reach. Only a few will attain it.

Note one bit of nerdy nuance in this survey conducted last year by our WPP sister firm, Burson Marsteller, versus the surveys I showed earlier. More people cite a fading narrative than mention anger or fear.

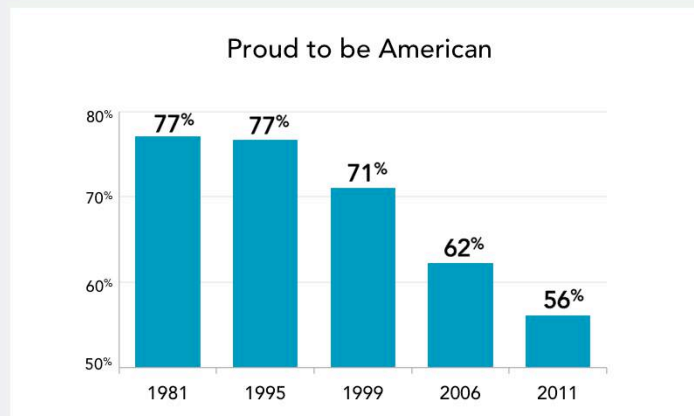
The more widespread sentiment is a lost sense of belonging. The mood of America is found here in these bigger numbers.

Anger and fear are just a visceral expression of the urgency some feel about not belonging.

The American Dream is on the verge unless something is done right away.

## Disillusionment

World Values Survey

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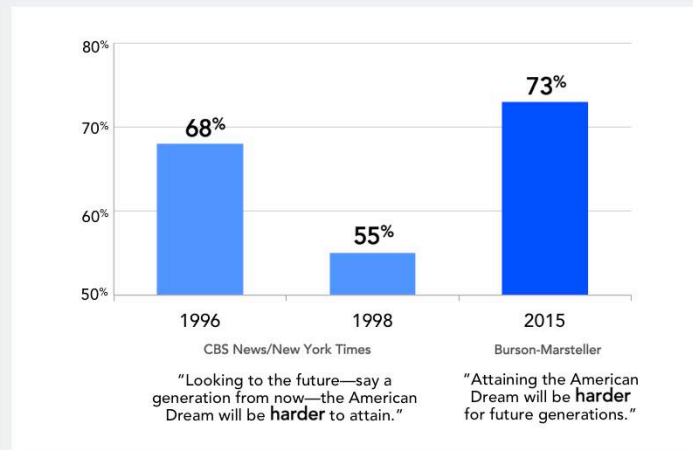
Mindful of the need to benchmark, The World Values Survey offers a very telling tracking of belonging to the overarching narrative of the American Dream.

Think back to the VIX chart. Just as volatility exploded, pride in being an American fell dramatically. Think back to the charts on economic growth and trust. Think back to the chart on the financial position of the middle class. It's all a correlation of decline.

As external events have undermined the overarching narrative of meaning that long defined dreams and aspirations, people have pulled back their allegiance. They don't feel that sense of belonging anymore.

And that's what they want back.

## Disillusionment



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<http://www.cbsnews.com/news/cbs-news-poll-database/>

[https://www.scribd.com/doc/270133740/The-American-Dream?secret\\_password=1R95jqAHMgw9Cddc7Jq](https://www.scribd.com/doc/270133740/The-American-Dream?secret_password=1R95jqAHMgw9Cddc7Jq)

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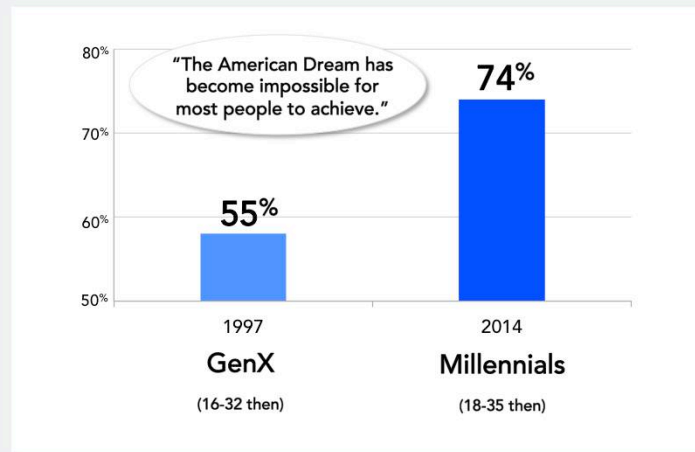
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Perhaps most distressing to people is the loss of a sense of cross-generational belonging with future cohorts.

As you can see, this was beginning to recover just before volatility and partisanship exploded. Since then, it's been lost again.

The longing for belonging is more poignant than just what's missing today.

## Disillusionment



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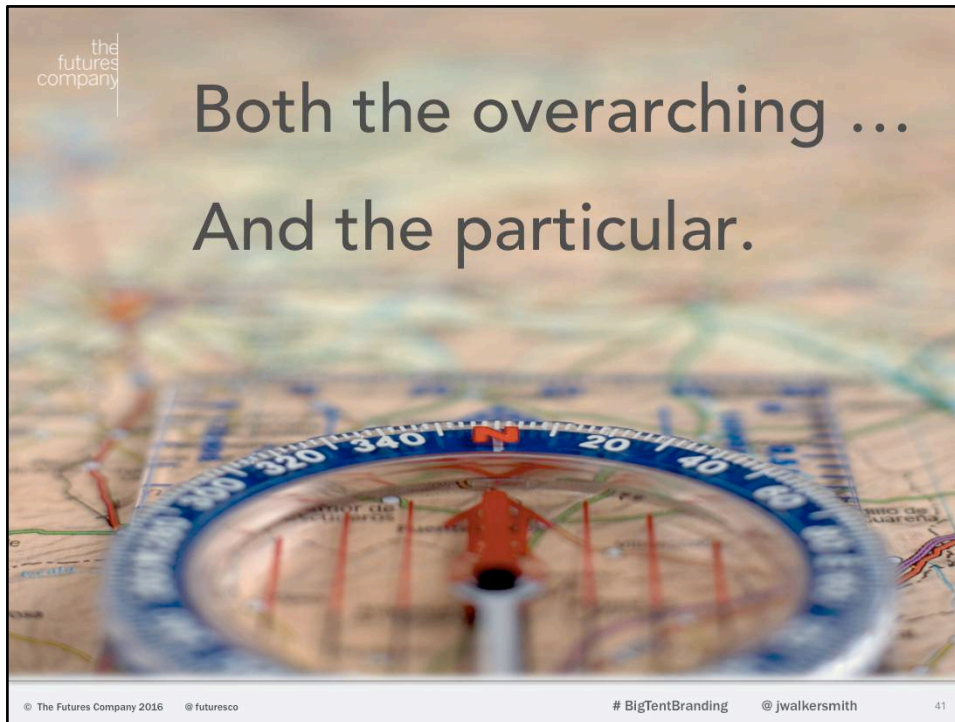
Source: U.S. Yankelovich MONITOR.

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Indeed, the future generations in question feel the same way, as you can see in our U.S. Yankelovich MONITOR tracking of cohorts at similar ages. In fact, these percentages are within a single point of being the very same as those on the previous slide. Across generations, an identical mood.

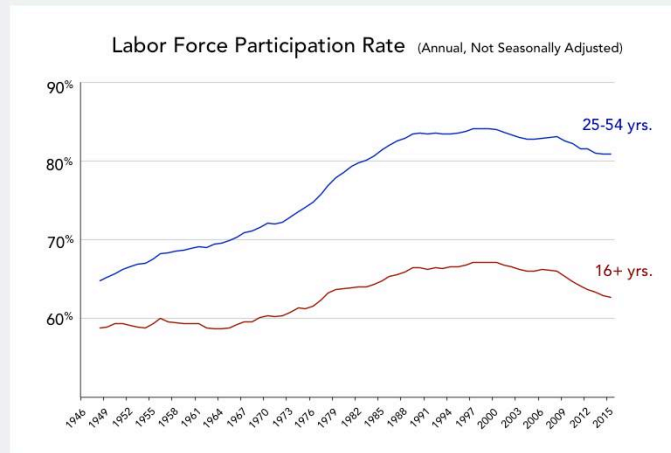


Storytelling is one of the new buzzwords of marketing. But we have always told stories. In the past, though, these stories were not just about our brands. They were also visions of how our brands fit into the American Dream. Advertising showed a slice of life of the American Dream. Our stories were part of the broader narrative of meaning, and that's become much less common as people have lost connection with this narrative.

But the reversal in belonging hits people not just about the bigger narrative of America.

It seeps down into every aspect of life. It affects how people live and work not just how people dream.

## Belonging in the Work Force



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<https://research.stlouisfed.org/fred2/graph/?variables=LNU01300000,LNU01300060>

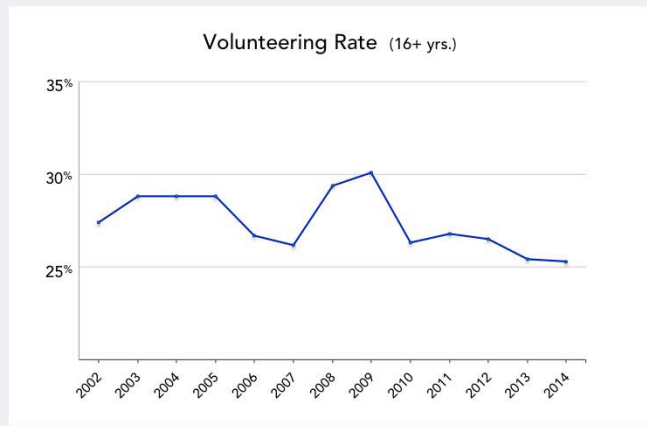
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In particular, being productive and having a job that gives meaning and purpose to life was something more and more people were able to enjoy in years past. Hard work is one of the hallmarks of belonging to the American Dream. Yet it has been lost to many in recent years, and in the process, changing the narrative for everyone.

## Belonging in Service to Others



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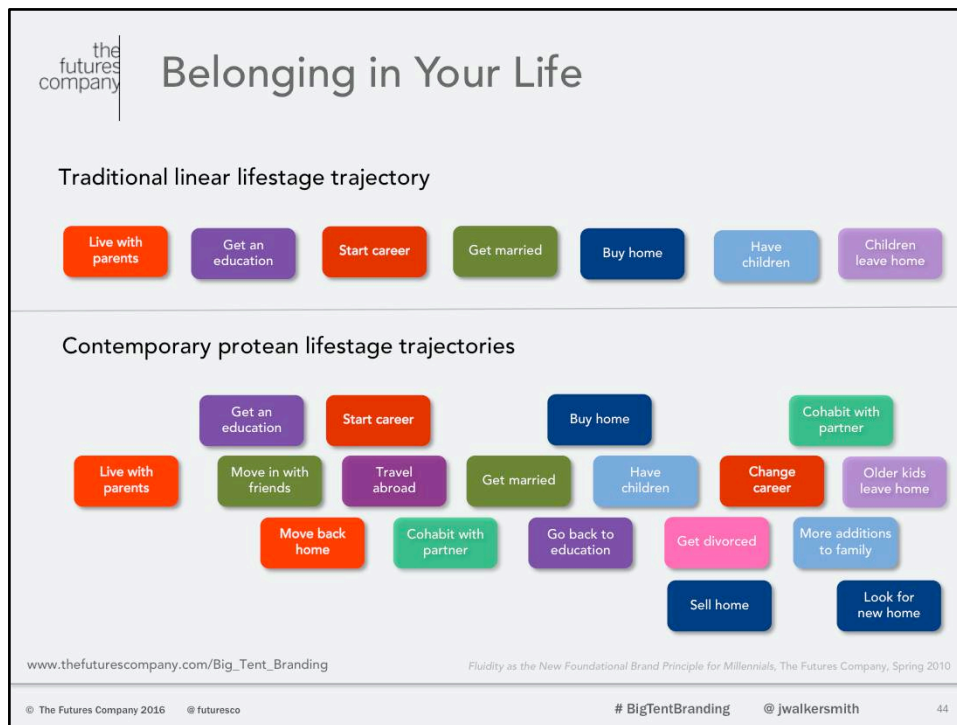
<http://www.bls.gov/cps/demographics.htm#volunteer>

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So perhaps it's no surprise that people are pulling back and losing connection in other ways as well. The Census Bureau tracks the percentage of people who volunteer each year. That number just hit a record low.



And, finally, let me build upon an old idea of ours. This is a slide that many of you have seen before. It illustrates the lifestage trajectories of prior generations versus today. But it shows a difference in belonging as well. Let me first reprise the unfolding of this chart. If you've seen this before, please bear with me.

Traditionally, people progressed on a linear track. They lived with their parents, went to school, started work, got married, bought a house, had children, and if they were lucky, the kids eventually moved out.

Today, it is more protean, non-linear, and, critically, less defined. Nowadays, you grow up at home, go to school, and then, who knows, you move in with friends.

Or maybe you move back home or start work or travel or live with someone or get married and have children.

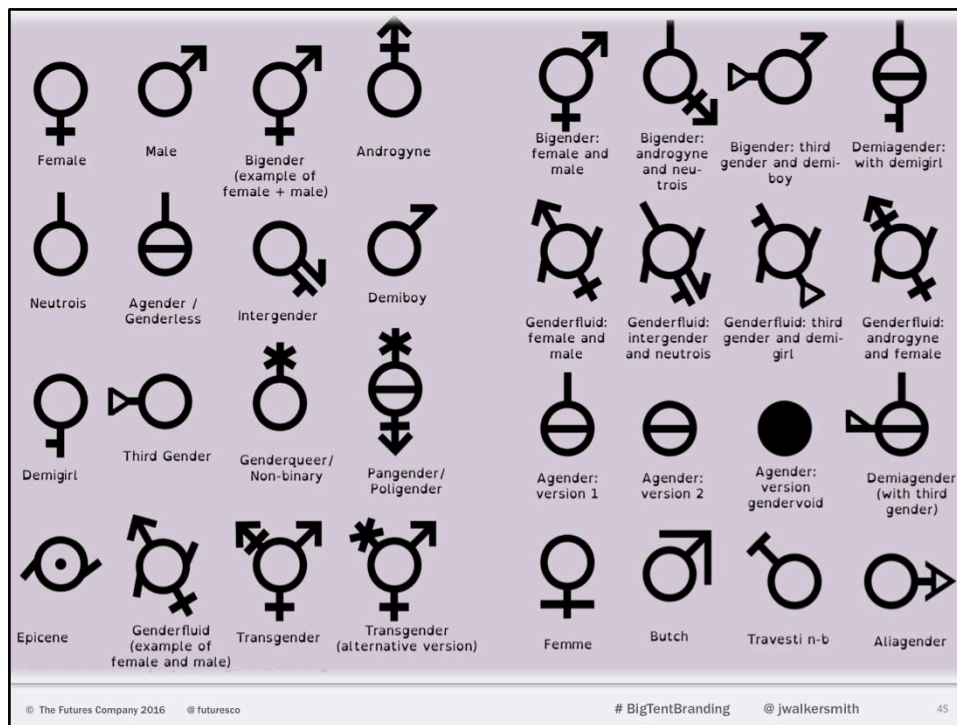
Or maybe you have kids, then get married. After which you go in many different directions, not always linear. You make it up as you go. That's the point we have always made with this slide. Lifestage is fluid these days. There are no tried-and-true rules of the road anymore. Young people have to figure it out on the fly. And their parents, too, as they retire later and in different ways.

But look again at this slide with belonging in mind. In the linear past, you knew, quote, how to belong at each lifestage. It was fixed. There were guideposts. Everybody did it; everybody before you had done it. Belonging was built-in. But now it's up in the air. No guideposts. All new.

In other words, nobody knows what it takes to belong anymore, or what the rules are for belonging to a particular lifestage. Indeed, nobody even knows what to belong to. People are searching for ways to attach themselves to something, for milestones that tell them they're making progress, for reassurance that whatever they're doing they belong.

Belonging is thus a matter of identity. To know where I am and who I am, I have to have a sense of belonging. So it is belonging, not splintering apart that is at the root of the identity movements now surging through society and the marketplace.





There are many threads that make up the fabric of identity these days. It's never been more exigent – certainly in the U.S., but, in fact, worldwide. Race, gender, country of origin, economic status, physical well-being, mental health, and more. You name it, it's on the table.

Indeed, with Caitlyn Jenner making global headlines, sexual identity has come front and center. But don't think it's as simple as male, female and trans. This chart gives you a rough idea of how sexual identity is being debated and defined these days.

Are you binary or non? Are you a demi-this or a demi-that? Are you pan or poly or fluid?

The old rules don't apply. Knowing what it takes to belong or even what to belong to is up for grabs, including ...

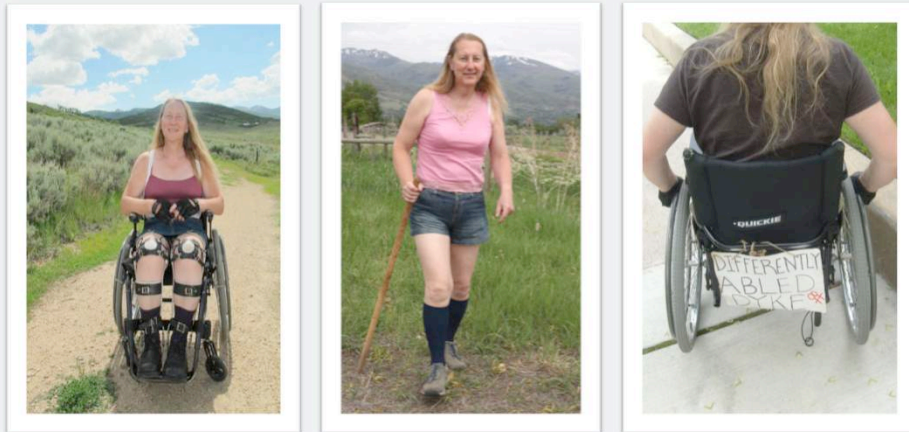


... whether or not you're even human.

Spend a little time on Tumblr or Reddit and you'll discover a huge, thriving global community of Otherkin who define their identity as partially or even entirely non-human. Whether in spirit or in body, Otherkin identify as elves or dragons or lions or foxes. Now, there is some dispute about whether people who identify as werewolves are Otherkin like those who identify as elves.

But, regardless, these people – or creatures, I guess – aren't playacting. And mental health professionals don't classify them, as a group, as delusional. In some circles, Otherkin is regarded as just another variant of trans-identity.

## Identity Integrity



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Speaking of which meet Chloe Jennings-White, who has been featured in an episode of the National Geographic show, “Taboo.” Chloe spends her life in a wheelchair, yet she is not paralyzed.

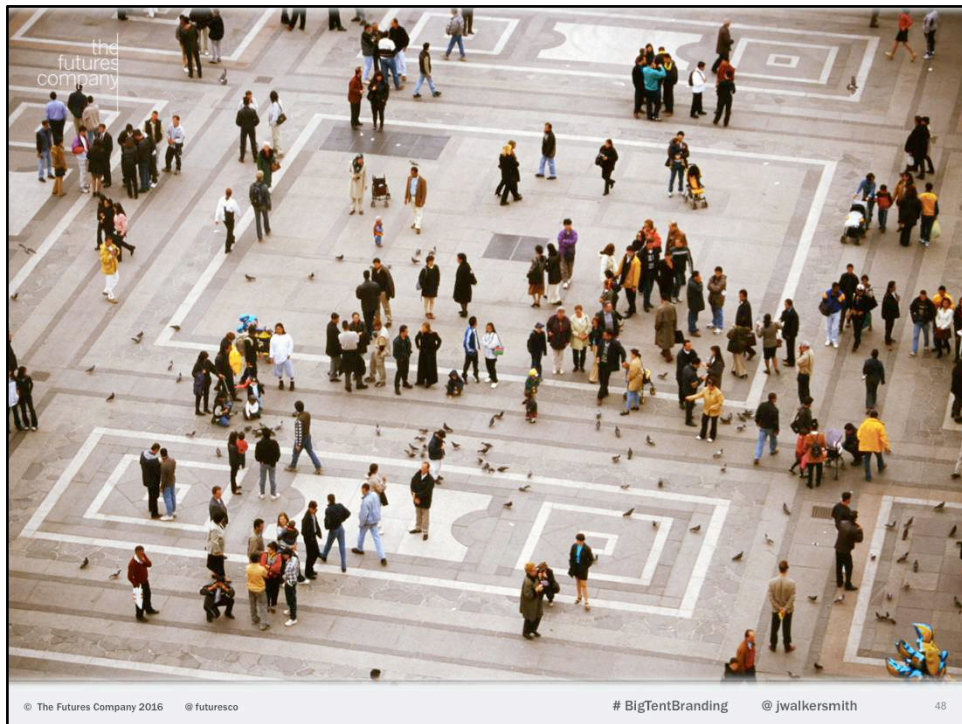
Her hobby is hiking. Rather, she self-identifies as a transablist. In other words, a disabled person trapped in the body of an able-bodied person. And, yes, the state of Utah has issued her a handicapped parking sticker.

Chloe has another secret. She was born a man. Clive. But these days, she checks the same box as Caitlyn Jenner on her Census form.

And that’s not all. Chloe says she is a lesbian, although I’m not sure what you call it because her girlfriend is also transgender.

Some experts on the outside looking in have opined that Chloe might suffer from BIID, or body integrity identity disorder. Maybe, but Chloe holds a doctorate from Cambridge, did her post-doc at Stanford and was a Fulbright Scholar. She works in the ECT wing of the University of Utah Neuropsychiatric Institute and previously taught in the department of psychiatry.

So let me just say, if anybody knows crazy, it’s Chloe. And she’s not. She’s just the far edge of the splintering of identity and belonging that is common to everyone these days.



The most noteworthy developments of the past year were all about identity, not anger or fear. The Supreme Court decision on same-sex marriage. Campus protests over speech and naming. Demonstrations, even riots to insist that, hashtag, #BlackLivesMatter. The National Book Award to Ta-Nehisi Coates for his bestselling letter to his son about race in America, *Between the World and Me*. The removal of the Confederate flag from the grounds of the state capital in South Carolina. And Caitlyn Jenner. Not to mention all of the identity backlash.

To all appearances, the world was spinning apart into ever more narrowly defined identity niches, each separate and apart, each a haven, a walled garden of difference. And yet, the paradox is that each of these identity movements was, in its demands for recognition and respect, reaching out for belonging to a broader shared narrative of meaning.

Same-sex marriage was a radical movement with a conservative agenda – that of belonging to the traditional institution of matrimony.

The same for Caitlyn Jenner, who gave voice to a trans community that wants to belong. And the same for campus protests over speech seeking the expungement of the institutionalized barbs that keep many minority students from feeling like they belong. That's why the Confederate flag came down.

There is a telling sentence in Ta-Nehisi Coates' book when he writes, quote, "I propose to take our countrymen's claims of American exceptionalism seriously, which is to say I propose subjecting our country to an exceptional moral standard," end quote. In other words, Coates is demanding that everyone, white and black, belong to the same standard of accountability.

In the very act of looking inward, every strain of identity looks outward for belonging. A narrower identity is necessary and essential, but people do not want that focused sense of themselves to cut them off from the broader body of belonging. Because belonging only to something hyper-individualized does not satisfy the longing for belonging.

That's the point Bob Lefsetz was making, and that's the critical point here. The sense of belonging people want is not a narrower niche in which to live in isolation. It's a platform shared with others in an integrated ecosystem that connects to an overarching narrative of meaning. Not one that suppresses identity, but one that embeds identity within belonging. And that's what our marketing and strategy should be chasing.

How are consumers reacting?

**Adrift** ... Longing for Belonging

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So what's the answer to our question about how consumers are reacting?

One word. Adrift. But ready for belonging.

# What do consumers need and want?

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How, then, should we proceed? If we're not marketing to angry, fearful consumers but to searching, fragmenting consumers, what concept helps us optimize our brands?





We call it the Big Tent. It's our hashtag for today – #BigTentBranding.

Build a franchise that is expansive not exclusive. Get everybody together under the same Big Tent.

Remember that, first, people want to indulge their individual identities, but they don't want to lose connection with a broader body of belonging. This is not one-size-fits-all. Rather, this is the 21<sup>st</sup> century challenge of fashioning unity from division.

Unilever did this with Dove Real Beauty – diversity in all its glory, unified by the Big Tent of, quote, "Real," end quote, Beauty.

The key idea is that the big story matters as much as the focused story. Big Data and digital tools of one-to-one customization work better under the Big Tent.

This is the avenue for growth in a weak macro-economy riven by divisiveness and mistrust. Growth will be harder than ever. No rising tide to lift all boats. Strategies that narrow the breadth of the potential user base will worsen the impact of consumers weighed down by a more difficult environment.

In fact, the logic of Big Tent Branding has been understood for decades. With growth under pressure, it is back to the future. What is the fundamental requirement for growth?

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# The Big Tent Empirical Imperative

“There is a fundamental law of brand size: big brands have markedly **larger** customer bases.”

---

“There are far fewer niche brands than people expect, and they are far less niche than we think.”



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The answer is in the data, like the work of Byron Sharp, director of the Ehrenberg-Bass Institute at the University of South Australia and a board member of Wharton’s initiative on the Future of Advertising.

Sharp’s work across dozens of categories affirms what we’ve always known, which is that brands cannot grow without broadening their base, even including light users and non-target consumers. Focus to the exclusion of breadth blinds us to growth opportunities that, going forward, will be more critical.

What Sharp finds is basically simple math. Category dominance, not to mention brand survival, requires more than can be added up in a small niche.

Besides, as Sharp reminds us, a true niche brand is a rare bird. When you dig into it, small brands have customer bases that are few in number not really differentiated in kind.

By the way, Clay Christensen’s disruptive innovation is of the same suit. New brands focus on marginal opportunities, then grow by taking over the whole category, not by sticking to their original niche.

The takeaway for today is that the Big Tent is both what consumers need and want, and what the data show. Successful brands have, quote/unquote, “markedly larger customer bases.” They offer a narrative of meaning that is expansive not exclusive. They bring people with a diversity of identities together under a Big Tent that enables everybody to belong.

In a world in which broad narratives have lost allegiance and devotion, there is a big opportunity for brands to step in and step up. Not to replace the American Dream. No brand can do that. But to resonate with people at that level of connection and belonging.

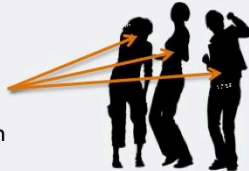


# The Big Tent Business of Belonging

## Individuality

### Priority elements

- Separate offerings
- Flexible production
- Personal data
- Share of requirements



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To flesh this out a little more, think about priorities for innovation, new products, service and communications. Not that you don't do everything, but what comes first?

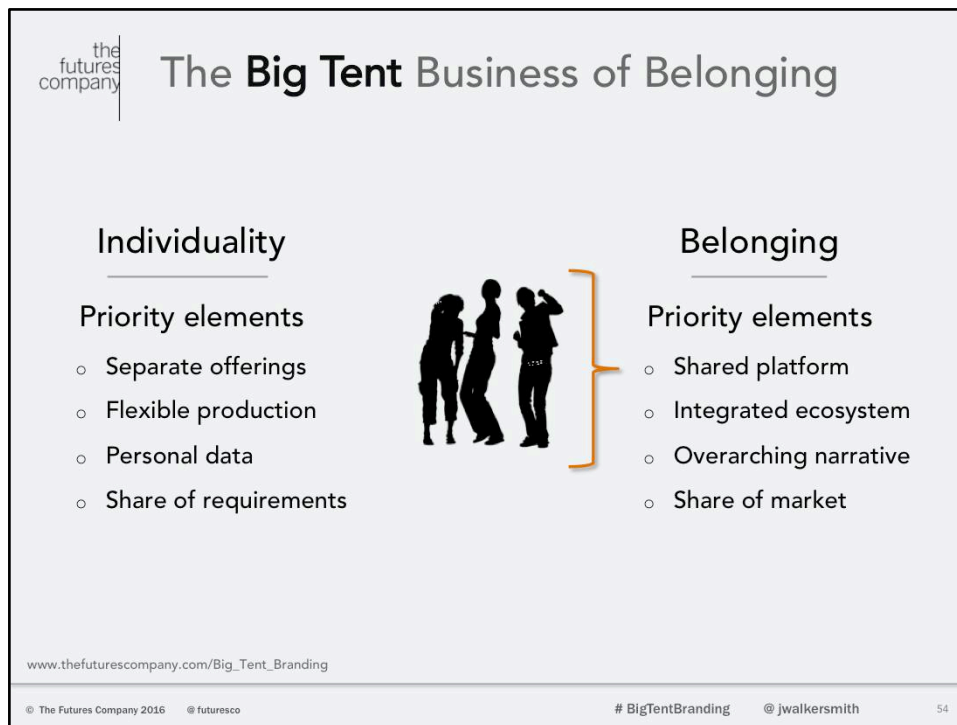
When your focus is one-to-one, your top priority is individual customizing.

This means flexibility in all assets, especially manufacturing.

Data expertise is the sun around which everything revolves.

You're trying to deepen your relationship with each person, so loyalty is your measure of success. Growth comes from getting people to spend more of their category requirements with you.

All of this is essential. But with these as top priorities, other things like driving a sense of belonging fall away.



Contrast this with the Big Tent of belonging. It's not less of what you do with individuality. It's all of that plus the things left out.

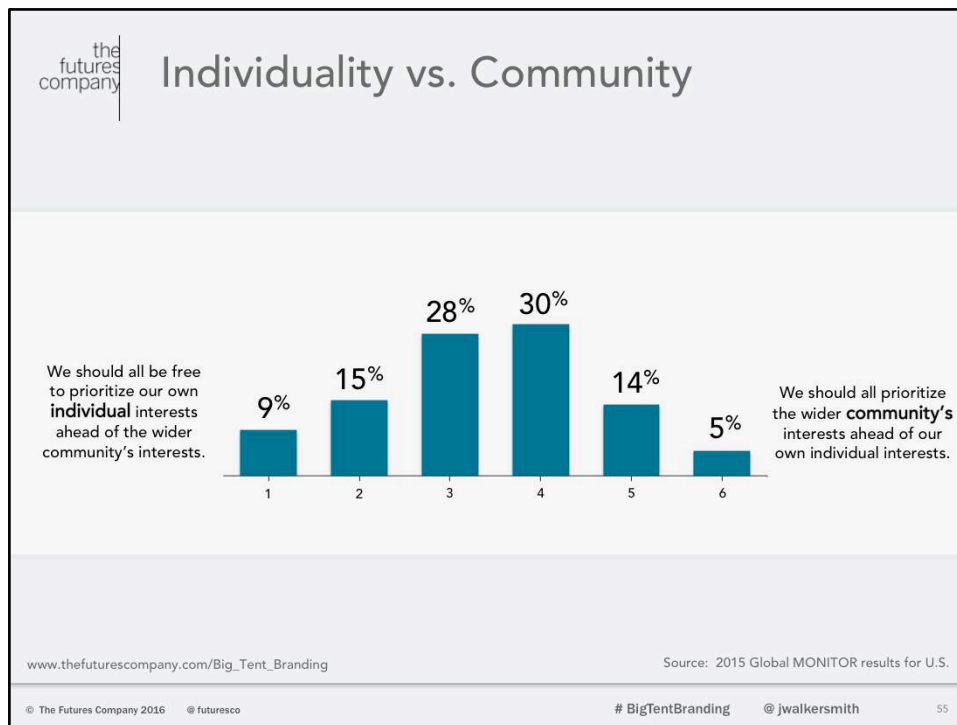
It adds a shared platform to customization. A sense of belonging first requires a platform that welcomes everyone. Think of Apple.

Next, it's something for everyone as part of a broader ecosystem that integrates what people get and how they engage.

An overarching narrative makes it meaningful. That's what people want – to be where other people are, not closeted in a house of mirrors.

And as just discussed, the key metric is share of market, by which I mean total category profits. You want the largest share of all dollars spent.

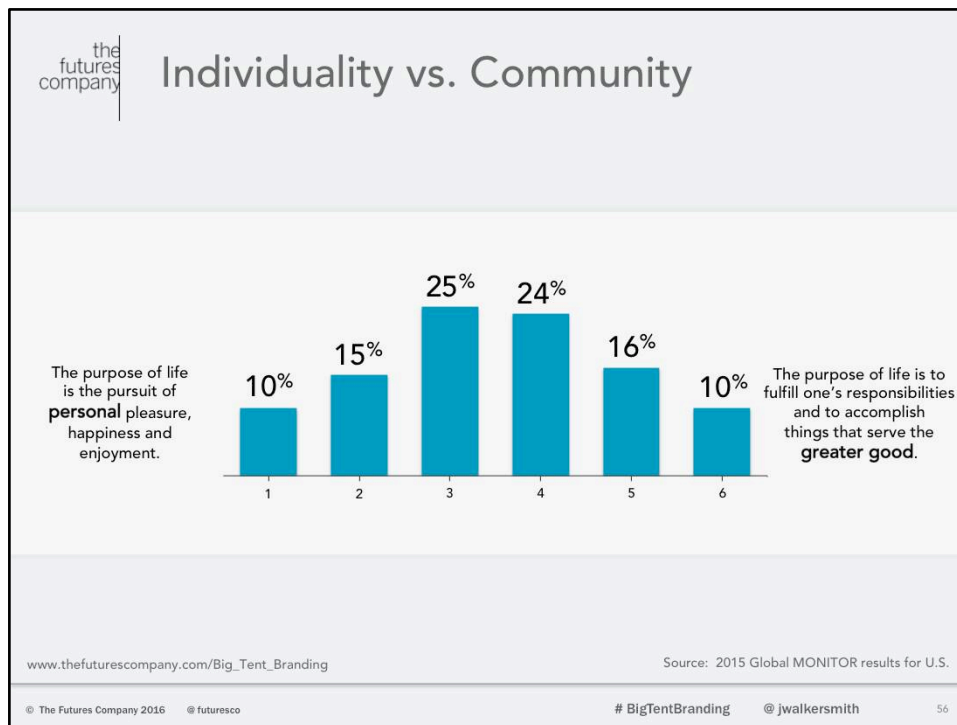
In short, business priorities, and thus strategic planning in order to profit from change, are different under the Big Tent.



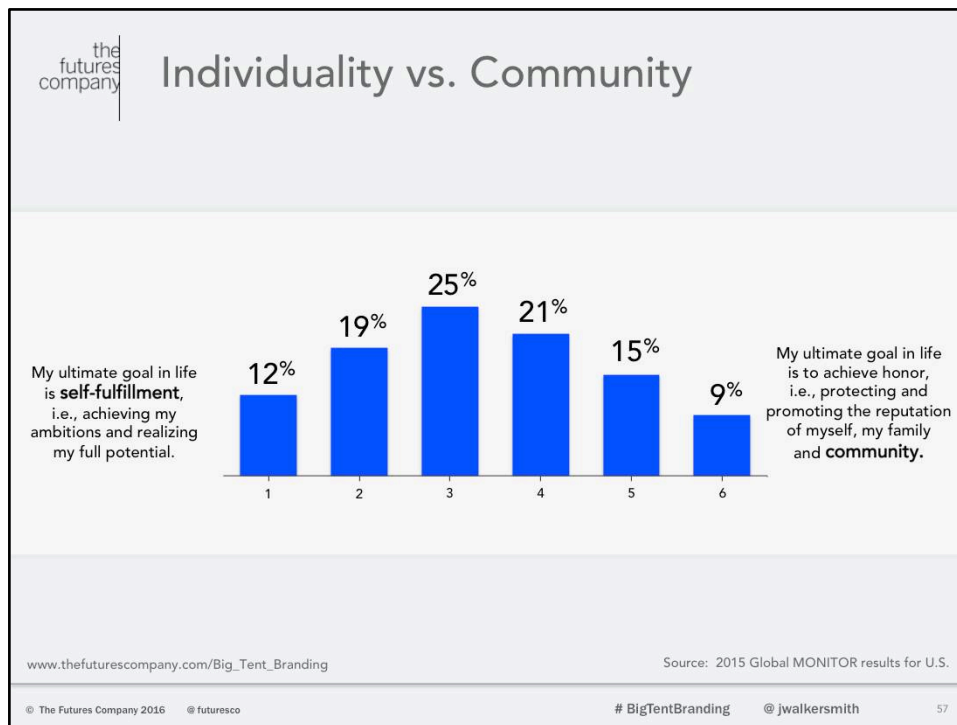
As a footnote, it's worth noting that the Big Tent of community and connection are not trumped by American individualism.

We track value conflicts in our MONITOR research, and you see one of those questions here. It's arrayed from the most individual on the left to the most community on the right. It's a bell curve. Most people prefer a balance in the middle, with equal minorities at either extreme.

Every question we ask shows this distribution. This one as well as ...



... this one ... as well as ...



... this one.

Marketing and strategy must strike this balance under the Big Tent. Unity from diversity and division. Everyone different but together.


That's what people need and want, and that's what the data show.

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## The Big Tent Business of Belonging

**78%**  
Agree:  
**Sharing economy  
builds stronger  
communities**

PwC U.S. Consumer Intelligence Series, April 15, 2015  
<http://www.htrends.com/trends-detail-sid-83117.html>



**airbnb.com**  
*belong anywhere*

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It's also what succeeds.

Price Waterhouse Cooper found that virtually everyone agrees that a key benefit of the individualized peer-to-peer sharing economy is community.

Airbnb, one of the biggest in peer-to-peer, connected explicitly with this Big Tent idea in the branding campaign it rolled out in 2014. It's that word – belong – in its tagline, *Belong Anywhere*.

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# The Big Tent Business of Belonging

The world is full of cities and towns  
Constantly growing larger  
But the people within them  
Are less connected.  
Yet we are all yearning for a sense of place.

We are all seeking to **Belong**.

We all want to connect and share.  
To feel accepted and feel safe.  
Imagine having that anywhere.  
Airbnb stands for something  
Much bigger than travel.  
We imagine a world where you can  
**Belong Anywhere**



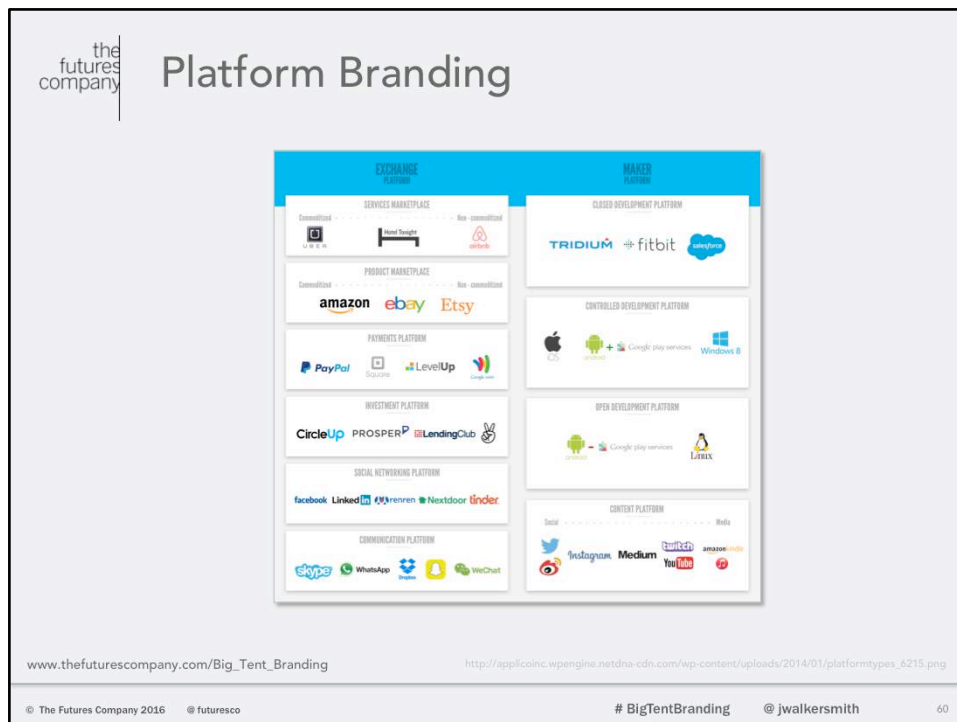
airbnb.com  
*belong anywhere*

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The online video introducing this idea summed up in 69 words what I've been talking about for almost an hour ...

The world is full of cities and towns  
Constantly growing larger  
But the people within them  
Are less connected.  
Yet we are all yearning for a sense of place.  
We are all seeking to Belong.  
We all want to connect and share.  
To feel accepted and feel safe.  
Imagine having that anywhere.  
Airbnb stands for something  
Much bigger than travel.  
We imagine a world where you can  
Belong Anywhere



Let me start to wrap up with a final word on platforms, one of the key elements noted here. This term is used now as an digital synonym for retailers. It refers to the companies that own the virtual agora in which buyers and sellers come together.

It's also one of my pet peeves. Have you seen that Internet meme about how world has changed because the biggest companies these days don't own anything? Well, they do own the platform, which is the infrastructure to facilitate exchange. These days it's code. In the old days, brick and mortar. So all this meme really means is that retailers not manufacturers dominate digital. That's interesting, but it's not some wormhole in the universe.

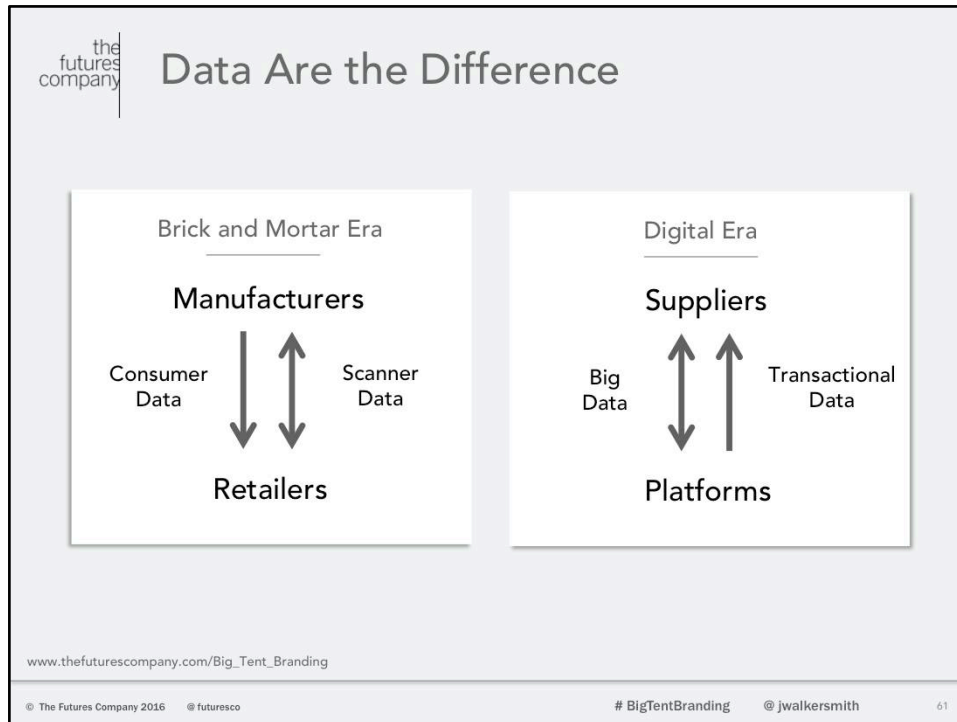
What's important is that product and service brands are behind the curve on the Big Tent. Companies that own platforms are putting stakes in the ground right now for the Big Tent. They're going to own the broader narrative of meaning that creates the sense of belonging that will fashion unity from diversity and division. You see several examples in this chart.

These platforms are not neutral. They want all of your profits. And if they own the Big Tent, they will get them.

If you doubt this, revisit the 2014 knock-down, drag-out between Amazon and Hachette. That was platform vs. product, and as it was playing out that 1966 song, "I Fought the Law (and the Law Won)," kept running through my head.

In all probability, products and services won't own platforms for managing value exchange. But they should own platforms for managing lifestyle satisfactions, and the only way to do that is to be the center pole of the Big Tent.





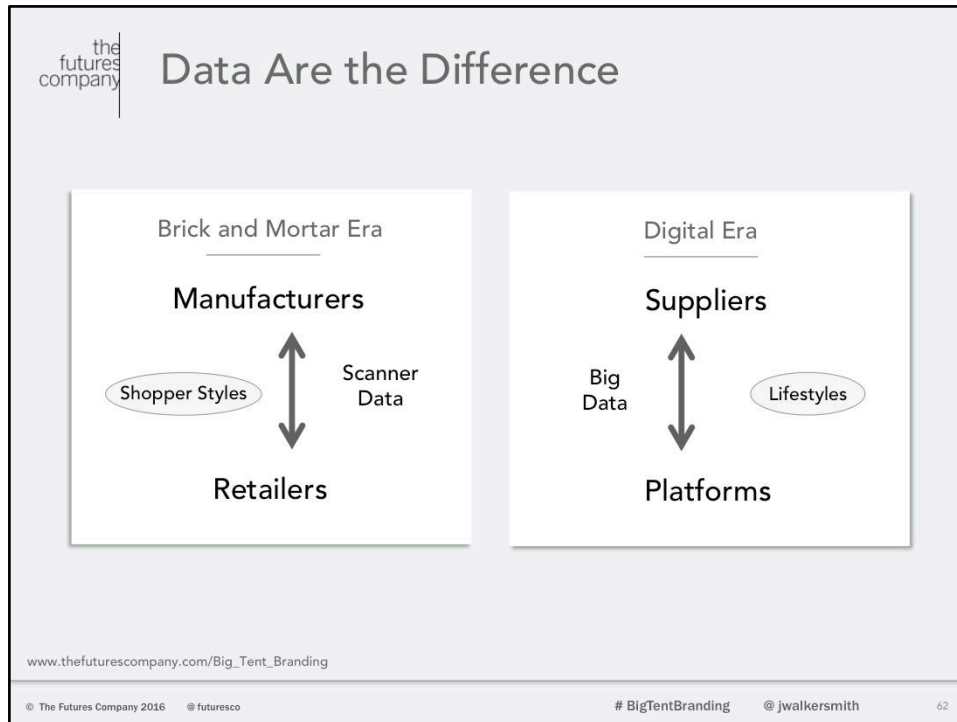
Data are the key to doing this.

In the old days of in-house suppliers and paper-and-pencil diaries, manufacturers owned the data.

Retailers were at a disadvantage, so manufacturers dictated terms and captured most of the value chain.

Scanner data in the eighties changed all of that by putting retailers on equal data footing. It shifted the economics. In fact, Walmart turned it upside down by keeping all of the data to itself, presaging the digital era in which platforms like Amazon and Apple own the data and dictate terms.

The Internet of Things and Big Data will be the equalizer. But only if product and service brands put these data to best use, just as happened with scanner data.



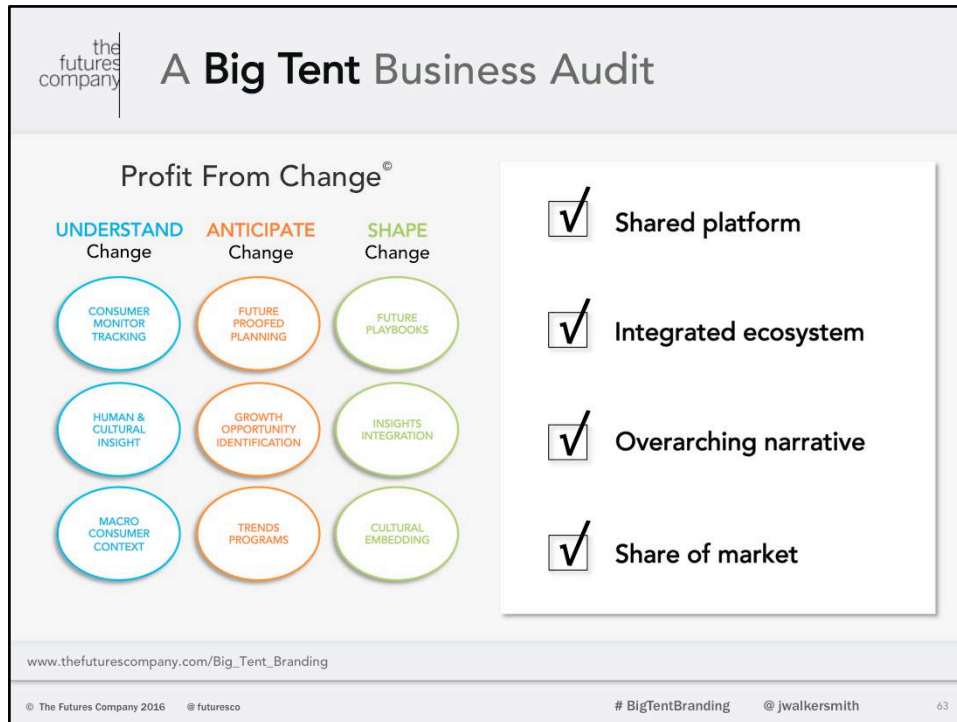
What emerged from scanner data was a retailer-centric focus on shoppers that leveled out who got what from the value chain.

For Big Data, best use remains an open question. But if it is used only for more about shoppers, then products and services will continue to be at the mercy of platforms.

What it could do, and what it ought to do, is help us understand lifestyles. Consumers want more than a new way to shop. They want a way to find meaning in their lives.

That's where the competition is going to be for the hearts and minds of consumers. A Big Tent narrative that helps people manage their lifestyles, not their shopping styles, is going to win in the future. And products and services can offer that kind of lifestyle platform no less than the digital firms that own today's platforms of value exchange.

Turning Big Data into Big Tent is the imperative. And that's where we can help.



There is a checklist of first priorities to ensure that your brands don't get caught behind the curve.

Understanding, anticipating and shaping that kind of change is what we do.

And just to mention it again, if you're interested in following up with me about the implications of these ideas for your brands, let your account person know. We will be setting up those calls right away.

Reminder: **Next FutureView LIVE**  
**Wednesday, July 27**

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J. Walker Smith  
Executive Chairman

**Thank You!**

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With that, let me wrap it up for today.

Please remember that our next FutureView LIVE is Wednesday, July 27. We hope you will join us then.

Thank you very much.