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- **Buy-ology**



**FUTURE
PERSPECTIVE**



Burson-Marsteller
Europe, Middle East & Africa



**Strategic Research
and Innovation**

CRISIS / EMERGENCY MANAGEMENT

FUTURE OF DISASTER

Haiti, Chile, New Zealand, Japan, Thailand, Turkey... In recent times, our planet has been hit by an alarming number of natural disasters. Indeed, the occurrence rate of these events is clearly increasing. It is evident that 21st century organisations need to be ready for “what might be” with well-tuned capacities for anticipation and adaptation, innovation and collaboration.

Global reach, global losses

→ Even with hardly any direct damage, the Eyjafjallajökull Volcano eruption in 2010 highlighted the vulnerability of the networked global economy; alerting us to the risk of disruption for the ever more interconnected markets in the event of a more serious hazard.

→ In its report Natural Hazards, Unnatural Disasters, the World Bank estimates that annual global losses caused by natural disasters may triple to \$185 billion by the end of this century.

Increasing awareness

→ As the number of natural, technological and terrorist disasters rises, there is a general feeling of unease amongst the general public.

→ Governments, non-profits and business have set out to provide the means for effective preparedness:

1. [The US Federal Emergency Management Agency \(FEMA\) gives instructions to build an emergency kit](#)
2. [The Red Cross sets up a Ready-To-Go Emergency Preparedness Kit](#)
3. [Japanese company Muji offers a wide range of emergency Kits](#)

Emergency management goes mobile

→ When telephone lines collapse, the Internet has proved to be a resilient means of communication. And when the power is out, smartphones (charged through car batteries) often become the only gate to the outside world.

→ Moreover, mobile apps to improve the emergency response have flourished :

1. Developed after [Hurricane Katrina](#), the app [Life360](#) allows to track and locate friends and family members during an emergency.
2. [Guardian Watch](#) allows people in an impacted area a real-time visual read of the disaster. It also enable users to immediately report an emergency.
3. The [FEMA app Are you Ready?](#) contains safety tips and a map with shelters.

Social media steps up to the plate

→ Social media have become the primary source of information during emergencies.

→ Within hours of the Haiti disaster, the [Facebook group Earthquake Haiti](#) had already added over 14,000 members.

→ After the Japan earthquake, and in less than a day, the twitter account of the company operating the [Fukushima power plant gained 190,000 followers](#).

→ Retweeting is the new broadcasting and twitter users are the new information gatekeepers.

→ Rumour management becomes a number one priority for organisations. Prior to the oil spill, BP had no dedicated social media staff. By the height of the incident, [BP had 50 employees countering inaccurate Facebook and Twitter information](#).

COMMUNICATIONS TAKEOUT



ARE YOU READY?

The range of possible disasters may be wide, but the challenges and business implications to which they give rise are pretty much alike. Organizations need to be ready to face any emergency situation. And, for this, preparedness is key.

However, according to the PSB and Burson-Marsteller 2011 Crisis preparation Survey:

- **Only 54 % of worldwide corporations have crisis management plans in place.**
- **50% of existing preparedness plans are only partially reliable, having several gaps.**

This general lack of preparation is specially worrying knowing the fundamental role of social media during emergency and crisis scenarios. In fact, even though, 65% of business decision makers believe that new media make crises more difficult to manage, **the percentage of companies with preparedness plans in place drops to 38% when taking the digital arena into account.**

READ: [B-M 2011 CRISIS PREPARATION SURVEY](#)

HR/WAR FOR TALENT

FEMINOMICS

The “Third Billion”

→ One of the most compelling pieces of evidence driving this trend of Feminomics is the fact that 1 billion middle class women are expected to enter the global economy over the next decade.

→ If China and India each represent 1 billion emerging participants in the global marketplace, then this “third billion” will be made up of women in both developing and industrialised nations, whose economic lives have previously been stunted or suppressed.

→ Globally, women total \$13 trillion in yearly earnings and could reach \$18 trillion in the next five years, representing a growth twice as big as China and India combined. This will have massive implications on communication and leadership styles for companies and organisations and could potentially lead to a massive economic power shift.

Room for improvement

→ According to [McKinsey](#), although women account for 55% of university graduates in Europe, they are a smaller part of the labour market: their employment rate is 21% lower than that of men.

→ Additionally, 33% of women work part-time compared to 7% of men.

→ Within companies, women are particularly under-represented in management and decision-making roles: in Europe, they represent on average just 11% of the membership of the governing bodies of listed companies.

Women on boards: Europe’s targets

- NORWAY: 40% women on boards achieved by 2008
- SPAIN: at least 40% of each gender by 2015
- FRANCE: 40% women by 2016
- NETHERLANDS: 30% of each gender by 2016
- ITALY: Minimum of 33.3% of "least represented" gender by 2015
- BELGIUM: Minimum of 33.3% women on boards

Source: [Centre of Inclusive Leadership 2011](#)

Harnessing the “Third Billion” female demographic

- Companies, including Goldman Sachs and Google, are building talent recruitment plans around the potential of the Third Billion. [By investing in these women, companies are betting on a brighter future — for a workforce just waiting to blossom, for economies whose development depends on this new crop of talent, and, of course, for themselves.](#)
- The goal ultimate should be to harness the power of women in a regional economy, to help develop a more integrated and productive activity base.
- The impact of this type of strategy could be significant in countries as disparate as Egypt, Malaysia, Ghana, Canada, Italy, and Poland. And this is not only an opportunity for governments.
- Global corporations and non-governmental organisations should strategically assess what they can do to enable and prepare these women as potential consumers, employees, and citizens.

COMMUNICATIONS TAKEOUT



BEST PRACTICE FOR ACHIEVING GENDER DIVERSITY

- Create transparency by implementing gender diversity KPIs. Monitoring such performance indicators should raise awareness about the magnitude of the gaps to be closed within the organisation and serve as a tool for defining priorities for action.
- Implement measures to facilitate work-life balance
 - Flexible working hours – not restricted to women alone
 - Career flexibility and support during career breaks
- Adapt the HR management processes
- Help women to develop networks, learn negotiation skills, develop their careers, provide mentors
- Pivotal role of the CEO. Practices will not develop unless top management is convinced diversity brings competitive advantage and commits to implementing change, under the leadership of the CEO.

READ: [WOMEN MATTER – CORPORATE PERFORMANCE DRIVER](#)

[Source: McKinsey]

RISE OF QR CODES

Even though the use of Quick Response Codes in the industrial arena dates back to 1994 and they've been hot in Japan during the 2000s, it's only now, following the rise in uptake of smartphones and the parallel development of new mobile marketing strategies, that they are becoming mainstream in Europe and the US. With [usage growing close to 80% this year](#), QRs are increasingly mainstream.

QRs everywhere

- From a beverage cup to a packet of gums, from store windows to promotional fliers and wristbands, QRs are becoming a must for [packaging and advertising](#).
- 22% of Fortune 50 companies were already using QR codes in December 2010, according to Burson-Marsteller and Proof "[Fortune 50 mobile study](#)" with ads being the most frequent placement.
- But even the most unexpected locations are ripe for QR usage. The American company Seattle's Quiring Monuments offers what it calls "[living headstones](#)", with engraved QR codes that, when scanned, reveal additional information about the person including photos, videos and text about the life they lived.
- Another US enterprise, dogIDs, sells personalised [dog collars with QR codes](#) containing contact information, emergency contacts, medication and dietary needs.
- The Royal Dutch Mint has just produced a [limited edition of QR Coded coins](#) to commemorate the 100th anniversary of the Mint in Utrecht.

Client engagement

- Regardless of their location, QR codes enable companies to maximise client engagement, bringing the online and offline world closer together every day.
- Following the successful [QR scavenger hunt](#) organised earlier this year in partnership with Lady Gaga, Starbucks has now started using QR codes to provide customers with additional information on the different blends of coffee offered at the stores and to [foster mobile payment](#).
- Diesel has introduced QR codes in its stores to enable customers to "[Like](#)" a product on [Facebook](#) just by scanning it.
- Retailers like [eBay](#) and [Ocado](#) are experimenting with pop-up QR code shopping and Fox has just launched a [QR code movie sales](#) in UK.
- The Tesco QR shopping experience in the Korean tube is worth watching: <http://bit.ly/kPKIA8>

Design matters

- In 2008, the BBC became one of the very first pioneers of [QR customisation](#). Companies are now slowly following the path and starting to tint [QRs with corporate colours and campaign designs](#).
- Other 2D barcodes such as [Microsoft tags](#) also offer countless design possibilities.
- At the same time, we are moving away from the somewhat obscure and mysterious effect of QRs. More brands are now providing value to the data capturing through self-explanatory claims such as "listen to the song" or "[watch the trailer](#)".

COMMUNICATIONS TAKEOUT



5 EASY WAYS TO GENERATE ENGAGEMENT WITH QR CODES

All businesses can benefit from QR codes. It just a matter of being innovative and thinking creatively. 5 basic applications:

1. Include them on business cards, leaflets and newsletters to enable the direct download of contact details or to automatically [generate calls and sms](#) to a default number.
2. Use them to [get likes and follows](#) to your Facebook page and Twitter profile, or to easily sign-up to a website, by placing them in printed ads, labelling or point-of-sale displays.
3. [Provide detailed information](#) about a product or [enable an interactive experience](#) on a service by placing QR storefront displays with an online demo, video, etc.
4. [Enrich your merchandising](#) (T-shirts, wristbands, mugs) and develop new PR actions, such as [scavenger hunts](#).
5. Facilitate a [quick response to promotions](#) and giveaways by placing QR codes on direct mail or ads.

[CREATE YOUR OWN QR CODE](#)

CONSUMER/MARKETING

BUY-OLGY

In recent times, researchers have discovered more about the workings of the human brain than throughout the entire previous history of psychology and neuroscience. Their findings, combined with advances in technology and software development, now make it possible to record and analyse what is going on in the minds of consumers with a high degree of precision and sophistication.

Here comes the science bit

- The ultimate goal of [neuromarketing](#) is to understand how the brain produces behaviour. Fundamentally, therefore, neuromarketing is a biological science.
- Nowadays, the results of these studies are sufficiently reliable to take their place alongside more traditional market research methodologies, offering both confirmation of their findings and invaluable additional insights into the mental processes underlying consumer decision-making behaviour.

Evidence

- A [study](#) at Baylor College of Medicine in Houston showed that the brain registers a preference for Coke or Pepsi similar to that chosen by the subjects in blind taste tests.
- Another [study](#) by Richard Silberstein, a neuroscientist with the Brain Sciences Institute at The Swinburne University of Technology in Melbourne, found that successful advertisements generate both high levels of emotional engagement and long-term memory encoding.

The brain is a mysterious thing

- Most of you will have seen cigarette warning labels in Europe. They're pretty revolting. Think they work? Surveys of smokers say yes, but interviews with their *brains* say no. In fact, researchers have found that [warning labels actually trigger smoking stimulus](#). Talk about unintended consequences.

So what makes some products irresistible?

- Insights into decision-making and emotions are ripe for exploitation. Take the prefrontal cortex, an area that plays a key role in level-headed decision making and long-term goals. It takes years to develop and then starts to lose some of its swagger when we're in our late 50s. That means kids under 12 and older people are more susceptible to urges that come from the amygdala, the emotional hot button in our heads. It responds to threats, emotional communication and sexual imagery. The cookies on the low shelf in the grocery store are aimed at the 5-year-old's amygdala; an investment scam is aimed at the amygdala of a retiree.
- "By understanding the development of the prefrontal cortex, companies can market things in different ways. There may be certain combinations of pitches they can use to appeal to the amygdala and prefrontal cortex. Or, if they know the age range of people watching a TV show, they can change a commercial to target them in different ways." [Jordan Grafman](#), chief of the Cognitive Neuroscience Section of the National Institute of Neurological Disorders & Stroke at the National Institutes of Health.

COMMUNICATIONS TAKEOUT



NEUROMARKETING TIPS

- **Human Voices** Hire real people that work with the product, who can interact with the product in front of the audience, and tell an interesting story behind it, in their own words.
- **Emotional Connection** No matter how technical the message, try to find some way of incorporating an element that can bring out some level of emotional impact.
- **Words Matter** Be a good wordsmith: your choice of language, including key words, will also set off an emotional impact that makes consumers more likely to purchase.
- **Provide Rich Data** The ability to share rich data online in so many ways, creates a great feeling of empowerment with the consumer that triggers spending.

[NEUROMARKETING THROUGH COLOURS](#)

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