The Impact of Culture
What It Means For Brands Today
Brands Are Becoming More Involved In Culture
As An Industry, We Need To Learn More About…

Consumer Perspectives On Brand Involvement With Culture

What Steps Brands Can Take To Become More Relevant Today
We Did Some Preliminary Research

**Why**
- How should we define culture from a consumer’s point of view?
- How do consumers think about culture in relation to the brands they interact with?

**What**
- 4 webcam-based mini-groups were conducted for online discussion (90 min each)
- Pre-group assignment to find a digital ad they thought was culturally relevant, which were shown and discussed in the groups

**Findings**
- Brands that are culturally relevant are brands that align well with cultural events, promote trends that define today’s culture, and support social issues that benefit everyone*.

*Brand cultural relevance defined in survey as having an impact on ideas, views, or behaviors in society.
Next, We Used A Two Pronged Research Approach

1 Survey on Brands + Culture

Objective: Uncover what consumers think about brands' involvement in culture

Method: Online survey

2 Ad Effectiveness Testing

Objective: Measure the branding impact of culture focused strategies

Method: Mobile testing on MAGNA’s Twitter app
Survey On Brands + Culture / Methodology

**Recruit**
Recruited panelists into online survey
US General Population A18+, n=865
Twitter Booster Sample n=153

**Demographic**
Participants were asked standard demographic questions to ensure representativeness

**Culture Deep Dive**
Deep dive into what consumers think about brands’ involvement in culture

**Conjoint**
Conjoint questions to pinpoint the most important factors consumers consider when making purchase decisions

**Brand Index**
Participants were randomized to rate brand perceptions, including cultural relevance, for a range of brands across 6 industry verticals
Ad Effectiveness Testing /Methodology

**Participants**
Recruited participants on mobile devices from a representative online panel
US General Population
A18+ n=785
Twitter Booster Sample
n=591

**Survey**
Initial survey with demographic and media consumption questions

**Media Experience**
Participants were randomized into a test cell and asked to view their Twitter feed. Note that additional testing was conducted with skippable pre-roll on premium websites

**Post Survey**
Post exposure survey to measure traditional brand metrics (ad recall, perceptions, etc.) and qualitative feedback
Ad Effectiveness Testing/Media Experience

Personal Twitter Feed
Participants logged into their own Twitter page and saw real time content from their feed, along with test ad: 15 sec promoted video

Skippable Pre-roll On Premium Websites
Participants selected which content they wanted to watch. Participants could skip the 15 sec video after 5 seconds.
There's Much More To Culture Than You'd Think

When you think about culture in your own life, what comes to mind? Please select all that apply.

Traditional Culture

- Traditions: 60%
- Family/Heritage: 59%
- Cuisine: 48%
- Language: 45%
- Religion: 43%
- Celebrations: 41%

Pop Culture

- Music: 55%
- Arts: 37%
- TV/Movies: 33%
- Fashion: 28%
- Social Trends: 24%
- Celebs: 12%

Current Affairs

- Sports: 26%
- Current Events: 26%
- Politics: 22%

83% of consumers think of culture as something other than just the traditional.
Consumers Think Brands Should Be Involved, Particularly In Social Issues. Events & Trends Are Table Stakes

Importance Of Brand Involvement In Culture - % Very Important/Important

38%
Events & Trends
Includes pop culture events such as the Oscars or the Super Bowl, as well as smaller cultural events, such as #TacoTuesday or National Dog Day

47%
Social Issues & Movements
Includes social movements such as gender equality and fair trade

U.S. general population, n=865
Q: How important is it for a brand to be involved in each of the following?
There’s A Desire For Brand Involvement In What Consumers Are Most Passionate About

Passion for Cultural Events, Trends & Issues - % Very Passionate/Passionate

45% Social Issues & Movements**

32% Events & Trends*

*Includes pop culture events such as the Oscars or the Super Bowl, as well as smaller cultural events like #TacoTuesday or National Dog Day
**Includes social movements such as gender equality and fair trade
Consumers Also Feel More Informed About Social Issues

Informed on Cultural Events, Trends & Issues - % Very Informed/Informed

41% Events & Trends*

50% Social Issues & Movements**

*Includes pop culture events such as the Oscars or the Super Bowl, as well as smaller cultural events like #TacoTuesday or National Dog Day

**Includes social movements such as gender equality and fair trade

U.S. general population, n=865

Q: How informed are you when it comes to events, trends or issues relevant to culture?
Emerging Generations Feel Even More Strongly About Brand Involvement

Perceptions of Cultural Events, Trends & Issues - Adults 18-35, Indexed

U.S. general population, n=865, A18-35, n=292
Q: How important is it for a brand to be involved in each of the following?
Q: How passionate are you in following cultural events, trends, and issues?
Q: How informed are you when it comes to events, trends or issues relevant to culture?
Among The Young, Twitter Users Are Particularly Ardent About Brand Involvement

Perceptions of Cultural Events, Trends & Issues - **Twitter Users 18-35, Indexed**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Passion</th>
<th>Informed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events &amp; Trends</td>
<td>114</td>
<td>121</td>
</tr>
<tr>
<td>Social Issues &amp; Movements</td>
<td>113</td>
<td>111</td>
</tr>
</tbody>
</table>

A18-35, n=292. Twitter users 18-35, n=158
Q: How important is it for a brand to be involved in each of the following?
Q: How passionate are you in following cultural events, trends, and issues?
Q: How informed are you when it comes to events, trends or issues relevant to culture?
Many Ways Brands Can Become Culturally Relevant – But ‘Giving Back’ Is Key

Ways Brands Can Become More Culturally Relevant - % Strongly Agree/Agree

- Philanthropy
  - Give to community, 58%
  - Support social issues that benefit everyone, 47%
  - Donate to charity, 44%

- Know Your Customers
  - Puts customers first, 54%
  - Be transparent, 41%

- Stay Current
  - Create innovative products, 42%
  - Keep up-to-date with consumer trends**, 42%

- Sponsor cultural events***, 27%

- Have celebrity endorsements, 12%

*e.g. Race, gender  
**e.g. Organic foods, natural  
***e.g. Super Bowl, Oscars  
U.S. general population, n=865  
Q: In your opinion, what can a brand do to become more culturally relevant?
Twitter Users Are Especially Receptive Towards Brands Becoming More Culturally Relevant

Ways Brands Can Become More Culturally Relevant
- Δ (Twitter Users – Gen Pop)

Stay Current

- Sponsor cultural events***, +12%
- Keep up-to-date with consumer trends**, +11%
- Create innovative products, +10%
- Have celebrity endorsements, +4%

Philanthropy

- Donate to charity, +9%
- Support social issues that benefit everyone, +9%
- Give back to community, +7%

Know Your Customers

- Be transparent, +9%
- Be inclusive of all types of people**, +10%
- Puts customers first, +6%

* e.g. Race, gender
** e.g. Organic foods, natural
*** e.g. Super Bowl, Oscars
U.S. general population, n=865, Twitter users, n=397
Q: In your opinion, what can a brand do to become more culturally relevant?
Fringe Benefits

What’s the impact for brands?
To Understand What Consumers Value Most When Making Purchases...

We asked consumers to rank a range of attributes based on...

Price & Quality

Brand Perceptions*

Brand Involvement in Culture

*Brand Perceptions: Brands that are... premium, popular, trendy, innovative, modern, authentic, traditional, top rated, have a good reputation.
When It Comes To Making Purchase Decisions, Being Involved In Culture Is Surprisingly Important

Influence on Purchase Decisions - Relative Importance (%)

- Brand Cultural Involvement
- Brand Perceptions*
- Price and Quality

*Brand Perceptions: Brands that are premium, popular, trendy, innovative, modern, authentic, traditional, top rated, have a good reputation.

U.S. general population, n=865

Q: When you purchase a product/service, there are many factors that can influence your purchase decision. Please select your most preferred and least preferred feature for each category below:
Support Of Social Issues & Movements Have The Most Impact When Making Purchasing Decisions

Influence of Types of Cultural Involvement on Purchase Decision - Importance Ranking

<table>
<thead>
<tr>
<th>Type of Cultural Involvement</th>
<th>Importance Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brands That Sponsor Cultural Events (e.g. Super Bowl)</td>
<td>0.88</td>
</tr>
<tr>
<td>Brands That Promote Trends That Define Today's Culture (e.g. Organic Foods, Natural Beauty)</td>
<td>1.33</td>
</tr>
<tr>
<td>Brands That Support Social Issues That Benefit Everyone (e.g. Gender Equality, Fair Trade)</td>
<td>1.72</td>
</tr>
</tbody>
</table>

U.S. general population, n=865
Q: When you purchase a product/service, there are many factors that can influence your purchase decision. Please select your most preferred and least preferred feature for each category below:
Rankings are between 1-10 and account for people’s overall preference for a feature as well as the features’ overall importance
What Are The Key Factors That Make Up An Optimal Brand?

Top Attributes for Strongest Influence on Purchase Decisions - Importance Ranking

*e.g. gender equality, fair trade

U.S. general population, n=865

Rankings are between 1-10 and account for people's overall preference for a feature as well as the features' overall importance

The optimal brand supports social issues, is authentic, and is moderately priced with premium benefits.
Consumers Prefer Brands That Are Culturally Relevant

“Is A Brand I Prefer” by Cultural Relevance - % Agree

- Low Cultural Relevance (Bottom 20% Of Brands)
- High Cultural Relevance (Top 20% Of Brands)

Brand Index
Consumers were randomized to rate brand perceptions, including cultural relevance, for 24 brands.
In Fact, Brands With High Cultural Relevance Reap A Whole Host Of Benefits

Brand Attributes by Cultural Relevance
- % Agree

- Low Cultural Relevance (Bottom 20% Of Brands)
- High Cultural Relevance (Top 20% Of Brands)
Leaders Exist In Every Vertical... But So Do Opportunities For Competition

Culturally Relevant Brands by Vertical - % Agree

- Front Runner
- Middle of the Pack
- Lagging Behind

Insurance category lags behind
Cultural frontrunner

U.S. general population, n=865
Q: How culturally relevant would you consider each of the following brands?
Opportunities In Each Category To Be Culturally Relevant

Range of Cultural Relevance by Vertical - % Strongly Agree/Agree

- Insurance: 31% (26% strongly agree)
- Beverage: 53% (24% strongly agree)
- Apparel: 34% (16% strongly agree)
- QSR: 39% (22% strongly agree)
- Consumer Electronics: 45% (34% strongly agree)
- Travel / Lodging: 40% (22% strongly agree)

Most opportunity to stand out in the insurance category.
Ad Effectiveness
Culture At Work For Your Brand
We Tested Three Types Of Video Ads

Control Ad
- Public Service Announcement
- Allows measurement on brand perceptions among those not exposed to the test ad

Standard Ads
- Typical ad
- Product-centric
- Appeals to individual

Culture Focused Ads
- Atypical ad
- Culture-centric
- Appeals to community/society
- Integrates current events, trends, & issues
Ads From A Range Of Industries Were Included

- CPG
- Quick Service Restaurants
- Travel
Culture Focused Ads Succeed In Positioning Brands As Relevant

Impact of Ad Strategy - $\Delta$ (Test - Control)

- **Culturally Relevant**
  - Standard Ads: +3%
  - Culture Focused Ads: +7%↑
  - $\Delta$: +4%↑

- **Socially Responsible**
  - Standard Ads: +2%
  - Culture Focused Ads: +6%↑
  - $\Delta$: +4%↑

- **Innovative**
  - Standard Ads: -4%
  - Culture Focused Ads: +5%↑
  - $\Delta$: +9%↑

All Platforms: Control n=309; Standard Ads n=533; Culture Focused Ads n=534
↑ = Statistically significant difference between test and control groups at >=90% confidence
In Fact, Cultural Ads Create More Memorable Brand Experiences

Impact of Ad Strategy
- $\Delta$ (Test - Control)

Aided Ad Recall:
- Culture Focused Ads: $+56\%$↑
- Standard Ads: $+48\%$↑

All Platforms: Control n=309; Standard Ads n=533; Culture Focused Ads n=534
↑ = Statistically significant difference between test and control groups at $\geq 90\%$ confidence
Even The Least Culturally Relevant Brand Made Great Strides

Impact for Least Culturally Relevant Brand - Δ (Test - Control)

<table>
<thead>
<tr>
<th></th>
<th>Standard Ads</th>
<th>Culture Focused Ads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aided Ad Recall</td>
<td>+51%↑</td>
<td>+64%↑</td>
</tr>
<tr>
<td>I Would Pay More For</td>
<td>-5%</td>
<td>+11%↑</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td></td>
<td>+12%↑</td>
</tr>
</tbody>
</table>

Pre-existing Cultural Relevance Score

Brand A: 45%
Brand B: 39%
Brand C: 37%

↑ = Statistically significant difference between test groups at ≥90% confidence
Cultural Ads Perform Best In Culture Friendly Environments

Impact of Ads by Platform - $\Delta$ (Test - Control)

<table>
<thead>
<tr>
<th>Platform</th>
<th>Standard Ads</th>
<th>Culture Focused Ads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium Websites</td>
<td>-4%↑</td>
<td>+3%</td>
</tr>
<tr>
<td>Culturally Relevant</td>
<td>-2%</td>
<td>+1%</td>
</tr>
<tr>
<td>Socially Responsible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusive of a Wide Audience</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Twitter</td>
<td>-4%↑</td>
<td>+1%</td>
</tr>
<tr>
<td>Culturally Relevant</td>
<td>+12%↑</td>
<td>+12%↑</td>
</tr>
<tr>
<td>Socially Responsible</td>
<td>+7%↑</td>
<td>+10%↑</td>
</tr>
<tr>
<td>Inclusive of a Wide Audience</td>
<td>+2%</td>
<td></td>
</tr>
</tbody>
</table>

On general websites, there’s no meaningful impact on culture-related attributes.

Culture first environments can even have a halo effect on standard ads.

↑ = Statistically significant difference between test groups at >90% confidence.
At Higher Completion Rates, Cultural Ads Speak To Consumers On A Personal Level And Drive Purchase Intent

Impact of Ads on Twitter (75%+ Complete) - % Agree

- **Purchase Intent**
  - Standard Ads: 75%
  - Culture Focused Ads: 59%

- **Socially Responsible**
  - Standard Ads: 67%
  - Culture Focused Ads: 59%

- **Trustworthy**
  - Standard Ads: 72%
  - Culture Focused Ads: 57%

- **Personally Identify With**
  - Standard Ads: 21%
  - Culture Focused Ads: 39%

↑ = Statistically significant difference between test groups at >=90% confidence
The Higher The Ad Completion, The Harder Culture-Focused Ads Work Compared To Standard Ads

Impact of Ad Completion - % Agree

- Standard Ads
- Culture Focused Ads

Purchase Intent

Is A Brand I Would Pay More For

Twitter Promoted Video: 10% n=779; 20% n=615; 30% n=479; 40% n=373; 50% n=301; 60% n=256; 70% n=216; 80% n=183; 90% n=158

† = Statistically significant difference between test groups at >=90% confidence
Inclusivity And Charity Are Strong Ways To Become Culturally Relevant

Consumer Opinions on Culturally Relevant Tweets

Charitable

“It is helping the community that it does business in. Very admirable!”

“I think taking action in our own community is a hot topic at the moment!”

Modern

“It touched on modern living and the importances [sic] the turns in our culture is [sic] taking.”

Inclusive

“It represented everyone’s differences and called for acceptance and equality.”

“We are all important and matter. We all deserve happiness and opportunity.”

Q: What about the tweet was relevant to events, trends, or social issues happening in today’s culture?
Culture Driven Ads Resonate Most Strongly With Those Passionate About Culture To Begin With

Impact Of Cultural Passion On Twitter - Δ (Test - Control)

- Twitter Users Not Passionate About Culture
- Twitter Users Passionate About Culture

<table>
<thead>
<tr>
<th></th>
<th>Culturally Relevant</th>
<th>Trendy</th>
<th>Inclusive of a Wide Audience</th>
<th>Socially Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter Users Not</td>
<td>+3%</td>
<td>-7%</td>
<td>-1%</td>
<td>+4%</td>
</tr>
<tr>
<td>Passionate About</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>+18%↑</td>
<td>+10%↑</td>
<td>+10%↑</td>
<td>+14%↑</td>
</tr>
</tbody>
</table>
Passionate Consumers Tend To Be Younger

Respondents who are not passionate: n=387; Respondents who are passionate: n=398

↑ = Statistically significant difference between test groups at >=90% confidence
But Media Habits Are What Truly Set Them Apart

Q: How often do you use the following social account(s)?

Respondents who are not passionate n=387; Respondents who are passionate n=398

↑ = Statistically significant difference between test groups at >=90% confidence

% Of Monthly Users Who Are Passionate/Non

Consumers Not Passionate About Culture  Consumers Passionate About Culture

% Of Monthly Users Who Are Passionate/Non-Passionate

Twitter: 36% 64%
Facebook: 53% 48%
Instagram: 41% 60%
LinkedIn: 39% 61%
Snapchat: 40% 60%
YouTube: 49% 52%

Differences in passion based on social media usage are 25% greater than the differences that exist across age groups.
What Do Consumers Think About When Brands Get Political?
In A Time When Politics Is Everywhere, Some Consumers Believe Taking A Stand Is Necessary

Q: Why should more brands take a political stance?

**Consumer Opinions on Brands Taking a Political Stance**

- “Not taking a stance is a stance itself.”
- “It shows they care.”
- “I’m more likely to support a brand that has values I agree with.”
- “If they want to be relevant they should be willing to put what they believe in out there.”
- “Because brands have a platform, a humongous platform that they can use to inspire positive change. And I think they have a responsibility to do that.”
On The Other Hand, Some Consumers Want Any Escape They Can Get—and Think That Brands Getting Political Are Just Trying To Curry Favor

Consumer Opinions on Brands Taking a Political Stance

Q: Why should fewer brands take a political stance?

“Too much politics intertwined with the other aspects in life. Some separation is nice.”

“It would be disingenuous, hollow.”

“I don’t think it is a place for brands. There is already enough tension out there today without brands getting into it.”

“It’s becoming to overwhelming, it’s nice to get away from it for a while.”

“No matter what stand you take the other side will always be upset and in the end just causes more strife. I feel when brands take a stand its seen more as a power move to get noticed by the media to stay relevant.”
When Deciding To Take A Political Stance, Brands Should Keep Their Audience In Mind And Engage In Ways That Are Relevant To Them.
Implications: Putting Culture Into Action

1. Today, consumers expect brand involvement with culture, particularly when it comes to social issues. In order to stay relevant and keep pace with competitors, brands need to keep culture in mind.

2. While there are many ways for brands to become involved, one size does not fit all. Brands should be thoughtful in their approach to ensure authenticity and appropriate brand alignment.

3. Culturally focused advertising performs differently based on environment and audience. Brands must tailor cultural ads to the right environment to ensure intended impact.
Thank You