

Scenarios **for the** Future *of Brands*





The future *of* brands

In these times of rapid change and rampant uncertainty, looking forwards has become something of a necessity. What will life be like in 2020 for a new generation experiencing the impact of such things as climate change, biotechnology and virtual reality, and what will brands look like in this world?

Thinking about the future of brands has, of course, been done many times before, but we think that using a scenario-based approach, may be something of a first. What follows is an introduction to the power of scenarios and, hopefully, the start of a useful debate.

If you would like to know more about these scenarios or how they can be applied to your own brands, please get in touch.

{ the scenario process }

Scenarios are sets of stories
about plausible future worlds,
which illustrate alternative ways
in which the future might unfold.
They are a tool for ordering
one's perceptions about
alternative future environments.

Scenario building

is not about predicting the
future. It is about conducting
a series of conversations as
a means of examining future
possibilities, in order to
prepare for the future.



The scenario building process starts with the assumption that reality is deeply influenced in any community by wide and divergent views. This richness of views, shapes how we create the content of possible future worlds from the raw material.

This process has been led by Oliver Freeman, Australia's pre-eminent scenario planner and Principals resident futurist Richard Watson and Planning Director Wayde Bull. The Future of Brands

Scenarios have sought to harness dozens of conversations that Oliver, Richard and Wayde have had with Australians from many different walks of life, asked to imagine their lives in future.

The Framing Question

At the heart of all scenarios is a framing question, which in this case was:

“What are the scenarios for the future of brands (and branding) in the year 2020 and what strategies should brand owners employ to be successful in the future?”

The Driving Trends

The next step was to explore some of the drivers of change that are going to affect brands in the future.

We considered many things, but in the end settled on the level of optimism in Australia and whether or not people would become socially active or passive. Top of mind during this was the environment, in the broadest sense, and this too became a key driver in the development of the scenarios.

The Scenario **Matrix**

Having settled on the key drivers, the next step was to create a framework using what became known as the dynamic tensions. This matrix appears opposite.

*Social
activism*



Enoughism



Smart planet

*Market
pessimism*



*Market
optimism*



Personal fortress



Moreism

*Social
passivism*

“ Scenarios do not merely
attempt to describe the future,
they also attempt to brightly
illuminate the present. **RW** ”

The power of scenarios is leveraged through their embodiment as stories. If you do not use a narrative, the scenarios themselves lose much of their impact. Hence the name of each scenario or story is immensely important and much thought was therefore given to the naming of each scenario or future world.

The four scenario worlds

Table of key characteristics

The matrix provides the parameters upon which the scenarios are created.

So for each matrix driven scenario, one must expand the logic to describe in more detail how the driving forces might play out. For the four scenarios we therefore created a table of key characteristics, which differentiates each world from the others over a wide range of relevant areas.

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Small print for the big picture:

Note that the four scenario worlds are extreme cases and in the real world the four worlds will co-exist and bleed into one another.

Future brand scenarios

Key characteristics

Society

Economy

Environment

Politics/Government

Technology

Family life

Work

Key customer needs

Leisure

Media

Most admired brands

Most hated brands

Loyalty

Regulation

Attitude towards brands

People and Institutions people trust

People and Institutions people distrust

If this scenario were a person

Moreism

Smart Planet

Enoughism

Personal Fortress

Self indulgent/Aspiration	Tech solutions. Smart design	Simplicity. Switching things off	Protectionism. Gated worldview
Hedonistic	Optimistic (third way)	Responsible	My place
Long boom	Free market forces	Sustainability goals	2-speed
Exaggerated threat	Science as saviour	Community as saviour	Me as saviour
Libertarian	PPP	Revisionary	Very localized
Coveted	Revered	Rationed	Blamed
Highly fragmented	Personal networks	Rediscovered/extended	Immediate family
Gen Y in charge	Business as usual	Reduced	Protectionist
Status	Utility	Meaning	Provenance
Shopping	High tech wonderland	Do it yourself	Gardening, DIY
Wish magazine	Wired magazine	Green Pages	Trading Post
David & Victoria Beckham	Apple, Toyota	Earth Hour, Howies, Blundstone	Dick Smith Foods
Toyota Prius	Catholic church	Luxury brands	Global brands
Fleeting	To science	High once earned	Local brands
Minimised	Encouraging investment	Targeting excess	Protectionist
Unconditional love	Welcomed if inventive	Valued for meaning Rejected for insincerity	Grow your own
Celebrities	CSIRO	UN, NGOs	Local heroes
Government	Religion	Polluters, powerful interests	Anything foreign
Justin Hemmes	Karl Kruszelnicki	Tim Flannery	Hugh Mackay

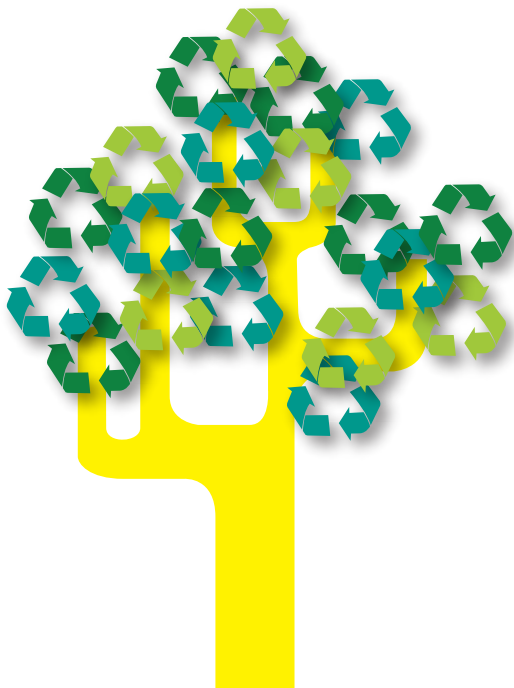


FUTURE BRAND SCENARIOS

ENOUGHISM

{enoughism}

In Enoughism people are alarmed about the health of the planet and especially the pervasive influence of materialism upon their lives and have therefore decided to take personal responsibility and do something about it. This is a world of switching things off, buying less stuff and seeking to reconnect with the simpler pleasures of life. It is a world where quality really counts and people are prepared to pay for things, but expect them to last. Brands communicate their values and find willing customers by being socially, ethically and environmentally aware. Brands also tend to be more local, much as they were before the advent of mass-commercialism and consumption in the 1950s. This doesn't mean that global brands are rejected, but there is a bias towards brands that are connected to local communities, either through employment or by giving something back to their customers. Brands are deeply authentic and are imbued with a strong sense of passion and purpose. Foreign call centres and lowest-cost manufacturing do not do well in this world.



Scenario story 2020.

A day in the life of Amanda, 39-years-old, full time mother of three, living in Newtown.

No surprises about what I do all day. Basically I get up just before the kids wake up, usually around 7.00am, take a quick shower and get the breakfast on. My husband John usually walks them to school. I then tidy up the house, get a load of washing on and start worrying about what everyone is going to eat when they get home.

Life isn't actually too bad on a day-to-day basis. That's partly because we changed how we live a couple of years ago and we are now much more in control of our lives. John quit his demanding city job at the Bank of China running a large team and got a much less pressured job at the ANZ around the corner in Newtown. He's much happier and much more connected with the kids, although it took us a while to adjust to living on less money. We're now really involved with the school and also with a number of other community activities in the area. We've set up a walking bus for two of the other local schools, a technology-recycling project and we're about to get a petition together to put in some more two-speed cycle lanes.

Our life has changed in some other ways too. John gets home at a decent hour and switches his Blackberry off at night and at weekends. Evenings are now much more peaceful and less frenetic. We listen to more music, read more books and try to escape from the TV as much as we can. Less toxic Hollywood trivia and more serious analysis and quality drama in a nutshell. Part of it is about physical wellbeing. We get outside more and get more involved with people less fortunate than ourselves. The environment is a big factor, of course, but to be honest we're getting involved as much for our own personal sanity as for the planet. I hope it will be a life well lived. It's not easy though. The kids are still on my case about getting the latest this and the latest that, but I try to explain that buying more stuff will never make them happy. Personally I think it's about connecting with people, rather than products and things. Education and experiences are far more important than the latest function laden offering from the Googleplex. I don't know. Maybe you have to be of a certain age to see this or maybe not.



Not everyone gets it. Clare next door, for instance, is still convinced that winning the lottery would make her happy. I don't think I'm advocating living on brown rice halfway up a mountain though. It's not about absolute denial or extreme frugality. It's simply about balance. It's about recognising that sometimes you've got enough and that simple things give you a real sense of happiness and wellbeing.



“If we use a bit less and think a bit more we’ll be fine.”

Brands? That’s a tricky question. Basically we’re a bit suspicious, especially of the foreign ones, because you never know what’s behind these things. Authenticity is very important. I mean, a pair of the latest Hype DC sneakers might look good for a few weeks, but there’s often a high cost behind the low prices. It’s all a treadmill. You have to keep on buying the latest to keep up with everyone else. It’s nonsense.

There are obviously some terrible brands out there, aspirational brands like Rolls Royce and environmentally damaging brands like Hummer for example, but there are some really socially and ethically aware brands too. I’ve no idea what’s over the horizon but whatever it is it’s up to us to prepare for it by being careful about how we use things. If we use a bit less and think a bit more we’ll be fine.





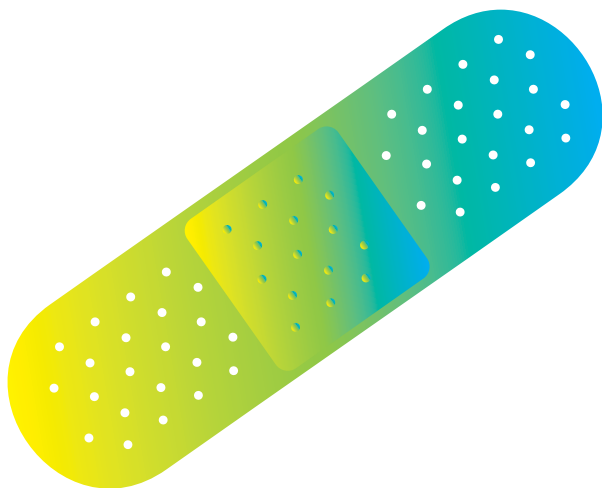
Implications for brands

In this scenario, brands respond to the post-materialism mood by becoming more values-driven. Social and environmental policies are high on the corporate agenda and individuals continually monitor company performance. Brands that do well in this world are values driven and have a strong sense of identity and purpose. This mood tends to benefit smaller organisations, especially family owned businesses that put people and planet before profit. Successful brands reduce complexity and create meaning or epitomise some 'special quality' that legitimises their use.

Brand scenarios

Smart Planet





Smart Planet

This is a world where people are fully aware of climate concerns and other worries but have a belief in science, human ingenuity and the power of free markets to sort everything out. It is a world of radical re-engineering and inventiveness; biotechnology and nanotechnology, both driven by a free market. Clean tech is huge and brands are squeaky clean, both in terms of transparency and carbon neutrality. Winning brands build platforms using science and technology. The biggest hit in publishing in this world is a magazine called Intelligent Design.

Scenario story 2020

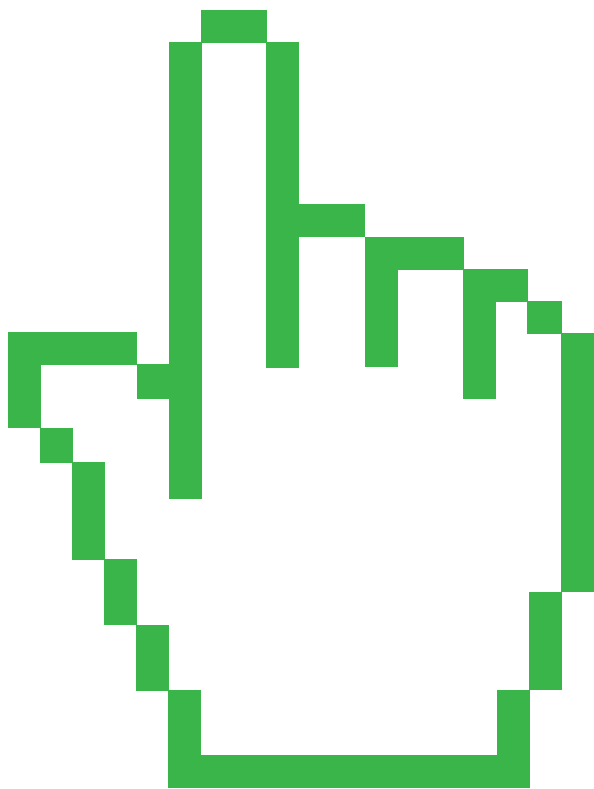
A day on the life of Nigel, a thirty two year old IT systems designer from Brisbane. He lives with his girlfriend Blair. They don't have any children, but they do have six surfboards, three mountain bikes and four computers between them.

I really don't know what all the fuss is about. Sure we've got problems, but we always have had. Take climate change. It's a big enough problem all right, but we're already solving it by doing something about it. For example, I was reading about Quantum-dot solar power in Wired magazine the other week. It's amazing. No renewable power source has as much theoretical potential as solar energy. But the promise of cheap and abundant solar power remains unmet, largely because today's solar cells are so costly to make. Essentially, quantum dots are tiny crystals of semiconductors just a few nanometers wide and they could make solar power cost-competitive with electricity from fossil fuels because... well I can't remember why exactly but it's the real deal.

I work in the city, but I've got a really cool job designing IT architecture so I can actually work anywhere I want. I've even got a waterproof PDA so I can sit on the beach in summer and wirelessly connect with 'the cloud'. How cool is that?

— I'm really happy actually.

There are some people that make out that it's the end of the world, but I think that's too pessimistic. Science has always shown us a way forward and if you look at the past innovations, human beings have always found a way through when there's a crisis, so I really don't think there will be a problem long-term. You've got to get involved of course. I've started a number of things around here like organising virtual protests calling for organisations to start using virtual meetings and adopt green IT strategies. Some of them don't get it, but most do, especially when you point out the cost savings or the fact that they won't attract any Gen Z employees unless they do this sort of thing. We just need to re-engineer things and we'll be motoring again.

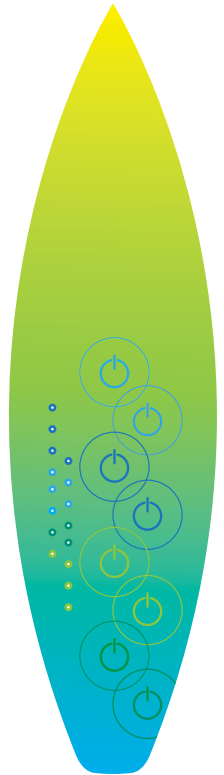
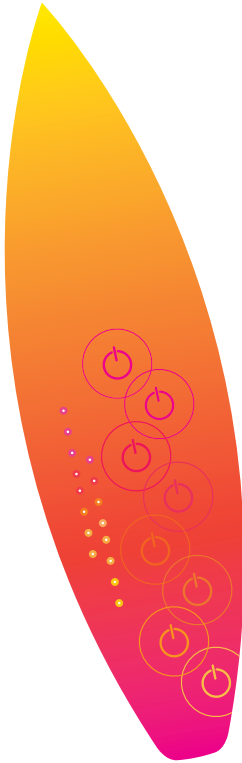


iLove
mod
ern
tech
nol
ogy

__Brands?

Bring 'em on (assuming, of course, they've got lots of cleverness designed into them). I'm a giant fan of some of the new stuff that's out there. I grew up on things like Facebook, Wikipedia, MySpace, so I'm a real sucker for any of the new online and virtual brands. Having said that, don't think I'm an über geek or something. I like old-fashioned physical stuff like the Mark V Toyota Prius and Nike GPS too.

There are a lot of Chinese and Indian brands around now, but personally I still prefer my brands to come from countries like Germany and Japan where I can totally trust the quality and the engineering. That's probably a bit unfair, but I guess you like what you like right? The really good stuff, of course, is openly designed. What I mean is I love those brands that let you co-create them and personalise the various settings or options. They're just huge. Like I read the Australian online but I've got this wicked tiger skin graphic for the home page and I've wired things so that when there's a good local swell I get the sound of waves coming out of one of my weather widget.





__ Brand appeal

In this scenario, brands harness the promise of technology to offer consumers a glittering variety of intelligently designed products and services, that not only perform against price and quality considerations, but also impact positively on the planet. Successful brands in this world are driven by both science and design; the core of the movement is environmentally anchored, but they can also be framed as bigger more intelligent problem solvers. It is the idea of design as a powerful force of change.

Brand scenarios

Personal Fortress





Personal Fortress

Personal Fortress is a world where major events have combined to create a country that is frightened and scared. The impact of climate change, the implosion of many global financial institutions and social unrest created by the growing disparity between rich and poor, has forced most people to turn their backs on the notion of a single global economy. People with money remain engaged in the global information economy, yet live in gated communities. Those with less, who feel betrayed by the fading promise of globalisation, feel a desire to withdraw both emotionally and physically; they're people who rediscover an appetite for regulation, protectionism and parochialism; concepts they'd describe as a 'healthy self-sufficiency.' It's a world where globalisation and localisation are uneasy bedfellows, as they are ideas embraced by divided tribes.

Brand scenario 2020. A day in the life of...

Pauline, a fifty-two-year-old grandmother from near Perth

Am I worried? You bet your Blundstone boots I am. Things have really gotten out of control over the last few years. The politicians around here have all got their heads in the feed trough and the whole place is going to hell.

It's certainly as hot as hell. Last summer it hit 46 degrees on Christmas day. You didn't need a bloody Barbie. You just left the food outside and it cooked itself. They say it's gonna get worse too. There's not enough water the way the city keeps growing for one thing.

That's why we're getting out of here. Me and little Trinity are going south. There's a little place we've found in Tassie. It's got its own water, its own wood and enough space to

grow a few fruits and veggies. I'll probably stick up a small windmill if I get a chance to. My dream is to go 'off grid' entirely. I'd like to stick a couple of solar panels on the roof and generate our own electricity. We'll use the wood for heating in winter and we won't need to buy water either. We might need the odd bottle of cooking gas every once in a while, but basically the government won't even know we're there. I spoke to Bendigo Bank down there and they said there were loads of people doing the same thing. It started with the sea changers, then the tree changers, but now it's all gone legit. You can sell your excess power and water back to the local community in some places you know.



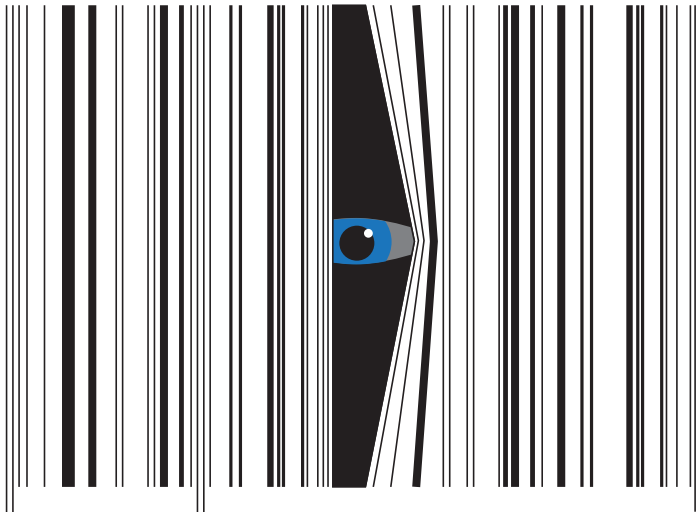
**“Something else I want
to do is to look into home
schooling for Trinity.”**

What am I going to do for a job down there? Well I'm going to start a little business called Australia Fair. It's a farmers' market kind of idea selling all sorts of Australian made products. I'll make sure that everything we sell is made from Australian ingredients and we've got an idea for labels that tell you who made it, where they made it, when they made it and so on. Obviously there's only so much information that you can get on a label so we'll have a website with loads more stuff on it about some of the community projects each product supports. We're also thinking of restricting the sale of our products to people we know. So if you want to buy things over the website you can't, not unless we know you. I can't wait to see some people's faces.

Something else I want to do is to look into home schooling for Trinity. I don't trust what those big schools are teaching our kids these days. Better to do it yourself I reckon. Home schooling seems to be pretty huge in America. It's about the only thing that America seems to have done right if you ask me. Having said that, I did once meet a really nice guy called Sam who was on vacation from Montana. He told me about how you can still hunt your own food in some parts of America and everyone had at least one gun. Some people think people like that are nuts, but I'm starting to think they're smart. I mean you can't trust anyone you don't know to look after you these days. All you've got to fall back on is yourself, your family and your community.

Brands?

I don't have a view really, apart from the fact that my favourite brands are local. I buy local things whenever I can and avoid anything foreign. I also try to make things last as long as possible and make and mend my own stuff. You have to, because we're in big trouble and it's important to keep as much as you can in reserve.





Implications for brands

In this scenario people are seeking safety and reassurance. Hence well known brands and especially local brands thrive. The 'Buy Australian' sentiment intensifies and is underpinned by local environmental factors or the desire to defend local employment and interests. At the extreme this could become quite parochial and could prevent many better quality or better value foreign brands from gaining a foothold locally. Successful brands emphasise themes of practicality, resilience and self-sufficiency.



Future brand scenarios

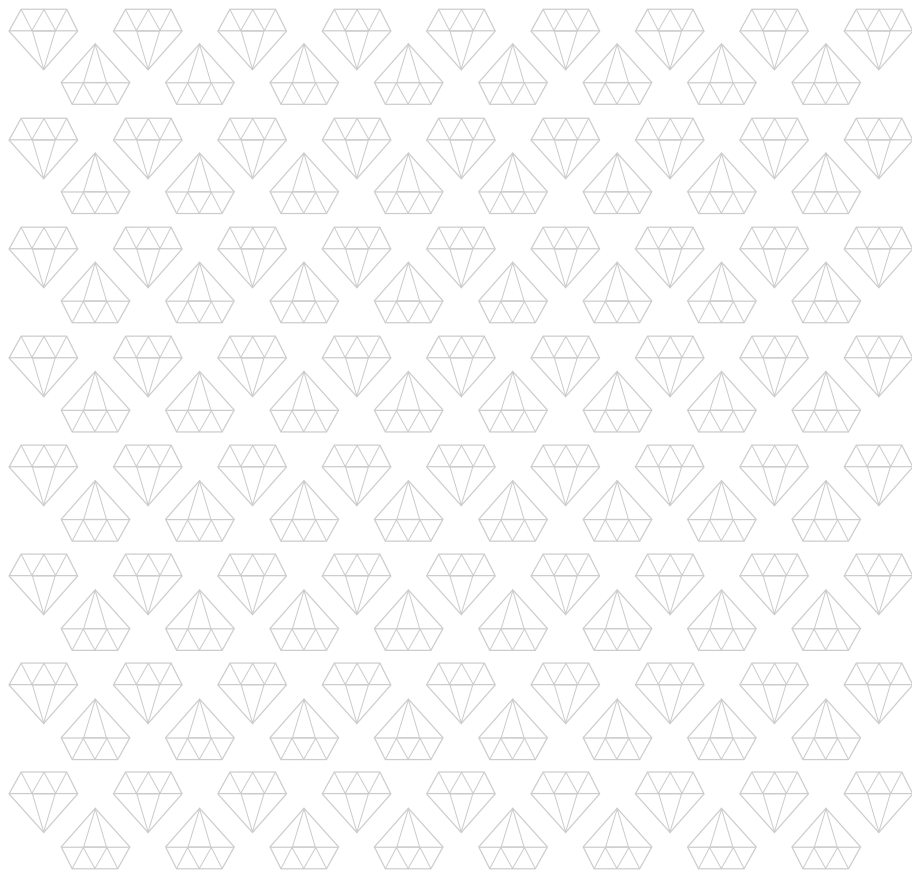
Moreism





Moreism

This is the familiar world of consumerism and self-indulgence where status remains a key – and unapologetic – driver. It is a world of celebrities and status brands that are envied and copied by followers worldwide. It is a world of luxury experiences for those who seek to physically and emotionally distance themselves from the masses. Everything is branded in this world and brands are generally global. Brands do well in this world because the old rules still apply. It is about creating aspiration even when this is demonstrably unattainable. However, it's not all bling and buy. One development is the emergence of a raft of new cool technology brands from India. Another factor is the appearance of sophisticated Russian and Chinese luxury goods, with the rather ironic consequence that it is now Western brands that copy Eastern brands rather than the other way around.



Scenario story

2020

A day in the life of Jackie, a 46-year-old married lawyer from Melbourne. She has no kids but does have a small dog called Sammy.



Moi...

Some people keep saying to me that enough is enough but for me a little bit too much makes me happy. I work hard so I like to go out from time to time. There is nothing I like more than going on a bender with the girls on a Friday night. Last week we had a few drinks and went to see One Fifth Avenue twice in one night. It was a blast! We then stormed a Greek restaurant around the corner. To be honest it was a bit daggy for my taste, but the wine was flowing and it

was midnight before I even knew what was going on. I got a taxi home and guess what? Someone had stuck a bumper sticker on my brand new Tata 4x4 that said "Climate criminal". Bloody kids. Anyway, this whole global warming thing is a load of hot air. Have you noticed, for example, how they don't even say global warming anymore? It's now been re-branded as 'climate change' because the whole world is actually getting colder. Still, more ice for my gin and tonic right?

What else do I do? Well there's a little shopping of course. I'm mad for a bit of Gucci every so often. I also like to travel. I do a bit of this with work (I'm a real estate lawyer) but that's mainly local. Dubai is my top spot – probably because they've got the largest Versace hotel in the world and because you meet such nice people over there. A really diverse crowd.

There are footballers, movie stars, everything. Last time I bumped into Donald Trump and his girlfriend at the Burj. He's a real personal hero. He actually promised to send me a case of his Trump water. Can you believe that? That's the one that sells for \$200 per bottle. What a gentleman. I tend to go on holiday on my own these days to get some relaxation.

Sometimes I go with the girls but then I feel like I need another holiday to get over the one I've just had. I have to bring something back for the husband (number three if you're wondering and getting younger each time) and, if I get a chance, I make a point of bringing some intelligent 'bling' back for the neighbours kids too. Last year I got them matching Lamborghini laptops.

Brands?

They make me feel sort of safe. To be honest I really don't know what I'd do without them come to think of it. For me, they're a way of showing the world I've done well. You can also use brands to tell whether you'll like someone, because if they've got the same stuff you've got, it's obvious that you've got lots in common. There are such great brands around now too. First there are all the old skool brands like Lexus, but now we've got things like Russian sportscars, Indian clothing brands and those

lovely eco-fur coats from Canada (good for you, good for the environment too). The only problem I've got is just keeping track of all the new things I can buy. That's why I signed up to the brand butler service from Amex a few months ago. It's really cool. They track your purchases, including the shops where you buy things, and then send you a list of recommended brands and where you can buy them based on your previous expenditure. Awesome.







Implications for brands

In this scenario the image driven world of conspicuous consumption has moved into overdrive, fuelled partly by supply and demand from emerging markets such as Russia, China and the Middle East.

Indignant defenders of the luxury lifestyle insist on the right to choose and spend. Successful brands tend to emphasise quality and high price and are only superficially concerned with social and moral issues. Design is an important ingredient, but has more to do with external appearance than function.

How to contact us

This scenario project was conceived by Wayde Bull, Richard Watson and Oliver Freeman with invaluable input from Sandy Belford, Amanda Pace and Pablo Romo. You can contact any of us at:



What's**Next**



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