CUSTOMER EXPERIENCE MAGAZINE

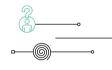






Think Humar





### From uncertainty

### to sustainability

#### **Olivier Duha** Webhelp Co-founder

**Dirk van Leeuwen** CEO Webhelp French region

Vincent Bernard

Group Chief Operating Officer Webhelp

In the skies of the business world, clouds are gathering: pandemics, ecological crises, inflation, war. For policy makers, this climate can be summed up in one word: uncertainty. At Webhelp, by focusing on this topic in this latest issue of OneShot, we hope to make uncertainty less paralyzing. On the contrary, it is the opportunity to grab uncertainty by the horns and make it a force for creating a more prosperous, even regenerative, economy\*. Therefore, we suggest shifting your mindset to see current times as an opportunity to set a course for sustainability, once and for all. To do this, companies should mobilize and leverage collective intelligence. Investors, employees, customers, suppliers, public institutions, NGOs and associations, partners - and sometimes even competitors - have everything to gain by working together to build sustainability. It's time: 73% of respondents\*\* worldwide believe that brands should act now for the good of society and the planet, yet less than half of brands are considered trustworthy (47%). On this new playing field, one thing is certain: creating a customer relationship based on listening and trust will become a strategic priority.

\* Beyond Sustainability: The Regenerative Business

https://naviradjou.medium.com/

beyond-sustainability-the-regenerative-business-dcf575f5bOeb

\*\* Meaningful Brands 2021 (Havas)

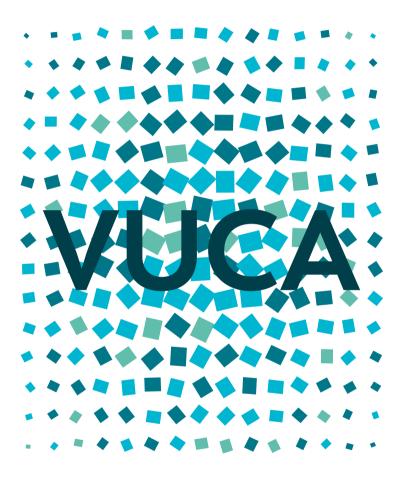
https://www.meaningful-brands.com

#### **OneShot by Webhelp**

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Concertainty		

# A WORD



#### Volatility, Uncertainty, Complexity, Ambiguity.

In 1985, the term 'VUCA' appeared in the vocabulary of corporate leadership. Against the backdrop of Perestroika (reconstruction) and the breakup of the Soviet Bloc, it described the international climate at the time: Volatile, Uncertain, Complex, and Ambiguous. Since then, in business, the term VUCA has come up regularly, for instance with Brexit and during the COVID-19 crisis. How can we find direction and purpose in an overarchingly VUCA world? By relying on true leadership – radically different from simple management – and by analyzing the situation not as a whole, but according to each of the 4 VUCA axes. The expert recommendation is to apply this powerful version as a mantra instead: Vision, Understanding, Clarity, Agility. Could this be the framework to help you plot your course?

of young people are afraid of the future. Go around the world and interview 10,000 young people: three quarters of them will tell you that they are afraid of the future <sup>(1)</sup>. To be specific, they are first and foremost concerned about climate change: 59% of those surveyed said they were "very" or "extremely" worried. This eco-anxiety plagues their lives, with nearly half (45%) saying it affects their sleep, food, work, and even entertainment. Almost two thirds feel that governments do not take their concerns seriously. What can brands do to reassure their young customers and employees? Take action to restore a climate of trust, for example, by adopting sustainability practices such as the GHG (Greenhouse Gas) Protocol or the SBTi (Science-Based Targets Initiative) without any further delay.

%

**A FIGURE** 

(1) The Lancet Planetary Health / Kantar / 16-25 year-olds: Australia, Brazil, United States, Finland, France, India, Nigeria, Philippines, Portugal and United Kingdom (2021).

# 

# UNCERTAINTY: HOW TO FACE THE "NEW NORMAL"

Uncertainty is here, and it could be here to stay. Rather than thinking of this period as transitional, we should tackle it head-on and see it as the "new normal". Brands can find the positive in this situation by taking the opportunity to refocus on their core values and actively consolidate them. However, we must address the issue head-on: customers expect brands to finally take a clear and coherent position on sustainability and ethics. Today, more than ever before, building trust is a strategic issue, and there are many ways to achieve this. We discussed some of them with our three experts.

#### **Contributors:**

Olivier Carrot, Global Business Unit Executive Director Chris Bryson, Managing Director, Global Analytics at Gobeyond Partners



**Labeling.** Responsible consumers seek to maximize their positive impact – or reduce their negative impact – on the environment and society through their purchases. This approach allows citizens to exercise an act of power that's equivalent to a vote: the ecoconscious consumer publicly supports the product or brand aligned with their values. That's why accurate and reliable labeling information is important, because it enables consumers to evaluate the environmental, social, and economic impact of their purchases. Thanks to platforms like compareethics.com, product labels like PlanetScore, and companies like ClimatePartner, brands can embrace the trend and provide information in line with anti-greenwashing regulations.

**CSR.** What are the trends when it comes to CSR? The pressure from American investors is mounting. 2022 saw the highest volume of shareholder proposals in five years, primarily driven by the growth of proposals related to climate and social

commitments. Conversely, votes for say-on-pay (transparency regarding executive compensation) have declined. Given the proliferation of acronyms and other commitment labels,\* consumers have grown weary of greenwashing and are demanding clearer messaging. For example, in France, 87% of respondents are in favor of introducing a simplified indicator to measure corporate engagement, and three-quarters express distrust of companies' stated commitment<sup>\*\*</sup>.

<sup>\*</sup> https://www.spglobal.com/ratings/en/research/articles/210823-thefear-of-greenwashing-may-be-greater-than-the-reality-across-theglobal-financial-markets-12074863

<sup>\*\*</sup> https://www.nouvelobs.com/tribunes/20220325.OBS56174/ engagement-des-entreprises-les-francais-sont-ils-mefiants-ou-toutsimplement-clairvoyants-et-exigeants.html

### Management. Of the 10 million

managers in the EU, only 17% reported receiving education or training on sustainability<sup>\*</sup>. That's why there's an initiative to promote sustainable leadership in the workplace, supported by CEC European Managers and the European Commission<sup>\*\*</sup>. In their report, the authors summarize the main objective: to move from a managerial mindset of "command and control" to one based on coaching, facilitation, and the development of employees' skills in the area of sustainability. A key success factor will be developing social dialogue between managers and employees.

#### \* Mainstreaming sustainable leadership in the

world of work https://www.cec-managers.org/fr/ integrer-le-leadership-durable-dans-le-monde-du-travail/ \*\* Mainstreaming Sustainable Leadership Report https:// sustainableleaders.eu/wp-content/uploads/2022/05/Mainstreaming-Sustainable-Leadership-2022.pdf

# Integrity in a Circular Economy. For innovative companies,

**LCOTION**, For innovative companies, the circular economy appears to be an opportunity for growth rather than a threat. For example, the second-hand clothing sector is expected to grow faster than the fast fashion sector\*. Ethical consumers will find this promise of circularity, or reusability, attractive and reassuring if it comes from trustworthy sources. Companies can be part of the circular economy by creating partnerships with NGOs, associations, and other companies in the social and solidarity economy. They can also address major ecological and social issues by creating or joining associations like the Wellbeing Economy Alliance or Frontier Climate. This helps to create new "circles," both small and large, that are increasingly efficient and ethical.

\* Retail Trends (Deloitte, 2022): https://www2.deloitte.com/uk/en pages/consumer-business/articles/retail-trends.html.

**Transilience.** Beyond simple resilience, "transilience" is a radical change of attitude in the face of uncertainty. The idea is to transcend uncertainty by actively seeking new opportunities for innovation, as Nathan and Susannah Harmon Furr explain in their book, "The Upside of Uncertainty"\*.

The authors conducted a survey of business leaders and used their responses to develop an approach for embracing uncertainty, along with 30 tools to address it. They invite us to change our mindset in order to free ourselves from our aversion to uncertainty, which limits creativity. The authors and the leaders they interviewed manage to demonstrate that uncertainty can indeed be stimulating, both on a professional and personal level.

\* The upside of uncertainty – A Guide to Finding Possibility in the Unknown: https://www.theupsideofuncertainty.com

### Digital trust. Studies show that

consumers lack confidence about the protection of their personal data<sup>\*</sup>, especially in Germany, Australia, the UK and France. They are particularly mistrustful of media and entertainment companies. More than half of the respondents believe that stronger protection safeguards should be mandatory. According to McKinsey (D2), the companies that are best positioned in digital security are also the best performers in terms of annual sales growth. Additionally, CEOs in 89 countries consider cyber risks to be the number one threat to their company's growth, according to PwC<sup>\*\*</sup>.

\* Thales Consumer Digital Trust Index: https://www.thalesgroup. com/en/worldwide/group/press\_release/sovernment-and-mediaentertainment-companies-least \*\* D3 PwC's 25<sup>th</sup> annual CEO Survey:

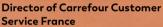
https://corpgov.law.harvard.edu/2022/02/20annual-global-ceo-survey/

### Responsible Influence.

Although influencers are an essential communication channel, they also carry a reputational risk. The main danger is the tendency of some influencers to promote hyper-consumerism: in other words, the 'good' life means being able to buy anything and everything! Younger generations who are skeptical and prone to eco-anxiety will only trust those who are environmentally responsible, so influencers should proceed with caution. In France, for example, the ARPP\* has already invited ethical influencers to obtain a responsible influencer certificate.

\* https://www.arpp.org/influence-responsable/





At Carrefour Customer Service France we manage 22,000 contacts per day. To do this, we rely on two internal teams and Webhelp's team that supports e-commerce. In these uncertain times, we are finding that interactions with our advisors are more emotionally charged. Our customers have an even greater need to be heard and reassured, which we fully understand. These difficult circumstances reinforce my conviction that customer relations must be centered on people. This is why, as far as Webhelp is concerned, we work in partnership, i.e. a one-team approach, which has close relationships our customers at its core. We are aligned on the way we work with our employees: displaying and living strong values, leading by example, and truly listening. This is essential in today's anxiety-inducing environment in which people might lose their bearings. So my mantra is "keep a cool head and cultivate the positive".

#### Global Business Unit Executive Director at Webhelp

All brands seek to retain customers by creating an emotional bond with them. In a global atmosphere of heightened uncertainty, this becomes essential. At Webhelp, we deploy different training programs and management techniques that reinforce the importance of emotions in customer experience. The result is extensive expertise in both behavioral and soft skills. However, we generally observe that organizations continue to structure customer support around processes, rather than harnessing customer emotion to build loyalty. When this happens, our consultants work to objectively align the customer's emotional need with the brand's values. In these uncertain times - more than ever - empathic listening and emotional intelligence should be revisited and reinvigorated.

### **Olivier Carrot**

### Chris Bryson



#### Managing Director, Global Analytics at Gobeyond Partners (UK)

How can we analyze consumer uncertainty? Our initial approach is to look for qualitative aspects that could be causing these feelings: For example, personality attributes or emotions displayed in conversations. A second approach is to analyze problematic behaviors, such as attrition, and track their progress over time so we can quickly detect the first warning signs. After that, we study the subset of consumers with the most varied behavior in greater detail, in order to characterize or interpret it. In the end, all of this data makes it possible to take corrective action, either by addressing customers directly, or training frontline teams to spot warning signs and respond.



# **AN UPDATE**

# Asda Rewards Building buyer loyalty with gamification

At a time when many households are dealing with rocketing inflation and debt, how can we support the purchasing power of consumers and build their loyalty? In the United Kingdom, the Asda chain, which has over 630 supermarkets and an online store, has come up with an innovative solution: Asda Rewards. Bucking the trend of traditional "symbolic" awards, Asda's loyalty program is based on a simple yet attractive promise: "Pounds, not points". At the time of writing, nearly 1 million customers are reported to have already enrolled, via a dedicated app. Inspiring! The Asda Rewards loyalty program was initially tested in a few stores, before being extended to all UK stores and the brand's online store. Every week, this dedicated app, heavily inspired by retro video games\*, allows Asda customers to undertake new missions (complete milestones for 'cash') and discover new promotions on Star Products. Asda Pounds are credited the customer's 'Cashpot' automatically when shopping online or by scanning the app when paying at the till instore. This virtual currency can only be spent in the brand's UK and online stores.

#### Highly tangible financial benefits

Free to download, the Asda Rewards app allows customers to take advantage of financial rewards. The customer can present a voucher at checkout allowing them to cash in the Asda Pounds earned during previous purchases. Their balance can also be used for purchases on asda.com. Vouchers are valid for six months, so customers have the option of saving their rewards to spend at a later date.

#### **Promotion-based missions**

As part of its gamification promise, the Asda app regularly offers new missions to be carried out in-store. For example, at the end of the recent «back to school" mission, the buyer of a £25 school uniform received £5 back in their account. Smart move: at back-to-school time, when consumers have to buy certain items, Asda is bringing real benefits.

#### Almost 1 million apps downloaded

In just a few months, the Asda Rewards loyalty app has been downloaded by nearly 1 million customers, and more than £4m has been earned. This success is based on a simple strategy: weekly, gamified promotions in the app and in-store, which create an intuitive and enjoyable



shopping experience. As the customer is emotionally, symbolically, and financially rewarded, they have every reason to remain a loyal Asda shopper.

#### \*Asda's New Rewards App

https://www.youtube.com/watch?v=phpsLJ0AiRQ&list=TLGGM1P3mvQ B6h4wNDEwMjAyMg&t=9s

# A "real cash" shopping experience

Against the backdrop of financial uncertainty, Asda's loyalty program is based on a simple premise: rewarding buyers with money, via a fun experience.

#### Learn more

Best and worst supermarket loyalty schemes revealed (The Sun, Aug 2022) https://www.thesun.co.uk/money/19402815/ best-worst-supermarket-loyalty-schemes-revealed-2022/ A DEMO

# STARBUCKS: BUILDING LOYALTY THROUGH WEB3

Reinvent everything. That's the objective laid down by Starbucks in its Reinvention Plan for 2023–2025. Centered around growth, the plan sets out a comprehensive transformation approach that includes stores, customers, and employees. It also confirms that the American brand's Starbucks Rewards loyalty program is set to evolve drastically thanks to the Starbucks Odyssey initiative. On the menu: NFTs, exclusives, and close relationships built around Web3.

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#### Web3: a new frontier for relationships between brands and their communities

#### What it is

The Starbucks Odyssey program is scheduled to launch shortly in the United States". It will be available exclusively to loyal customers, i.e. Starbucks Rewards members, as well as employees. A waiting list is currently open. Before the end of the year, the lucky few will have access to the "Starbucks Odyssey Experience": limitededition NFTs (to buy and win) that have the power to unlock exclusive services. The vision: a digital hub where the brand's community can come together based on their love of coffee.

#### Why it works

With their Starbucks Rewards login, loyal customers will be able to access rewards via Starbucks Odyssey. This allows the brand to create a space that acts as an extension of its physical stores: a digital world full of valuable, dynamic, and immersive experiences. Featuring video games, challenges, and real and virtual events, Starbucks Odyssey is all about rewarding consumers and creating positive vibes while also forming social connections between members.

#### How to get started

Many brands have already been successful in using NFTs as a powerful reward mechanism ". What's different about Starbucks Odyssey is that it is reserved for the best customers but also open to employees (which the brand calls "partners"). To get started, a sensible approach would be to offer NFTs in order to build up a community of early adopters, then collaborate to create a new relationship with the brand based on the values, practices, and Web3 tools.

### How to make it a performance driver

Emotion can compensate for anxietyinducing content in a digitized and idealized world. The emotional quality and intensity of the experiences offered and shared will bring the brand and its audiences closer together. A note of caution: due and careful consideration should be given to the crypto universe and NFTs, which raise legitimate economic and environmental concerns. For pioneering brands, though, Web3 offers a fantastic opportunity to expand and strengthen the multi-channel link with their customers and employees.



\* Starbucks Enters New Era of Growth Driven by an Unparalleled Reinvention Plan https://stories.starbucks.com/press/2022/starbucks-enters-new-era-of-growth-driven-by-an-unparalleled-reinvention-plan/ \*\* See OneShot No. 8 – Summer 2022 – The Metaverse









In the customer relations business, the adage "a happy advisor means a happy customer" is well known. So to ensure that this holds true, Webhelp set itself an ambitious goal: to improve the well-being and overall performance of more than 110,000 employees in 55 countries and over 200 sites. So ambitious that it was impossible to accomplish without setting up a custom Human Resources (HR) solution. And this is what Gobeyond Partners, Webhelp's specialist consulting, data and digital practice, has done for the entire group. And they can do the same for other companies facing similar challenges.

How Gobeyond Partners supported Webhelp ...



#### ▶ Be attentive to each employee.

Today, Webhelp employs more than 110,000 employees in over 55 countries. Each country team has its own human, organizational. and regulatory specificities. In order to be able to 'listen' to each employee - and in particular, to effectively detect early indicators of issues or decline in engagement, - an automated solution was essential. By analyzing wellbeing questionaires completed at key moments in an employee's career (when joining the company, at the end of induction training, etc.), the system automatically pinpointed employees that were not fully satisfied or engaged and scheduled appointments, so that management could better understand their issues and explore solutions with them.

► Continuously improve. Webhelp was eager to quickly deploy the system, but ensure that in-country HR teams could benefit from a continuous improvement of the solution's performance. So Gobeyond Parterns roles to the challenge by creating a solution that delivers personalization and universally applicable improvements based on machine learning algorithms.

► Offer a relevant service. The importance of employee well-being is at the heart of Webhelp's strategy. And other companies, across many industries, are also focused on this important topic, and need to provide support for their workforces. Gobeyond Partners can help them deploy this solution developed for Webhelp, in order to help them to implement compassionate, datadriven well-being of their own employees effectively.

# ... to help improve employee performance and well-being

#### **Gobeyond Partners' results**

"Working in collaboration with our Webhelp HR colleagues around the world, we were able to deliver the solution on time and on budget and deploy it to over 35,000 employees this year," explains Audrey Gandoin, Data Science Manager at Gobeyond Partners. "Together, we have transformed data into actionable insights for both people and the business. As a result, almost 3 out of 4 employees are fully satisfied with the solution, and aditionally. after each scheduled intervention. when asked 'From your point of view, was the conversation constructive and useful?' the average score is now 9.6/10."

The + It is essential for Webhelp's clients to take their teams' well-being into account, to support both the happiness and overall performance of their employees. Adding value to people management increases employee engagement, well-being, and skillsacross the business.

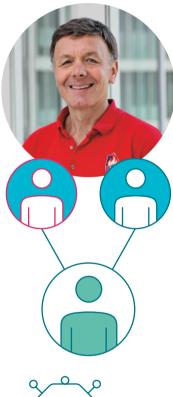
"A questionnaire is sent out at each key stage in the employee's career; for example, immediately after a training course or upon completion of a new project. This allows us to gauge our people'swell-being and engagement at an individual level, and wherever required, trigger an informal meeting with management."

Audrey Gandoin, Data Science Manager at Gobeyond Partners



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# **#ServantLeadership**





Servant leadership, a unique management style popularized by Robert Greenleaf in the 70s, is making a comeback in current business management. We spoke to Dr Robert Liden, Professor of Management at the University of Illinois, Chicago, to find out just what servant leadership is and how valuable it is for businesses today.

### 1. Why is servant leadership unique and what are its benefits?

Servant leaders put their employees' needs before their own and that is what makes this management style unique. Data shows that there are multiple advantages in practicing this method: servant leadership increases employee trust in, and respect for, management; fosters leader emulation; creates a work culture of mutual help; encourages autonomy; drives employee commitment both to managers and the organisation; and increases employee retention. Better still, employee performance improves, and employees engage in organisational citizenship behaviour (i.e., going the extra mile). And the customers can feel it. And when the customers are happy, the stock price follows.

#### 2. How does servant leadership affect productivity?

The evidence so far shows that productivity increases with servant leadership. Because employees develop a strong relationship with, and trust, management more, they are more willing to be engaged and perform well. Not only is productivity higher, but data collected during a recession shows that even though the profits and revenue were declining, the profits declined less for businesses with a servant leader.

#### "It is important to realise that implementing servant leadership requires a great deal of patience."

As Rosabeth Moss Kanter said back in the 70s: "Major organisational change takes two to five years to successfully implement. Patience is key."

#### 3. What should the method consist of today?

Fifty years on, the approach is still the same, but to really be a good servant leader you sometimes need to be tough. Whilst servant leaders need to be very supportive and help employees grow, they also need to be firm and provide critical feedback in a compassionate way. This demonstrates that the leader is in control, even though they are empowering, supporting, and caring about employees. Otherwise, employees might feel entitled or become complacent.

### 4. How can managers make the shift to becoming servant leaders?

Servant leaders must get to know every single employee, their goals, ambitions, desires, and potential. For those who want to become a servant leader, the first question to ask is: "What can I do to bring out the potential in each employee?" Next, a tailor-made method will have to be implemented for each person. Take the time to get to know each employee, put your employees' needs before your own. Practice, practice, practice, and above all, be patient.

#### The 7 Practices of Servant Leadership

- Emotional healing
- Conceptual skills
- Empower
- Help employees grow and succeed
- Put employees first
- Behave ethically
- Create value for the community

# A SERVICE

# DEBT COLLECTION Reconciling

effectiveness and loyalty

### Teams and tools

A debt collection solution can be implemented internally or outsourced. Whichever delivery option is preferred, in the current context, it is critical to factor in the behavioral aspects and emotional intelligence into how things are done, so the brand can retain customers and maintain positive relationships. A fair number of available solutions are "self-service", particularly for small debts, and are viable as long as they are intuitive and the customer journey is adapted to the profile of the customer who owes payment.

The + Debt collection teams and selfservice tools that seamlessly incorporate the importance of people into a positive customer experience.

In B2C and B2B alike, the current economic environment is marked by major uncertainty. Brands are therefore eager to secure timely payments, and to equip themselves with flexible and effective debt collection mechanisms. In this respect, the limits of traditional approaches fall short: too often, they focus on "pressure" methods that not only pose a risk to the brand's image, but also threaten to break the bond of trust with the customer. However, other more compassionate - and ultimately more effective - approaches have proven their worth. Introducing Collection Services, the debt collection agency of Webhelp **Payment Services.** 

Contributors: Franck Étienne, Sophie Marsault.

### 2. Customers owing payment

A consumer who owes moneyshould, first and foremost, always be considered a customer of the brand (anti-churn). Sometimes, a payment is blocked because the customer is not satisfied for some reason, so if the debt collection team has a robust customer relations culture, they will identify and deal with this frustration. The payment will be re-authorized in no time and the customer will have a positive contact experience with the brand, which will strengthen their trust and loyalty. Webhelp's Collection Services teams benefit from this culture, inherited from our Customer Service legacy.

The + Webhelp's Collection Services teams can also be given additional training on the brand's products and services.

### 3. White label option

There are two options when it comes to deploying external partner Collection Services : the partner can effectively operate as a "white label" agency and reveal the brand's identity, or as an independent debt collection company and conceal the brand's identity. The second option—known as "debt collection under management authority"— means that companies can pursue debts more actively in order to maximize debt recovery while minimizing impact to brand image.

The + To manage the final stages of collection, companies may also issue the payment reminder in the name of a partner bailiff and switch to a legal debt recovery phase.

### Data and scoring

Debt collection activities can be improved thanks to data analysis that delivers insights into causal factors for success (reachability + payment behaviors). By doing this, Gobeyond Partners, Webhelp's consulting and data science division, measured an increase of 20 to 40% in the reachability rate and an increase of 5 to 30% in the settlement rate (in telecommunications, utilities, banking, insurance, etc.). These kinds of results are possible with good synergy between the data analysis and debt collection teams.

The + The Data and Debt Collection teams can work together to produce insights that improve processes, outcomes, and the customer experience.



"Collection rates can be increased by 15% on average"

By leveraging data, our clients enjoy two major advantages. Better performance, reflected in particular by an increase in the collection rate— 15% on average—and a significant volume of insights, which allow improvements to be made to processes, outcomes, and the customer experience. Our Collection Services agency, which specializes in debt recovery, boasts extensive expertise in customer relations, scoring, personalized reminder pathways, and automated digital processes that reduce costs.

#### Roxana Racaru,

Director of Digital and Performance Data at Collection Services (debt collection division of Webhelp Payment Services)



"From payment to debt collection, mastering User Experience requires high-performance tools and expert teams."

Webhelp Payment Services simplifies and secures its clients' financial relationships with their partners and customers. Its Collection Services agency, which is dedicated to debt recovery, offers B2C and B2B customers tailored debt collection services as either a white label service or under management authority (via its collection agency, Solvencia) for increased financial security. Webhelp Payment Services hhas over 2,000 people in over 35 countries, and an annual turnover of more than 1.7 billion euros.

> **Franck Étienne,** General Manager of Collection Services

# A MEETING PLACE



#### Markets & Economies, March 13-15

#### WHAT?

We will analyze the many changes in commerce that are a direct result of the recession, the pandemic, the rise and fall of crypto, the war in Ukraine, and other disruptions in our current world. With something for everyone, SXSW 2023 will be held from 13th-15th March in Austin, Texas. The list of events and conferences is constantly being updated\* with topics relating to uncertainty, in areas such as data, digital identity, and the technologies of tomorrow. Videos from SXSW 2022 are available to view online.

#### WHY?

Since its inception in 1987<sup>\*\*</sup>, South by Southwest (SXSW) has stood out for its unvrivalled creativity. With roots as a music and film festival, today the event also plays host to SXSW Interactive, which is focused on new technologies. Celebrities, digital artists, and TV, movie, and video game creators take part in exciting conferences that are sometimes offbeat but always on-trend. So it's no surprise that CEOs, CTOs, advertisers, startups, influencers, activists, trendsetters, journalists and politicians can also be found sharing their views at this event. In short, year after year, the best storytellers, raconteurs, and legend-makers come together to interact at SXSW.

#### WHO?

Want to discover tomorrow's visions? What will the narratives be? What will cause a stir in popular culture? And what will become unacceptable in the eyes of the public? If so, 13th – 15th March is the time to get inspired. Because SXSW is where the most creative and provocative personalities come together! In an age of uncertainty and doubt, this is a unique opportunity to take part in the year's biggest brainstorming session. Can't make it? The conferences will be available online after the event so you don't miss out.

\* https://www.sxsw.com/conference/featured-speakers/#sessions \*\* https://en.wikipedia.org/wiki/South\_by\_Southwest https://www.sxsw.com/conference/markets-and-economies/

# **A CONVERSATION**

# Frugality: a new consumer trend?

#### WITH VALÉRIE GUILLARD, PhD in

Management Science and Professor at Paris Dauphine University, we tackle the topic of frugality. Valérie's research focuses on consumer psychology, consumer practices in relation to second-hand objects, and waste. She has published the French-language book "Comment consommer avec sobriété - Vers une vie mieux remplie" ("How to consume in a more frugal way – Towards a more fulfilled life"), published by De Boeck (2021). In the global context of uncertainty, this this desire to consume more efficiently is certainly 'de rigeur'. How can brands best understand and respond to this trend? Guillard's overview of pertinent and easy-to-implement approaches sheds some light.



#### How do you define frugality?

Valérie Guillard: From the consumer's point of view, the main challenge of frugality is to adopt consumption practices that will have a minimum impact on the natural and social environment. The objective is therefore to consume more efficiently and in particular to avoid waste, which means thinking about what to consume ahead of time: What materials are used? Where did they come from? Who made the product, where, and under what conditions? How is the product packaged? Brands canproactively address consumers' desire to know more about the products they're purchasing. In the mind of the consumer, the desire to buy is subject to analysis: do I really need this product?, do I already have an equivalent?, how long will I use it for?, etc. We are iincreasingly guestioning - and even moving away - from unlimited and conspicuous consumption, as was once promoted in the luxury, automobile or tourism industries, for example. Being frugal means taking a fresh look at your everyday life in order to focus on your real needs. In our current context of uncertainty, frugality is therefore perceived as a good thing; it reassures us because it protects the future of our planet and generations to come. This new attitude, this moral choice, this way of relating to the worlds of today and tomorrow, is disconcerting for traditional marketing, which is more accustomed to eaocentric and impulsive buving. Brands therefore see frugality as a challenge. Which sectors or products are most concerned by this pursuit of frugality? V.G.: It's fair to assume that deconsumption will mainly penalize products that have a negative impact on the natural and social environment. As a result, a sector such as fast fashion will be penalized while the second-hand sector will experience stronger growth, as we see today in many countries. Similarly, refurbished or easily repairable equipment will be preferred. In the food sector, seasonal fruits and vegetables, diets containing less meat, local, organic, and fair trade products will be favored by buyers. We are also witnessing the development of an economy in which it is preferable to rent rather than buy. More generally, to become mainstream, frugality requires a systemic approach on three levels: territories, consumers, and companies, which can play a role as a catalyst or unifying force.

#### How can the concept of frugality be made attractive to consumers?

V.G.: Historically, consumption has been associated with pleasure, social success, or even happiness. Therefore, adopting a different mindset can be a rather complicated matter, as terms like "frugality" and "austerity" are associated with reduced energy consumption and reduced comfort. The key is to associate frugality with moderation, rather than with deprivation. Moderation, or responsible consumption, offers concrete advantages. For example, cycling is a mobility solution that is not only good for the planet but also for an individual's health and morale. Brands need to successfully articulate such benefits, otherwise, frugality will be experienced as frustration. The consumer must find meaning in reducing, replacing, or even eliminating certain consumption habits. Brand marketing will therefore be able to support or promote causes, if they are consistent with the brand's real values and promise. **How can brands communicate positively about frugality, while avoiding the risk of greenwashing?** 

**V.G.:** The risk of greenwashing arises when a company's communications are not aligned with its actual practices. When this happens, it will be negatively reflected not only in the media and social networks, but also among employees. To prevent brands from falling into this trap and improve the effectiveness of their communications in the context of frugality, it is wise to focus on transparency. For example, brands like "C'est qui le Patron" or "Jules & Jenn" communicate their price and cost structures. The advantage of this approach is that the consumer sees where their money is going and is free to form an opinion. Such transparency is reassuring and helps to educate the consumer, a positive aspect that the brand can skillfully highlight. At the end of the day, consumers may be willing to pay a slightly higher price when they know that the manufacturers or certain intermediaries are properly compensated, for example.

### What other communication or action advice would you give to brands regarding frugality?

**V.G.:** In terms of communication, it is wise to give the consumer specific information regarding the impact of their purchase. For example, brands like BackMarket report on the overall amount of CO2 or e-waste avoided (over 580,000 tons of CO2 since its inception in 2014). Ultimately, the savings in energy, raw materials, or waste achieved from a purchase, or a non-purchase, are extremely rewarding and encouraging for the consumer or the non-consumer. In an uncertain climate and in the face of eco-anxiety, feeling informed, valued, and supported ihugely valuable. When the brand and the customer work together, they will both head in the right direction.



### "Frugality should not be associated

### with deprivation but with moderation."

#### Valérie Guillard

Ph.D. in Management Science and Professor at Paris Dauphine University

# A STORY



**How Kellogg's reinvented itself during the Great Depression** When you want to survive, you have to get rid of the superfluous.

When you want to survive, you have to get rid of the superfluous. Let go of the dead weight. For a company, in times of severe crisis, this often means eliminating or drastically reducing investments in marketing and advertising, which are considered "non-essential". However, during the worst economic crisis in American history – the Great Depression of 1929 – the Kellogg's brand doubled its advertising spend and worked hard to establish a strong market presence. As a result, the company surpassed the pioneer and leader of the time, Post Foods, founded in 1895. A decade later, Kellogg's had increased its profits by 30%. In the face of uncertainty, it is tempting to retreat rather than take action. But the Kellogg's case study – and the results of numerous other studies – show that adversity can actually represent a great opportunity.

# **A PERSPECTIVE**

# What if we looked at the problem the other way around?

It was Marco Polo, the great explorer, who penned this famous maxim: "You can't change your future. But you can change your habits, and these will change your future." Sounds like a very simple formula to help us forge a way forward when we feel a little disoriented on the vast continent of Uncertainty. And if the renowned Venetian merchant were our business advisor, he would be encouraging us to let go of "business as usual"—i.e. our established habits—starting with planning for the future. In today's world, we use forecasting: a prediction method based on historical data. In the future, though, we'll use backcasting\* instead: companies will first define their desired future, and only then will they plan out the steps to reach it. To ensure that it is desirable and achievable, this future will be co-designed by all stakeholders from shareholders to employees, not to mention suppliers and other local and international partners. This wide-ranging, ambitious, and visionary strategy is also a wonderful opportunity to ensure that the customer's voice is heard, both now and moving forward.

\* http://foresight-platform.eu/community/forlearn/how-to-do-foresight/methods/roadmap/backcasting/

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