

# Dubai, AHEAD of itself

A city that got

**11 Brand**  
&  
**Marketing Trends**  
for 2011

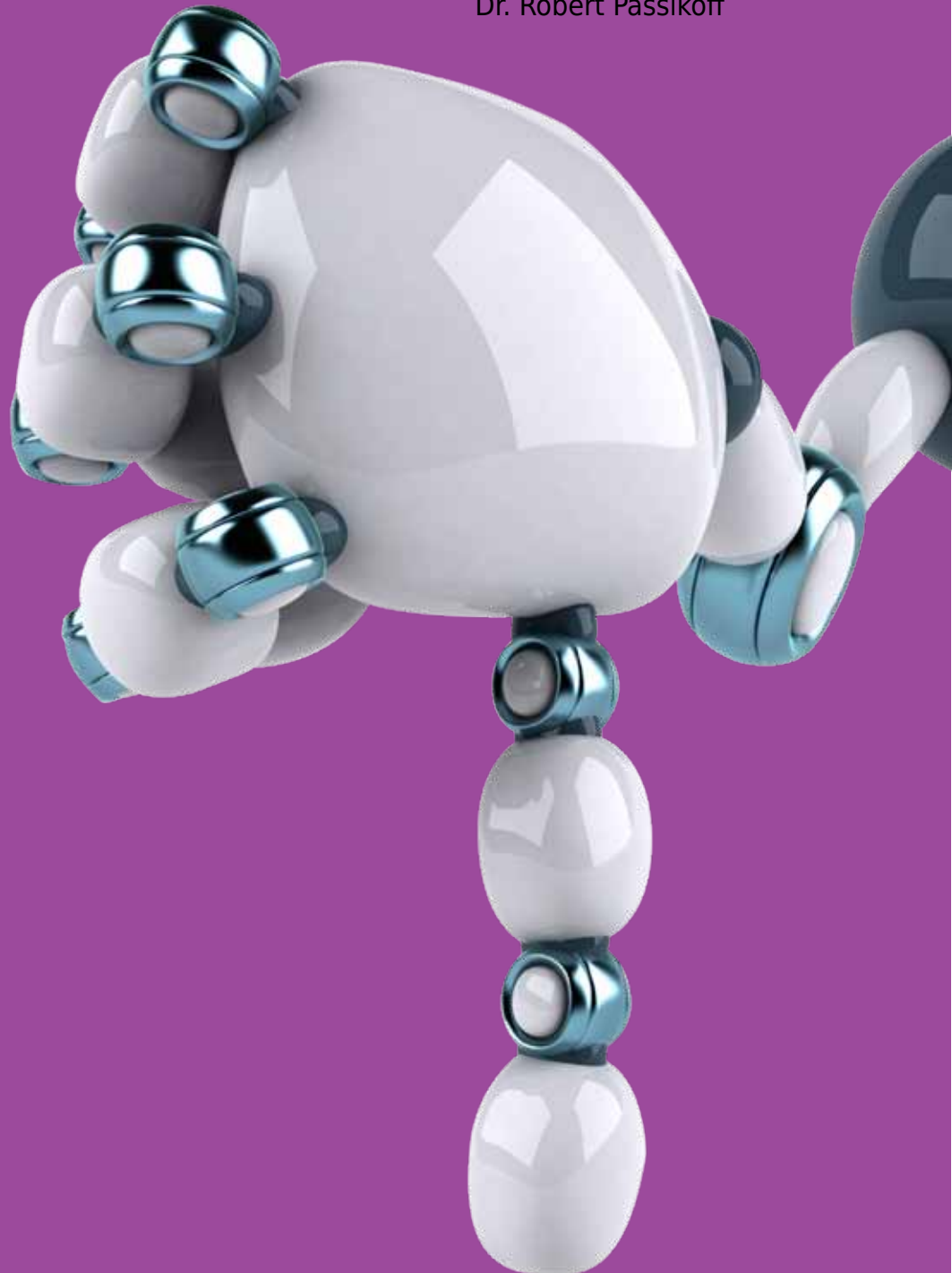
The **Repositioning**  
of  
**Dubai**  
by  
**Jack Trout**

Customer **Loyalty**  
&  
**Engagement Metrics**



**“ Brands are BARELY keeping up with consumer expectations now. Every day consumers adopt and DEVOUR the latest technologies and *innovations*, and only hungry for more.”**

Dr. Robert Passikoff



## 11 Branding and Marketing Trends for 2011



The recent partnership between BrandLounge and Brand Keys, Inc., confirms the need for accurate predictive brand loyalty, equity, and engagement metrics in the Middle East and Northern Africa region.

These metrics are able to measure the direction and velocity of consumer values 12 to 18 months in advance of the marketplace.

They also allow us to identify future trends with uncanny accuracy. BrandLounge, through Brand Key's methodology, offers 11 trends for marketers in 2011. These 11 trends will have direct consequences to the success - or failure - of next year's branding and marketing efforts.

1



### Value is What the Consumer Says It Is

Excessive spending, even on sale items, will continue to be replaced by a reason-to-buy at all. Only the **consumer can tell you for sure**. The appearance of ubiquity will be trouble for brands with no authentic meaning, whether high or low-end.

2



### Brand, Meet Value

Brands will increasingly become a surrogate for "value." What makes goods and services valuable will increasingly be what's wrapped up in the brand and what consumers believe the brand means.

3



### Zappos-ification

Marketers will have to comprehend what really drives their category, know what consumers really expect, and where to focus both process and brand efforts. Yes, **Zappos** sells shoes, but their brand equity lies primarily in the emotional driver of "service" - how they get shoes to customers and accept returns.

4



### Ethosnomics

Brands increasingly must stand for something beyond just rational items. Brands can't, however, just "stand for" the cause du jour. Doing what others do, just because they're doing it, won't work very long or very effectively. Corporate social responsibility efforts will need to be believable, sustained, and engaging. Some of the **strongest will come from those brands that connect the public and the personal** in today's financially-strained world.

5



### Differentiation Can Be Emotional

Differentiation remains critical to brand success as the proliferation of products and services available to consumers continues. While true innovation does exist when it comes to the offerings available, increasingly **differentiation will come from what the brand offers emotionally to consumers** - especially as the ability of brands to mimic and get "me-too" products to market quickens.

6



### They're Talking to Each Other Before Talking to the Brand

Social Networking and DIY media-exchange of information outside of the brand space will increase as consumers become more comfortable with their power to get the true story on products from total strangers. **Brands will need to drive positive feedback out in the virtual world like never before**, necessitating a deep understand of their

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### Friendtelligence

**Influence by friends will also increase.** If consumers trust the community, they will extend trust to the brand. Not just word-of-mouth, but the right word-of-mouth is what matters. Look for more websites using Facebook Connect to share information with the friends from those sites while trying not to annoy anyone.

### Recap: 10 Branding Trends for 2010

- 1) **Value is the new black.**  
Excessive spending, even on sale items, will continue to be replaced by a reason-to-buy at all.
- 2) **Brands increasingly a surrogate for "value."**  
What makes goods and services valuable will increasingly be what is wrapped up in the brand and what it stands for.
- 3) **Brand differentiation is Brand Value.**  
The unique meaning of a brand will increase in importance as generic features continue to plague the brand landscape.
- 4) **"Because I Said So" is so over.**  
Brand values can be established as a brand identity, but they must believably exist in the mind of the consumer.
- 5) **Consumer expectations are growing.**  
Brands are barely keeping up with consumer expectations now. Those brands that understand where the strongest expectations exist will be the brands that survive – and prosper.
- 6) **Old tricks don't work/won't work.**  
In case your brand didn't get the memo here it is: consumers are on to brands trying to play their emotions for profit, especially in the wake of the financial debacle of this past year.
- 7) **They won't need to know you to love you.**  
A brand with the right street cred can go viral in days, with awareness following, not leading, the conversation. After all, everybody knows GM, but nobody's buying the cars.
- 8) **It's not just buzz.**  
Conversation and community is all: ebay thrives based on consumer feedback. If consumers trust the community, they will extend trust to the brand.
- 9) **They're talking to each other before talking to the brand.**  
Social Networking and exchange of information outside of the brand space will increase.
- 10) **Engagement is not a fad; it's the way today's consumers do business.**  
Marketers will come to accept that there are four engagement methods including Platform (TV; online), Context (Program; webpage), Message (Ad or Communication), and Experience (Store/Event).

8



### Putting the Brand Into Their Hands

It's increasingly handheld technology that facilitates transactions. Brands that make it hard to buy on the small screen will suffer.

Watch for promotions and coupons to continue to explode, especially if the brand can customize that experience.

9



### Prolifetition

Look for increased competition, and not just from traditional brands.

The internet changed the game from consumers feeling they had to know a brand to even consider it. Ubiquitous awareness is replaced by strong word of mouth and positive viral sharing. Knowing what drives a category, what consumers really expect, and what creates loyalty, can give you a meaningful advantage when entering new and uncharted categories populated by strangers to your brand.

10

### Exponential Expectations



Brands are barely keeping up with consumer expectations now. Every day consumers adopt and devour the latest technologies and innovations, and only hungry for more. As app technology becomes more entrenched, brands will be expected to deliver in that space. Look for even more apps to appear in 2011.

11



### Engagement is Not a Fad

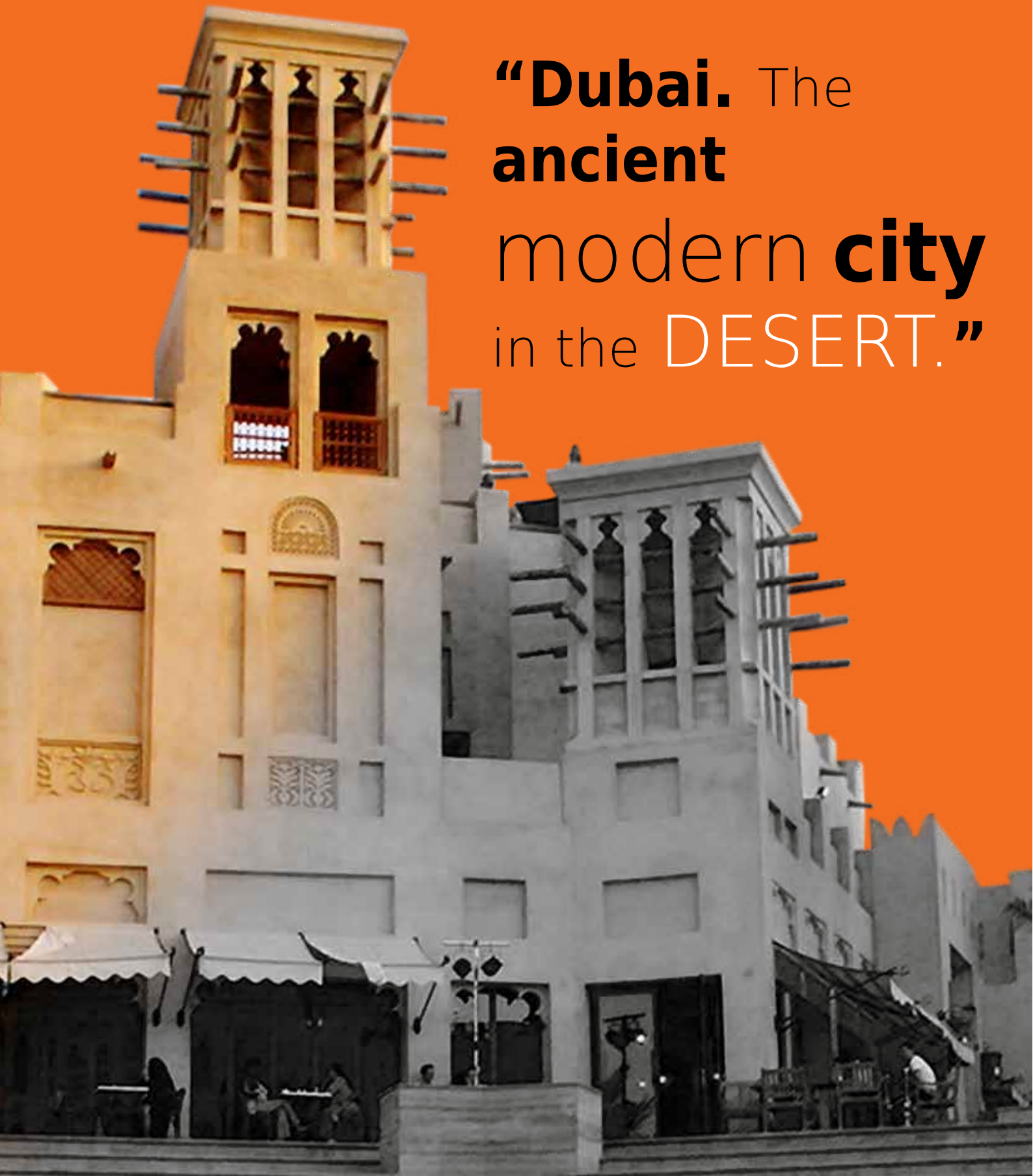
It's the way today's consumers do business. Period. Marketers will continue to use engagement methods like the right platform; program; message; and experience. But there is only one objective for the future: Brand Engagement. Attaining real brand engagement is impossible using out-dated awareness models.

Accommodating these trends will require changes on the parts of how companies measure, manage, and market their brands. And, yes, change can sometimes be terrifying. But change is, more or less, another chance. However, for brands that ignore these trends, it could very well be their last.



**Dr. Robert K. Passikoff is the founder and president of Brand Keys, Inc. A sought-after consultant, speaker, and THOUGHT LEADER on engagement and loyalty, Dr. Passikoff has 35 years of experience in brand planning. He has pioneered work in the area of customer loyalty and consumer engagement, creating the Brand Keys Customer Loyalty Engagement Index SM, the Brandweek Loyalty Leaders List, the Sports Fan Loyalty Index®, and the Women's Wear DAILY Fashion Brand Engagement Index®. In 2007 New York University's communication school declared Dr. Passikoff "the most-quoted brand consultant in the United States." Robert is currently a contributing editor for Brandweek and Media Daily News, a columnist for Chief Marketer and is a guest commentator for CNN's The Biz and MarketWatch.**

**“Dubai.** The  
**ancient**  
modern **city**  
in the DESERT.”

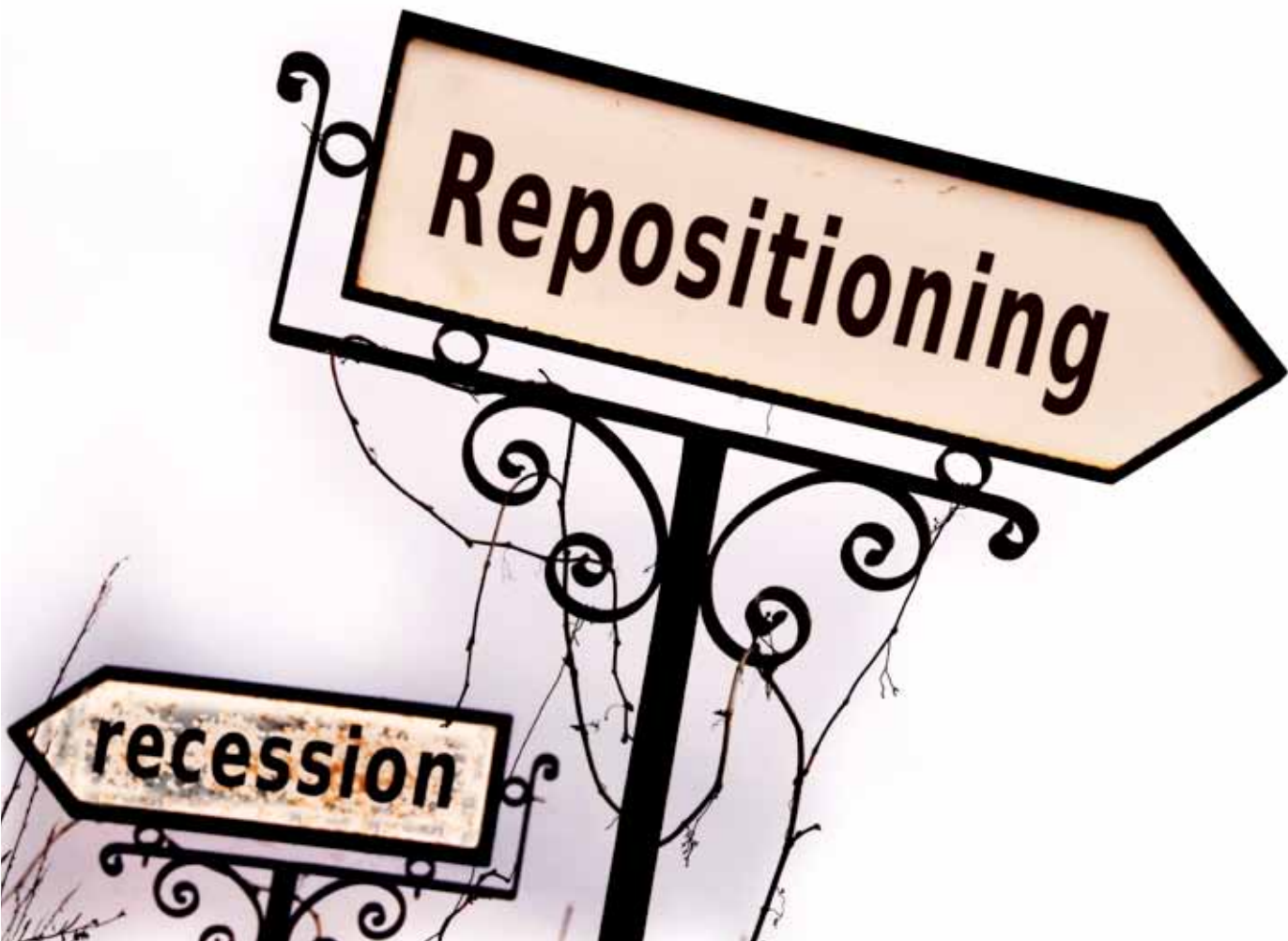


Jack Trout, president of marketing consultancy Trout & Partners, strategic partners of BrandLounge for the Middle East and North Africa region, shares his view on the repositioning strategy for Dubai. Below is an excerpt of his suggested two-step process for reviving "Brand Dubai".

## The **Repositioning** of **Dubai**

“The global recession has had a negative impact on what could be called **“Brand Dubai”**. A great deal of press has described the problems of overbuilding, environmental issues and the growing need of water. All this will not help investment and tourism in a city that needs both,

to work its way out of its current problems. Major marketing programs are needed to rebuild what once was a powerful reputation as a major financial and tourist attraction. The program should have two parts. Let’s start with the investment program.



## Restoring the city's image

What is called for is what I call the law of candor: Admit a negative to set up a positive. How can Dubai best frame its problem? In my estimation it can be best expressed as:

**“Dubai. A city that got ahead of itself.”**

That admits a negative, but in a way makes what happened seem less than reckless overbuilding and planning. Now for the positive. What Dubai has set up is a **“Pause”**. But what kind of “pause”? I would express it as a: **Planning Pause**.

In other words, Dubai is using this time to re-think and better plan the future of the city.

This requires careful planning and the setting of priorities which will not be easy but will impress future investors.

I would entitle this plan as:

**“Dubai. Phase Two.”**

And, if necessary you could have three phases.

This all will require great study and careful work.

The communications form will be a presentation to potential investors, as well as extensive public relations.



## Improving tourism

In review of the promotion of tourism, I feel that what is missing is the emirate's past. When you have a long heritage, you use it. I was startled to find Dubai's beginnings are in the 4th Century. This story should be developed and added to tourism promotion. What little is done now, should be greatly expanded to better tell the beginnings of the city. People love history. Especially ancient history. I would capture all this in a simple but broadening concept:

**“Dubai. The ancient modern city in the desert.”**

Dubai's future promotion could visually combine the old and the new.”

**Jack Trout is president of marketing consultancy Trout & Partners, strategic partners of BrandLounge - Branding and Marketing Strategists for the Middle East and North Africa. With more than 40 years of experience in advertising and marketing, Trout has consulted for such companies as AT&T, IBM, Southwest Airlines, Merck, Procter & Gamble and others.**

**He is the author of many marketing classics, including Positioning: The Battle for Your Mind; Marketing Warfare; The 22 Immutable Laws of Marketing; Differentiate or Die; Big Brands, Big Trouble; and his latest, Trout on Strategy. Trout is the originator of «positioning» and other concepts in marketing strategy.**



**Modern customer loyalty metrics is the** most effective **way** **to predict how customers** will **RESPOND** **to your next branding campaign.** Many marketers and brand managers however, fail to **MEASURE** the preferences and **expectations** of today's customers.



## Customer Loyalty and Engagement Metrics: Creating the Right Differentiating Strategy

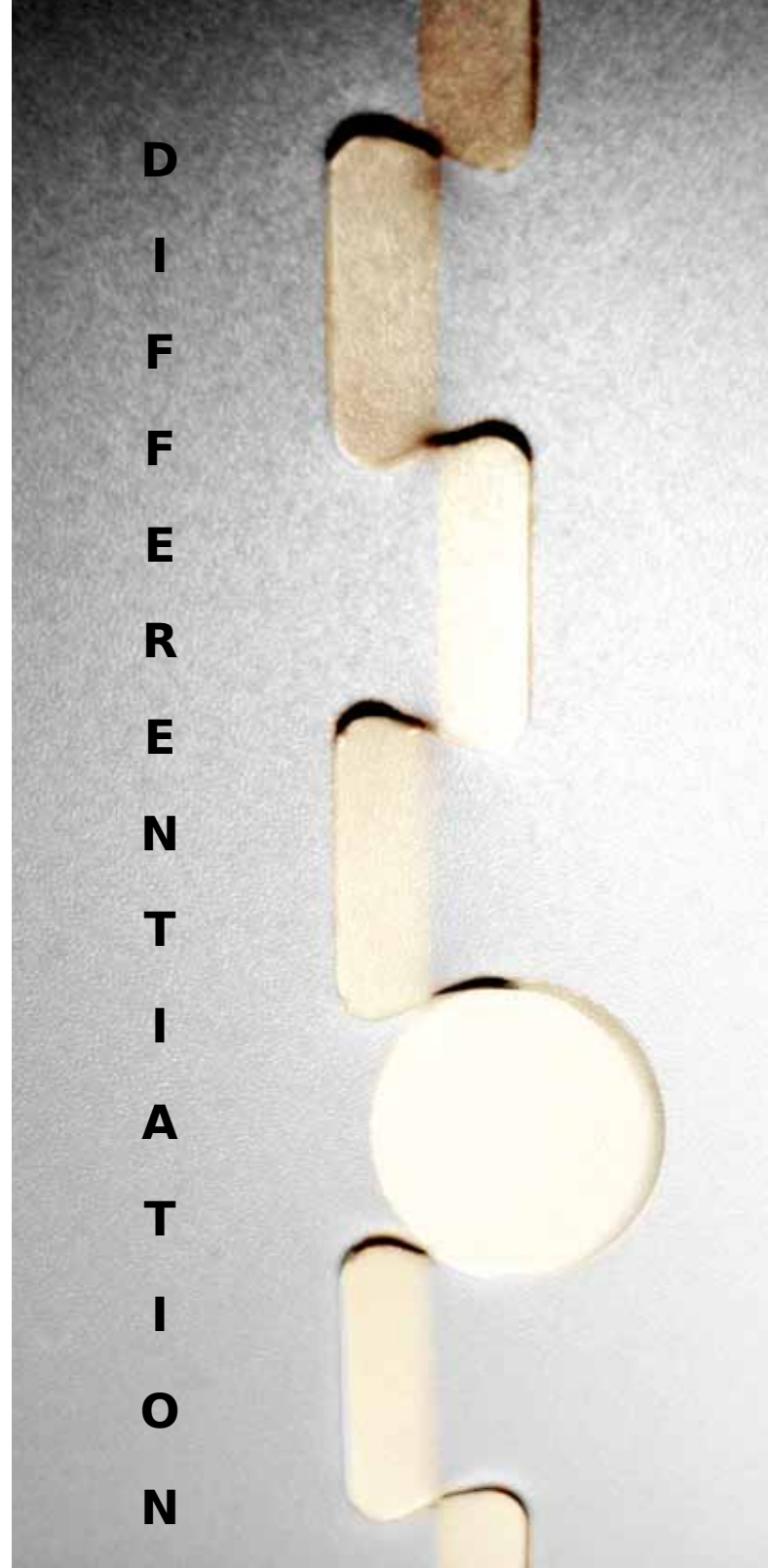
Modern customer loyalty metrics is the most effective tool that can accurately predict how consumers will respond to your next branding campaign.

Many marketers and brand managers however, are still fixed on traditional research methods rooted in the four P's model. With the exponential growth of global product competition, more and more of the same products are sold at the same price. Product distribution outlets are also more or less the same.

And if these problems weren't enough for marketers, there's also the all too important fact that the twenty-first-century 'bionic consumer' has more control over the information and persuasion that they allow into their lives. Taking all these factors into consideration, only metrics rooted in modern research methodologies can accurately capture customer preferences and expectations. According to leading brand consultant and author, Dr. Robert Passikoff, customer expectations have increased on an average of 27% over the last 10 years, while brands have only kept up by an average of 8%. This gap of unfulfilled expectations presents a significant opportunity for marketers, especially if they have the tools to predict customer preferences and expectations well in advance.

### Importance of **Customer Loyalty**

But exactly how lucrative is it to capitalize on customer loyalty? Extremely! Customer loyalty is inextricably linked with profits. Keeping an existing customer is 7 to 10 times cheaper than recruiting a new one. In the long run, a firm can benefit from a lift in lifetime profits by as much as 95%



per customer, just by a 5% increase in customer loyalty.

Moreover, an increase in loyalty by as little as 2%, in particular sectors, can result in the equivalent of 10% cost reduction.

Now that we can quantitatively justify the need for capitalizing on customer loyalty, we need to review the most accurate methodologies available to brand planning and marketing teams.

Measuring **Loyalty**

How feasible is it to come up with a metric for something as complex as loyalty? Brand Keys, the only research consultancy specializing in loyalty and brand equity metrics, has established predictive brand metrics that are grounded in clinical psychology. It's important to establish, from the onset, that loyalty is defined as the customer-to-brand bond that ensures future purchase. With this basis, we need to explore the interview methodology that is the first step in capturing consumer affinity towards a given product of service. Questions like, "Do you like this brand?", "Will you purchase this brand again?", and "Will you recommend this brand to your friends?" are limited in their ability to accurately predict what consumers will do. The answers will definitely inform you about what customers say they will do, but not what they will actually do. It is not surprising

when customer loyalty and satisfaction surveys, though important, do not necessarily translate into repeat sales, hence profits. Customers might be thoroughly satisfied with a purchase, but their next purchase will be entirely dictated by whether or not, rationally or emotionally, they perceive a product will meet or exceeds their expectations.

**Output**

In order to understand consumer behavior at a deeper level, Brand Keys has devised the only research method that helps marketers get below consumers' 30% rational and 70% emotional radars to tell you what they are actually thinking and feeling about a product or service. The interview methodology combines psychological

assessments and higher-level statistical analyses which fuse emotional values with rational attributes (Figure 1), allowing us to identify the underlying bond between the brands and its consumers. The strength of the bond represents the degree of loyalty consumers will show towards a brand.

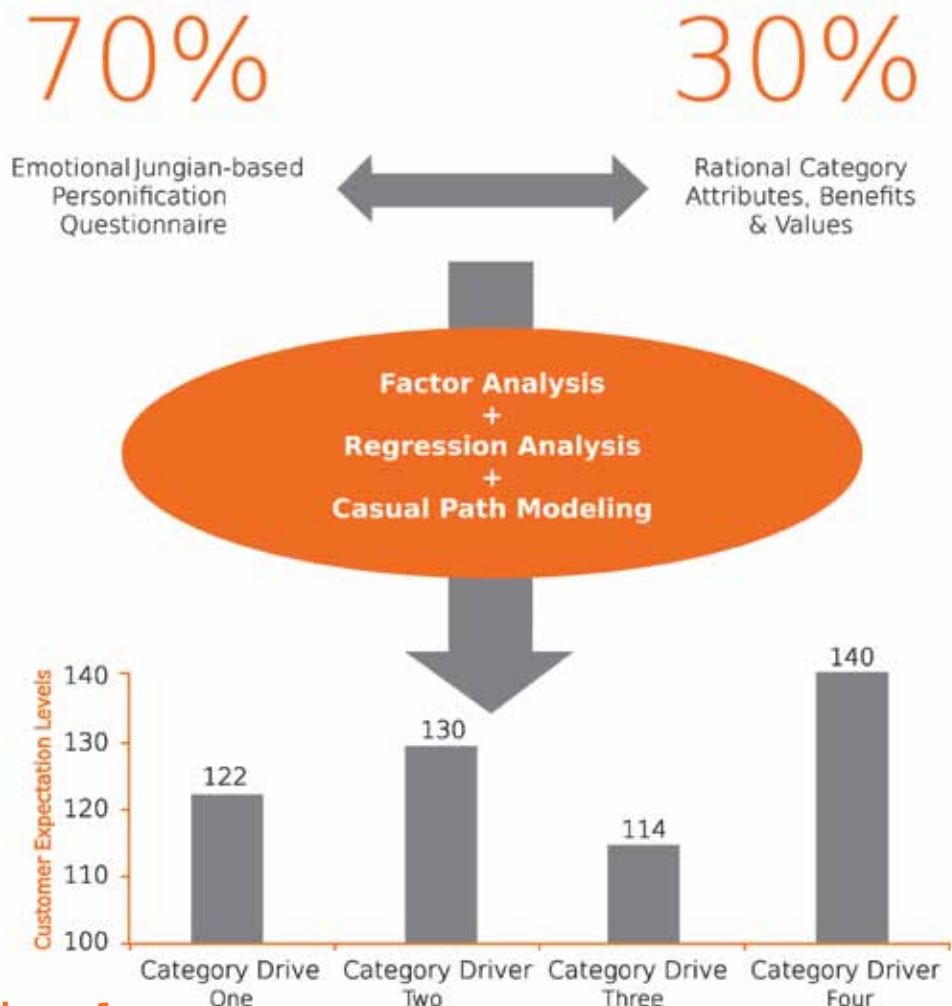
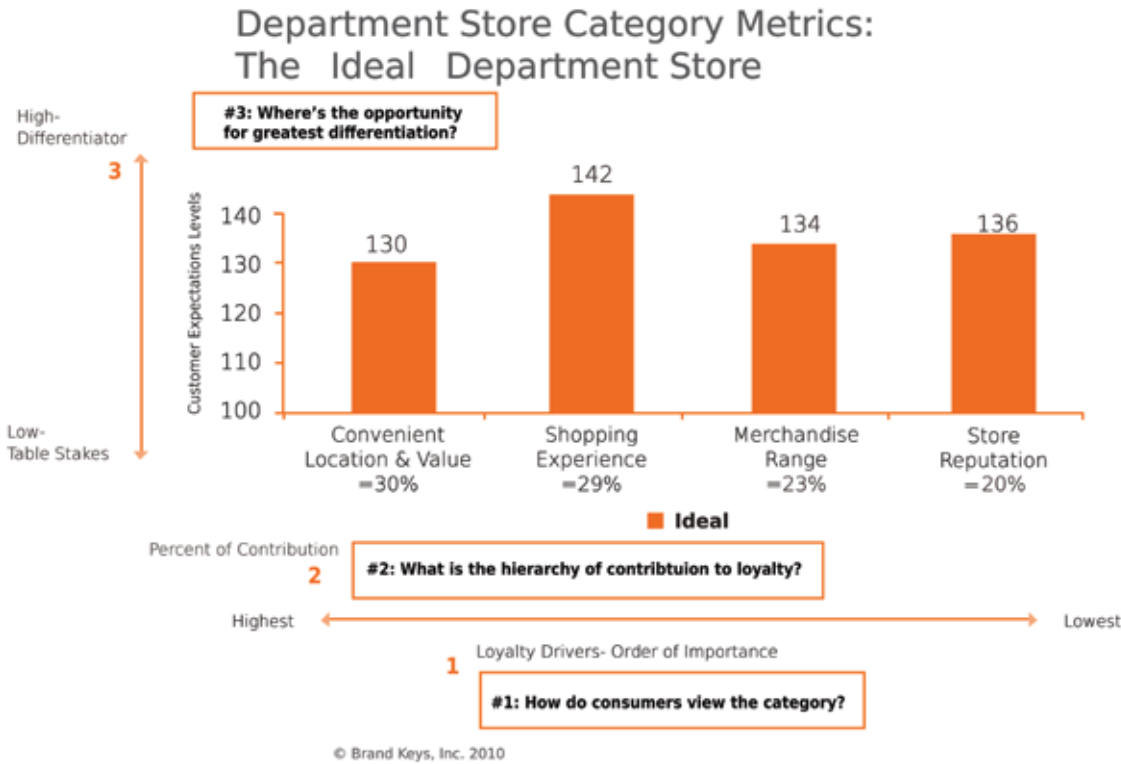


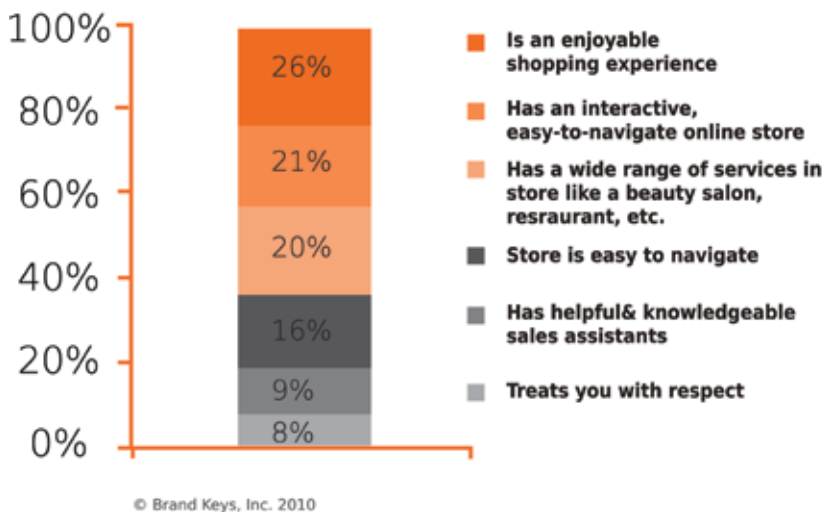
Figure 1

The answers to the psychological (Jungian) questionnaire produce diagnostics that are represented in four category-driver dimensions. If we use the category 'department store' as an example, the results of the psychological assessments deliver a unique in-depth portrayal of how consumers view, compare brands, and actually "buy" the category. The order of importance of the category drivers, read left to right, and customer expectations, expressed as a driver index or height of bars, appear in the following figure:



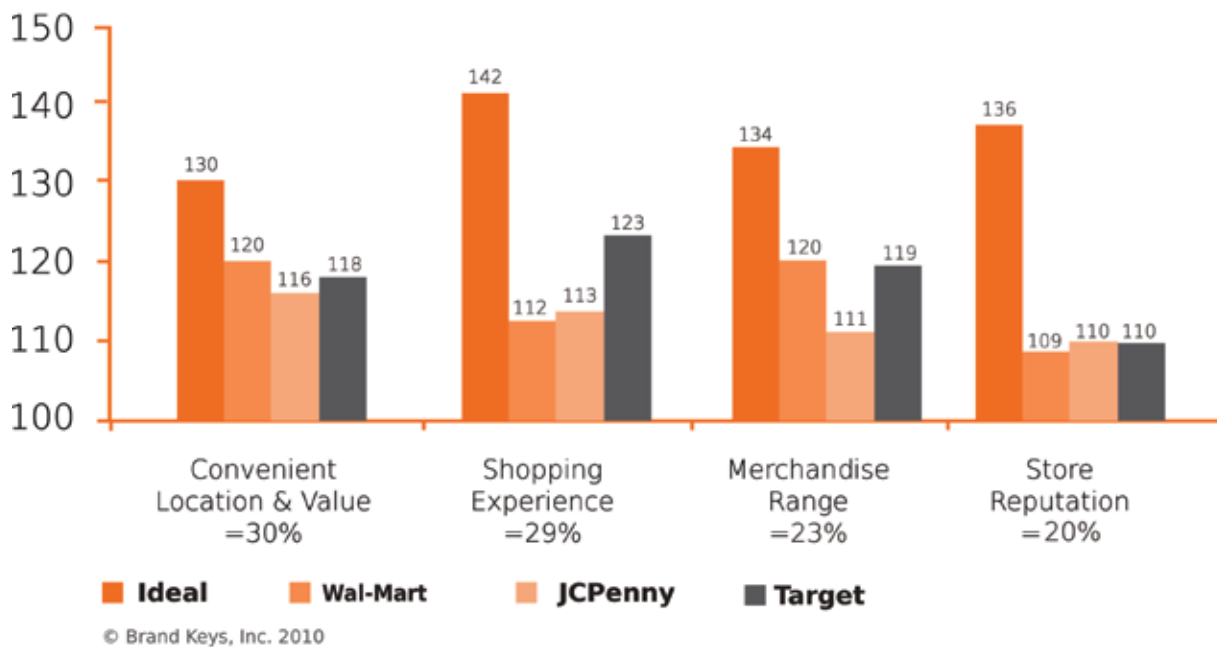
Each of the four identified category drivers, provide a measure of customer expectations. Furthermore, each driver is made up of a number of attributes, benefits, and values (ABVs), which are used to define and influence buying decisions in a given category.

### Department Store Category: Driver #2: Shopping Experience (29%)



Competing brands are then charted against the “ideal” for the category. A department store can then assess how they rank relative to their competition, based on how well their brand is seen by the consumer as meeting their expectations. Furthermore, the gap in customer expectation levels between any given department’s store and the ‘ideal’ pinpoints areas of unfulfilled wants and needs, defining opportunity for a brand to differentiate its offerings.

### Department Store Category: Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis



This methodology has proven efficacy across some of the world’s leading brands with a high 70 - 91% correlation with sales. The output provides quantitative assessments generalizable at the 95% confidence level, and is used in both B2C and B2B categories in over 30 countries worldwide. Because these assessments far beyond standard imagery ratings, stated or derived importance ratings, and consideration sets, it allows the brand measures to move into the realm of real engagement and consumer choice. These metrics demonstrate how real connections are established and, therefore, how your brand can maximize the connection with its consumers (via their strategic positioning and communications), as well as seeing the granular elements that drive positive behavior, i.e., your brand seen as positively differentiated and valued from competitive brands.



the **point** of **differentiation**