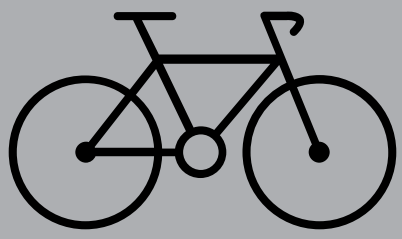


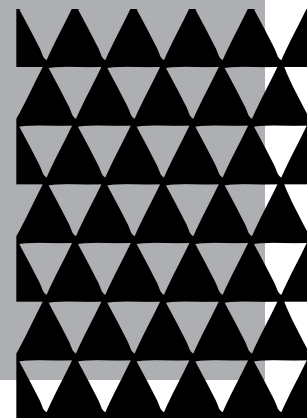
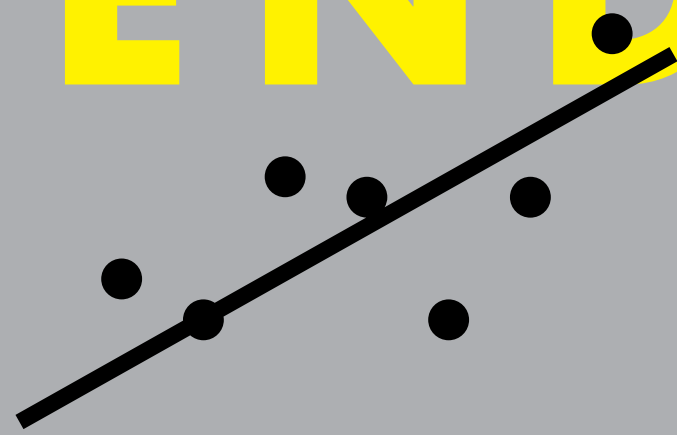
GARAGE

GARAGEBRANDING.COM



TRENDS

2015



INTRO

PART 1

BROAD TRENDS

What's going on out there?

3

PART 2

GENERATIONAL DIVIDES

Baby Boomers, Gen X and Millennials

10

PART 3

How do brands
CONNECT

22



What's going on out there?

BROAD TRENDS

THE US STANDARD OF LIVING



INCOME:

declining adjusted for inflation since 1970s

Average annual hours worked,
ages 18-64:

1975 **2013**

Men: 1869 Men: 1955

Women: 1394 Women: 1711



WORK VS PLAY:

Most hours of 25 developed countries; least vacation (Germany; fines imposed for contacting employees during vacations, time off, weekends)



DISCONTENT



BENEFITS:

Only country without government health insurance or subsidies; lowest maternity benefits; least retirement support (Denmark, generous unemployment, maternity leave, retirement)



DISAPPEARING MIDDLE CLASS:

Over 50% of California citizens make less than \$15/hr, similar to most major markets; concentration of wealth; 60% of adjunct professors make less than minimum wage, 40% on food stamps



(emerging) KINDNESS + REPAIR:

(Cuba; volunteerism; eco; police misconduct)



HOW DOES THIS AFFECT SPENDING?

+ CONTINUING TRENDS

urban living, farm to table, frugal travel, music festivals
(drivers: small, authentic, community, experience)

+ 'SMALL' VS 'BIG'

across almost all product categories, especially now in food
(P&G vs the little guys)

+ ALTERNATIVE LODGING

private homes or apartments and 'nice' hostels

+ E COMMERCE

+ BARGAINS/BUDGET SHOPPING

new Whole Foods downscaled stores, online travel bookings

+ COLLEGE DEBT

+ EXPERIENCE VS MATERIAL GOODS

budget travel, music festivals, farmers' markets

+ RENT VS OWNING

furnishings, apartments, cars, art, office space, designer clothing, neighbor's tools via neighborgoods.net

+ MIXED-USE BUILDINGS

close to transit or work centers

+ ATHLEISURE, CASUAL

+ (emerging) ETHICS

+ (emerging) SHIFT TO VALUE VS PRICE

(direct booking of hotels and air to get more value)
(NY Times)

(-) AUTOS

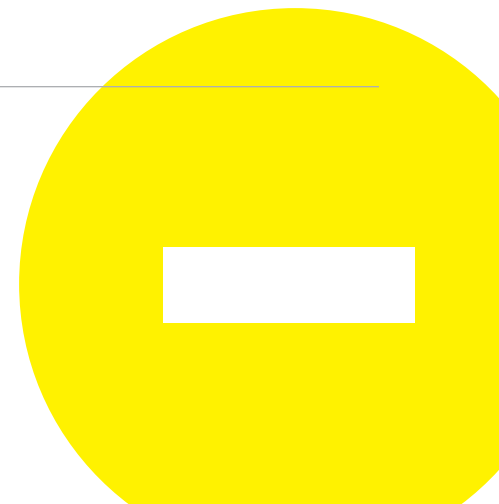
(-) HARD GOODS

(-) TRADITIONAL HOUSING

(-) HIGHER EDUCATION

(-) FOOTBALL

(-) WEDDINGS





WHO'S LISTENING

WALMART:

Announced plans to improve welfare of farm animals in its supply chain

Partnered with Geena Davis for the Bentonville Film Festival to encourage diverse voices (women and diversity in film)

Announced plans to raise its minimum wage to \$9/hr

CEO Doug McMillon spoke against anti-gay legislation

'These are first and foremost business decisions (and not part of a concerted effort to alter perceptions of the company). . . (these actions) do have some effect on reputation issues.

(Adweek)



PSYCHOLOGICAL RESPONSE

SIMPLIFICATION

(a response to feeling overwhelmed and too busy)

DE-CLUTTERING

(a response to 'stuff', 1-800-GOT-JUNK?)

LOWERED EXPECTATIONS

Studies show increase in feelings of hopelessness and insecurity

BROAD DISTRUST OF GOVERNMENT

At all levels, law enforcement, large companies, schools and healthcare.
Privacy becoming a serious issue

Add fear of terrorism, violence, immigration, health issues, environment.
Growing skepticism whether anyone, any government can change



BEHAVIORAL RESPONSE

DELAYS IN MARRIAGE

DELAYS IN HAVING KIDS

FAMILY INTERDEPENDENCE

Kids home longer, middle age caring for elderly
(USA Today, Christian Science Monitor)

HIGHER DIVORCE RATE

Divorce among 50+ doubled in eight years; 80% initiated by wives,
almost a complete flip from ratio 15 years ago, fueled in part by
jobless rate shift since 2008 recession

REDEFINED RETIREMENT

Continued employment, emphasis on experience, longevity for extending life without
necessarily improving quality of life; seeking less expensive destinations/lifestyle



THE NEXT REVOLUTION?

GENERAL DISTRUST AND LOSS OF FAITH IN INSTITUTIONS

Ebola panic fueled by distrust of institutions, including government, hospitals and CDC

GROWING DISPARITY

Between wealthy and poor

LOSS OF FAITH IN JUSTICE

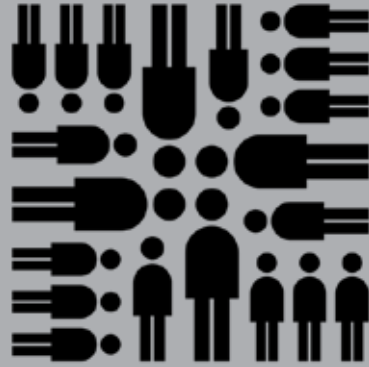
Widespread response to inequitable law enforcement

LOSS OF SAFETY

External and internal

TRIGGER POINTS

Inflation, governmental indifference, breakdown in security and personal safety



Generational

DIVIDES



TORTOISE VS HARE

In the race toward the sunset years,
different generational groups have chosen different paths.

HARE

Rushes through life stages, veers off course, voracious appetite, on 'fast track' to finish line.

Person with the most toys wins.

TORTOISE

Slow to start, slow to 'advance' toward 'American Dream,' never strays far afield.

It's not about winning; it's about how you run.



BABY BOOMERS

(post WWII to early 1960s)

FAST TRACK

On career path (like their parents)

ACCUMULATION

Of material goods – hard goods, autos (like their parents) acquired through debt

HOME OWNERSHIP

Embraced like their parents, even if careers required mobility

ACHIEVEMENT

Emphasis on achievement and income

AMERICAN DREAM

Their parents evolved into this mindset following Great Depression and WWII;
Boomers inherited it.

LOSS OF TRADITIONAL VALUES

(hard work, patience, marriage, kindness)

Now they are winding down before the finish line

Loss of jobs and meaningful employment

Lack of savings and retirement funds

PETER PAN SYNDROME



GEN X

(early 1960s-early 1980s)



'CYNICAL' GENERATION:

two economic meltdowns,
one president impeached,
several wars, 9/11

Known for

LACK OF RESPECT FOR AUTHORITY

Former 'grunge' generation now has

**HOMES, FAMILIES AND
FINANCIAL RESPONSIBILITIES**

Influenced by

TECHNOLOGY EXPLOSION

QUICK TO ADOPT TRENDS,
although not considered trendsetters

**BRAND LOYAL
DEAL SEEKERS
QUALITY IS ESSENTIAL**

Emphasis on balancing career and family life,
NOT WEALTH ACCUMULATION

UNCERTAINTIES
economy, retirement, children's education



MILLENNIALS

(or Gen Y, early 1980s-2000)

AND THE AMERICAN DREAM

SLOWER CAREER

and traditional American lifestyle paths

LACK OF FINANCIAL INDEPENDENCE

(58% of Millennials still get money from parents)

HOME OWNERSHIP

Fewer than half are putting money toward saving for a house
Seek smaller, affordable housing; prefer to rent
Millennials make up 28% of population but only 3% of home equity

HIGHER UNEMPLOYMENT

and lower incomes than previous generations:
looking to brands as diverse as H&M and Walmart to save money

DELAYED MARRIAGE

and childbearing

HALF BLAME THE RECESSION

of 2008 for their financial situation

UN PETER PAN SYNDROME

(all: USA/ Bank of America study)



DECADE OF EVOLUTION

from sharing, giving to challenging

2004

sharing,
optimistic,
unprecedented level
of respect and
admiration for parents

2015

sharing of information
and content,
redefined happiness,
questioning social
constructs and values

What does future hold? Will optimism wane?
Will discontent increase? Will they become as cynical and pessimistic as Gen X?



On a previous episode ...

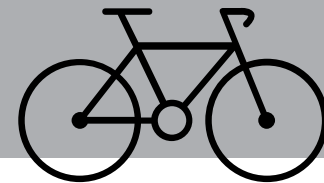
BANJOS • BOWTIES • BICYCLES



Bringing tradition and authenticity into personal style (another 'old' metaphor: gray hair)



Move to civility will take form in political correctness, doing 'good,' avoidance of both controversy and meanness



Move to city centers, desire for personal freedom, community, personal growth and expression (emerging: move to smaller markets)



MILLENNIALS MINDSET

Children of helicopter parenting



MOVE TOWARD CONSERVATISM

Value shift on issues like abortion, debt, savings



MODESTY

Sexy styles vs classier, more conservative looks, lack of comfort with exposing their bodies in public locker rooms, ex college and NBA basketball: uniforms (NY Times)



RELIGION

Decline of organized religion (The Week)



POLITICAL CORRECTNESS

and Fear of Controversy. College 'Safety': censorship, 'safe spaces,' avoidance of disturbing views



DECLINE OF HUMOR

Commercials, Hollywood comedies; adult humor books; sitcoms, decline in Comedy Clubs (Inferential Focus, Adweek, Publishers Weekly, Marketwatch)



IF LAUGHTER IS DOWN, WHAT'S UP?

Memoirs, religious books, self-help, messages to the heart. A shift from wanting to feel better to wanting to be better. Ex: Peace Corps, Leo Burnett study; advertising that goes straight to the heart. Dove's 'showing he cares'; Budweiser's better horse; McDonald's 'call your mom,' Coke's 'positive messages' (Adweek)



REDEFINITION OF HAPPINESS

20% of Americans suffer from 'loneliness'; higher rates of depression; more suicides than deaths from car crashes (Economist)



RISE IN PURPOSE, IDEALS, MISSION

Personal growth through altruism (ex: Peace Corps) Shift away from traditional careers to 'stability' (shop classes, maker studios, working with hands) Across all post-teen age groups, shifting priorities (turning away from clothing-style obsessions, focusing on communications and engagement, moving to desirable, inexpensive cities and towns)



DESIRE FOR CONVENIENCE

Google Flight Search, Google Hotel Finder, Sirona Dental Heroin delivery (NY Times)



WHAT'S COMING NEXT

Gen Z or Screenagers

In 2014, teenagers for the first time spent
LESS ON CLOTHING THAN THEY DID ON FOOD

Even when they buy clothes, brands are not important ('fake' goods)
'A PHONE KEEPS YOU MUCH MORE ENTERTAINED'
and opportunity for alternative style statement
(NY Times)

Have grown up in world of political and financial turmoil
Safer, more prudent,
MORE MATURE,
want to change the world, value education
(The Telegraph)



WHAT'S AHEAD

for Baby Boomers

Baby Boomers will
CONTINUE TO WORK
in increasing numbers. Necessity, to maintain desired
standard of living or avoid poverty.

To keep their
BRAINS ACTIVE

To pursue
ALTERNATIVE LIFESTYLES
'Workers on Wheels,' Vandwelling, Camper communities (Harper's Magazine)

Baby Boomers will shift from material goods and unaffordable housing to
EXPERIENCE AND REINVENTED RETIREMENT
(social trends work upward)



GRAND NARRATIVE

post WW II vs New Narrative (post 2000):

GRAND

Expanded standard of living across whole of society, sharing of wealth by corporations, government safety net, confidence to buy and finance homes, credit, consumer items for gratification and as badges

NEW

Quality of life vs quantity, self-expression and gratification, engagement with work, buy less and rent more, continued sharing

COMING

Focus on repairing damage of previous years of abuse – environment, social and economic inequities (environment, Cuba, healthcare, unfairness)



IMPLICATIONS

for Companies and Marketers

'ANOTHER AD, ANOTHER JOKE'
will become a formula for message failure

Employers should assume
EMPLOYEES RESPOND TO HAPPINESS
factors more than salary

INCREASED LEVELS OF DISCONTENT
in coming years

ETHICS
increasingly in mix of purchase motivations, outpacing price or convenience

PROVIDING MEANINGFUL EXPERIENCES
(fun) will attract customers

Entertainment with
DEEPER MESSAGES AND RICH CONTENT
will find an audience

The 'comedy' of government and companies locked in stalemate or old order will become a liability.
Companies must be free of old constraints and business models



How do brands

CONNECT?



BRAND LOYALTY

of Millennials

64%

of Millennials say they feel as much loyalty to brands as their parents did

24%

say they feel more

77%

say they use different criteria



Where do Millennials get

INFORMATION ABOUT BRANDS?



70%

TV

(least amount of time watching traditional TV than any other age group)



46%

ONLINE DISPLAY

Most influenced by word of mouth, online reviews from other customers (trusted 40% more than other media, 30% more memorable)



66%

SOCIAL MEDIA



21%

RADIO



33%

MOBILE



31%

MAGAZINES



39%

ONLINE VIDEO

(highest of any age group, average 2+ hrs/ week)



78%

say it's harder for brands to maintain their loyalty, compared to parents



MEDIA REVOLUTION

SHIFT FROM CABLE TO STREAMING

(70% of TV viewing is live)

THE BIG RACE AMONG CONTENT PROVIDERS

(ESPN, Disney, Amazon, Netflix, HBO, Discovery)



APPLE TV

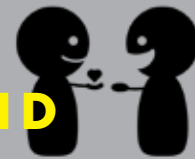
fewer options, subscription-based

EXPECTATIONS for brands



HIGH-QUALITY PRODUCTS

PRODUCTS THEY WOULD RECOMMEND



DIALOGUE, NOT 'SELL'

SHARES SIMILAR INTERESTS



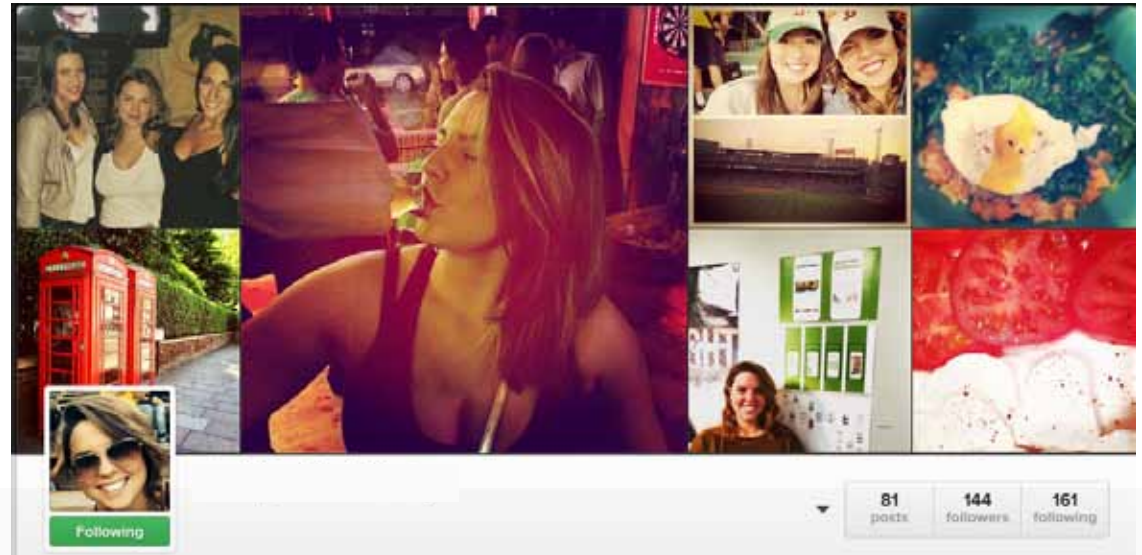
FITS THEIR PERSONALITY AND PERSONAL STYLE

SOCIAL RESPONSIBILITY 'WE CAN FIX IT TOGETHER'





Millennials as **MARKETING CONSULTANTS**



They have experience

'BRANDING' THEMSELVES

'Authenticity and trust is more important than content'

Millennials can spot a phony: Any random social or viral play is not enough for millennials – it has to be true to what millennials want – authenticity.

"Take Budweiser's attempt to win millennials over by ditching their classic Clydesdales in favor of a viral video campaign: in a climate where millennial dollars are going toward craft beers and away from the same old brands on every tap, that marketing money would be better spent on actually improving their beer or developing a craft beer of their own." source: demandmedia

'Not influenced at all by advertising.'

'Social media tells me if a brand knows what's going on in the world, especially when written by my peers.'

'Don't sell me. Talk with me. Not at me.'

Desire to co-create products with companies 'I want them to listen to my input.'



SOCIAL RESPONSIBILITY

75% say it's "either fair or very important that
A COMPANY GIVES BACK TO SOCIETY
instead of just making a profit."

Preference for brands like H&M or Zara
**('COMPLETELY FREE OF PESTICIDES,
CHEMICALS AND BLEACH')**

Increased trust (91%) and loyalty (89%) as well
as a stronger likelihood to buy from companies that
SUPPORT SOLUTIONS TO SPECIFIC SOCIAL ISSUES

FOR THE BIRDS
—
SINCE '14

100% TRACEABLE DOWN
100% Traceable Down provides the highest assurance of animal welfare in the apparel industry. As of fall 2014, it's all we use. We trace it through our supply chain from parent farm to apparel factory to make sure the birds it came from were never force-fed or live-plucked, and that our down is never blended with down from sources we can't trace. Learn more, watch What the Puck? and see all of our 100% Traceable Down products online: patagonia.com/traceabledown

patagonia

DON'T BUY THIS JACKET



THIS SEASON, SHARE SOME VALUES
Learn more about our Common Threads Initiative,
and take the pledge to reduce consumption

TAKE THE PLEDGE



DIALOGUE

and participation

(44%)

Open dialogue
through
social channels
(Adroit)

(48%)

Invite their input about products
and show you're listening.
Become more about the
consumer, less about brand
(Adroit)

(52%)

Listen to consumers,
be willing to change
(Adroit)

(63%)

Authentic,
honest vs 'corporate'
(Cohn & Wolfe)



EMOTIONAL BRANDING

SHIFT FOCUS

from

'CONSUMER' TO 'PEOPLE'

from

PRODUCT TO EXPERIENCE

from

INFORMATION DELIVERY TO DIALOGUE

Create material that's

SO EMOTIONALLY COMPELLING

it's sharable

CHOOSE 'HUMAN' HOT BUTTONS:

Discovery, family, desire to belong, fun, time savings, desire to get the best, reinventing oneself, being better, being smart



LIKE

Millennials talk about Advertising They Like



Ikea "bunch of cats roam around Ikea and make themselves comfortable on the furniture. The end was something like 'a place to call home' or something about home."



Lowe's "had a series of Vines called 'six second how-tos' that were stop motion animation of watching tools perform tasks in ways you wouldn't necessarily think they could do. . . really informative."



Lipton Brisk "one of my favorites . . . 'not half bad.' Because everyone is trying to throw it in your face and say 'This is the best thing ever.'"



Cheerios "had a great campaign focused on same sex marriages and children and bringing all that together."



HATE

Campaigns They Hate



Kia with hip-hop hamsters. . .
"there's a lack of authenticity"



mazda

Mazda "where they associate cars with iconic figures in history. Such a reach."



LISTEN UP!

Advice for Advertisers

**“WE’RE SKEPTICAL,
WE WANT INNOVATIVE,
but at the same time, we want it to
BE GENUINE AND HEARTFELT.”**

**“ENTERTAIN ME . . .
CAPTURE MY ATTENTION,
SPEAK TO MY CONSCIOUS
and then
LEAVE ME THE HECK ALONE.”**



THE BUZZ

Brands worth talking about

WARBY PARKER

An enlightened idea brand with a cause

FORD

Experience, eco, zip car

CLINIQUE

Uses emotional approach to shift perceptions

BURBERRY

Consumer-created content refreshes an iconic brand

UBER

Users provide direct feedback and company listens

OLD SPICE

Cracks the viral code: no hard sell

NET-A-PORTER

Creates a new space for dialogue



WARBY PARKER MEN WOMEN EDUCATION OUR STORY BLOG [HELP](#) [LOG IN](#) [CART](#)

Do good
For every pair of glasses purchased, a pair is distributed to someone in need.

[Learn more >](#)



We Like Your Photos: April 2015

Every month, we're tagged in bundles of adorable/cute/clever/well-shot photos on Instagram. Here's a roundup of our favorites. Enjoy!

[+ MORE](#)

An enlightened idea brand with a cause

Millennials are finding ways to do good in their everyday lives by taking advantage of brands that align with their values.

Also taps into millennial needs for simplicity, convenience and value



ABOUT THE SHOW

Escape Routes is a new reality show that follows six teams as they drive in the all-new 2013 Ford Escape from city to city, competing for cash and prizes.

The audience can be a part of the show, collaborating with the teams LIVE to help them win. And audience members can win a variety of prizes too – including trips to the set or an all-new Ford Escape!

MEET THE TEAMS

They win, you win.

They're entrepreneurs. They're family members. They're best friends. They're friendly faces. And, they're here to win the amazingly smart Escape.

Help a team win the ultimate prize of an all-new Escape and YOU could win a variety of prizes too – including an all-new Ford Escape.



Experience, eco, zip car (urban, small, counter old American model)

Uses experiences to promote Ford Escape

Escape Routes, Saturday night TV show on NBC featuring a bunch of attractive millennials and the Ford Escape

“Millennials need to participate in experiences versus just being spoon-fed something”
– Lisa Schoder, Ford’s global small-car marketing manager



The screenshot shows the Clinique website with a navigation bar at the top. Below the navigation bar, there is a promotional offer: "Sunny days, pretty treats. Pick 4 free minis + free shipping with any \$40 purchase.* No code needed." A green button labeled "CHOOSE NOW" is visible. Below the offer, there are images of Clinique products: a green jar of eye cream, a red lipstick, and a blue box. A large black overlay is positioned in the foreground, featuring the text "Clinique #StartBetter" at the top. The main content of the overlay is a form that says "I will start _____." with a "#StartBetter" hashtag below it. On the right side of the overlay, there is a sidebar with the text "PRODUCED Clinique & 36" and "CATEGORY Fashion, Beauty". Below this, there is a "SHARE THIS EN" button with a Twitter icon.

Uses emotional approach to shift perceptions

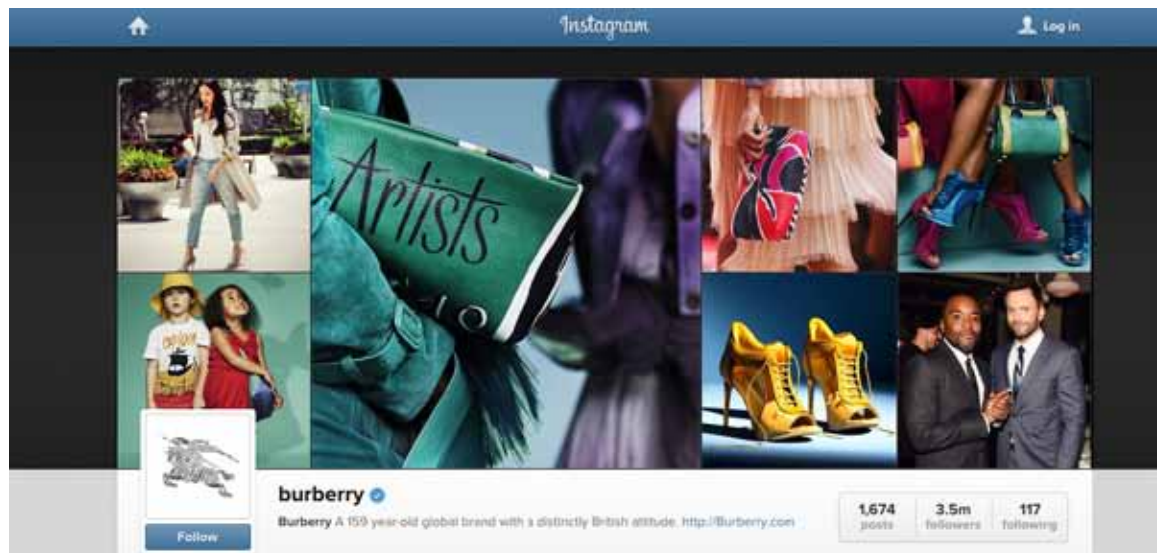
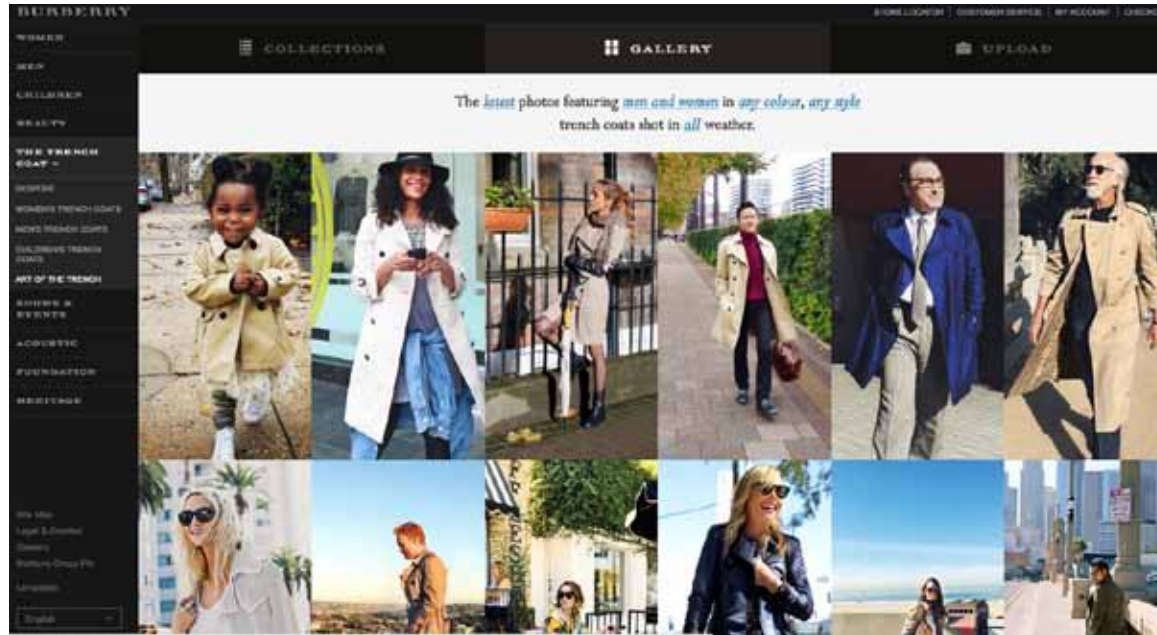
48 year old brand needed to increase brand relevance and shift perceptions

#StartBetter engaged women by asking them what they aspire to start better

YouTube, Facebook, Instagram and Twitter, all to encourage women to share.

Responses poured in and Clinique surprised people with real-time, personalized messages.
Also partnered with bloggers and social media influencers

1.4 million views on YouTube and Facebook in two months, mostly positive comments in social media, 12% sales growth



Consumer-created content refreshes an iconic brand

UBER



Creates real dialogue with consumers

Users provide direct feedback and company listens

Not only do they listen, they respond

Result: reliable, responsive, safe drivers, cleaner and newer vehicles

Grand benefits: Convenience, value, safety



Cracks the viral code: no hard sell

The Old Spice “Mom Video” continues the brand’s success in viral marketing.

Never using a hard product sell, Old Spice always seeks to entertain and bring about some sort of emotion, even if it is cringing with discomfort



*the*NET SET

POWERED BY NET-A-PORTER

You are invited to join The NET SET, the social shopping network we have all been waiting for.



Creates a new space for dialogue

New mobile-based social network called The Net Set, created by Net-A-Porter, will be part Pinterest, part Facebook, allowing users to post, like, share and shop trending items - because "shopping is more fun with friends".

Includes an e-commerce functionality that links back to the Net-A-Porter site.

BRAND HIERARCHY

**EXPERIENCE/
ENGAGEMENT**

**CONNECTIVITY/
DIALOGUE**

**SIMPLICITY/
CONVENIENCE**

**RESTRAINT/
PRICE**



GARAGEBRANDING.COM