

A hand holding a glass jar filled with star dust against a starry night sky. The star dust is a mix of blue, green, and orange particles, creating a nebula-like effect. The background is a dark blue sky filled with stars and a bright, glowing band of star dust.

# THE NEW BRAND GROWTH PLAYBOOK

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**CHINATOWN  
BUREAU**

WHITEPAPER

Q1 2020

NEW YORK, NY

[www.chinatownbureau.com](http://www.chinatownbureau.com)

# BUILDING THE FUTURE OF EXPERIENCE BRANDS.

WE ARE A GROWTH STRATEGY CONSULTANCY + ACCELERATION  
STUDIO CREATING OPPORTUNITIES AT THE INTERSECTION OF  
**BRAND STRATEGY + TECHNOLOGY.**

 NOVARTIS

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**NYC**

TEMPUR  
+ SEALY

  
COLGATE-PALMOLIVE

 LINCOLN

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Welcome. I'm glad you're here.

While in Business School in the early 2000's, I was required to read a book that would become the foundation of my point of view throughout my career. The Experience Economy by B. Joseph Pine II and James H. Gilmore was an eye-opening read that took brands beyond the commodification of products and services and into something more. Something consumers could subscribe to be a part of. Something that could be a defining element of a consumer's life. Something that aspired to be more. An experience. This idea of the Experience Economy was written in 1999 using Starbucks as the poster child, providing value beyond coffee as a drink and into a physical, engaging experience of cool with coffee as the hero.

Now fast-forward 20 years and add in the evolution of technology (smartphones, social media, data, connected homes, etc.) and the continuous rising expectations of consumers and we, as brands, are facing a New Normal.

The process of staging experiences has moved beyond the physical with a one-and-done moment and into a progressive

experience that blends the digital with the physical and connects the consumer's expectations and needs with a brand's promise.

This transformation has created a new competitive environment in which our brands must participate and shine. One where new disruptors can gain fast followings. One where the consumer purchase decision is driven by the experience and fulfilled by the product or service. One where continuous innovation and transformation is the new barrier to entry. One where brands build true, lasting relationships with their consumers through ongoing understanding and continuous trust. All producing a situation where brand growth is getting harder and harder to come by. And, in effect, is proving our traditional growth playbooks ineffective.

But somewhere there is hope. As we'll see, Growth Brand Leaders are rewriting their playbooks to capitalize on this New Normal. To leverage consumer and industry trends to bring new value to the marketplace and in return create new pathways of revenue.

**This is that hope.**



**Paul Miser**  
CEO, Chinatown Bureau



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## SYNOPSIS

The **NEW BRAND GROWTH PLAYBOOK** was formed by gaining an in-depth view of the current marketplace, finding the brands that are creating step-change, sustainable growth and documenting their strategies. With constantly changing consumer behaviors, new technologies and continuous disruptive threats, a new playbook is required to not only continue to provide value to our consumers, but also create new opportunity for growth for our brands.

Ultimately, we'll show how Growth Brand Leaders are winning in the marketplace.

### What's inside:

- Problems: The New Normal
- Research: Methodology & Findings
- Trends: for Brand Growth
- New Brand Growth Playbook
- Brand Growth Action Plan

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## EXECUTIVE SUMMARY

- A brand's consumer experience has become the **number one driver of purchase decision**, followed by product efficacy and price.
- Growth leaders have **built a new growth playbook** to lead with the consumer experience which transforms key areas of their brand (Go to Market, Commerce, Business Models).
- Growth Brands employ a Brand Experience Design Strategy to **intentionally create and orchestrate their consumer experience** – continuously adding value throughout the journey by removing pain points or celebrating moments of consumer joy.
- The evolution of the Go to Market Strategy is rooted in **retention first and acquisition second**. Growth Brands employ a continually running strategy that targets, messages and progresses relationships based on audience behaviors, preferences and actions.
- Retail isn't dead. It's just different. Growth Brands look at commerce holistically and produce **a mindset of "Anywhere Commerce"** where personalization and transaction follow the consumer on their terms – online or in-store.
- Growth Brands create growth opportunities by integrating digital business models into their core business offerings, **unleashing new revenue streams and consumer value**.

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# PROBLEMS: THE NEW NORMAL

Why aren't brands finding growth?

With all the technological advances, access to capital and connectivity to information, it has never been easier to start and grow a business. However, with shortened attention spans, corporate transparency, splintered media channels and shifting consumer expectations, it's never been more challenging to find true, sustained growth. The environment in which we have to create, sell and service our brands and products has drastically changed – making it continuously harder for business and marketing leaders to do their jobs effectively. These business trends are forcing brands to be more global while continuing to be more personal – expanding scale while extending relationships.

As we'll explore, there are many different forces creating this challenging situation for established brands to find growth. However, as we'll quickly see, the overarching problem is that we're five years into a new normal and have yet to upgrade our growth playbooks to succeed with the changing times..

## **POLITICAL & ECONOMIC RISK:**

Economic growth confidence is declining due to several factors. In 2020, the US Economy is expected to slow to a 2% GDP growth, down from 2.2% in 2019. Global CEO growth confidence has fallen 15% over the last 24 months, moving from confident to cautiously optimistic.

## **COMPETITIVE DISRUPTION:**

Technological advances in almost every aspect of business has drastically changed the competitive set. It's reducing the barriers to entry increasing the sheer number of competitors in an industry – coming in as Disruptive Insurgents. It's also changing how incumbents are coming to market through product, service and experience development – transforming themselves into 'Reinvented' Incumbents.

## **CHANGING CONSUMER:**

With technological advances of mobile, data and social media we are living in an always on, connected and personalized experience economy – which have all contributed to the rise in value expectations consumers have from the brands they do business with. This rise in consumer expectations has been evolving faster and faster as consumers engage with new value propositions and offerings.

## **STAGNATING INDUSTRIES:**

S&P Global Ratings estimate the average industry growth rate for 2019 was a mere 4% collectively across industry. Couple that with the estimated US Economic growth rate of 2% and we see organizations competing for an organic growth rate that is leveling off or declining. Meaning it is no longer viable for a company to base their growth targets on industry growth alone.



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# RESEARCH: APPROACH & METHODOLOGY

Having the problems and playing field laid out in front of us, we wanted to see around the corners of growth. We embarked on finding those use case companies that were breaking the mold and achieving noticeable, sustained growth. Not just any growth, but step-change, innovative growth that broke the barriers of the norm, setting new trends in consumer expectations, value propositions and scale. We wanted to learn from the best to understand the trends and strategies for us all to learn from.

What we found was two distinct groups of brands doing things differently; looking at challenges with a new perspective, approaching the marketplace with new strategies and value propositions, creating new revenue opportunities for their organizations. They were the 'Trillion Dollar Brands' & 'Unicorns.'

To develop a tactical New Brand Growth Playbook action plan, we modeled out the similarities in the two Growth Brand groups against a control Fortune 500 cohort. This generated the insights, actions and differences in approach to truly find growth in today's new normal.

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**(Trillion Dollar Brands + Unicorns)**

**Fortune 500 Cohort**

**=**

**New Brand Growth  
Playbook**

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## TRILLION DOLLAR BRANDS

In late 2018, the business community witnessed a historical race to \$1 Trillion Dollar Market Capitalization Valuation. For the first time in history, a company would be valued at over \$1 Trillion. The companies in the running were Alphabet, Amazon, Apple and Microsoft – Apple winning the race; however Amazon and Microsoft would tip over the mark months later and recently Alphabet finally crossing the line.

## UNICORNS

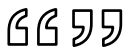
The 'Unicorn' brand group is focused on the companies that have not only changed the value proposition in their category but have also effected the consumer behaviors within those categories, captured industry market share and have an aligned market value to value proposition. They were Glossier, Airbnb, Sweetgreen, Smile Direct Club and Warby Parker.

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## TRENDS FOR BRAND GROWTH

Throughout the research process, we identified the similarities between the two Growth Brand groups then mapped them against the Fortune 500 cohort. What was interesting was the similarities between the Trillion Dollar Brands and the Unicorns were more aligned than not – bringing to the forefront business, organizational and communication trends in which to use as a foundation for the New Brand Growth Playbook.

These trends revolved around how Growth Brands approached their businesses, how they thought about growth and the action they took to create growth. There seemed to be an intentional, curious and continuously evolving approach to value creation – focusing on both the core business while expanding into new avenues and pathways of value and revenue. These are the four trends that were identified and studied while preparing for the actionable New Brand Growth Playbook.



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**There seemed to be an intentional, curious and continuously evolving approach to value creation.**

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### **PERSPECTIVE & MINDSET:**

Growth Brands were almost obsessed with value creation for the organization and for their customers – continuously pursuing new ideas, new opportunities and stronger relationships. Where other companies see problems, Growth Brands see opportunity - where others strive for incrementality, they push for innovation.

### **BRAND FULFILLMENT:**

Growth Brands view their brand promise as something that is alive. Something that must be fulfilled and evolved with each interaction with their customers.

### **HOLISTIC EXPERIENCE:**

Growth Brands focus on the intentional development and orchestration of a holistic brand experience for their consumer. Putting the consumer at the center of the brand, they have been able to build a singular view of the consumer while successfully engaging them throughout the entire journey and relationship.

### **TECHNOLOGY ENABLEMENT:**

The use of technology to fulfill the brand strategy is the true hero and characteristic for each of the Growth Brands. A Growth Brand's strategic growth framework is built off the relationship-first mindset to best leverage data, platforms and content to ease the pain points throughout the consumer journey while finding new models and opportunities for new revenue.

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# TRENDS FOR BRAND GROWTH

## CONSUMER EXPERIENCE

One thing that was consistent throughout the exploration into Growth Brands was their focus on the consumer experience. Every decision they made and every interaction they created seemed to be planned through the lens of the memory they want to their consumers to have. Therefore, as we'll see, the New Brand Growth Playbook focuses each play to ladder up to an overarching and holistic consumer experience strategy – with the first play defining that Brand Experience Strategy for the other plays to ladder up to. With such a focus on consumer experience, a few things to note will carry on throughout the New Brand Growth Playbook:

### **01. WHAT IS CONSUMER EXPERIENCE (CX)?**

Consumer Experience is a brand's intentional creation of the journey and actions a consumer takes to purchase their product, service or brand. From unawareness through research, shopping, deciding and purchase through onboarding, service, support, repurchase, the consumer experience involves all touchpoints, interactions and reactions supporting a consumer's journey with a brand.

This experience ranges from the removal of pain points in the consumption of a product to the business model in which products and services are consumed to the integrated nature of consumption and replenishment.

### **02. WHY DOES CONSUMER EXPERIENCE MATTER?**

Providing a positive and powerful consumer experience is good for consumers and good for business.

Consumers are expecting a good experience with the brands they buy from. According to Salesforce:

- 67% of customers say their standard for good experiences are higher than ever
- 51% of customers saying most companies fall short of their expectations

Businesses that are employing successful consumer experience strategies are not only finding new ways to grow but they're increasing the long-term value of their consumer relationships. According to the Temkin Group:

- a moderate increase in customer experience generates an average revenue increase of \$823 million over three years for a company with \$1 billion in annual revenues



# TRENDS FOR BRAND GROWTH

## CONSUMER EXPERIENCE

### 03. WHAT ROLE DOES TECHNOLOGY & DATA PLAY IN CX?

As we'll see throughout the playbook, there is an innate role technology and data plays to bring Growth Brands to life across the consumer experience. However, it's never using technology for technology's sake. It's a systematic approach to using technology to fulfill the overarching brand and experience strategy.

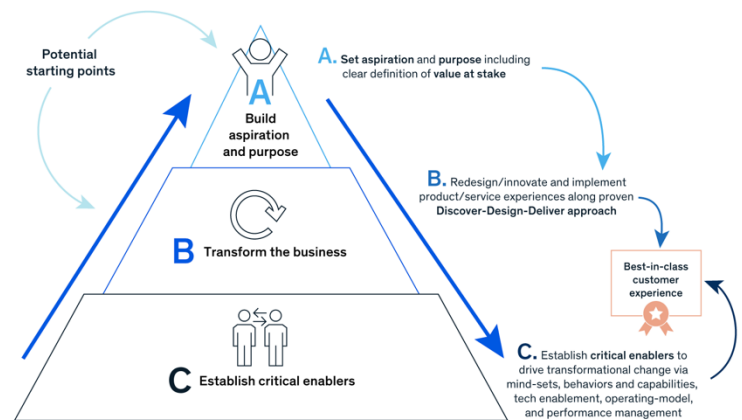
Technology and data is used for many different strategic priorities as it comes to providing an ideal consumer experience for consumers.

- It's the data to learn about and target consumers
- It's the interaction data to progress the consumer relationship forward as they engage with the brand
- It's the new operations used to remove legacy steps in a process standing in the way of an ideal consumer experience
- It's the tools or platforms in the form of apps and websites that connect the various players involved in the experience (consumer, employee, retailer, customer service, etc.)
- It's the passive data and information that passes from product to experience producing an action like a repurchase or reward
- It's the real-time or aggregate analytics that can be used to optimize an experience or find new value to provide to consumers

As McKinsey outlines in "What Matters in Customer Experience Transformation," a core element running through their building blocks of a customer experience transformation is data and technology, however it is not a building block in itself.

As we'll see, Growth Brands don't view technology as something separate in IT. It is integrated in the strategic decision-making process and is a mindset that each of the brands and their leaders consistently.

The building blocks of a customer-experience transformation



McKinsey  
& Company



NEW BRAND GROWTH

PLAYBOOK

# NEW BRAND GROWTH PLAYBOOK

## THE PLAYBOOK

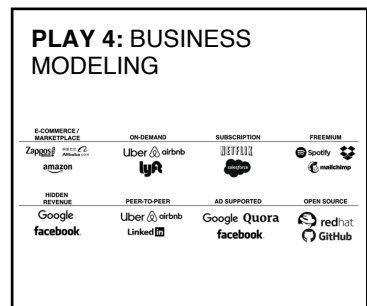
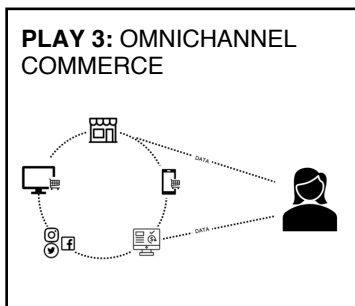
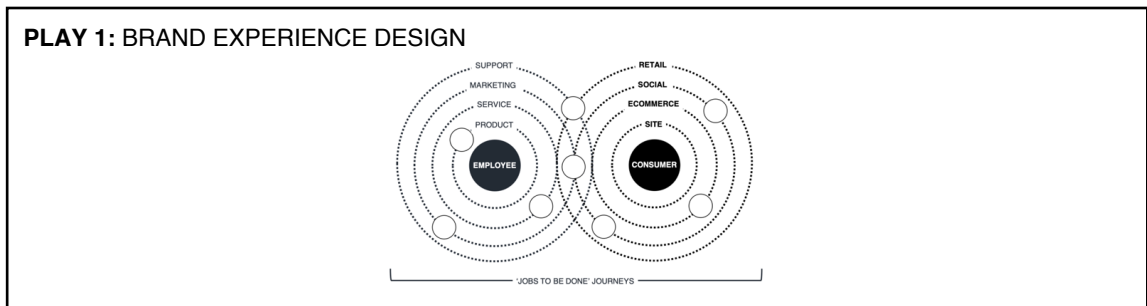
We made it! Now it's time to create new, sustained growth for your brand with a New Brand Growth Playbook.

Leveraging the trends and characteristics of Growth Brands, an action plan has been developed to begin your transformation towards growth. This holistic approach is meant to start at the core of your brand's value and expand outwards into new avenues and pathways for value creation. Following this playbook will breath fresh air into your current offerings, your consumer relationships and your organization while providing a long-term strategic roadmap for the future.

Each 'Play' is comprised of:

- A headline for simple communication to your team
- An overview description to grasp the concept quickly
- A common strategic model and definition
- An action plan to start now
- Case studies of companies doing it right

The New Brand Growth Playbook is meant to give you the tools needed to sell in and execute within your organization for the growth of your brand. Let's go.





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## PLAY 1: BRAND EXPERIENCE DESIGN

# REMOVE CHORES CELEBRATE CHERISH

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Growth Brands are focused on providing the most efficient and memorable brand experience possible. They are obsessed with the journey their consumers have to take in order to do business with them and are continuously taking action to either remove the pain points standing in the way, streamlining processes and actions or celebrating the moments of cherish that consumers enjoy.

Each action or reaction allows growth brands to find new value to provide for their consumers while identifying new opportunities for revenue creation or cost / time savings.

### **EXECUTIVE INSIGHT**

According to Forrester, companies that are experience-led have:

- 1.6x higher brand awareness
- 1.5x higher employee satisfaction
- 1.9x higher average order value
- 1.7x higher customer retention
- 1.9x return on spend
- 1.6x higher customer satisfaction rates.

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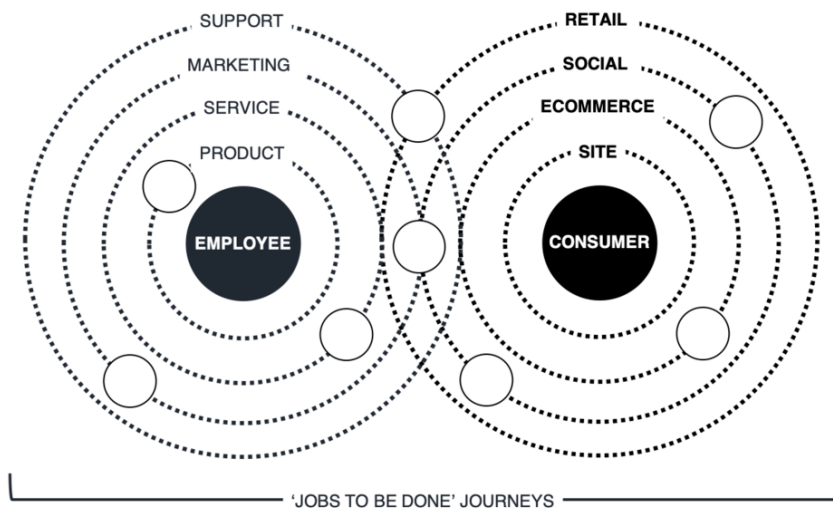
# PLAY 1: BRAND EXPERIENCE DESIGN STRATEGY & MODEL

Growth Brands employ a Brand Experience Design Strategy which is the intentional creation and orchestration of the consumer experience and journey. A Brand Experience Design Strategy includes the development and coordination of every touchpoint that a consumer may interact with as well as the internal processes and employee actions that need to happen to make that experience come to life.

These connected actions are planned and executed by focusing on specific 'Jobs' consumers are trying to perform at any given time and any given phase of their individual journey – ranging from research to purchase to consumption to loyalty. Each action or response of a 'Job' becomes a formulaic algorithm that is fulfilled with technology, data and business operations.

For example, if your consumer's 'job' is to fly from Milwaukee to Kansas City, their journey encompasses shopping for and buying a ticket, finding a seat, checking in for their flight, getting to the airport, going through security, finding their gate, passing time, getting on the plane, finding their seat, passing time, finding their luggage, finding transportation from the airport to their destination. All of these tasks and more, are needed for your consumer to fly from Milwaukee to Kansas City. As we'll see in the Delta Case Study, they have become obsessed with making these tasks easier and more enjoyable while increasing value, revenue and most of all employee and customer satisfaction.

The orchestration and management of the consumer journey is a combination of Brand Experience Design Strategy, technology enablement and service design through operations.



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# PLAY 1: BRAND EXPERIENCE DESIGN

## ACTION PLAN

### **01. EXPERIENCE AUDIT**

Growth Brands know this intimately, but your company is sitting on untapped growth opportunities found throughout your consumer experience. The first step towards unleashing this growth is to fully know and intimately understand the consumer experience for your brand and your industry. There is no better way to find the chores or moments of elation your consumers have when buying a product like yours than to walk in their shoes. Performing a holistic experience audit can give you a firsthand - and secondhand - view of the entirety of your consumer experience. Giving in you direct insight on what to fix, remove, optimize or transform.

### **02. JOURNEY MAP**

Once you understand the complexities, channels, mindsets, expectations, pain points and value, you can map the all of that across the entire journey from start to finish – unaware to purchase to loyalty to repurchase. Each phase having its own dynamics, but all expected to maintain a singular relationship between consumer and brand.

### **03. BRAND EXPERIENCE STRATEGY**

Next, we can come to the table to define how our brand comes to life across this journey. This is where the brand promise gets fulfilled in the eyes of the consumer, increasing the power of your brand. Doing this includes removing chores or pain points, streamlining processes and actions or celebrating or remembering the consumer as they hit specific milestones.

### **04. STRATEGIC ROADMAP**

By putting the Journey Map against the Brand Experience Strategy, we start to see the goals we need to accomplish to become an experience brand and create new value. The gaps between the current state of the Journey Map and the future state of the Brand Experience Strategy become the strategic roadmap for your brand. It gives you the insight to choose, prioritize and continuously improve key aspects of your consumer experience.

### **05. SERVICE DESIGN**

As we'll see in the following Case Studies and Plays, Service Design plays a crucial role in completing the goals throughout the strategic roadmap. Service Design is the design, architecture, blueprint and execution of processes that bring the Brand Experience Strategy to life.

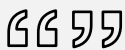
# PLAY 1: BRAND EXPERIENCE DESIGN

## CASE STUDY: DELTA



## BREAKING BARRIERS FROM HERE TO THERE

Delta has done amazing things with the mindset of Brand Experience Design. Not only have they become intimately knowledgeable about the end-to-end journey of air travel, but they have developed a strategic roadmap to prioritize action. They have taken massive action to making that journey easier and more pleasurable for their customers launching initiatives like their app, ticketing and check in integration, terminal and lounge initiatives, even in-flight entertainment. They continuously evolve their Brand Experience by removing chores and celebrating moments of cherish for their customers – in a way that only Delta can.

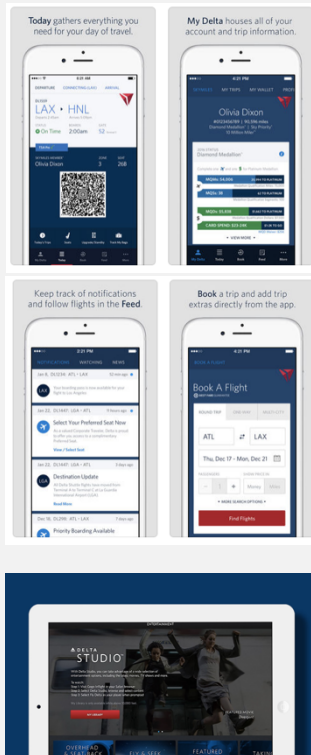


**They say we're in the transport business, but we're really in the service business.**

Ed Bastian  
CEO, Delta

### GROWTH OUTCOMES:

- Increased Revenue Streams
- Increased Upsell Opportunities
- Reduced Operations Costs
- Increased Premium Pricing
- Increased Loyalty
- Increased Employee Satisfaction



# PLAY 1: BRAND EXPERIENCE DESIGN

## CASE STUDY: LINCOLN

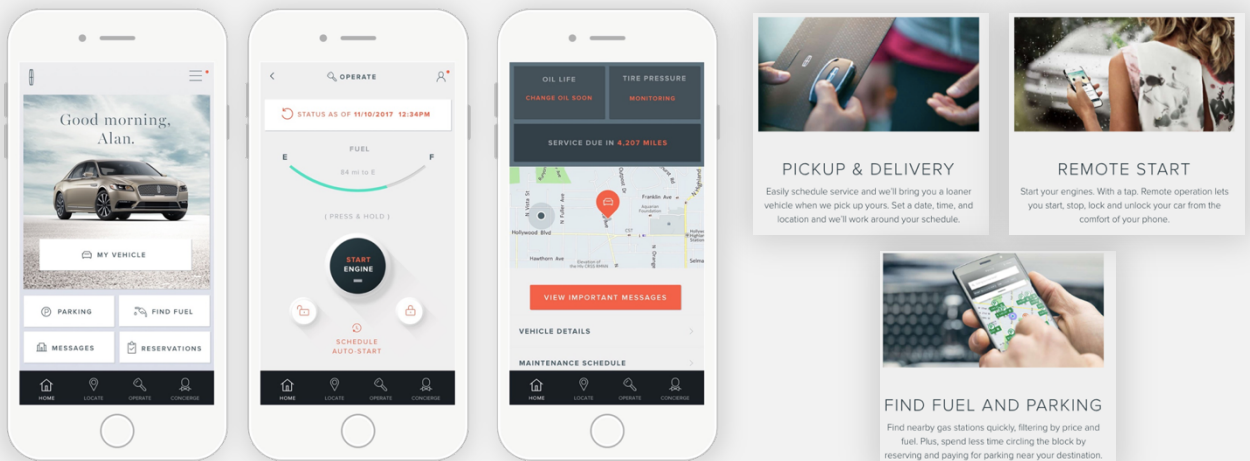


L I N C O L N

## DEFINING THE FUTURE OF LUXURY MOBILITY

The automotive industry has been and is continuing to go through a massive transformation. With mobility becoming a key driver in personal transportation and the promise of autonomous vehicles on the horizon, Lincoln has started a journey on shifting from a Luxury Auto Manufacturer to a Luxury Mobility Company – from ownership to membership. To do this, they have mapped out the entire mobility and auto ecosystem, defined the trajectory on trends, built a point of view of where the brand strategy is heading and even mapped out the future data points from vehicles, smart city, etc to get an entire view of the role a Luxury Mobility Company can and should become. This insight and consumer journey mapping provided Lincoln with chores and moments of cherish, allowing them to prioritize and act.

To start this transformation, Lincoln launched Lincoln Way. It was a combination of digital tools and service offerings, to better connect the driver with the brand in a new way, from key to app; supporting service programs, pickup and delivery; and mobility services, parking and refueling – to make personal transformation more effortless and enjoyable.



### GROWTH OUTCOMES:

- Increased Loyalty
- Increased Revenue Streams
- Expanded Relationships with Dealers
- Streamlined Ownership Experience



## Lincoln is matching compelling vehicles with world-class service.

Kumar Galhorta  
*Former President, Lincoln Motor Company*

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## PLAY 2: GO TO MARKET STRATEGY

# GROW LIFETIME VALUE BY RETENTION

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Transforming the first phase of the Brand Experience Strategy is the evolution of Go to Market – creating a new journey for consumers to learn about, engage with, decide on and ultimately purchase your brand offering. Growth Brands effectively turn this journey into an all-encompassing experience by leading with a retention mindset – creating brand experience strategies, algorithmic mechanisms and dynamic messaging so that consumers can fully experience the brand before purchase. This increases opportunities to personalize the experience and deliver context for a transaction.

### **EXECUTIVE INSIGHT**

According to Motista, consumers with an emotional connection to a brand have:

- A 306% higher lifetime value
- Stay with a brand for an average of 5.1 years vs. 3.4 years,
- Will recommend brands at a much higher rate (71% vs. 45%).

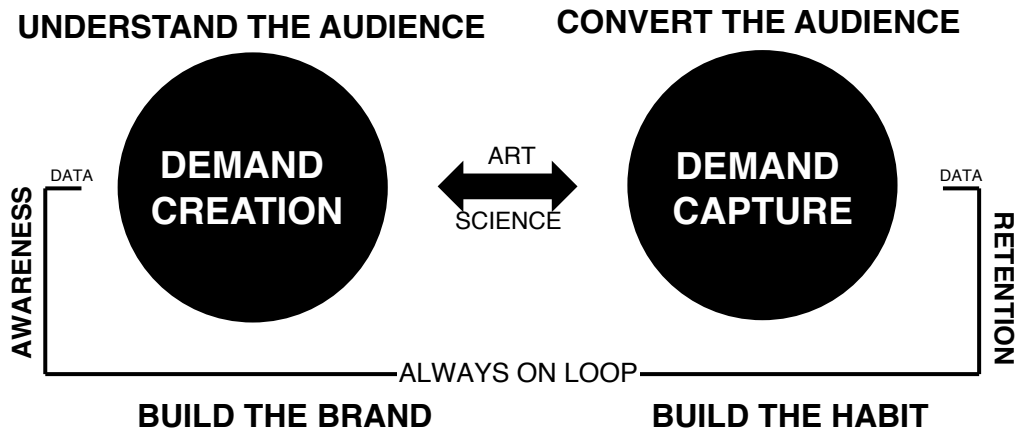


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## PLAY 2: GO TO MARKET STRATEGY STRATEGY & MODEL

Building off the Brand Experience Design Strategy, we'll find opportunity to streamline the research, shopping and decision phase of the consumer journey. Traditionally, brands employ an advertising and acquisition approach for their go to market strategy. However, Growth Brands look at things differently – through the lens of retention throughout the acquisition journey. Their metrics surround lifetime value, recurring revenue and demand retention, all of which are inhibited by an advertising and acquisition approach.

The retention-first Go to Market strategy is rooted in creating very targeted demand to best understand the core audience and build the brand, while employing a continuously running machine to capture, nurture and convert the demand once created. Growth Brands understand the ultimate value they are providing their consumers and turn that value into an immediate experience from the first message, not just after purchase. Once demand is created, Growth Brands treat their potential customers as if they are already a part of the brand story and narrative with sequential messaging and value to guide the relationship towards a purchase.



VIA MAYUR GUPTA [@INSPIREMARTECH](#)

For example, if you are a razor brand, creating breakthrough and acquisition for new product innovation traditionally required advertising across mass media channels, hoping the consumer will have brand / product recall when purchasing a new razor at shelf. However, as we'll see in the Dollar Shave Club Case Study, they employed a different approach, breaking down the construct of brand / product recall and even the idea of purchasing in a retail store. They led their consumer with a retention first mindset to employ an algorithmic framework to message and guide their consumer towards the brand and, ultimately, a purchase.





# PLAY 2: GO TO MARKET STRATEGY

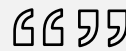
## CASE STUDY: DOLLAR SHAVE CLUB



## MEMBERSHIP OVER OWNERSHIP. JOINING OVER BUYING.

The darling of the CPG world, Dollar Shave Club not only grew exponentially quickly, but they started to take market share from traditional brands. They did this with an extremely simple and effective Go to Market strategy. Once their demand was created through their cheeky viral videos, they resisted the urge to ask for a purchase directly. They asked consumers to join their membership, understanding the incremental lifetime value of the consumer. Once they did, they were treated like royalty.

The communication and content cadence supported personalization while illustrating and expanding on the value of Dollar Shave Club. This engagement created massive loyalty while generating a tremendous amount of recurring memberships.

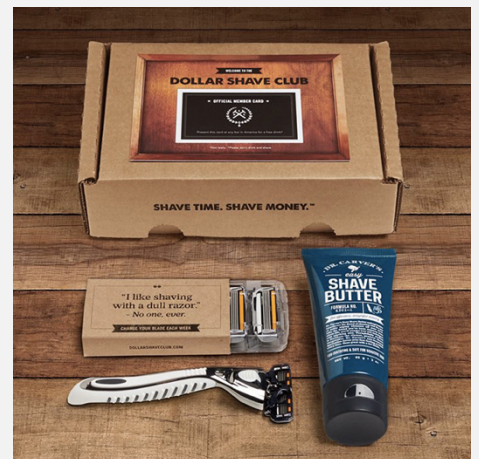
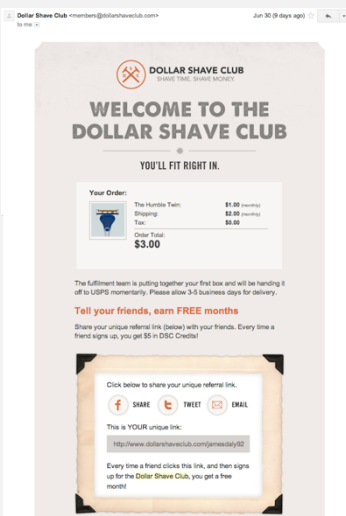


**[Make them] feel like they're part of a bigger community — part of something more than just buying razors.**

Adam Weber  
Former CMO, Dollar Shave Club

### GROWTH OUTCOMES:

- Increased ROI on Marketing Spend
- Increased Subscribers
- Increased Revenue & Growth
- Increased Lifetime Value



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## PLAY 3: OMNICHANNEL COMMERCE

# ENABLE AN 'ALWAYS ON' COMMERCE ECOSYSTEM

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The next play is built on the shifting expectations of commerce. From a consumer's perspective, commerce isn't brick and mortar versus ecommerce. It's a personalized journey where their preferences and decisions progressively follow them across screen, device and aisle. Growth Brands are establishing the frameworks to not only connect commerce channels together by consumer behavior, but also provide transaction opportunities on the consumer's terms, not the brand's. With this approach, commerce and transaction become a competitive differentiator for brands as they connect the entirety of the experience.

### **EXECUTIVE INSIGHT**

"With 30% of ecommerce sales coming from recommendations, the case for personalization is clear. The same is true with anywhere commerce, since 75% of shopping behavior begins online. The experience of retail is changing because of tech."

Satya Nadella  
CEO, Microsoft

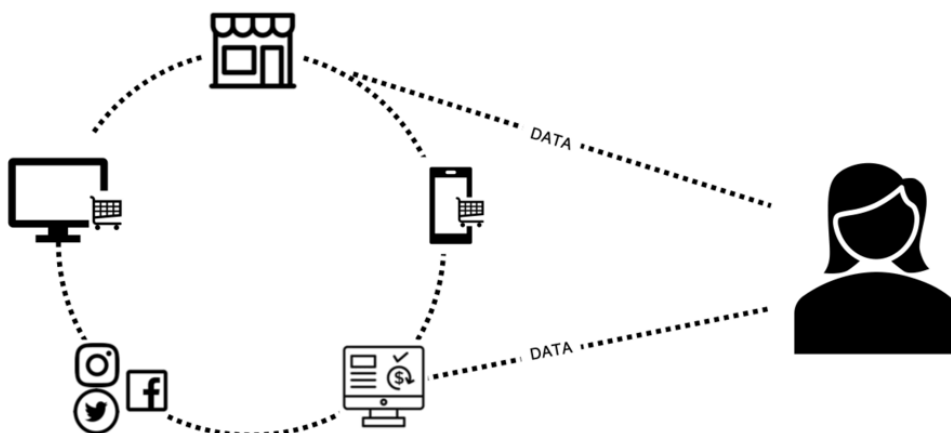
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## PLAY 3: OMNICHANNEL COMMERCE STRATEGY & MODEL

Retail isn't dead. It's just different. The challenge isn't finding new ways for consumers to spend more, it's about being there when they are ready to spend. And by 'being there' a brand needs to have an always on commerce strategy that works cross device and cross channel. Commerce isn't a brick and mortar versus ecommerce decision. It's a brick and mortar AND ecommerce AND social commerce AND recurring transactions, etc. Growth Brands understand the consumer journey intimately to know when and where they need to be in order to provide a transaction moment.

Growth Brands also know what needs to happen to ease a transaction and change it from a pain point into a moment of cherish. That is, to be as personalized as possible. As consumers shop and decide what they want to purchase they usually use multiple channels and mediums. The decisions they've made, the items they've placed in their baskets and their preferences need to follow them to the moment of transaction, wherever that may be.

For example, if you're a sportswear company that sells products on ecommerce, in your owned stores and through third-party retailers, you want to make sure you are maximizing revenue and profits while fulfilling your brand for your consumers, regardless of channel. Your consumer, on the other hand, wants the best product to up their game in the easiest way possible. As we'll see in the Nike Case Study, they have employed an omnichannel commerce strategy that puts the consumer in the center of the experience. By creating a value-based mobile application, they have built a single view of their consumer that can translate from channel to channel – digital to physical. The mobile app includes functionality that connects the sport with product and content; connects product with shopping; and connects preference and product with the retailer. This provides the consumer with a new way to learn about, shop for, try and purchase product on their terms, raising the probability for purchase and increased basket size.





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# PLAY 3: OMNICHANNEL COMMERCE

## ACTION PLAN

### 01. PERSONALIZATION STRATEGY

Consumers expect brands to listen to them and respond accordingly. Now, as more and more transactions are blending between online and offline, consumers expect brands to transfer those interactions from channel to channel, building a progressive understanding of their decisions, preferences and needs – picking up a conversation where they left off. This personalization not only builds trust, but also guides the consumer quicker through a purchase. Personalization strategies are enabled through customer data capturing and management tools, CRM platforms and commerce platforms.

### 02. COMMERCE STRATEGY

Growth Brands build commerce into all interactions to make the purchase seamless and effortless for the consumer – ready for when the consumer is. This commerce strategy breaks down the walls of traditional thinking of ecommerce versus brick and mortar and into the value these channels can have if they work together. As we'll see in the case studies, traditional transactions are becoming archaic as the power of the transaction is in the hands of the consumer.

### 03. CHANNEL DEVELOPMENT

Tying everything together is where success lies. Each channel - ecommerce, brick and mortar, third party retailers or marketplace – needs to work in concert together to ensure this seamless experience and ready to purchase moments. Growth Brands are breaking down the internal silos of commerce to create singular experience for the consumer. Whether it's new agreements with third-party retailers or their direct-to-consumer teams or owned brick and mortar technologies, Growth Brands enable their channels to best service the consumer.

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## PLAY 3: OMNICHANNEL COMMERCE

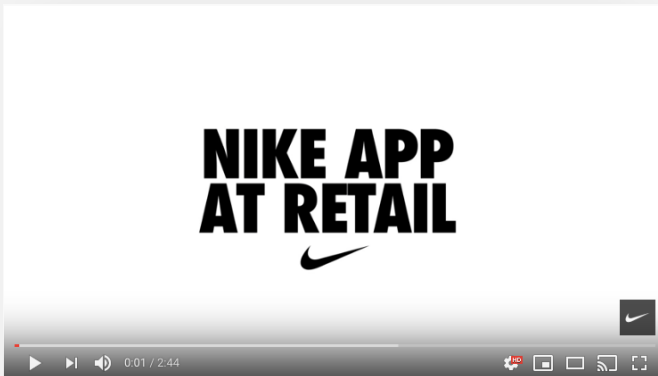
### CASE STUDY: NIKE



## CONNECTING: CONSUMERS, DIGITAL, PHYSICAL

Nike is pushing the boundaries in omnichannel commerce with several initiatives. From immersive retail experiences to integrated purchasing across Instagram and other social channels, Nike has established a foundation for omnichannel purchase success.

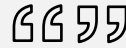
However, the Nike App at Retail is what is truly revolutionary. The app supports mobile, owned physical retail and third-party retail in a seamless, brand forward way. Giving the power to shop and buy to the consumer when they are ready.



[Click to play](#)

### GROWTH OUTCOMES:

- Increased Membership & Loyalty
- Reduced Operating Costs
- Increased Revenue & Growth
- Increased Brand Value



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**The way we look at digital and in-store is not channel-by-channel, or one channel helping the other. Instead, we architected the entire notion of why someone with a phone in their pocket would walk into a store. We want to have the best store experience where our most connected customers are, whereas another company might look at the inverse — if people are shopping in the app, they don't need a store there. But we see our approach as better serving our customers.**

Michael Martin  
*Global Head of Digital Products, Nike*

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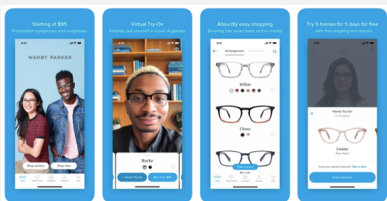
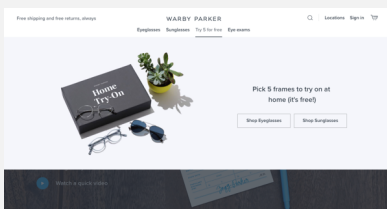
# PLAY 3: OMNICHANNEL COMMERCE

## CASE STUDY: WARBY PARKER

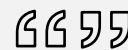
WARBY PARKER

### SHIFTING A CATEGORY THROUGH NEW BEHAVIORS

Warby Parker has built their brand on challenging convention by providing products and services that surround the consumer. This comes to life the way they've built their commerce strategy. They defined the pain points with shopping for and purchasing eyewear. Starting with in-home trials, they built a data-driven approach to knowing their customer's preferences, needs and wants. Then expanded outward.



[Click to play](#)



**The brand is not just the product, it's the moment someone hears the name 'Warby Parker'**

Neil Blumenthal  
CEO, Warby Parker

They built and launched shopping technologies that eliminated certain eye tests and allowed the user to 'virtually' try on frames before ordering. Their approach to physical retail started by using ecommerce and website data to launch a pop-up retail tour with a school bus, continuing to track consumer interest and preference before investing in brick and mortar.

#### GROWTH OUTCOMES:

- Increased Market Share
- Increased Brand Satisfaction
- Increased Revenue & Growth
- Increased Brand Value

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## PLAY 4: BUSINESS MODEL

# BUILD VALUE & REVENUE THROUGH OPERATIONS

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The last play in the playbook is the evolution of everything before it. It is focused on leveraging insight, data and trends to create new value and revenue through the business model. Technological and consumer behaviors have forever changed the way companies can build revenue streams. Growth Brands have embraced these trends for the continued success of their consumer and their revenue. By packaging up their products, services and experiences in new ways, Growth Brands have started to lean into new revenue opportunities through new offerings or recurring revenue.









### **EXECUTIVE INSIGHT**

According to Forrester, for every point increase in Consumer Experience score, companies can expect:

- **Retailers** - \$244 Million Incremental Revenue
- **Banks** - \$123 Million Incremental Revenue
- **Airlines** - \$167 Million Incremental Revenue
- **Health Insurers** - 150,000 New Customers
- **Hotels** - \$330 Million in Incremental Revenue

# PLAY 4: BUSINESS MODEL STRATEGY & MODEL

Activating a new business model can be additive, innovative or cannibalistic to the core business. Growth Brands understand the pros and cons and test against hypotheses in order to find the best business model for today and tomorrow. As we see below, technology has provided new ways to generate revenue. Growth Brands use these models as standalone, combined with each other or integrated into traditional models to support their brand's experience strategy.

E-COMMERCE / MARKETPLACE	ON-DEMAND	SUBSCRIPTION	FREEMIUM
			
HIDDEN REVENUE	PEER-TO-PEER	AD SUPPORTED	OPEN SOURCE
			

## E-COMMERCE / MARKETPLACE

This allows users to buy from a website or their mobile device directly from a manufacturer, retailer or a reseller.

## ON-DEMAND

This model has users pay for a service they don't have time to do for themselves, allowing someone else to do it for them.

## SUBSCRIPTION

Usually a monthly or annual fee for continued access to a product or service.

## FREEMIUM

This includes either offering a free trial or a free level of service (usually ad-supported) providing value to upsell into a premium or paid model.

## HIDDEN REVENUE

Here users gain access to a product or service with the revenue happening behind the scenes between the platform and another third party.

## PEER-TO-PEER

This model is based on the mindset of access over ownership. Here the user pays for access or usage of a product or service over owning it.

## AD-SUPPORTED

In exchange for free service or content, a user will be exposed to advertising, usually targeted by demographic, psychographic and behavior data.

## OPEN SOURCE

This model provides free software that can be edited by a community. These businesses usually provide upgrades to premium features.

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## **PLAY 4: BUSINESS MODEL STRATEGY & MODEL**

Growth Brands use consumer pain points found in the Brand Experience Strategy phase to define and build new business models and revenue streams. Usually, building off traditional industries and sectors, Growth Brands are bringing new digital business model thinking to disrupt an already established framework.

Uber, for example didn't create the taxi hailing industry. But they tackled the main pain points of hailing a taxi – calling it, meeting it, paying for it and ultimately the in-vehicle experience. They used technology to connect the rider with the driver, provided transparency for where the vehicle is and where it is going and connected the payment process. Ultimately, they took an arduous process and made it as simple as a click, continuously fulfilling their brand promise of "Where to?"

Another example is Casper. They didn't create a new, innovative mattress or even invent the bed in a box technology. But they tackled the biggest pain point in mattress shopping – the awkward store visit. They found this consumer pain point and erased it with a click of a button. Now mattress shoppers have an option to completely bypass the in-store experience, by shopping online, having the mattress delivered easily in a box with the security that if you don't like it you can return it free of charge. Low risk, maximum reward.

As Growth Brands continue to focus on erasing pain points in the consumer journey, they are finding extreme areas of value that relate directly to revenue. As we'll see in the case studies, these moments of opportunity range from packaging up physical products in a new, valuable way to generate recurring revenue, to creating subscription models of content with an already established consumer base.



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## **PLAY 4: BUSINESS MODEL ACTION PLAN**

### **01. OPPORTUNITY IDENTIFICATION**

Leveraging insight across the consumer journey and the brand experience strategy, Growth Brands are continuously looking for the pain points to create new value for their consumer, thus new value for their brand. Using data like journey drop off rates, customer satisfaction scores, pricing models or even defection rates, Growth Brands can identify further pain points to remove or trends in consumer behavior to capitalize on.

### **02. VALUE CREATION**

Once they understand the ongoing opportunities, Growth Brands create a symbiotic value between consumer and brand – finding a new offering while also finding new revenue opportunities. This value creation is a combination of products, services and business models, giving consumers something new, something easier or something exciting.

### **03. REVENUE MODELING**

Not only does technology change how and where we can transact, but it changes the measurement of product usage and recurrence of transaction – opening the aperture of revenue models. As we'll see in the Case Studies, many Growth Brands are looking for ways to create recurring revenue. However, there are many ways Growth Brands are building revenue using digital business models.

### **04. VERTICAL INTEGRATION**

As Growth Brands activate their Brand Experience Design strategies, many will uncover new opportunities for upstream and downstream value – creating an opportunity to vertically integrate value around a single brand value proposition. For example, quip, the subscription-based electric toothbrush manufacturer has recently expanded their product lines as well as purchased a dental insurance company. Further integrating their brand in the holistic oral care world. Growth Brands leverage their core business to expand vertically or adjacently to continuously create new value for their consumers.

# PLAY 4: BUSINESS MODEL

## CASE STUDY: APPLE



### EXPANDING FROM CORE TO SERVICE TO EXPERIENCE.

As the reigning Trillion Dollar Champ, Apple has made some smart decisions over the last few years to capitalize on the transformation towards becoming an experience. We have to remember; the core of Apple's business is the devices they manufacture. However, the connectivity and usage of these devices has opened a tremendous amount of opportunity to build new revenue streams for the business. As these evolve, the core business starts to shift into an experience driven organization – all increasing the value of the consumer relationship as well as the company.

#### APPLE DEVICES

The core business driver including Mac, iPhone, iWatch, iPad and others. These become the entry point into the evolution of the brand value.

#### APPLE MUSIC

Building off iTunes and Beats Music, Apple Music is a music subscription service that competes with Spotify & Pandora.

#### APPLE NEWS

Apple News is an aggregator of news and publisher content based on personal preferences. There is a free version built into their devices but a subscription model that gets through paywalls of some publishers.

#### APPLE ARCADE

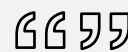
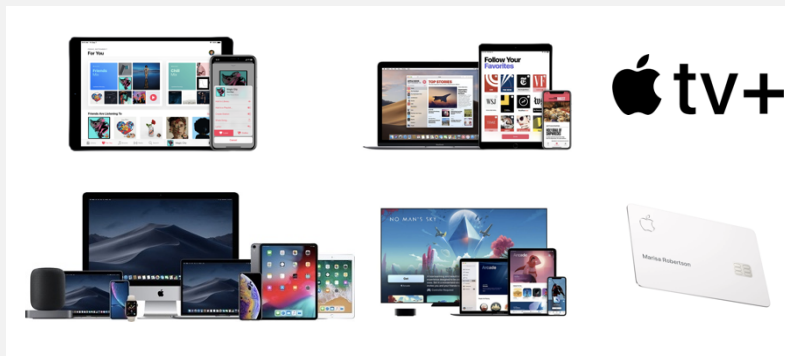
Much like Apple Music and Apple News, Apple wants to capitalize on the trends of gaming across device. It is a subscription service for access to specific game titles,

#### APPLE TV+

Building off Apple TV over the last few years, Apple leveraged data and consumer consumption trends to provide access to original and third-party content – competing with Netflix and Hulu.

#### APPLE PAY / CARD

To capitalize on the trends of contactless payment and omnichannel commerce, Apple has launched Apple Pay and Apple Card to get into financial services.



**Apple's ongoing focus on the deep integration of hardware, software and services drove all of its platforms to new heights.**

Apple

#### GROWTH OUTCOMES:

- Increased Revenue & Growth
- New Recurring Revenue Streams
- Increased Brand Value
- Increased Consumer Satisfaction

# PLAY 4: BUSINESS MODEL

## CASE STUDY: NIKE



### LIVING THE BRAND VALUE THROUGH MEMBERSHIP AND SUBSCRIPTION

Expanding off the transformation Nike is making in the Omnichannel Commerce environment, they have started to change their business model to support the core business. Not only have they launched several lifestyle apps & initiatives (Nike FuelBand, Nike Run Club, etc.) to gather consumer data, but they have started to try different types of subscription models. They fulfill their brand promise “if you have a body, you’re an athlete” by providing the tools, content and product for different consumer types.

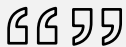


#### NIKE TRAINING CLUB

The Nike Training Club App is geared toward capitalizing on the at-home fitness trend fueled by Peloton, Mirror and others. The app is a monthly subscription fee providing access to over 185 different workouts as well as access to tools to support personal training and goals.

#### NIKE ADVENTURE CLUB

Nike Adventure Club is a subscription model for parents to remove the worry of shopping for shoes as their kids outgrow them. For a monthly fee, users can select how many pairs of shoes per year they’d want to receive. The shoes are paired with personalized activities to support active lifestyles.



**[It] removes a friction point for parents who are shopping on their behalf.”**

Dave Cobban  
General Manager Nike Adventure Club

#### GROWTH OUTCOMES:

- New Recurring Revenue Streams
- Increased Brand Value
- Increased Revenue & Growth
- Increased Consumer Engagement



WRAP UP

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## NEW BRAND GROWTH PLAYBOOK

To wrap up, finding brand growth won't come from using the playbooks built 10 years ago. They just don't connect the brand value to the consumer needs anymore. As we've seen, Growth Brands are creating opportunities of growth by looking at the holistic consumer experience and finding new ways to add value to their consumer.

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### **GROWTH LEADERS BELIEVE:**

CONSUMER EXPECTATIONS WILL ALWAYS EVOLVE. THE CONSUMER EXPERIENCE MUST EVOLVE WITH THEM.

RETENTION IS THE LIFEBLOOD OF GROWTH. THE MORE YOU RETAIN, THE MORE YOU GET.

BUYING ISN'T LINEAR – IT'S DYNAMIC. CREATE AN ECOSYSTEM WHERE BUYING CAN HAPPEN AT ANY MOMENT.

TECHNOLOGY IS ENABLING NEW BUSINESS MODELS. LEVERAGING THESE CAN INCREASE THE TOTAL VALUE OF YOUR BRAND.

BE CURIOUS. HAVE FUN. ALWAYS ADD VALUE.



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## TAKE ACTION

The consumer behaviors and technologies that we explored throughout **New Brand Growth Playbook** is just the beginning of the transformation of brand growth. Gone are the days of mass advertising or even leaning on your core business to get to the next level of growth. Growth will come from a different mindset than before.

Charting a new course involves understanding your brand experience and intentionally designing it for maximum value to your consumer.

Let's go.

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Retail is continuing to be defined by technology, consumer behaviors and shifting points of purchase. Find out what trends to capitalize on to succeed in Retail 2025.

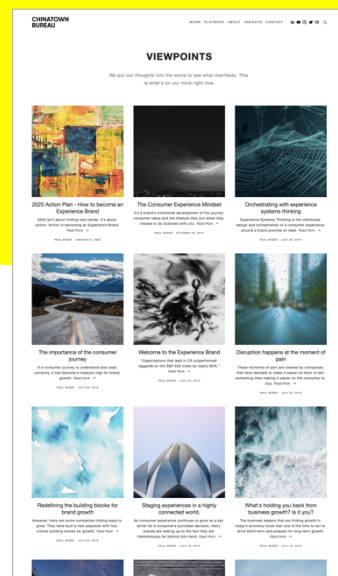
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Stay up to date with our thinking, points of view, case studies, events and general happenings. Don't forget to subscribe to our newsletter.

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# THE NEW BRAND GROWTH PLAYBOOK

## NOTES

**McKinsey** – Five Fifty The Legacy Thread - <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/five-fifty-the-legacy-thread>

**KPMG** – Disrupt and Grow <https://home.kpmg/content/dam/kpmg/co/pdf/2017-global-ceo-outlook.pdf>

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<https://www.pwc.com/us/en/press-releases/2018/experience-is-everything-heres-how-to-get-it-right.html>

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<https://cmo.adobe.com/articles/2018/4/forrester-consulting-it-pays-to-be-an-experience-led-business.html#gs.lvszax>

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<https://www.salesforce.com/au/blog/2018/06/new-report-5-ways-businesses-can-meet-expectations-of-the-cx-cx.html>

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<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/what-matters-in-customer-experience-cx-transformations>

**Motista** – New Retail Study Shows Marketers Under-Leverage Emotional Connection

<https://www.pwnewswire.com/news-releases/new-retail-study-shows-marketers-under-leverage-emotional-connection-300720049.html>

**Econsultancy** – 17 stats that show why CX is so important

<https://econsultancy.com/17-stats-that-show-why-cx-is-so-important/>

## RESEARCH SUPPORT

**KHADJAH MILLS** – Summer Intern, 2019

**KATE SHAFFER** – Summer Intern, 2019

## ABOUT US:

### CHINATOWN BUREAU

Building the future of Experience Brands.

Chinatown Bureau is a growth strategy consultancy + acceleration studio creating opportunities at the intersection of brand strategy + technology.

We help brands build a new playbook for growth throughout the brand experience.