

BRAND PREVIEW 2019

It's time for clarity

Social enterprise edition

Foreword by Lucy Findlay MBE

Managing Director, Social Enterprise Mark CIC

Produced in partnership with



Introduction

There are always challenges and opportunities for an organisation, but each year provides a unique set of circumstances that frame them. The ability of an organisation to adapt to these circumstances will determine whether 2019 is considered a success. Many factors will influence how well each organisation responds, but the importance of your brand – your ability to communicate effectively – shouldn't be overlooked.

The noise and confusion in the current business environment is nothing new. The on-going impact of technology, the changing nature of consumer behaviour, an uncertain global political climate... there are many factors causing this. What brings an additional dimension to this scenario for the UK economy, is Brexit.

Whatever the final terms of the UK's Brexit deal, it's likely that confidence – amongst businesses, charities, the public sector and consumers – will remain fragile throughout 2019.

So what can you do? **Do something!** Do something that makes your organisation distinctive and memorable. Do something that gives your target audience confidence in the products and services you're offering. In this Brand Preview I offer three suggestions for how you can do that.

Jonathan Alder
Managing Director
Alder and Alder

Foreword

As we start a new year, I am sure I am not alone in reflecting on 2018 and looking ahead to what 2019 may bring. As with the wider world, there is surely much uncertainty ahead for the social enterprise sector, what with the implications of the impending Brexit still not certain, and many Government policies dependent on the final deal (or no deal).

One thing that remains constant is the need to evolve and adapt to not just keep up with changing circumstances, but to hopefully take advantage of the opportunity to do things a little differently. We also need to be customer-focussed and ensure that what we are offering matches their needs and is actually what they want.

As social enterprises, we need to focus on being more commercial in our outlook, which includes spreading our risk base, i.e. not relying on single large contracts. Like any other business, a successful social enterprise needs to diversify their income sources, whether it be developing new products or services, moving into new markets, or perhaps even internationalising your offer.

Undoubtedly there will be numerous challenges for social enterprises to face in 2019, Brexit only being the tip of the proverbial iceberg. As evidenced in the bi-annual State of Social Enterprise Report, access to appropriate forms of finance has been the biggest barrier to sustainability and growth. The issue here, as I see it, is that social finance fails to focus on the specific requirements of social enterprises and is more geared around the needs of the finance providers. Rather than a 'one size fits all' approach, finance needs to be tailored and flexible, to adapt to the changing environment.

What will remain important is to build a strong brand, which successfully communicates to customers and stakeholders how your business is doing things differently, i.e. with the core motivation of creating positive social change.

Lucy Findlay MBE

Managing Director

Social Enterprise Mark CIC



What makes you different

If you want to make the most of 2019, you need to tell your audience what makes you different. You need to stand out. The environment you're doing business in is noisy and busy, and that's not going to change. If you want your target audience to pay attention to your business, and the products or services you're offering, you need to give them a good reason.

And I mean a good reason. This isn't about introducing a gimmick to grab attention, or relying on the novelty of your social enterprise status. It's about identifying and communicating, some aspect of your operation that genuinely makes you different.

With so much uncertainty in the economy, confidence – across the business, charity and public sectors – will be weak. With such a gloomy forecast it's unlikely that your customers, whatever sector they are in, are going to be eager to spend. They will also be less likely to try something new. If you want someone to choose a social enterprise model for the first time, you will need to give them a very good reason.

Research from YouGov has revealed that 42% of people in the UK like brands that get involved in social issues.

In these conditions, you need to make your organisation relevant to your target audience. If your customers are struggling to make a decision, you need to help them. You need to begin by standing out from the crowd. What **does** make you different? Your social enterprise status is one factor. But it's only one factor, and on its own, it's not enough to build long-term success on.

One trend that has been growing over the past 18 months is commercial businesses developing a voice on social issues. **Nike** made a statement against racial injustice in the US, with their "Believe in something" campaign, featuring Colin Kaepernick. In the UK, supermarket **Iceland** highlighted the plight of orangutans, in their Christmas TV advert. The advert was banned and Iceland were all over the news.

Research from **YouGov** has revealed that 42% of people in the UK like brands that get involved in social issues. While that is by no means a majority, it is still a significant number. And it's likely to grow.

This trend highlights two issues for social enterprises. The first is that there is a growing market for businesses that have a social purpose. That's great news. The second is that more businesses are adopting a social purpose (and more will follow). This represents a challenge for social enterprises. It's a trend that will blur the lines between 'true' social enterprise, and adopting a social purpose to compliment a standard commercial business model. What this means is, having a social purpose no longer makes you different.

Your customers need to believe that you will give them something that they won't get from your competitors – whether those competitors are corporates, charities or even other social enterprises. This point of difference could be a better price or a greater range, but these are things that your competitors could copy. To truly differentiate yourself from your competitors you want to try and find something you can "own" – something fundamental to the way you operate that sets you apart.

In September **John Lewis** unveiled a rebrand – a new logo and a new name: **John Lewis and Partners**. The rebrand is focused on a new proposition – "*For us, it's personal*". **John Lewis and Partners** have taken what makes them different and put it at the heart of their brand and their communication. As an employee-owned company, their business model sets them apart from their High Street competitors. And while their online rivals might boast clever algorithms and sophisticated AI, they can't offer the human interaction of the customer experience at **John Lewis and Partners**.

What's interesting from a social enterprise perspective, is that **John Lewis and Partners** are using their business model as a point of difference. But, significantly, they're highlighting the benefit that this brings – better customer service in-store.

If you want to succeed in 2019, you will need to follow the example of **John Lewis and Partners**. Sometimes it can be hard to see what it is that sets you apart, aside from being a social enterprise. But there is always something. Like John Lewis and Partners, it could be your team that makes you different, with the skill and experience they have to share. It could be the quality of the products you sell. Or it could be the fact that you – and your customers - are local. Whatever it is, you just need to find it and share it with your target audience.

Your visual identity provides all the tools you need to do this. It will have the colours, images and words you need to be distinctive and memorable. Whether you're sharing your message in print, in person or online, you need to be sure that it tells your audience what makes you different. This way you will be able to approach 2019 with confidence, and a competitive advantage.

Make good use of your data

The scale of your success in the next twelve months will depend on your ability to make good use of your data. The more you understand about your customers, and their behaviour, the more effectively and efficiently you will be able to communicate with them.

When we talk about “data” we’re referring to information within your organisation. What’s most interesting from a brand perspective is information about your customers, and how they interact with you. The word “data” can conjure up images of scientists in white lab coats, poring over complex spreadsheets. But the reality is that business data comes in many forms. It may be a complex spreadsheet, but it could just as easily be a simple list of customer addresses.

What’s fundamental to making good use of your data, is understanding what information is valuable to you.

The reason that customer information is valuable is that it gives you the opportunity to learn more about your customers, and importantly, what they do. The more you know about your customers, the more effectively you can use your resources. You can focus your time, energy and budget on the activity that will bring the greatest benefit to your organisation. If measuring the ROI (Return on investment) of your marketing activity is important to your organisation, then your ability to make good use of your data will be fundamental to this.

The focus on customer data has increased in recent years, driven largely by the growing ability of technology to gather it. Whether it’s the need to gather mobile data, the ability to harness Big Data, or the legal implications of personal data, the role of data in communication has grown, and that won’t change in 2019. But as the discussion around data grows, the more complicated and confusing it becomes. The conversation becomes another of the elements that is contributing to the increasingly noisy and complex business environment.

The reality is that understanding your customer data is actually one of the solutions to the challenge of navigating the turbulent business environment you’ll be facing in 2019. If you’re able to extract relevant information about your customers from the wealth of data that’s available, you’ll be able to react more swiftly and effectively. For social enterprises, which may lack some of the resources of corporate competitors, data could be your secret weapon.

What's fundamental to making good use of your data, is understanding what information is valuable to you. It could be as simple as understanding which products or services are most popular with customers. Or you may want to understand more complex data, like the spending habits of a specific customer group across the year. It will vary for each organisation, but the ability to understand what is important to your organisation will allow you to make the most efficient use of your resources.

In May 2018 *EasyJet* CEO, Johan Lundgren, announced their aim to be "the most data-driven airline in the world". *EasyJet* knows that only 46% of customers fly with them more than once a year. As a result they have identified nurturing loyalty as one of three opportunities to boost growth in 2019. The other two are holiday bookings and increasing the number of business customers. *EasyJet* recognises that data is the key to unlocking these opportunities.

For social enterprises, data also provides the opportunity to demonstrate social impact. Social impact is the difference your organisation makes for its stakeholders - your customers, your partners and your beneficiaries. *Ealing Community Transport (ECT)* is a great example of a social enterprise that is leveraging the power of its data. They provide door-to-door transport services that help keep disabled, isolated and lonely people independent and mobile. *ECT* run services in London, Cheshire, Cornwall and Dorset.

One of the services *ECT* provide is *PlusBus for Health*, to enable older and disabled residents to attend GP appointments. In addition to gathering data on passenger numbers, *ECT* are measuring the impact on GP surgery activity level: Has it helped reduce missed appointments or the number of home visits? By understanding this data they can demonstrate how they enable GP surgeries to work more efficiently. It's this kind of data that will attract new customers and generate more business opportunities.

If you want to make good use of your data in 2019, it's important to understand what information is important to you. Do you need to understand your customers and their behaviour better? Or do you need to measure your social impact?

Whatever the role of data in your organisation, you need to be sure you are collecting it. It doesn't need to involve complex software, it could be as simple as asking your customers a question. Whatever your plans for 2019, you are more likely to succeed if you make good use of your data.

Make it personal

To create a customer experience that stands out in a crowded, noisy and chaotic environment, you need to make it personal. Creating a customer experience that is focused on the specific needs and desires of your target audience will give you a competitive advantage in 2019.

At this point it's worth considering what the 'customer experience' is. It's not what it's like to use your product or service. It's not using your website. It's not what your logo looks like or what people say about your organisation on social media. It's all of these things, and every other interaction customers have with you. It's everything they see, hear or read about your organisation – whether that message comes from you, their friends or the media.

The quality of your customer experience will dictate the success of your organisation. So understanding how to influence that experience is a valuable asset for an ambitious social enterprise.

We live in a technology-driven culture of convenience. This has completely changed consumer expectations of what constitutes a 'good' customer experience.

What's fundamental to your customer experience, and your ability to make it personal, is harnessing the two factors we've already discussed in this Brand Preview: understanding what makes you different and how to make good use of your customer data. The more you understand about your customer, the more easily you will be able to explain to them what makes you different.

We live in a technology-driven culture of convenience. Platforms like **Netflix**, **Spotify** and **Amazon** have revolutionised the customer experience, by making it highly personal. This has completely changed consumer expectations of what constitutes a 'good' customer experience.

While it might not be the same in the business to business sector, that will change over the next 12 months. It's true that much of this change in expectation is driven by the technology giants, with access to skills and resources beyond most organisations. But the continuing evolution of apps and plug-ins will see the technology "trickle down" to smaller organisations. This will allow them to develop their customer experience and make it more personal.

We have already highlighted that the customer experience is not a single activity or event, but a combination of many. What we want to focus on in this document are two of those factors – your communication and your product or service.

Your communication is important because this is often where the customer experience will begin – and it's an essential tool for maintaining that relationship over time. The product or service is important because it's usually the focal point of the customer experience. It is, after all, the reason your customers spent their money with you. So how can you make the most of these two opportunities?

Your content needs to mean something to your audience. It needs to address something they care about. Something they value.

The easiest way to make your communication more personal is to put the person's name on it. The first handwritten letter was recorded in 500 BC, from the Persian Queen, Atossa. Using someone's first name in a letter or email is nothing new. But the implementation of GDPR has left many organisations mourning their lost database, and the potential it held. A survey by Accenture estimates that businesses have, on average, lost up to 75% of their database.

But the reality is, with an industry-average open rate of 2% on email marketing, that might not be such a great loss. Organisations have traded quantity for quality. The names left on these lists have a genuine interest in the products or services you offer, so they are far more valuable to you. You should be able to enjoy a much better return on your investment of resources.

However, to make your communication personal in 2019, you will need to do more than use someone's first name. It's not enough to simply catch someone's attention. You need to hold it. That is why the content of your message is so important. The secret to this is relevance. Your content needs to mean something to your audience. It needs to address something they care about. Something they value.

You can only do this if you understand your audience. This is about more than knowing their name, or where they live, or what they've bought from you before. It's not enough to know what they've done in the past. You need to understand what they want in the future, and how you can deliver that to them.

Hiut Denim is a great example of a company that has created a more personal customer experience. Based in Cardigan, in Wales, Hiut Denim make Jeans. They're not a quantity business, they're a quality business. They have a small team of 'Grandmasters', who are responsible for making the jeans, stitching each element together. Every pair that's made is signed - inside - by the Grandmaster that made them. As a result, every pair is personalised, and as a result, so is the experience of owning them.

The idea of personalising your customer experience in 2019, might seem like a concept that's beyond your resources - a concept that depends on technology and resources. But in reality, the key to success is focus. For any strategy to work you need to be clear who your target audience is. Then it's a question of identifying how you can influence their experience. It could be as simple as a personal letter, taking the time to engage with customers on social media or making a change to the way your service is delivered.

What personalisation will look like for each organisation in the next twelve months will vary, but the value of it will not. If you want to benefit, take a look at your customer experience and make it personal.

Conclusion

Whatever the next 12 months brings for the UK economy, you can't change the situation. It will be influenced by factors beyond your control. But what you can control is how you respond.

In an atmosphere of confusion and doubt, the ability to communicate clearly will help you to stand out. This brand preview shares some insight into the factors that will be most influential in helping you to do that. The aim is to help you communicate more efficiently and more effectively, by focusing on what's most important.

In a year of uncertainty, it's time for clarity.

ALDER AND ALDER

We build brands for ambitious organisations. We help our clients to communicate more efficiently and effectively, so they have a competitive advantage.

07816 870842

jonathan@alderandalder.co.uk

www.alderandalder.co.uk

SOCIAL ENTERPRISE MARK CIC

We are the social enterprise accreditation authority, responsible for awarding the Social Enterprise Mark and Social Enterprise Gold Mark.

0345 504 6536

enquire@socialenterprisemark.org.uk

www.socialenterprisemark.org.uk

Produced in partnership with

