

TRUTH ABOUT GLOBAL BRANDS 2

powered by the streets

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McCann Worldgroup's *Truth About Global Brands 2: Powered by the Streets* study explores both the macro cultural forces and the deeply localized nuances impacting brands, people and the marketing landscape today. Conducted by McCann Worldgroup Truth Central, the organization's global intelligence unit, this large-scale quantitative study surveyed more than 24,000 people in 29 countries.* For the qualitative component of the research, McCann Worldgroup's entire global network took to the streets over a 24-hour period to deeply understand local culture in over 70 markets. This unique consumer research methodology resulted in a one-of-a-kind roadmap for how global and local brands can respond and thrive in today's complex and ever-changing landscape.



TRUTH IS THE MOST VALUED CURRENCY

With the rise of political tensions, powerful sociocultural movements and even natural disasters around the world, we've seen that people are no longer willing to accept the status quo; everything is being questioned today. Trust in institutions, politicians and platforms has decreased and, on average, people believe that they need to read 5 sources in order to feel like they know the truth. In this context, it is hardly surprising that 72% of people believe "it's more important to put the truth before other factors in all situations" (up from 61% in 2015). The good news is that brands are seen in a relatively optimistic light. Globally, people have more than double the amount of trust in companies (from technology companies to supermarkets) than in politicians. What's more, two-thirds of people are open to brands playing a broader role in society. However, it is important to note that while brands have permission to play a more substantial role, how they do so is also under greater scrutiny. Brands must have a deep understanding of the people and culture of the market they wish to operate in. Furthermore, the role they can play is informed by their category and must be relevant to their overarching brand values. To help navigate how brands can play a meaningful role in people's lives, we have defined the principle of Deep Globality: the awareness of, and efforts to thoughtfully spread a brand, idea or movement in a multi-market capacity while actively enriching the receiving culture.



*US, UK, France, Germany, Italy, Poland, Russia, Spain, Sweden, The Netherlands, Argentina, Brazil, Chile, Colombia, Mexico, Australia, China, Hong Kong, India, Indonesia, Japan, Philippines, Singapore, South Korea, Egypt, Turkey, UAE, Nigeria, South Africa

THE NEW ORDINARY

Today, 57% of people globally agree that their country is in a state of conflict. In fact, this figure has increased in every single market we surveyed. Today's leaders are facing new pressures in these challenging times. Interestingly, when we asked consumers to consider what leaders could do to help, the number one thing that people believed would make CEOs and politicians better at their jobs is "if they had a better understanding of ordinary people like me." This begs the question, what is deemed as ordinary today? As a part of our Truth About Street initiative, the greatest commonality we found was that, today, the new ordinary is indeed diversity. And diversity is a far broader concept than we could ever have imagined. It can mean very different things to different people depending on the country, culture, and context, amongst multiple other variables. For example, we see strong regional differences in how diversity manifests; in Asia, a diversity of ideas is seen to be important, whereas in Latin America we see political diversity coming to the fore. Yet, despite the positive experience of our street-led immersion into local culture, our data shows that on a macro level, people are not always at ease with this new reality. Our study revealed that three-fifths of people don't trust the average person on the street. This may well be in response to the perceived increased threat of terrorism and the fact that extraordinary events are defining our ordinary lives. However, it also raises the uncomfortable question—do we have diversity fatigue? The reality is that the world is not going to get any less diverse, so successful brands must bring diversity into the core of their business. If marketers focus on being more diverse instead of just vocalizing the importance of diversity in their communications, the likelihood is that they will be able to truly represent the diverse world we live in today.

THE EMPATHY GAP

In the past three years, we have witnessed a rise in intolerance in every market interviewed. Indeed, 36% of people (up from 29% in 2015) believe that "increasing intolerance for different ways of life" is one of the greatest downsides of globalization. Furthermore, we've seen people respond to the perceived state of conflict that surrounds them by becoming more inwardly focused. A clear illustration of this trend is that now 69% of people globally agree that "I need to focus on myself before I can focus on others"—which has risen hugely from 2015, when 53% agreed. Overall, we've seen people retreat into the safety of what they know, with two-thirds of consumers agreeing that their home is their sanctuary, because the world feels like a scarier place. People are seeking more humanity in a world they perceive to be as increasingly inhumane. This has led to an empathy gap:



Interestingly, brands are perfectly poised to help bridge this gap. This is best illustrated when we asked people the role that brands should play versus the government. People believe brands can play a more empathetic role in their lives, with the top actions a brand could do ranging from "spreading laughter, joy and happiness" to "bringing people together by helping eliminate prejudices and stereotypes." In contrast, governments were seen to be responsible for 'reducing crime' and enforcing social equality. In short, brands have permission to have an incredibly rich, human relationship with their consumers that will go a long way toward helping bridge the empathy gap we uncovered.



GLOBAL BRANDS IN A LOCAL WORLD

Our study revealed that consumers' fears are often global, whereas their hopes are increasingly local and closer to home. In this context, it's unsurprising that we've seen a rise in trust for local brands. Of course, there are global brands that are hugely important in young people's lives; however, what we're really seeing is that local brands are being perceived as behaving in a more interesting and innovative way. As *The Economist* states, "from America's shale industry to Brazilian banking, from Chinese e-commerce to Indian telecoms, the companies at the cutting edge are local, not global." However, this is only one side of the story. When we probed consumers further about the behavior of global brands, 70% of people "prefer a brand that speaks to everyone vs. a brand that speaks to me personally." And perhaps most encouragingly, 81% of people believe that "global brands have the power to make the world better." In short, global influence still remains as strong as it always has been, but as marketers we need to think about how we can strike the balance between the best of both worlds. How can we promote unifying values while understanding the nuances of individual cultures and marketing in an ever more hyperlocal way? Today, it is absolutely possible that a global brand can behave in a local way and vice versa. A brand should always be true to its universal values as these are the gifts of their globality that they can give to markets; however, by focusing on how a brand will be additive to a local culture is paramount to achieving brand love and relevancy with local consumers. Of course, this balance varies greatly by market, and indeed categories, and is the principal one on which we have based our Deep Globality philosophy to help brands calibrate their own globality in this rapidly changing world.

To learn more, please contact TruthCentral@McCann.com.