CULTURAL RELEVANCE DRIVERS
Understanding the Building Blocks of Brand Relevance
We know cultural relevance matters

The Impact Of Culture

In 2019, we uncovered that brands benefit from being culturally relevant

Culturally relevant brands are preferred over others; they feel more authentic, and people are more likely to personally identify with them.
Today, brand involvement is even more important

Importance of Brand Involvement in Social Issues & Movements
- % Very/Somewhat Important

Quantitative Total n=4,917
▲ = Statistically significant difference >=90% confidence level
Beyond feeling important to consumers, cultural involvement plays a critical role in purchase decisions today.
Revisiting cultural relevance

What is brand cultural relevance today?
Given the speed of culture, we went back to basics to reassess what cultural relevance really means.

What are the drivers of brand cultural relevance?
We quantified the strength of drivers to provide guidance on how to become more culturally relevant.
The approach

**QUAL**

**WHAT**
Focus groups

**WHO**
- 5 Focus Groups (Total n=25)
- Representative across age & gender
- Include mix of ethnicity/race, sexual orientation, and people with disabilities

**QUANT**

**WHAT**
Driver analysis

**WHO**
- Online interviews (n=4,917)
- Nationally representative panel
What is brand cultural relevance?
From the focus groups...
What is brand cultural relevance?
From the focus groups...

“A BRAND THAT IS AUTHENTICALLY CONNECTED TO AND RESPONSIVE TO WHAT’S HAPPENING IN THE WORLD TODAY.”
Drivers identified & tested
Insights gleaned from focus group discussions informed our next steps

7 Categories Of Brand Action

- Staying Current
- Communicating With Culture
- Driving Positive Change
- Accountability
- Authenticity
- People Centric
- Being Part Of Conversations In Real-time

25 Specific Brand Actions

14,709 Scenarios Tested

5 industry verticals

Brand Ratings:

✓ Cultural Relevance
✓ Brand Favorability
✓ Purchase Intent
✓ Likelihood to Recommend
✓ Amount Willing to Pay
THE FOUNDATION

‘Must Knows’ For Building Culturally Relevant Brands
It pays to be culturally relevant

Correlation Between Brand Cultural Relevance & Amount Would Pay

$\$\$\$

$R^2 = 0.9786$

Quantitative Total n=4,917
The impact of cultural relevance is full funnel

Cultural relevance is highly correlated with brand metrics throughout the branding funnel

Correlation Between Brand Cultural Relevance & Respective Brand Attributes

R² Values

<table>
<thead>
<tr>
<th>R²</th>
<th>Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.977</td>
<td>BRAND MEETS EXPECTATIONS</td>
</tr>
<tr>
<td>0.996</td>
<td>RECOMMEND BRAND TO OTHERS</td>
</tr>
<tr>
<td>0.994</td>
<td>CHOOSE BRAND OVER OTHERS</td>
</tr>
</tbody>
</table>

Quantitative Total n=4,917
Media accounts for 67% of what drives brand cultural relevance

Brands should take a holistic approach, but marketing clearly has an opportunity to make a big impact.

**67%**

Media Related Actions (e.g. presence on social media, inclusive ads)

**33%**

Non-Media Related Actions (e.g. innovative products)

Quantitative Total n=4,917
Each type of brand action plays a role in building brand cultural relevance.

Categories of Brand Action
Contribution To Brand Cultural Relevance

- Being Part Of The Conversation In Real-time
- People Centric
- Communicating with Culture
- Accountability
- Driving Positive Change
- Staying Current
- Authenticity
Accountability, driving positive change, and being people-centric are the strongest drivers.

Importance of accountability shows that brands need to tell a narrative about cultural involvement over time.

**Top 3 Categories of Brand Action**
Indexed Impact on Brand Cultural Relevance

1. **ACCOUNTABILITY**
2. **DRIVING POSITIVE CHANGE**
3. **PEOPLE-CENTRIC**
BRAND ACTIONS

Quick Tips for Brands

Liked by alexis and others
All inclusive shades, united we stand... #weareone... more
View all comments
Be consistent

Younger people are especially likely to see brands as culturally relevant when they show a consistent commitment to a cause.

Impact of “Having A History Of Commitment To The Same Causes & Messages”

| AGES 16-34 | 124 |
| AGES 35+ | 105 |

Avg. Impact on Brand Cultural Relevance

“…consistency would be a way to be authentic. When brands start adopting the latest cultural trends…for instance, Black Lives Matter…And saying, ‘We support this. We support that.’ Then, it starts to feel inauthentic.”

Quantitative Total n=4,917
Donations are a tangible way to show accountability

While people want brands to put their money where their mouth is, people are willing to do the same.

### Impact of ‘Making Donations to Charities & Organizations’

<table>
<thead>
<tr>
<th>Brand Cultural Relevance</th>
<th>Donations</th>
<th>124</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Would Pay</td>
<td>Donations</td>
<td>130</td>
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</tbody>
</table>

Avg. Impact
Develop a 2-way relationship with people

Brands should go beyond using media to simply put out a series of messages and get involved in the earned ecosystem, where brands can converse and collect feedback.

“Listen to what people have to say and act on their feedback”

People Centric

#1 Most Impactful Specific Brand Action

Avg. Impact on Brand Cultural Relevance

Quantitative Total n=4,917
Social media offers the ideal platform for building that “listen/react” relationship

Importance of Actions on Social Media for Building Cultural Relevance
- % Very / Somewhat Important

<table>
<thead>
<tr>
<th>ADS &amp; CULTURAL ENGAGEMENT</th>
<th>SHARE &amp; CONNECT</th>
<th>RELATIONSHIP BUILDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create attention grabbing ads</td>
<td>Share company updates</td>
<td>Be human</td>
</tr>
<tr>
<td>Reflect cultural trends</td>
<td>Engage with relevant communities</td>
<td>Connect with users</td>
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<tr>
<td>Talk about ongoing social issues</td>
<td>Regularly share content</td>
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<td>57%</td>
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<td>72%</td>
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Quantitative Total n=4,917
Q: As a way to become culturally relevant, how important is it for brands to be active on the following social media platforms?
In addition, social media is deemed a critical ingredient for becoming culturally relevant.

Similar to younger audiences, the vast majority of Twitter users feel social media is important for brand cultural relevance.

Importance of Social Media Presence for Brand Cultural Relevance
- % Very/Somewhat Important

87%
A16-34

66%
GEN POP

Quantitative Total n=4,917
Q: As a way to become culturally relevant, how important is it for brands to be active on the following social media platforms? Twitter, Facebook, Instagram, TikTok, Reddit, Snapchat
**Embrace inclusivity**

Creative inclusion goes beyond positioning brands as culturally relevant – it meets expectations & impacts traditional KPIs.

**Impact of Having ‘Ads That Are Inclusive of All People’**

- **Brand Cultural Relevance**: Avg. Impact 115
- **Purchase Intent**: Avg. Impact 112
- **Brand Favorability**: Avg. Impact 113
- **Action Meets Expectations**: Avg. Impact 107

Quantitative Total n=4,917
“...[clothing brand] because their models are really diverse, not just in body shape but also probably ethnicity and a little bit of age as well.”

“I have had issues with certain brands, as well finding the right concealers for my complexion, but I see more and more that there are more products out on the market right now that are inclusive, and there are more varieties.”

“Some of the companies that really mean it, some of them go ahead to employ more black employees or make products that suit every shade, every skin tone.”

Inclusion should go beyond ads alone and be foundational to the product, when applicable (e.g. CPG)
Cultural relevance even pays for categories with high barrier for entry, like auto.
Tech companies would benefit by increased ‘accountability’ & ‘driving positive change’

Impact of Brand Action Categories on Cultural Relevance by Vertical

<table>
<thead>
<tr>
<th>DRIVER CATEGORY</th>
<th>Auto</th>
<th>CPG</th>
<th>Dining</th>
<th>Retail</th>
<th>Tech</th>
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<tbody>
<tr>
<td>Accountability</td>
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<td>Driving positive change</td>
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<td>People centric</td>
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<td>Staying current</td>
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Quantitative Total n=4,917
For auto, ‘accountability’ is crucial

Owning up to mistakes without covering up is particularly imperative for auto brands

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Impact of Brand Action Categories
Quantitative Total n=4,917
For CPG, ‘driving positive change’ is key

Openly prioritizing sustainability is important for CPG given its potential to harm the environment

### Impact of Brand Action Categories on Cultural Relevance by Vertical

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<tr>
<td>Driving positive change</td>
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Sustainability impacts the bottom line for CPG brands

Both donations and sustainability can build culturally relevant brands, but sustainability plays a bigger role in the amount people are willing to pay for a brand.

<table>
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<th>Impact of Driving Positive Change, CPG</th>
<th>Brand Cultural Relevance</th>
<th>Amount Would Pay</th>
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<tbody>
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<td></td>
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<td>111</td>
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<tr>
<td></td>
<td>127</td>
<td>123</td>
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</tbody>
</table>

Avg. Impact

Quantitative Total n=4,917
Consistency is most critical for Retail and can drive purchase intent

Ethical consumerism is gaining popularity, so consistent commitment to causes such as reducing waste and ethical manufacturing can help retail brands stand out.

Impact of Having a “History of Commitment To The Same Causes And Messages” By Vertical

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Index to Avg. (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>125</td>
</tr>
<tr>
<td>Dining</td>
<td>111</td>
</tr>
<tr>
<td>Auto</td>
<td>105</td>
</tr>
<tr>
<td>CPG</td>
<td>127</td>
</tr>
<tr>
<td>Tech</td>
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Quantitative Total n=4,917
For Dining brands, celebrating everyday moments is uniquely important

Supporting everyday moments that feel relevant, such as Taco Tuesday, can be highly effective for restaurant brands

Impact of “Supporting and Celebrating Everyday Moments” by Vertical

Indexed to Avg. (100)

Dining | 121
Retail | 110
Auto | 104
Tech | 99
CPG | 91

Quantitative Total n=4,917
**It’s Worth The Effort**

Brands clearly benefit from cultural relevance even to the extent where people are willing to pay more.

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**Accountability + Measurement**

More than ever, people expect brands to ‘walk the walk’ and not just ‘talk the talk’. When mistakes are made, owning up to them goes a long way. Brands should be owning their actions and telling measurable stories over time.

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**Social Media As A Tool**

Social media offers a clear path for brands to execute on the strongest driver of brand cultural relevance – listening & reacting.
THANK YOU
Research design

1. Brand Scenarios

Users randomized to read 3 branded scenarios. Each scenario describes:

- 1 hypothetical brand
- General description of the brand, including 3 specific brand actions

2. Brand Ratings

Users rate each brand on:

- Cultural Relevance
- Brand Favorability
- Purchase Intent
- Likelihood to Recommend
- Amount Willing to Pay