

MARKETING

Brands are the ultimate navigation device in a fragmented world

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Photo courtesy of Estee Lauder

By SARAH JONES

NEW YORK – The companies of the future are going to be consumer-obsessed, calling for marketing to meet their demands, according to the chief strategist of Publicis Groupe speaking at ad:tech New York 2016 on Nov. 2.

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Rather than being a dying field, marketing is simply in need of evolution, requiring agencies to take on different roles and reinvent themselves to better serve the client. While enacting these changes can be a challenge, they will help companies remain relevant into the future.

"The marketing services industry is today poised to be more important than it has ever been," said Rishad Tobaccowala, chief strategist of **Publicis Groupe**. "And my biggest problem is all of our leaders think we are in a declining industry, when I believe we are in an explosive growth industry."

Transitional time

Three major trends are driving change today, feeding off each other.

Globalization seems to be ebbing, as seen in nationalist mentalities such as Britain's exit from the European Union and Donald Trump's promises to build a wall at the United States border.

Mr. Tobaccowala argued that globalization is instead unstoppable and positive. Today, more technologies and services are available around the world, and more than a billion people are no longer in poverty.

Globalization will also be key to companies' success, as competing on a global scale is required to be a competitor.

There are also demographic shifts happening. As an example, Mr. Tobaccowala pointed to India and China, two countries which appear to share a lot of similarities in population size and economic growth.

What separates China and India are the identities of their populations. China's one child policy has created a relatively aging citizen profile with an average age of 40 to India's 20, creating a population that is relatively budget conscious as grandparents outnumber their grandchildren and worry about who will take care of them.

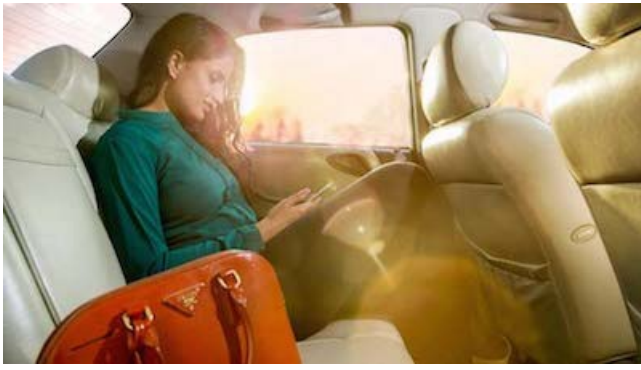


Image courtesy of Ola

Other changes surround Africa's expected population growth over the next 100 years to be the most populous area of the world and migration to countries including the U.S.

Also a notable trend is digitization, as technology gives its owners greater power and connectivity. Mr. Tobaccowala compared technology in the hands of individuals to David's slingshot that took down Goliath, allowing the holder to challenge existing business models and mindsets.

As technology becomes more ubiquitous and affordable, it is less of a differentiator for companies. The same goes for data, which is not powerful in itself but rather depends on how it is refined and used.

However, rather than advances in technology removing the human element, Mr. Tobaccowala suggested that the future will be analog rather than digital. People will make judgment calls based on their intuition and then justify it with numbers, rather than letting machines call the shots.

Technology in the hands of consumers has similarly empowered them. This greater control in the hands of consumers creates a challenge for brands to interact with these now more powerful individuals.



Image courtesy of Michael Kors

Companies' competitive sets have also been modified. For instance, automakers are facing pressure from Uber, as its model aims to remove the need for car ownership.

Uber may be looking to disrupt other categories as well. The ridesharing app filed for a new patented feature, called Uber Travel, that could have serious implications for the future of booking applications as well as ride-sharing services ([see story](#)).

Advertising shift

The media landscape is also shifting, as traditional segmentation used for television or print becomes out-of-date for digital channels. Media buying costs for display advertising, for instance, operate as if there is a mass audience at a given time on a Web site, while at any given time there is only one person visiting.

Mr. Tobaccowala suggests that marketers move away from segmentation to reaggregation. The more targeted the message, the more apt it is to annoy them if the marketing is not relevant or if the brand does not have something special to say to this individual based on their preferences.

Marketing also has to recognize that consumers are complex and cannot be pared down to a profile.

Rebuking the idea that marketing is a dying field, Mr. Tobaccowala said that marketing instead will be a key

differentiator in meeting customers' demands. Today, consumers choose when their campaign begins and ends, as they research a products and seek feedback from others before a purchase.

Chief marketing officers therefore become chief facilitation officers, helping consumers as they form their buying journey. Mr. Tobaccowala pointed out that the importance of these executives' client relationship building functions deserves a seat on companies' executive boards.

The human element is going to be the top differentiator among luxury brands going forward, according to the CEO of Luxury Institute at Luxury Interactive Europe 2015.

As consumers increasingly experience the world through screens, they will come to crave the now-rare human connection. Here is where luxury brands can help themselves stand apart by outperforming their peers at relationship building and delivering a worthwhile personal touch ([see story](#)).

"Are we willing to face the reality that in this transformational world, the problem is not a technology problem—the problem is us," Mr. Tobaccowala said. "But more interestingly, the opportunity is not a technology opportunity—the opportunity is us."

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