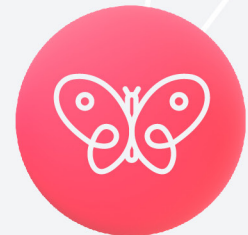
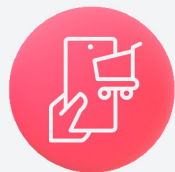
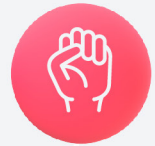


IRIS / Participation Brand Index



Welcome to the Participation age

Welcome to the latest wave of the Participation Brand Index. It's now a decade since Iris started charting the emergence of a new model of brand building that uses Participation rather than Persuasion. But the disruption of the past two years has accelerated a shift that is now clearly here to stay.

We live in a people-powered world now. As they become ever more hyperconnected, people are turning to each other (rather than advertising) for ideas of what to buy and how to live. The biggest brands of the past few years haven't been brands at all, but people-powered movements and influential superstars. The implication? Marketing that tells people what to do no longer works. It must instead invite people to participate.

The strategies to achieve this range from building purposeful brand platforms to innovation-led customer experiences and people-powered influencer programmes. But how should a marketer prioritise them? How do these levers interact with each other? And crucially, what commercial outcomes do they each achieve?

We created the Participation Brand Index to answer these questions. By using data to connect 25 different levers of Participation to the performance of the brands utilising them. Now in its fourth edition, the Index explores the performance of 150 brands in both B2C and B2B in 3 key markets across the US, Europe and Asia with over 7,000 consumers and business decision-makers.

So what's new this time around? For the first time ever, Apple has failed to top the study. Tesla's relentless focus on building a better future has made them the new champions of the Participation Brand Index – and quadrupled their share price in the process. Not only that, but Glossier has come from nowhere to take second place. Read on for an in-depth analysis of how the brand has harnessed the dynamics of people power better than any other.

Beyond Tesla, other brands putting sustainability at the forefront of their proposition now dominate the top ten.

Next-generation footwear brand Allbirds is 4th, Oatly beat every other CPG brand and IKEA has risen 11 places. But there are also multiple reminders that the best way to engage people is to entertain them: Disney, Nintendo, Netflix and TikTok all populate the top 20.

And perhaps the greatest shocks exist in B2B – where exciting new digital-first, data-smart brands like Splunk, Alight, Palantir and Twilio are using Participation to reinvent the rules of demand gen and outperform even the leading consumer brands.

But despite the success stories, the chances of failure have never been greater. Overall indifference towards brands has doubled. Brand trust has decreased significantly. And with the rapid shift towards adblocking and video on demand, 8 out of 10 brands in the study are not even being thought about. Meanwhile, there's a big warning sign for brands looking to use first-party data to survive in a post-cookie world. The percentage of consumers who feel comfortable sharing their data with brands has decreased 33%.

In other words, keep up or get cancelled. The gap between the winners and losers is getting bigger and only the brands who find ways to participate visibly, valuably and meaningfully in people's lives are guaranteed survival. Read on for features on how these brands are combining the impact of purpose, data, culture and people to unlock their Participation potential. And of course, if you'd like some help doing the same then get in touch.

Ben Essen, Chief Strategy Officer, Iris





From persuasion to Participation: the megatrend shaping modern marketing

Persuasion is no longer a viable marketing strategy. It's not merely that consumers no longer want to see your advertising – it is that they are actively avoiding it.

Almost 70% of consumers say that they use one or more advertising avoidance strategies with double digit growth in those using ad blockers; switching to streaming services; or simply finding ways to avoid almost all ads. The result – only 14% of the brands in the Participation Brand Index succeed in being thought about regularly.

It turns out that people don't really want companies and media telling them what to do. In the broadcast era when all media was one way they didn't have a choice. But as technology changes, people are seizing the opportunity to set their own agendas and decide whether and how they want to let brands into their lives. We believe there are three big shifts that have contributed to this.

1. From consuming to interacting with media:

Consumers don't want, need or like advertising because fundamentally their relationship with media has shifted from passive consumption to active interaction. Passive, consumption-media like newspapers, film and TV is either flat or in decline. While interactive media engagement has increased profoundly: active social media users have now passed the 3.8 billion mark globally, spending a daily average of 2 hours and 16 minutes connected; and in 2020 video game revenue topped \$160 billion – four times that of the movie industry. People no longer want to be told – they want to explore and see for themselves. Just do it? Already done it, mate.

2. From centralised to distributed power:

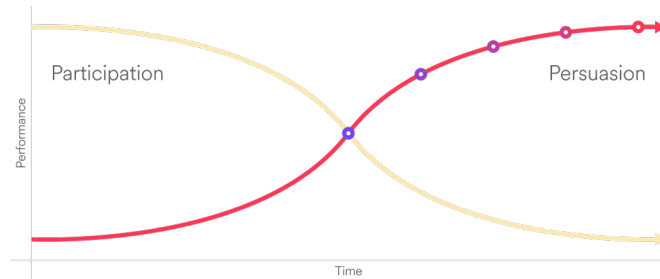
People have realised their power to shape and influence the world around them rather than being shaped by it. Whether they are Reddit users upending the stock market, Tik-Tok teens skewering political rallies, or the mainstreaming of cryptocurrencies as an alternative to government-controlled fiat – we have entered a new hyperconnected world where information, ideas and influence spread in a radically democratized way that places the power in the people's hands. Anyone can build an audience, anyone can monetise an idea and anyone can buy media space. This radically alters the balance of power away from brands. There are some things money can't buy? Have you heard of bitcoin, mate.

3. From brand to customer centricity:

Digital technology has created a reverse Copernican affect: the world now revolves around us, not vice versa. Media fragmentation means people see and hear only what they like or want, and the products and services they buy have been tailored to people's needs and expectations. There is no "mass" market anymore. We live in the age of customer centricity – products, services and experiences are built for and around us as individuals. As such it is actively jarring to see an advertisement for a product or brand that is irrelevant to you. Have it your way? Didn't realise there was an alternative, mate.

People's relationships with the world around them has changed - so it follows that brands need to re-wire their relationships with people accordingly. No longer can brands seek to persuade consumers through simply advertising at them. Instead they must seek to foster new moments of truth by participating with them.

Participation Brands are those brands that are able to create a valuable role in people's lives that connects to their ambitions & aspirations; their needs and desires; their passions & interests; their identity & relationships; their habits and rituals; and converts this in to commercial value by demonstrating relevance and meaning.



At Iris, we believe that brands can express relevance and meaning across five dimensions – we call them the five pillars of Participation:



1. Passionate Purpose:

Creating a brand that has a genuine and visible desire to participate positively in its customers' lives



2. Experience Innovating:

Creating a brand that meets and exceeds its customers' expectations in every interaction



3. Culture Shaping:

Creating a brand that plays a credible role in supporting or shaping people's passions, lifestyles and conversations



4. People Power:

Creating a brand that feels like a community shaped and influenced by its customers

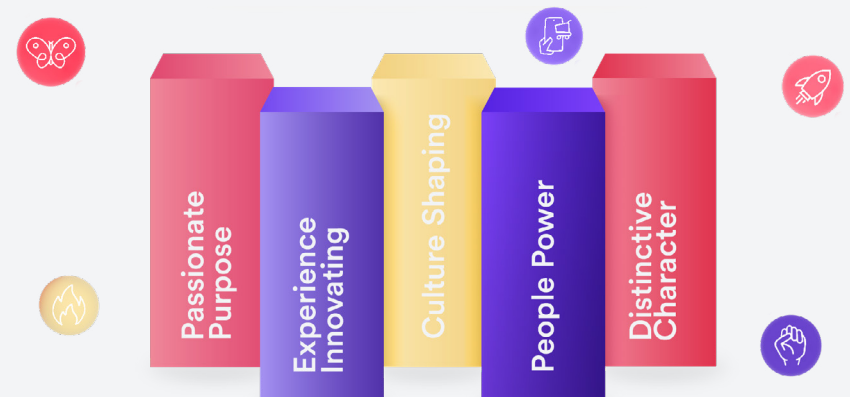


5. Distinctive Character:

Creating a brand that is consistently clear, vibrant and instantly recognisable

This is a very modern approach to marketing – one that take the old art of emotion, creativity, and disruption; and blends it with the new science of channels, data and behaviour. All underpinned by an understanding that nothing influences people more than other people. It is this blend that we believe lies at the heart of successful brand building.

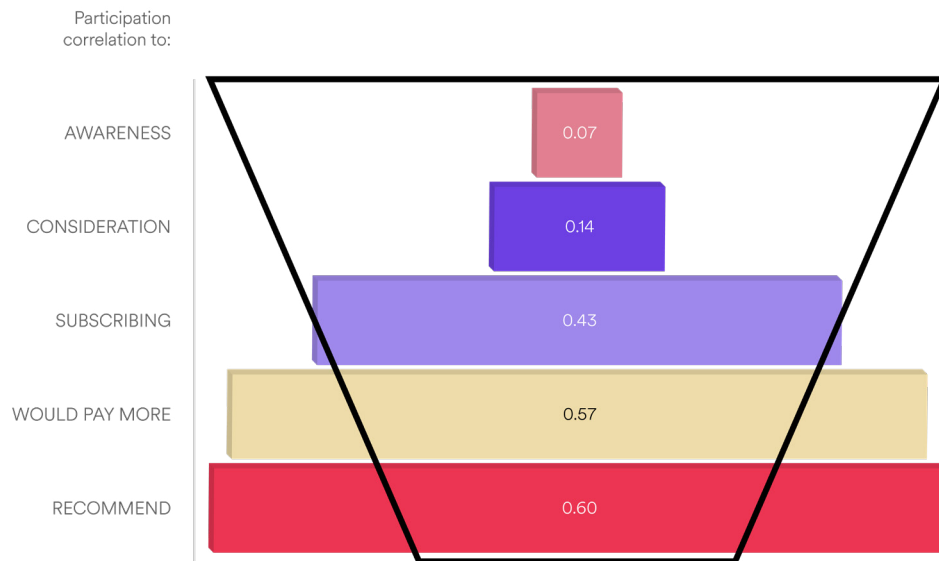
The 5 Pillars of Participation



Participation Branding supports marketing performance

Fundamentally, we believe that Participation Branding matters because it drives marketing performance. From awareness all the way through to the loyalty loop and re-purchase, Participation Branding strategies correlate strongly with performance measures.

In fact, the further down the funnel we get, the stronger the correlations become between Participation & performance:



This shows that Participation is a virtuous circle: the more opportunities you create for consumers to participate with your brand through the funnel – or decision-making journey – the stronger the pursuant marketing performance benefit. Moreover, across the decision journey the highest scoring Participation Brands also enjoy greater salience, higher mental availability and relevance. Where the data gets most interesting is in understanding which levers drive which results.

Participation Brands survived the dip and bounced back quicker

The recession and subsequent bounce-back that brands and businesses have faced over the past 18 months of the COVID-19 pandemic has been keenly felt. However, when we track the average share price of the top 10 global brands in the study against the bottom 10 we again see the power of Participation. We looked at share prices pre-pandemic, in the midst of the dip and after it, and can see that the top 10 had a shallower dip and faster bounce-back.














In the dip, the top 10 Participation Brands were insulated from recession with their average share price actually increasing by 1%. The bottom 10 brands share price fell by 8%. And whilst on average all brands in the study bounced back in to growth following recession the top 10's bounce back was significantly more pronounced. Even more so for B2B brands.

A 3 year investment in the top 10 global brands in the Participation Brand Index would have earned a return almost 2.5 times that of the bottom 10 brands. And, an investment in the top 10 brands in the Index would have produced a return 4.5 times that of the S&P 500 over the same 3 years.

All of which goes to show that if you'd used the Participation Brand Index as a way to make investment decisions over the past three years (we're not advising you do, and this does not constitute financial advice!) – you'd be better off and would have been insulated from the recession. Therefore, we might conclude that those brands that invest in Participation create deeper, stickier relationships with their customers that can better withstand economic and social turbulence.



Meet the front runners

<p>IRIS / Participation Brand Index</p>	<p>01</p> 	<p>02</p> <p><i>Glossier.</i></p>	<p>03</p> 
<p>04</p> 	<p>05</p> 	<p>06</p> 	<p>07</p> 
<p>08</p> 	<p>09</p> 	<p>10</p> <p>SAMSUNG</p>	<p>11</p> 
<p>12</p> 	<p>13</p> 	<p>14</p> 	<p>15</p> 

- Tesla** led the way in the Participation Brand Index study thanks to its passionate purpose to electrify the automotive sector, allied to the most distinctive of characters in its founder and CEO Elon Musk
- Glossier's** claim that it offers beauty inspired by real life led it to top the charts for brands that create opportunities for you to express yourself
- Apple's** commitment to form and function in all that it does marked it out as the brand that creates products or experiences that are beautiful and well-designed
- Allbirds'** central focus on sustainability means people see it as a brand that stands for something it believes in
- adidas'** work ridding the oceans of plastic with Parley has contributed to consumers thinking it is making a positive impact on the environment
- Mercedes** remains the ultimate status symbol with many confirming they bought this brand because they noticed other people were
- IKEA** is the brand that listens to its customers most, enabled by its IKEA Family CRM program and a strong social media strategy that champions its community
- Nike** has benefitted from the rise in sneaker and streetwear culture and is seen as a brand used or endorsed by someone people follow on social media
- Disney** is way out in front as the brand that creates exciting and memorable moments – be it in the cinema or at its parks and resorts
- Samsung** is seen by many as providing excellent ongoing service and support to get the most out of its products
- Nintendo's** out-of-the-box thinking leads it to be seen as one of the brands shaping the future
- Etsy** fuels people's passions and interests by supporting maker culture, inspiring people and creating new connections via its platform
- Amazon** leads the pack as the brand that makes it easy for people to find and buy the product they want, go figure!
- Ben & Jerry's** tireless activism for social and environmental issues led people to conclude that it fundamentally cares about its customers
- Starbucks** local-focus on its stores and nurturing people means it is seen as a brand that makes you feel part a community of likeminded people

The Global Top 25

The Global Top 25 brands in the index makes for interesting reading.

The top two brands – Tesla and Glossier – are notable for a couple of reasons: firstly because neither brand is what we might consider a ‘pandemic brand’ – after all, we’ve been in lockdown for a good portion of the last 16 months, so travel is down, and since we’ve been seeing less people, in general make-up sales have slumped too. And yet the two most participative brands in the study were a car brand and a cosmetics brand!

This links to the second notable thing about the top two brands in the study – both are brands – one would suspect – which its customers might feel are strongly linked to their own self-image – whether literally in the case of Glossier or more figuratively as a status symbol in the case of Tesla.

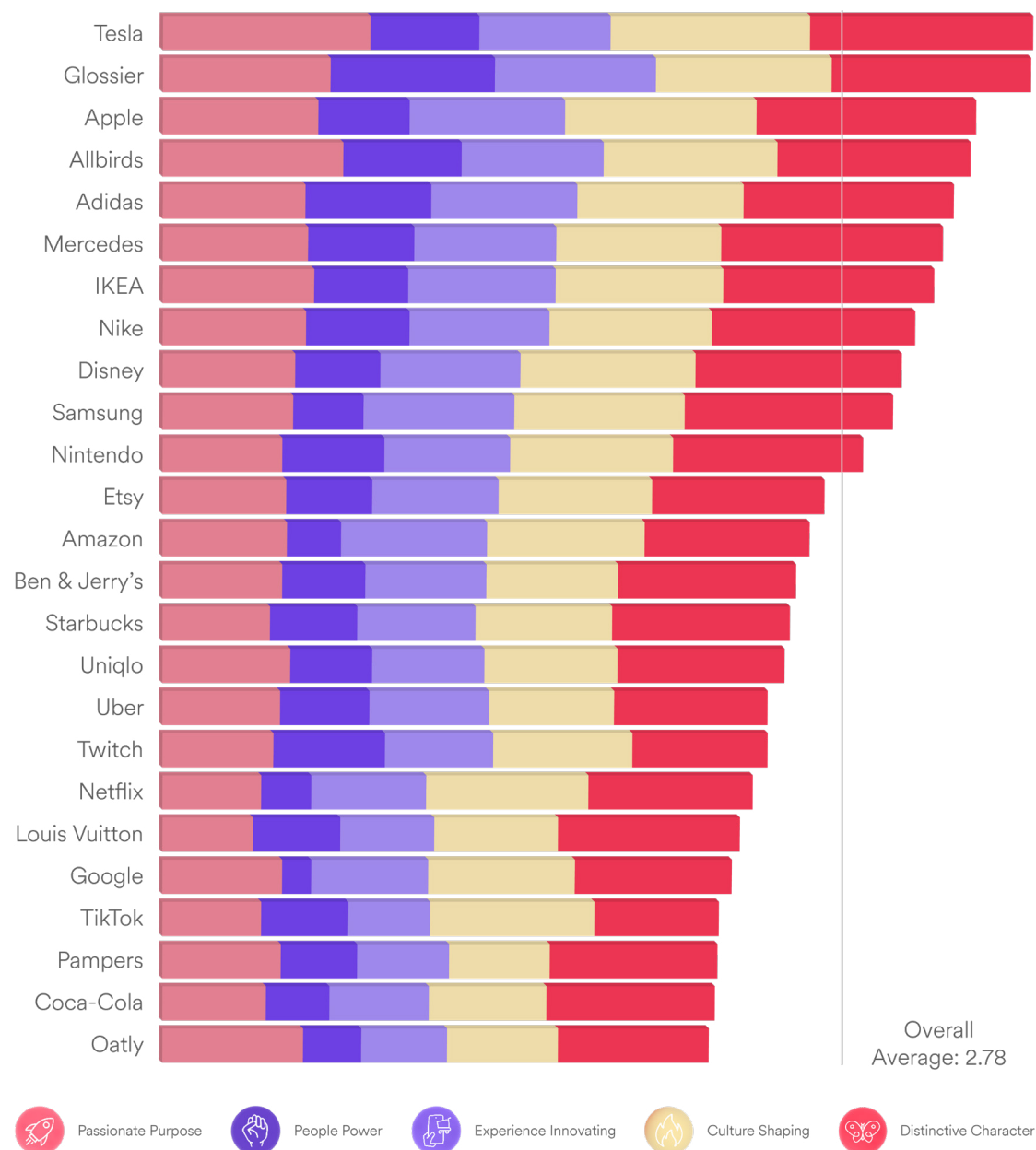
We might conclude that Participation Brands are those that understand and reflect something consumers see (or want to see) in themselves. Participation is about identity. And where this might be true for a sports team, a political movement or a band – it remains equally true for brands. People participate with - and in - the things that matter most to them.

Beyond the top two brands, there are three other noteworthy stories in the data:

1. Digital-first dominates: be it hardware (Tesla, Samsung, Nintendo) or software (Amazon, Uber, Twitch) Participation Brands are digital first. Given the amount of time we all spend in the digital sphere, it would of course make sense that this is reflected in the brands we participate more with. People can’t participate with your brand if you don’t meet where they are. Participation Brands understand this.

2. Insurgent brands flourish: the strong performance of insurgent brands like Glossier, Allbirds, Oatly and Tik-Tok show that brand Participation can be fostered in a relatively short space of time. In fact, it’s those brands that target a key audience (or need) with a compelling, participative proposition that have the best chance of taking on the established order. All four scored strongly as ‘Culture Shapers’ and ‘People Powered’ – showing that giving people a new perspective and empowering them to explore it can be a powerful way to drive brand growth.

3. Purpose allied to character matters most: It’s clear to see that the ‘purpose’ and ‘character’ pillars of the Participation Index are the dual engines of Participation – providing the overall highest scores. Articulating a clear vision charismatically is the surest way to inspire people to join with you. Be it Tesla driving an electric revolution with PR magnet Elon Musk at the helm; or Oatly reducing the CO2 in your coffee or cereal with a strong, differentiated tone of voice – purpose and character was key to all the brands in the top 25.



Glossier shows how to build a Participation Brand through the power of looped conversations

Glossier is the highest scoring brand among the 50 brands on our U.S. Participation Brand Index – a phenomenal position when we consider that it is less than 10 years old. (The brand has more recently expanded into Europe, and sits in 7th position on our UK Study. The patterns that we discuss below in the U.S. data are also seen in the UK numbers).

While most brands work to push their customers down a marketing funnel, Glossier has fuelled growth by pioneering an ecosystem of looped customer conversations, harnessing the momentum of people power. In this article, we pull apart this inspired model of brand building and draw out some key principles to consider when developing your Participation Branding strategies.

A business born out of a blog

Glossier has enjoyed incredible success as a DTC online beauty and skincare brand since it launched in 2014, and has since been valued at \$1.2bn.

Although the Glossier company didn't materialise until 2014 it has its origins in 2010, when Teen Vogue fashion assistant Emily Weiss started her side hustle, the beauty lifestyle blog 'Into the Gloss'. The blog took off because it spoke honestly about a range of beauty topics that interested its readers, giving them a platform on which to share their favourite product suggestions and beauty tips with other women like them.

Community comes first

By positioning Glossier as an off-shoot of 'Into the Gloss', the brand launched with a large follower community. (Two million unique visitors per month and 120,000 followers on social media by the time of Glossier's launch.) But for Weiss, this was not simply an opportunity to "sell stuff" to a captive audience. Instead, she focused on understanding and fulfilling the needs of the community she had built, and by fostering that community, she knew sales would follow.

A poster child for Participation Branding

Glossier performs strongly on all 5 Participation pillars. And when we drill down further into the data, it is clear that the pillar that really pulls the brand apart from others in the study is 'People Power'.

A closer look at the data reveals the precise characteristics of Glossier's People Power. It is the more profound aspects that rise to the top. This is a brand that is seen to provide truly meaningful connective experiences rather than just being a brand that has a lot of fans and influencers on social media. It "makes me feel like part of a community of likeminded people", "listens to its customers" and "creates opportunities for me to express myself".

Where other brands might dream of cultivating communities of passionate fans, and some might actually succeed, these are often seen as audiences to be kept engaged, and sometimes cynically activated as advocates. Glossier goes further, putting its community at the beating heart of its business, as its source of inspiration, not just wallets.

Glossier's ecosystem of two-way conversations, through which it asks questions of its community, listens to and acts on their ideas, has created a unique business model and competitive advantage.



Chart revealing the precise characteristics of Glossier's 'People Power'.
Source: U.S. Participation Brand Index, 2021, USA

The brand's ecosystem of looped conversations

The 'contract' at the heart of Glossier's brand experience facilitates customer-to-customer and customer-to-brand interactions throughout the whole customer experience.

Opening the loop

Glossier opens up conversations with customers through inspirational content intended to provoke interaction and instil trust.

The experiential stores are laid out and merchandised to encourage long dwell times, conversations and, crucially, social sharing. And, social channels are used to shine a light on existing customer UGC.

The Glossier customer lies at the root of all product launches. Social channels are used to bring followers into the fold and to conduct invaluable, first-hand customer research. (A typical product-sourcing post gets 300+ detailed comments.)

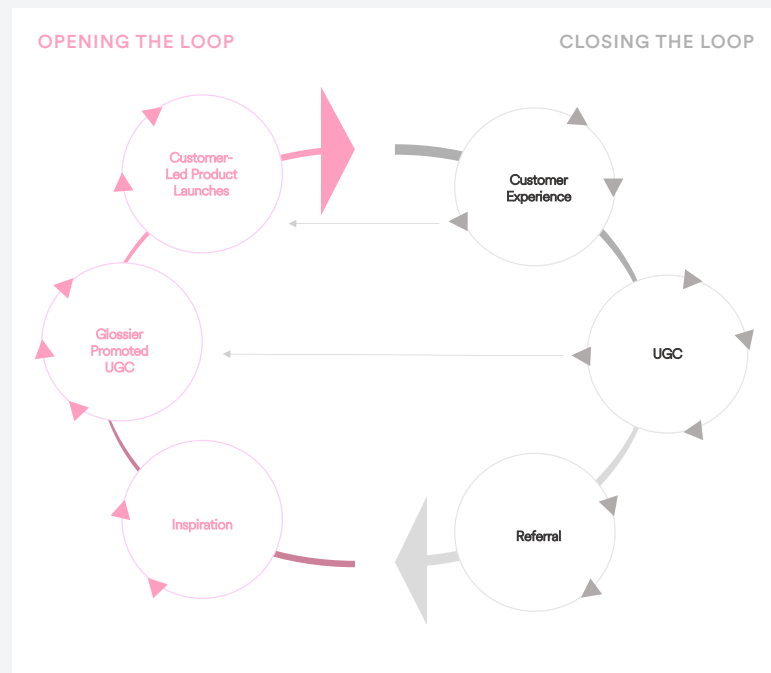


Chart showing how Glossier pulls apart from others in the Participation Pillar, People Power.

Closing the loop

As customers get closer to purchase, Glossier's customer service 'G-Team' are on hand to answer all questions posed on social channels. Glossier sees its customer service team – not as a cost centre – but as a fundamental driver of innovation and value. Because of course, the G-Team harness the daily influx of customer insight, feeding back to inform product launches and innovation.

Lastly, Glossier knows how to harness the power of its existing, regular customers. Loyal customers are turned into relatable micro influencers, stoking interest in new products. While Glossier uses its referral scheme to spread the word from one Glossier addict to the next. It's no wonder, then, that one in eight Glossier customers hear about the brand through word-of-mouth recommendation, which begins the cycle of looped conversations anew.

What Glossier can teach us about Participation Branding

Taking inspiration from Glossier's ecosystem of looped conversations, other brands can ask themselves some key questions as they look to design their Participation Branding strategies:

- Are the needs of your customers at the forefront of every decision you make as a business, or only some decisions?
- Do you have a community of passionate customers or could you set about building one? If so, how could you engage their opinions and ideas to make People Power a real business driver for you?
- Do you see customer service as a cost centre or a manifestation of the customer experience and a contributor of value?
- How might you change how you communicate with your customers if you saw every interaction as the start of a conversation?
- In what ways could you facilitate customer-to-customer interaction through your existing channels or platform to foster community and let your fans do the marketing for you?

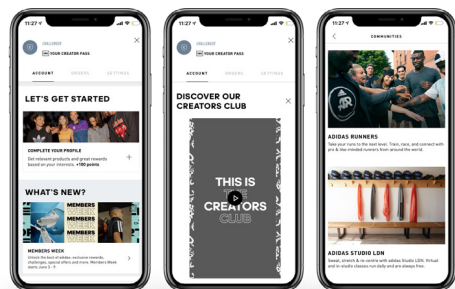
In summary, Glossier's Participation-driven model of looped customer conversations presents an interesting alternative to the traditional marketing 'funnel.' Instead of looking to 'push' customers along the purchase journey according to a brand's agenda, it facilitates conversations and connections that instil trust and allow customers the freedom and agency to influence and advocate on behalf of the brand. Effectively, this is about people doing more of your marketing for you.



Participation Branding gives **adidas** a U.S. edge

When it comes to sport apparel, the struggle for market share between adidas and Nike stretches back for decades, particularly in the U.S. But recent data suggests adidas is pulling ahead of Nike in its home market for the first time ever. Iris's Participation Branding Index shows the areas in which adidas is using Participation to gain an edge on its rival.

adidas has always had cultural cachet, from its endorsement with Run DMC to today's collaborations with Beyoncé and Pharrell Williams. But when it comes to actual sport apparel – the clothes you wear to perform – Nike has traditionally had the edge, and particularly in its home market of the U.S. Until now.



The creators club app

Recent research from Morgan Stanley has shown that, for the first time ever, adidas has overtaken Nike in both sport shoes and sport apparel in the U.S. This is a pivotal moment in the brand's history, but how has adidas achieved this?

When you look at Iris's Participation Brand Index it's interesting to see that, at a global level, the two brands have very similar scores in every dimension of Participation. But when you isolate the U.S. market, some key differences emerge that clearly put adidas ahead in terms of Participation. Let's have a look at the five areas where adidas has the biggest advantage over Nike.

1. Cares about its customers

The Creators Club is adidas's flagship CRM programme and it offers a huge amount to its members. Digitally enabled through an ever-improving app, even at the lowest loyalty tiers customers are immediately able to access free delivery on e-commerce orders, and become part of real-world sporting communities. As customers move up the tiers, they unlock new features, free access to training apps and bonuses on their birthday. At the top-level customers gain access to special events and the latest editions of sport apparel.

adidas's creator club is CRM with Participation built into its DNA, incentivising its customers to participate with the brand over time.



2. Constantly evolving with the times

With the average running shoe costing anywhere between 13-14kg of CO2 emissions, the industry's shoe obsession has a monumental impact on our environment.

adidas has spent years working on its impact to stay ahead and drive sustainability. Most recently, their efforts have made headlines as a world leader in sustainable footwear. In just 12 months, an unlikely collaboration with competitor Allbirds saw the co-design, manufacture and reveal of the Futurecraft. Footprint - a running shoe with the world's smallest carbon footprint. The new shoe features a clean design with a stamp on the sole to remind wearers each pair costs the planet just 2.94kg of CO2 emissions. The Futurecraft Footprint has shown that adidas can boldly lead its customers to participate in building a more sustainable future.



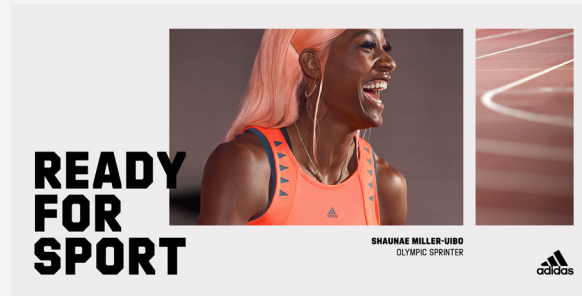
3. Transparent and honest in its communications

It's interesting that the Participation Branding Index is derived from data captured at the beginning of 2021. During the Black Lives Matter protests of 2020, adidas was criticised for a lack of equitable practices, particularly in the U.S. at its Portland HQ.

The brand's response? An open, transparent and honest response about mistakes it had made in the past and concrete actions to commit to improvement in everything from its hiring practices to the way it conducts customer research and the way in which it works with athletes and entertainers.

It also pivoted its global 'Ready For Sport' campaign to address the BLM riots, in the U.S. going as far as changing the line to Ready For Change. A series of films featuring high profile black athletes Patrick Mahomes, Candace Parker and Donovan Mitchell saw adidas providing a platform for its sponsored talent to voice their opinions about the protests.

This transparency and openness clearly resonated with U.S. consumers, creating clear space between the brand and Nike.



4. Makes it easy to find and buy the product that is right for me

Back in 2019 Kasper Rorstad, adidas's CEO, said 'the most important store we have in the world is .com, period'. And that ruthless focus on the e-commerce shopping experience has helped the brand pull away from the competition in the eyes of U.S. consumers when it comes to being easy to buy.

Intuitive UX that enables customers to filter products by use case, as opposed to just colour or size, allows people to find the right product for them simply and effectively. Simple touches such as sizing guides that let you know whether products tend to come up big or small reduce the jeopardy involved with any online purchase.

AI chatbots, order tracking, generous returns policies, and full integration of the Creators Club CRM programme provides users with a seamless experience. It continues to be a source of strategic advantage for the brand, with e-commerce sales nearly doubling in 2020.

5. I bought this because I noticed other people were

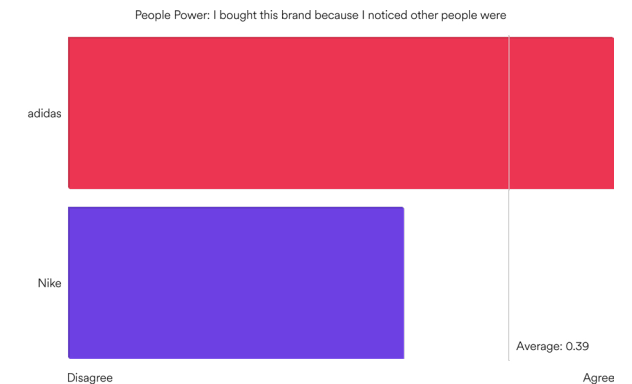
adidas has led the pack with influencer marketing and paved the way for other brands to take note on how to build a relatable brand. Their strategy goes far beyond the world of sport, spanning a breadth of pop, street and sub-cultures.

Their success is deep-rooted in an understanding that in order to reach everyday customers, you need to work with everyday people. Instead of just inspiring people with celebrities like Beyonce and Pogba, adidas has driven Participation through hundreds of micro-influencers with the power to tap into its audience; through relatable people conveying a relatable message.

adidas and Nike have been going head-to-head for years. But as our PBI clearly shows, adidas is pulling ahead of Nike in its home market for the first time ever.

In 2020, a year like no other, care, transparency and a focus on ease and simplicity has helped adidas claim a greater role in their customers lives and in the cultural conversation.

Their approach to Participation Branding has helped them evolve with the times and stay culturally relevant for customers.



Polish your **Purpose** before it's too late

In the past five years, consumers are increasingly caring about a company's purpose, the much discussed, debated and deceptively simple statement that underlines a company's why. According to a 2019 Accenture study, 65 percent of consumers want businesses to take a stand on issues that are close to their heart.

Start with fallibility

When the world is changing so rapidly and consumer expectations of what 'doing good' are changing, it's challenging to live by the example a company sets. The misdirected Pepsi campaign starring Kendall Jenner is one big wrong turn. Beyonce making headlines for walking out of a Reebok meeting due to lack of diversity on their team is a right one. The attempt to move a brand in a specific direction isn't easy. Oatly starts with an admission. On their website they say: We are not a perfect company, not even close, but our intentions are true. We would like to be judged by the good we do and not just the pretty words we say. It's the first thing we encounter in their promise to the world.

Make purpose participative

Like many companies, Oatly invites consumer feedback. However, in their case, they ask specifically about making their products more sustainable and more responsible. They also give out microgrants of \$1000 to people doing 'amazing things.' In June, they launched the 'Big Idea Grant', specifically focused on sustainability, aimed at the coffee community and never leaving their original audience of baristas behind them. Ben & Jerry's, while also participative, got famous for including their consumers in their flavour choices rather than how to develop their purpose initiatives.

Bloom where you're planted.

Oatly confesses that they only know oats, not almond milk, not soy milk. They also focus their CSR efforts on what they are doing as a company or on movements and decisions that relate to their products. While they have made strong statements in support of Black Lives Matter and other social movements, the vast majority of their efforts

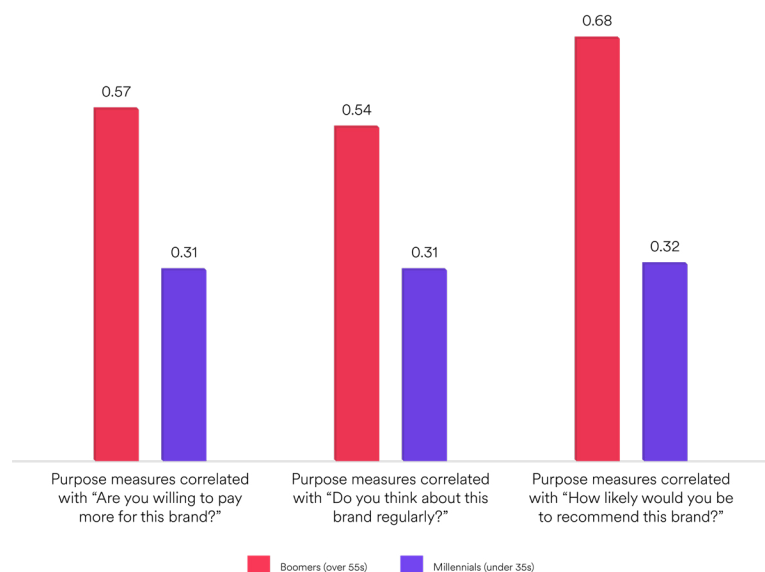
seem to focus on their individual environmental impact: how they're reducing their water usage, Veganism, and plant life. While Ben and Jerry's have diversified their areas of focus to include worker's rights, dismantling race-based supremacy, sustainability and more, perhaps diluting their focus.

In conclusion, while Ben & Jerry's continues to boldly venture into a range of purpose-driven initiatives, Oatly proves that by their unique dedication to purpose, they can rise above the rest and make truer connections.



Boomers, Millennials & the eco-intention-action gap

Conventional marketing wisdom dictates that purpose-led marketing appeals to Millennials. Indeed, our Participation Brand Index supports this, showing positive correlations between the purpose and performance measures in the study for Millennials (18-34s). However, remarkably, the Participation Brand Index also shows that Boomers (55+) have even stronger positive correlations across the same purpose and performance measures.



Comparison of Boomer and Millennial correlations between Purpose and Performance measures

As you can see from the data visualised above Boomers are almost twice as likely as Millennials to think about your brand regularly; be willing to pay more for its products; and recommend the brand when it has a clearly defined purpose. On the face of it, this seems counter-intuitive. However, it would appear we need to reconsider this group-think and ensure that our brand purposes are inclusive and actively engage Boomers as much as Millennials.



Boomers are bridging the intention-action gap

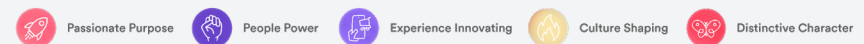
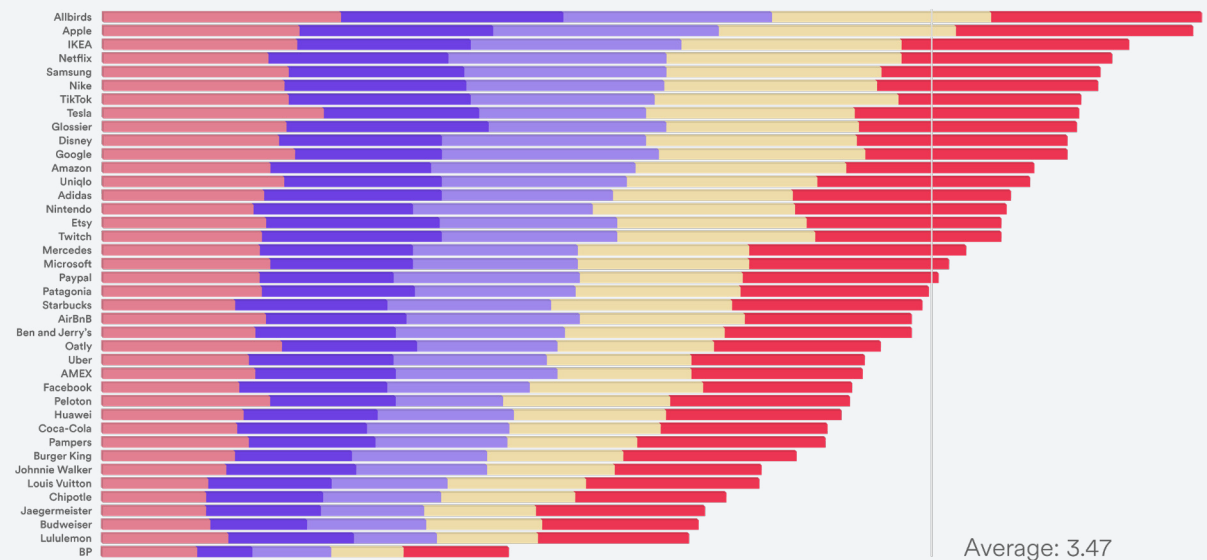
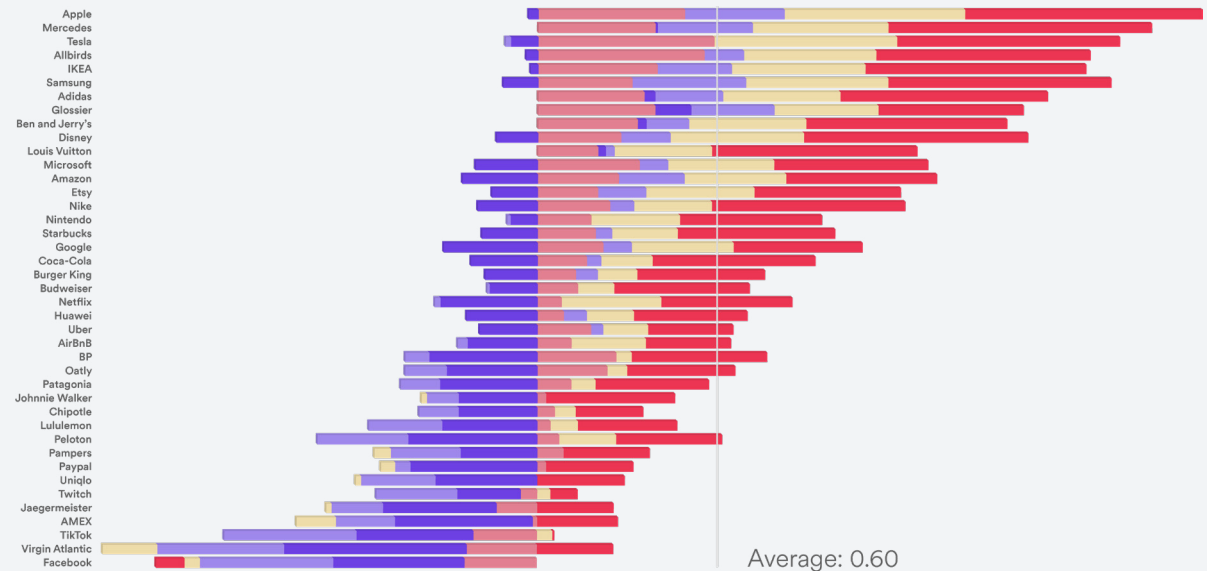
Various behavioural studies have highlighted a trend in the world of sustainability – that whilst Millennials say they are concerned about the impact of climate change, Boomers are actually making more sustainable choices than their Millennial counterparts. Researchers in the UK and the U.S. have highlighted this Millennial intention-action gap that Boomers are managing to bridge. Similarly, we might consider that whilst

“ Millennials say they want brands with greater purpose, it is Boomers who are actively participating in and with purposeful brands. ”

Data from the Participation Brand Index shows that Boomers are much more discerning about which brands they consider to be purposeful relative to their Millennial counterparts.

If a brand wishes to engage a Boomer audience around purpose – be it social, environmental or technological – the barrier to entry is higher than for Millennials, but the rewards if you win them over are much greater. This means that a policy of "show don't tell" will be key. It's not enough to tell your audience that you're reducing your environmental impact, putting back into communities, and other initiatives. You actively need to show it and prove it.

Boomers who believe your brand has purpose are almost twice as likely to pay more for it, keep it front of mind and recommend it to their friends than Millennials. However, convincing Boomers of your purpose is not easy. They will judge you to a higher standard than Millennials. The best way to ensure you win them over is through a strategy of 'show, don't tell'. So, next time you're discussing your brand's purpose, make sure you actively consider how to engage Boomers and enable them to participate - the planet and your bottom line will thank you for it!



Comparison of Boomer (top) and Millennial (bottom) PBI pillar scores per global brand

How being a Participation Brand can help you collect more **First Party Data**

What you always wanted to know about getting people to share 1st party data with your brand

First party data is the holy grail of post-GDPR marketing. Brands need 1st party data to personalise customer experiences, to retarget hand raisers, to predict future behaviour, trends and needs. And most of all to establish a direct relationship with customers.

It is also the most reliable consumer data, the least expensive consumer data (compared to 2nd or 3rd party data) and it might soon be the only available consumer data, thanks to the impending death of cookies.

It's like starting any good conversation or relationship

Brands have to create an interesting value exchange to get people to share information with them. Think of it as how you'd start any good conversation or relationship: How do you get a stranger (or prospect) you are interested in (because they fit your audience aspirations) to talk to you and eventually give you their phone number or email address?

In the human-to-human world that could happen, for example, by starting to talk about something they can relate to and inviting them to a coffee, lunch or dinner for a follow up. The value exchange here is a phone number for anything from an inspiring thought, to a cup of warm caffeine, to surf and turf.

The brand-to-human world is not so different.

But too often brands default to monetary incentives like discounts or giveaways when trying to get people to interact with them. A generic discount in exchange for a phone number isn't the best start to a lasting relationship, though, is it?

Value exchange is the secret ingredient that turns a brand into a Participation Brand

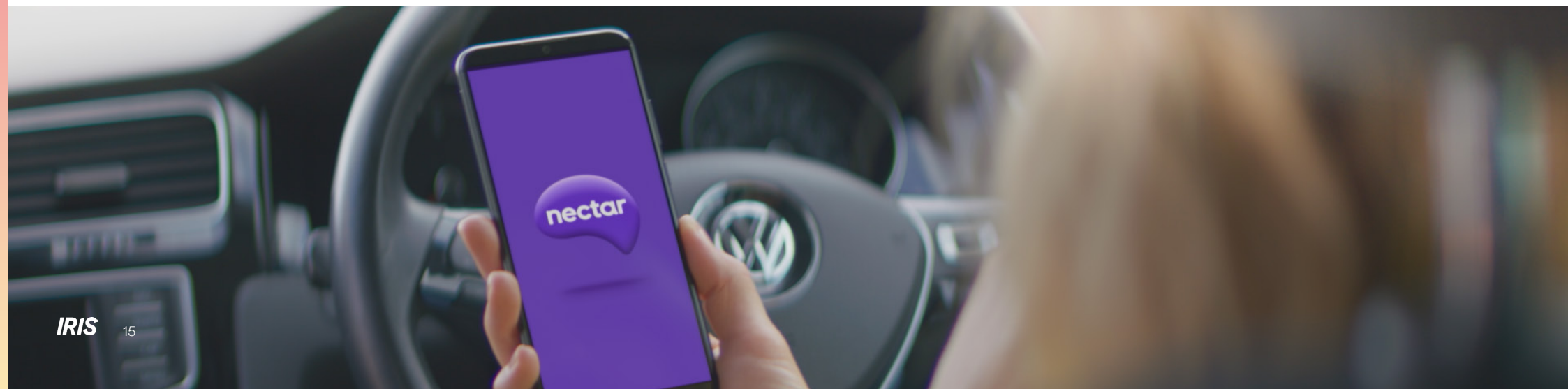
At Iris we think a lot about value exchange. It is the secret ingredient that turns a brand into a Participation Brand. And we strongly believe that being a Participation Brand is the best approach for successful marketing in a world of interaction, distributed power and micro networks ([more on that here](#)).

The latest wave of our Participation Brand Index study gives some rare insights into the brand qualities that may trigger those participatory consumer actions, that we are so passionately looking for as marketers. And making people comfortable sharing their data is one of those qualities.

Here are some of the Participation Brand Index study's findings on how to trigger data sharing:

- Be nice to people
- Be interesting
- Stand out from the rest
- And – since we live in a world where the average American spends 5.4 hours a day on their mobile phone, you guessed it – it's about doing all that while interacting with people through a mobile interface.

Just as you'd try to do when connecting with another person.



When applied to building customer relationships, the brand qualities that correspond with willingness to share personal data are those that do the following:

- **Provide excellent, ongoing post-purchase customer service:** post purchase is just the beginning of the brand relationship - be there for customers throughout the lifecycle and continue to provide targeted content, products, offers, events to their interests (hint: good 1st party data is very helpful here).
- **Evolve with the times:** be on top of the zeitgeist with brand conversation topics, channels, product benefits.
- **Shape the future:** along with evolving with the times, don't just follow but lead and shape your industry, your brand category, your customers' wants and needs (again, having 1st party data comes in handy here.)
- **Be highly distinctive and easy to recognise:** differentiate your brand, have a point of view and make sure people know where you stand.
- **Make it enjoyable to interact with the brand via a mobile device:** put your core product benefits into an easy-to-use mobile format and make sure to express your brand via mobile.



Tesla scores high on exceptional post purchase service by making key touch points of the owner experience (route planning, charging, software upgrades) a brand experience.



Amazon is a constant evolver that understands changing needs and brings e.g. (almost) instant gratification to online ordering with same day delivery and drone delivery experiments.



Oatly for example, is taking milk to a less meat dependent future and combines it with a charmingly honest and provocative way of communications.

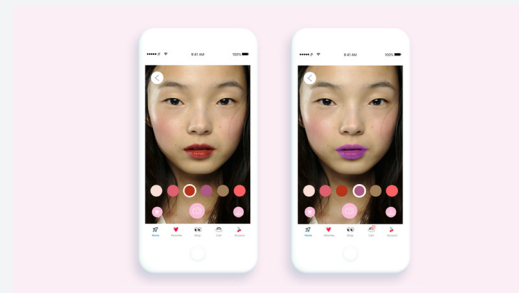
You need to build enjoyable, relevant and impactful experiences that show people who you are as a brand

Interestingly, the one brand quality that correlated negatively with the willingness to share data was "being endorsed by someone I follow on social media". So, while influencers no doubt help shape opinions about products and brands, they are not necessarily getting people to trust a brand with their data.

Now, given that correlation does not automatically mean causality, these observations still let us hypothesise that you need to build enjoyable, relevant and impactful experiences that show people who you are as a brand.



Starbucks has managed to institutionalise coffee shops and make the green mermaid logo stand out without need for words.



Glossier scores high in their mobile experience. Their simple, yet highly relevant color try-out feature satisfies a core need and takes perfect advantage of the mobile context.

Brands who have succeeded in doing this consistently across all Participation Brand qualities include icons like Apple, Google and Amazon. By being trusted future shapers, but also by providing the value of letting us access a multitude of apps, content and shopping options via our Apple ID, Google or Amazon profiles in a rather headache-free, simple way.

PayPal also ranks highly when it comes to comfort with data sharing. Their ingenious mobile payment solution has seen strong growth in the past year, adding 14.5 million new accounts in Q1 2021 alone. One of the reasons for their success seems to be the simplicity of their utility, their transaction protection, the inherent mobility of the experience and having basically built the card-less payment industry.

Ask yourself if your brand is someone, you'd like to have dinner with?

So, what you can take away from these examples? Ask yourself if your brand is someone you'd like to have coffee, lunch or dinner with; if that would be an inspiring experience from which you personally benefit.

If the answer is yes, keep doing what you're doing and make sure people know about it.

If not, talk to peers and experts, take a look at our point of view on **Active Participation** and start building an action plan to turn your brand into an interesting conversationalist.

B2B and the Participation age

Why does Participation matter in B2B?

Our 2021 Participation Brand Index study confirms what many of us have long since known – that Participation drives both brand and business performance in B2B.

If we look at the world's leading B2B Participation Brands – the likes of Splunk, Palantir, Marketo, Twilio and AWS – we see that buyers, decision makers and users are more emotionally invested in them. They trust them, they are excited by them and they are intrigued as to what these brands will do next.

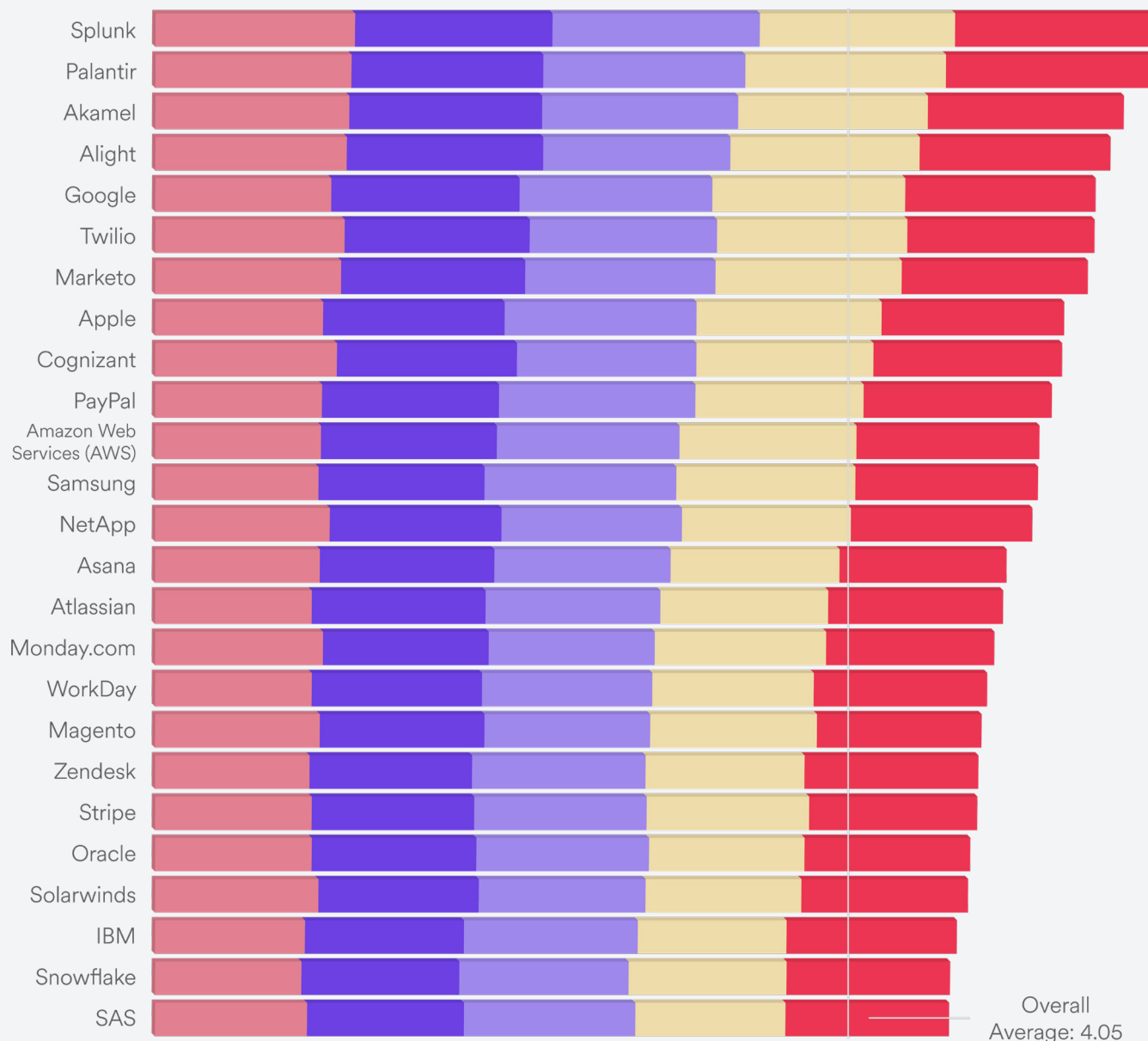
This emotional connection translates into key performance drivers.

- Buyers pay more for B2B brands they see as shaping the future, championing their customers and making it easy to buy and use their product or service.
- People are more likely to recommend brands they see making a positive impact on the environment or taking a stand for something they believe in.
- Brand saliency and consideration are higher for those brands that foster communities and help people advance in their work and careers.

As we kicked off the 2021 Participation Brand study, I was looking forward to seeing where the B2B category was in the context of the Participation age. Now the results are in, we can see that B2B brands are harnessing the power of Participation to compete, thrive, out-perform and drive higher valuations.

And – intriguingly – we can also see that those leading B2B Participation Brands I mentioned earlier are all scoring higher than leading consumer brands such as Tesla, Nike and Disney to name but a few. So, have the world's best B2B brands arrived in the Participation age? I think it's clear that things have moved way beyond that - they are now leading it.

Top performing B2B brands for each pillar



Swimming upstream the **B2B** buyer journey propelled by Participation

It's a well-known fact in B2B marketing that by the time potential B2B buyers get in touch with an organisation's sales representatives they are already deep into the buying journey. By this point, they have already done their homework, established their needs, formed impressions of B2B brands in the marketplace and excluded potential providers in the process.

Long gone are the days when sales used to be the primary contact across the B2B buying journey. The pandemic has only accelerated the transformation. Indeed, it tends to be at the stage of the RFP that most sales organisation first gets wind of the potential B2B buyer being in the marketplace for new suppliers. Sales is just one touchpoint today amongst the plethora of other possible channels and influencers at play.

What's more, B2B is not a soulless machine buying a service or a product from another corporation – rather it's got real people at its heart with their uniquely human drivers, barriers, motivations and needs and in that regard it's no different to B2C. A good B2B marketer will seek to understand these very human needs, feelings and behaviours across the B2B buying journey.

“ **B2B is not a soulless machine buying a service or a product from another corporation – rather it's got real people at its heart with their uniquely human drivers, barriers, motivations and needs.** ”

So, along with the ever-growing channel toolkit and shifting audience behaviours, it's clear that the old finely tuned account-based marketing machine simply no longer works. Organisations wanting to engage their audiences and make sure they get the RFP to begin with need to find a way to 'swim upstream' the B2B buying journey. This calls for new bold tactics and strategies.

The big question is: how to engage the B2B buyer before they're in the buying mindset? What do successful B2B brands do?

Earlier this year we surveyed B2B audiences from small to large organisations across U.S. and UK to gauge the views of actual buyers across our five pillars of Participation Branding.

We got responses from all levels of the buying organisation: C-Suite, Finance, HR, Operations and Technology. Let's take a closer look at the U.S.-based Big Data company Splunk, the winner of this year's B2B Participation Brand Index, and see how it's successfully creating the kind of Participation we believe propels business forward.

The 5 ingredients in Splunk's winning Participation recipe

A Passionate Purpose

Splunk charges into the marketplace with its 'Data-to-Everything' platform promising to 'bring data to every question, decision and action'. It is putting money where its mouth is. It made the platform relevant to a range of verticals with a 30-second advertising spot in Super Bowl LIV – certainly a bold and a big investment for a B2B brand. Splunk's Data-to-Everything platform has all the hallmarks of a well-defined and executed Passionate Purpose, the first Participation Brand pillar that we consider to set the scene for all else.

Distinctive Character

Splunk brings everything to life with a Distinctive Character, defying the past stereotypes of B2B marketing showing suited and booted business people staring at pie charts in dull looking boardrooms. The soundtrack and introductions in a lot of its video content feels more like you're getting geared up to watching a rock-concert rather than your average B2B event. It even pokes fun at itself with this tongue-in-cheek 'The Office' inspired-spoof on its corporate culture, which features the spokesperson and staff for Splunk's T-shirt company spin-off that sells Splunk merchandise online.



Video 1 Behind the scenes at Splunk's T-Shirt company spin-off

It boasts to be 'the world's 11th largest T-shirt company' and produces simple black Splunk-branded T-shirts with tongue-in-cheek slogans such as 'Take the SH out of IT' and other tech puns. In addition to selling the T-shirts online it's also making them available at various events and conferences. All behaviours that may feel counter-intuitive to most B2B brands.



Culture Shaping conversations

Jokes aside, Splunk has plenty of more serious content to offer across its channels from advisory content such as 'how-to build a data-driven business' to topics such as machine learning and security. Each channel is nicely designed in a way that creates a joined-up experience. For example, its YouTube channel is packed with all sorts of data-inspired topics that are easily accessible and on-demand for its audiences to watch and share.

Splunk certainly isn't falling into the B2B trap of getting bogged down in talking about its own product features and benefits too soon. Rather, Splunk has something provocative, useful and relevant to offer that is designed to help its business audiences identify what the way forward for them might look like as they seek to drive business into the data-driven age.

By creating Participation starting from bolder and bigger visionary topics, Splunk isn't just selling but serving its audience by providing them value. In the process, Splunk is positioning itself as the natural go-to partner for Big Data. All of this makes up for an approach that's generating Culture Shaping conversations in the B2B marketplace. Another key ingredient of great Participation Branding that no doubt helps a B2B brand like Splunk swim way upstream the buying journey.

“ By creating Participation starting from bolder and bigger visionary topics, Splunk isn't just selling but serving its audience. ”

Experience Innovating

True to its nature as a disruptive and an innovative business, it also experiments with new channels and content formats beyond the typical B2B toolkit. It has developed a strategy for Voice, launched Podcasts and an Alexa Voice Skill targeted for its partner audiences. This is based on the awareness that its audiences are easily worn out with usual channels like email.

All this tells a story of a B2B brand that has a deep understanding of real people and their needs. It isn't going on autopilot when it comes to the choice of channels but taking time to take a step back and consider where it could find opportunities for creating innovative Participation. In doing so, it is building a different kind of innovative experience that can stand out in the crowded market place.

People Powered

Having created a brilliant Passionate Purpose and a Participation platform that drives fame, Splunk is equally generous in letting its end users, real people, take some of the lime light. Splunk is crowdsourcing customer success stories and offering a platform for its audience to share them at conferences it regularly runs. Unsurprisingly therefore, Splunk scores far higher than all the other B2B brands in one of our questions on being People Powered around 'being good for my career'. Again, not something B2B marketers may conventionally be concerned about, but something that demonstrates that in the end B2B is about real people and their personal drivers and needs.



Figure 1 Splunk's annual conference advertising

So, that was some of the theory and practice. But how do winning B2B brands go on to create the kind of Participation we're talking about?

Planning for Participation

There are four key things forward-thinking B2B brands do to design for Active Participation.

1. Human empathy: Winning B2B brands are ones that build a nuanced understanding of people and successfully transform that insight into creating 'Active Participation'. They don't treat their B2B audiences as soulless corporate machines but take a step back to identify who their target audience really is and build a rich profile of them. They map their real-world experience across the end-to-end buying journey and take the time to understanding the real human drivers and barriers to play.

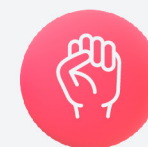
2. Starting from serving not selling: They swim upstream the buyer journey with the goal of helping to create and shape the client needs to begin with – long before their audience is in a buying mindset. They ignite thought provoking conversations around relevant customer problems that they know their audience is grappling with. They're already there when people are asking bigger questions about their businesses, their future strategies and vision. Doing so, they position themselves as the ideal go-to partners further down the line when those people are eventually in the buying mindset.

3. Experience-led: They recognise that it's no longer just about creating the right kind of communications interventions. Instead, they know that today's B2B audiences expect the kind of experiences they're used to in the world of B2C, so they take an experience-led approach. They design an experience that we believe is 'easy, needed and fresh'.

4. Data-driven personalisation: From tapping into intuitive human insight, the winning B2B brands are also nimble with data. They use customer data to tailor and target to provide the right kind of 1:1 experience every step of the way. This means that they can recognise when the B2B buyer is swimming further downstream the journey and is eventually in the buying mindset.

It's a brave, exciting new world out there for B2B marketing and winning brands are ones that are courageous to try something new. But it is our firm belief that it is in the upstream that winning B2B brands pick up the speed that helps them sail past their competitors downstream the journey. And this calls for a whole new set of strategies and behaviours that may not come natural to many B2B brands.

“ It's in the upstream that winning B2B brands pick up the speed that helps them sail past their competitors downstream the journey. ”



If you'd like to understand what our findings could mean for your brand, **get in touch** to arrange a workshop with our Participation experts.

