

GROUP XP EXPERIENCE INDEX // 2017

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UNLOCKING THE EXPERIENCE ADVANTAGE

//01

Extraordinary brand experiences make more money

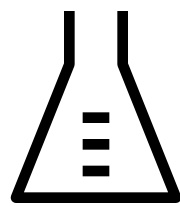
Much has happened since we launched the Group XP Experience Index last year: disruptive geopolitics, cultural upheaval, Artificial Intelligence (AI) gains and an increasing winner-take-all market dynamic have had extraordinary impact. Yet, for all the volatility and headlines, customers continue to crave engaging experiences to satisfy their emotional needs and desires.

In 2017, the “*experience imperative*” has now gone mainstream, becoming axiomatic for global clients and start-ups alike. Small wonder: our data and analysis again proves the world’s most extraordinary brand experiences drive higher consumer demand, with the best growing in value by 166% vs. those with relatively poor experiences flat-lining over the past ten-year period. (See Growth Chart, P.8)

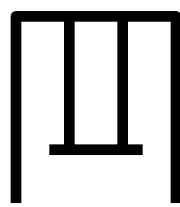
So, with everyone trying to play at this game, how do brands get ahead? From a growth perspective, the first, most obvious step is to double down on creating compelling customer experience. But what kind of experience do we mean? Is there a pattern for what works best by industry? Audience? Culture? Does AI experience count? Is there an ideal balance between AI and human customer interaction? In a winner-take-all marketplace, leaving brand experience strategies and tactics to chance is leaving money on the table... and possibly your entire business along with it.

Finding your North Star:
Our Experience Archetypes

The new battleground is not simply “*Do we provide a great brand experience?*” but what kind of experience strategy will win? With the benefit of two years’ worth of data, the Group XP team has pushed beyond the numbers in search of meaningful archetypes to help us categorize and learn from the world’s most successful experience brands. We’ve segmented these archetypes to provide a more actionable way of identifying what brands need to do to strengthen customer loyalty and advocacy. These Experience Archetypes, based on the detailed analysis of the four critical dimensions at the core of our study, Create, Deliver, Engage, Strive (see Methodology P.33), focus on the essential, differentiating strengths of successful brand experiences:



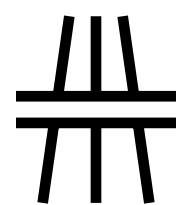
// [Lab brands](#)
Like *Google*, who are constantly redefining new worlds.



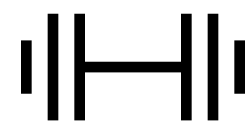
// [Playground brands](#)
Like *adidas*, that are stimulating and create an enjoyable sense of discovery.



// [Campfire brands](#)
Like *Facebook*, that create a place where people connect for a better world.



// [Highway brands](#)
Like *Coca Cola*, that deliver consistent, convenient and seamless experiences.



// [Gym brands](#)
Like *Colgate*, that focus on continuous improvement.



// [Lighthouse brands](#)
Like *Tesla*, expert guiding lights that show the world a better way.

Brands that are aligned with any of these Archetypes behave in very distinctive ways. Each of these six experience strategies has specific implications for organizations: what to invest in, where to focus effort, the ideal way to engage and communicate with employees and consumers and how to evaluate success. The Archetypes provide a “*North Star*”—the brief for teams across a given business, from new product development and operations to human resources and marketing. They help CEOs overcome the tricky challenge of aligning and motivating the entire firm, focusing on what’s vital for success. Most importantly, they provide a competitive advantage to help clients win in the marketplace.

Reframing the challenge

It's not as simple as picking an archetype and following a rule book, however. It begins with re-framing what consumers want from a particular brand, business or service. How the challenge is articulated will have an enormous impact on success or failure. Perhaps traditional car brands are struggling to create autonomous cars because they're starting with the wrong brief? Instead of *"How do we make our cars drive themselves?"* ask *"How do we serve consumers who want to travel independently while working, being entertained, sleeping or just socializing?"* It's why Pampers, our No. 1 global experience brand, is so successful. It reframed the challenge from *"Making the best diaper"* to *"How can we be new mothers' most trusted helpers?"* This perspective unleashed a stream of innovative products and services that go beyond basic functionality to deliver extraordinary value and connectivity to their consumers. And helped Pampers become P&G's first \$10bn power-brand.

Smart marketers leveraging data analytics and AI have famously upended markets like banking, insurance, travel and online shopping, by challenging accepted category norms and reframing the benefit from the customer's perspective. Never before has it been so easy for well capitalized companies to acquire or build brands that reshape markets. Indeed, clients tell us more and more their biggest fears aren't about current competitors but whether Amazon, Google or Facebook will enter their markets and turn them on end. Consumers increasingly judge *"Best in their life"* brand experiences across any industry—it's simply not good enough to be *"best-in-class"* anymore. Combining intuitive AI with emotional, human engagement is the new winning formula for becoming trusted gateways to virtually every part of a consumer's life—just ask Alexa.

That's why the most successful examples of experience Archetypes are able to simultaneously automate some tasks while concurrently generating deeper human engagement. To illustrate the point, our Group XP experts have examined three of the best, most experientially focused global brands from our study. Each successfully embodies both sophisticated automation and humanity while remaining clearly focused on their individual archetypal *"North Star."* We believe these innovators provide valuable insights and applicable lessons on how to effectively create and build exceptional experience brands. We invite you to share that experience.

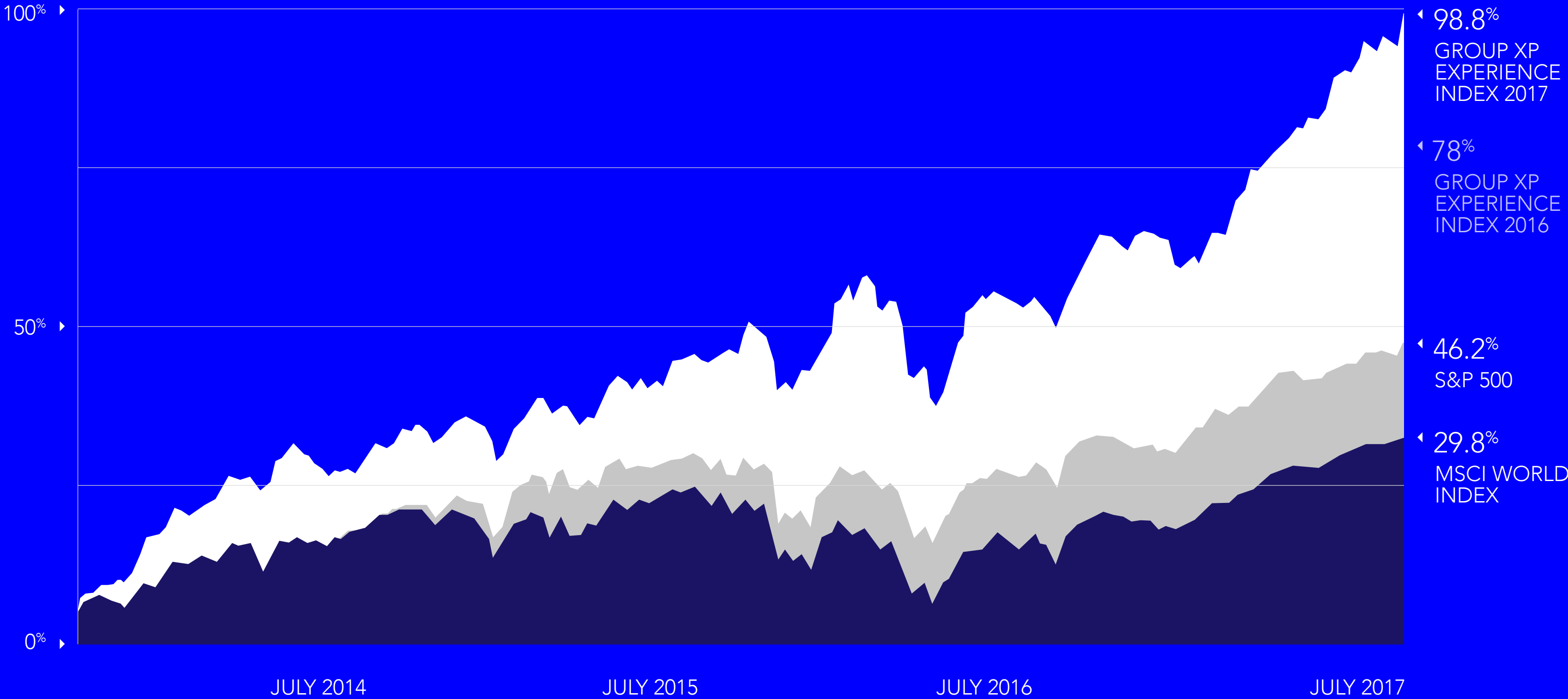
HIGH
EXPERIENCE
BRANDS
OUTPERFORM
THE S&P 500
BY +200%

//02

GROWTH CHART // 2017

Not only do high experience brands outperform the market by over 200%, they are accelerating year on year.

- Group XP Experience Index
- S&P 500
- MSCI World Index



WINNERS 2017

//03

TOP 30 GLOBAL
EXPERIENCE
BRANDS
// 2017



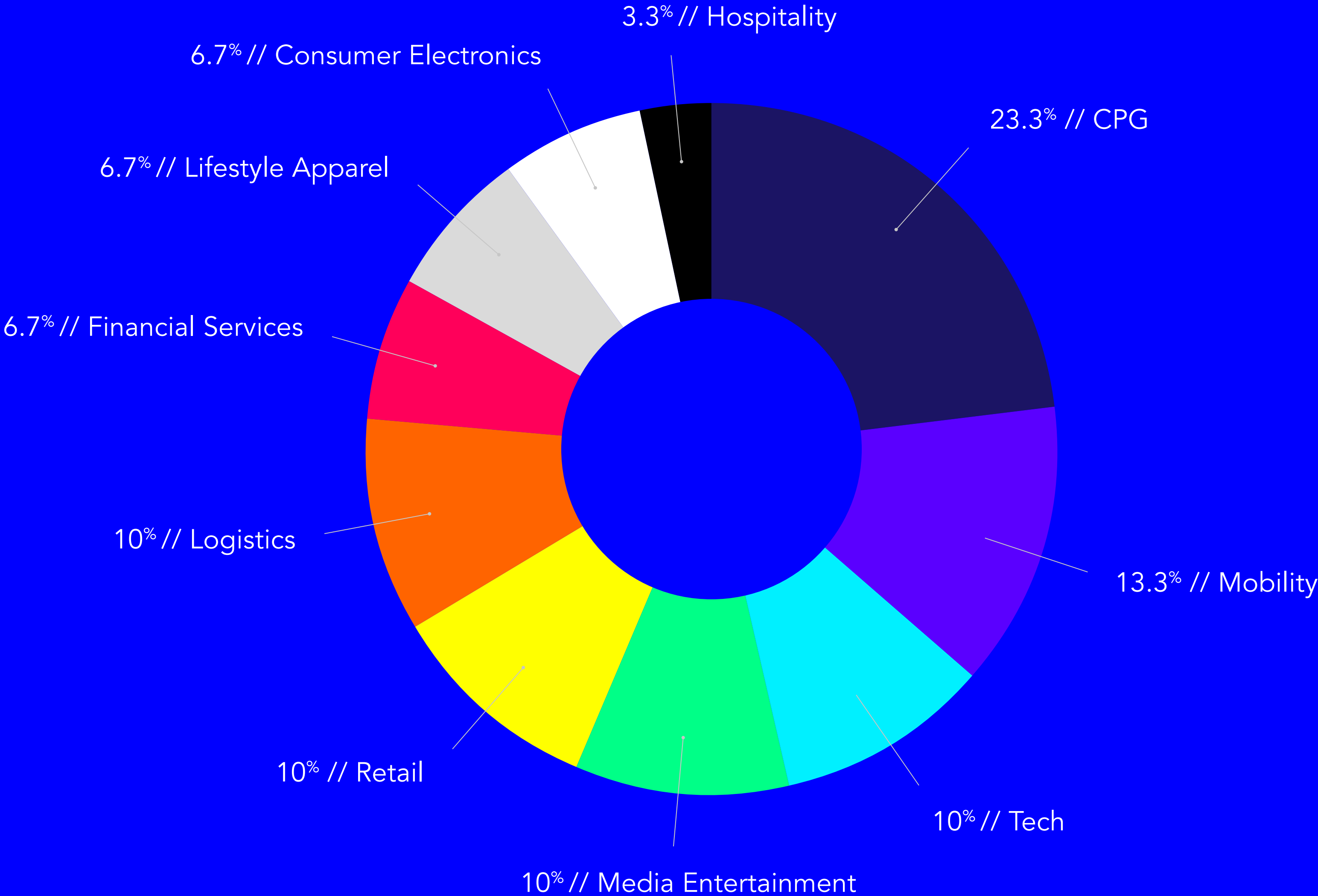
// 4.6Bn DATA POINTS
// 3.1Mn CONSUMERS
// 120k BRANDS
// 414 CATEGORIES
// 51 MARKETS

Once again, Group XP worked with the BrandZ team to decode brand experience into four drivers of value, applying a BrandZ metric to quantify each of the four dimensions: Create, Deliver, Engage and Strive. By combining the four components equally we are able to create a single score for each brand.

| | | | | | |
|----|--------------------------|--------|----|---------------------------------|--------|
| 01 | Pampers ⁽⁻⁾ | 147.54 | 16 | YouTube ^(NEW +15) | 118.65 |
| 02 | Facebook ⁽⁺³⁾ | 139.00 | 17 | Ecover ⁽⁺²⁾ | 117.92 |
| 03 | PayPal ⁽⁻⁾ | 137.56 | 18 | adidas ⁽⁺⁸⁾ | 115.77 |
| 04 | Disney ⁽⁻²⁾ | 134.61 | 19 | Omo ⁽⁺³⁾ | 115.32 |
| 05 | FedEx ⁽⁺⁸⁾ | 127.80 | 20 | Coca-Cola ^(NEW +17) | 114.97 |
| 06 | Google ⁽⁺¹⁾ | 126.36 | 21 | Microsoft ^(NEW +14) | 114.17 |
| 07 | Apple ⁽⁻¹⁾ | 125.73 | 22 | McDonald's ^(NEW +10) | 114.00 |
| 08 | UPS ⁽⁺¹⁾ | 125.57 | 23 | Colgate ⁽⁻²⁾ | 113.76 |
| 09 | IKEA ⁽⁻¹⁾ | 124.35 | 24 | eBay ^(NEW +9) | 113.70 |
| 10 | DHL ⁽⁻⁶⁾ | 124.06 | 25 | IBM ⁽⁻⁾ | 113.23 |
| 11 | Visa ⁽⁻¹⁾ | 121.56 | 26 | Tesla ⁽⁻⁶⁾ | 113.05 |
| 12 | Samsung ⁽⁺⁵⁾ | 120.62 | 27 | Ferrari ⁽⁺³⁾ | 112.26 |
| 13 | Huggies ⁽⁻¹⁾ | 120.55 | 28 | Gillette ^(NEW +8) | 111.39 |
| 14 | Amazon ⁽⁺²⁾ | 120.06 | 29 | Mercedes Benz ⁽⁻¹⁾ | 111.21 |
| 15 | Nike ⁽⁻⁴⁾ | 120.06 | 30 | BMW ⁽⁻⁷⁾ | 110.42 |

TOP 30
GLOBAL
EXPERIENCE
BRANDS
// 2017

Winning categories

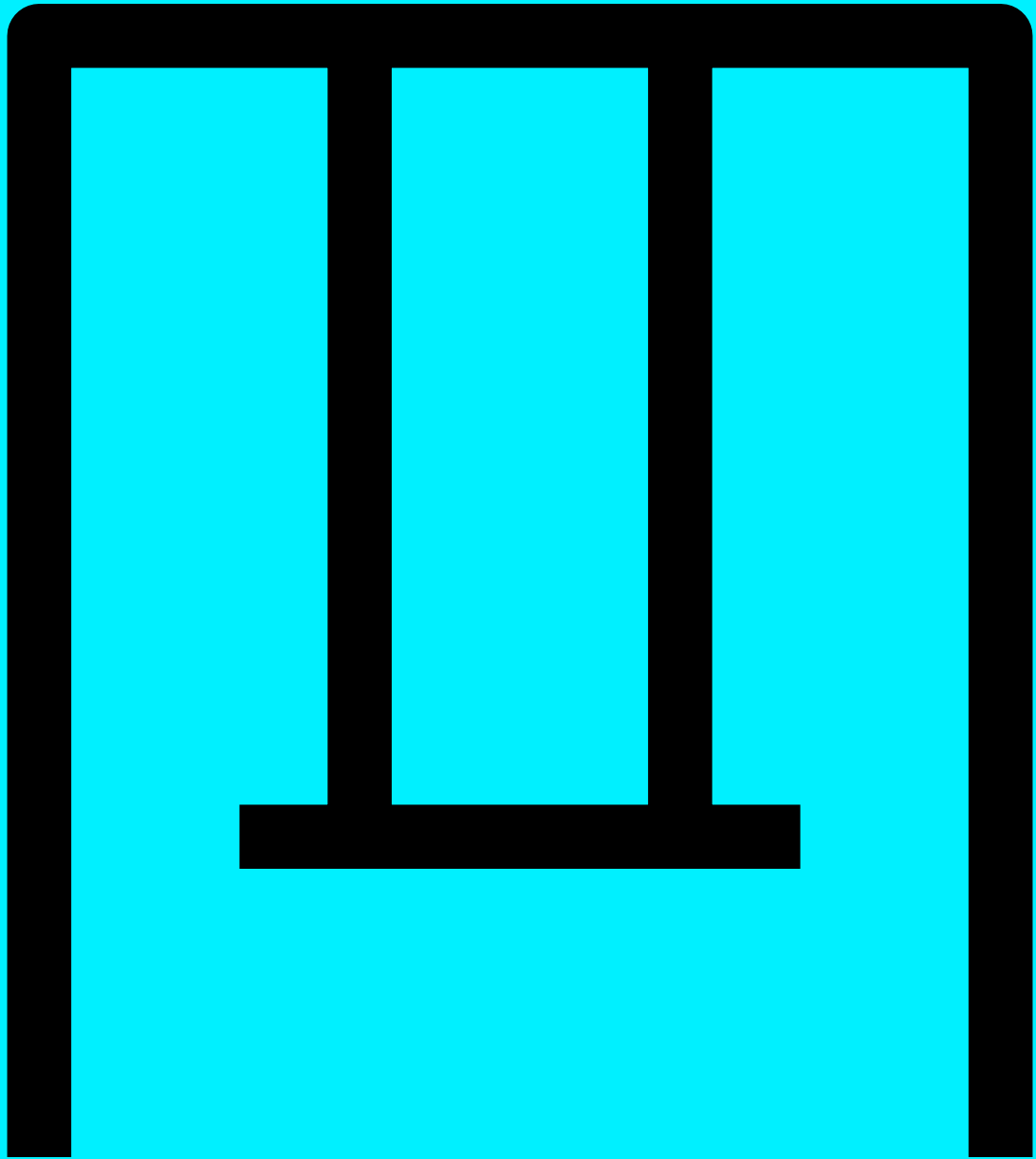


TOP 15 BRANDS
ACROSS USA,
UK, CHINA
// 2017

| // USA | // UK | // CHINA |
|---------------|-----------------------|------------------|
| 01 Amazon | 01 Pampers | 01 WeChat |
| 02 Fidelity | 02 Amazon | 02 Apple |
| 03 Pampers | 03 PayPal | 03 Baidu |
| 04 Disney | 04 Facebook | 04 Pampers |
| 05 UPS | 05 Microsoft | 05 Sinopec |
| 06 Blackrock | 06 Apple | 06 Arawana |
| 07 Microsoft | 07 BBC | 07 Ctrip |
| 08 Huggies | 08 Dyson | 08 Petro China |
| 09 Facebook | 09 Bupa | 09 Blue Moon |
| 10 Apple | 10 Compare the Market | 10 Zhang Yu |
| 11 Home Depot | 11 Ikea | 11 Nongfu Spring |
| 12 Enterprise | 12 Huggies | 12 New Oriental |
| 13 Google | 13 British Airways | 13 Luhua |
| 14 Lyft | 14 Visa | 14 Chai Tow Fook |
| 15 Blue Cross | 15 Google | 15 KFC |

THREE HIGH PERFORMING ARCHETYPE BRANDS

//04



PLAYGROUND BRAND // adidas

*by Ksenia Starikova
// Head of Growth & Innovation
// Group XP*

Playground brands offer a stimulating and enjoyable sense of discovery. Their leading Experience Index components are Engage and Deliver.

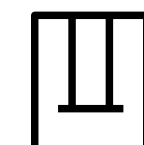
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// adidas



PLAYGROUND BRAND // adidas

◀
adidas New York
5th Avenue Flagship store
Image source
// fortune.com



Closing in

Despite years of being sidelined by fellow footwear giant Nike, adidas is on a confident track to future-proof itself, courtesy of double digit growth, an unprecedented brand value jump and vivid social buzz across all platforms.

Beyond its “*Limited Editions*,” Kanye and a cadre of star influencers, adidas has rediscovered its mojo through something more profound: a sense of “*just getting it*.” It is astutely reading culture (or rather, cultures) and responding in a timely manner with a human voice.

adidas has been uniquely open and direct about its current business strategy. Though over-debated and overshared by everyone from Forbes to LA’s latest fashion blogger, the “*Speed. Cities. Open Source*.” mantra seems to be working well as it effectively answers a fundamental question: How do we get closer and faster to our customers?

Lose control—gain love

Adidas latest flagship on Fifth Avenue hits all the boxes of excellent retail: latest releases upfront, sense of wonder and concrete coolness, a nicely adapted stadium metaphor and a refreshing amount of breathing space. One thing stands out though—crowds of teenage girls and young women snapping and Instagramming while designing their own shoes in the miadidas studio. They are clearly having fun and loving the product, yet it’s not just dollars they’re spending but something far more valuable to their generation: *time*. Cracking this most cynical of demographics has been a major factor in adidas’ fastest-growing brand status in the USA.

“*We are letting people... create their own content through our channels; that’s very much the focus*,” says Barry Moore, UK Head of Brand Marketing. He’s referencing a co-creation agenda that started as a PR stunt-turned-serious social engagement and collaboration program. Its real value?

To further reduce the gap between the brand and its customers in order to breed new types of truly personal interactions.

It’s become the norm for adidas to regularly engage unexpected collaborators and just try things without being too serious about it. A shoe with an embossed NYC map? Of course. A Savile Row edition? Why not? No one expects agility and pace from a giant, but by doing this, adidas nailed the **Create** side of experience. In 2017, the brand made it very clear the primary purpose of its buzzworthy Creator Farm in Brooklyn was just that: reignite creativity and facilitate innovation from within. It’s an internal cultural imperative.



▲ Inside adidas' Brooklyn Creator farm
Image source
// highsociety.com

► adidas Superstar with New York city map
Image source
// sneakernews.com



► Customized for London AM4LND line
Image source
// qz.com



Going where consumers are

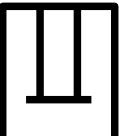
Delivering superior experience today implies being where consumers are, wherever that is. Highly localized pop-up programs from adidas help them listen to their communities directly vs. relying on hypothetical customer profiles. Engaging with audiences in their own language and culture (adidas actively downplays “Athleisure” speak and other industry jargon) is central to any successful brand experience. Brands that excel at this rank high in our **Engage** component and, for adidas, this means being flexible and fluid with its formats, mediums and tonality. Nowhere is this more apparent than in its digital communications, where the brand can, and is expected to, experiment. Unsurprisingly, adidas’ main e-commerce platform has a sleek look and feel that telegraphs ease and efficiency throughout its experience, helping the brand score high on our **Deliver** lever.

Dive further into their latest youth-oriented innovations, however, and we enter an entirely different world of the constantly evolving mi- platform (also seamlessly taken offline in key retail hubs). The language of unfinished sentences, graphic overlays and GIFs signals “this is my brand” to Gen Z, and the gamified Pinterest meets Amazon approach to creating your shoe sparks a designer dream in every girl. All that glued nicely by an “Unleash your creativity” video stream that celebrates original female characters across the globe.

“Walking on clouds”...

“It’s like walking on clouds”— Qias Omar, an influential sneaker vlogger, describes adidas’ Boost innovations to over a million followers. The brand took technology advancements seriously and invested heavily in product innovation and process optimization, leading to cutting edge releases at an impressive pace. With Futurecraft 4D and Speedfactory, adidas’s shiny concepts have actually become products on the shelf, with continuous special city editions since—apparently—Londoners run differently than New Yorkers. More than anything, these feed the heart of their respective communities—constant new stories, new visuals and new hype generators.

This fruitful relationship between the innovation process, AI and brand influencers is a growth engine. For sneakerheads, the experience of discovering new tech features, hunting for the next special box and the actual “opening the box” moment are as important as owning the product.



Engage and Deliver here is about recognizing this audience and uniquely catering to them exclusively. It rarely gets any closer between brands and fans.

From threat to thread

In response to increasing consumer expectations for brands to do good on top of bringing profit, adidas’ partnership with the Parley Foundation has crystalized a higher level of corporate sustainability by moving it as far as possible from the PR domain into the supply chain. Whether the “*plastic bottles shoe*” becomes mainstream is yet to be seen but this action speaks volumes by exploring a sustainable practice with a credible partner who can, in fact, become an integral part of your business. This is the **Strive** component of great experience—don’t tell me what you care about, *show me* you are doing something about it.

When brands behave like a Playground Archetype, they are both fun and personal. They bring a refreshing dexterity to crafting their brand experience, making it highly adaptive, genuinely inclusive and culturally sensitive to micro communities. Today

adidas’ informed yet intuitive approach to brand building has deepened its relationship with customers and strengthened business performance. That’s championship play.

KEY LEARNINGS

- // Commitment to versatile collaboration
- // Deep-dive into local culture and vernacular
- // Effective marriage of technology and personal engagement
- // Authentic female angle
- // Demonstrated care

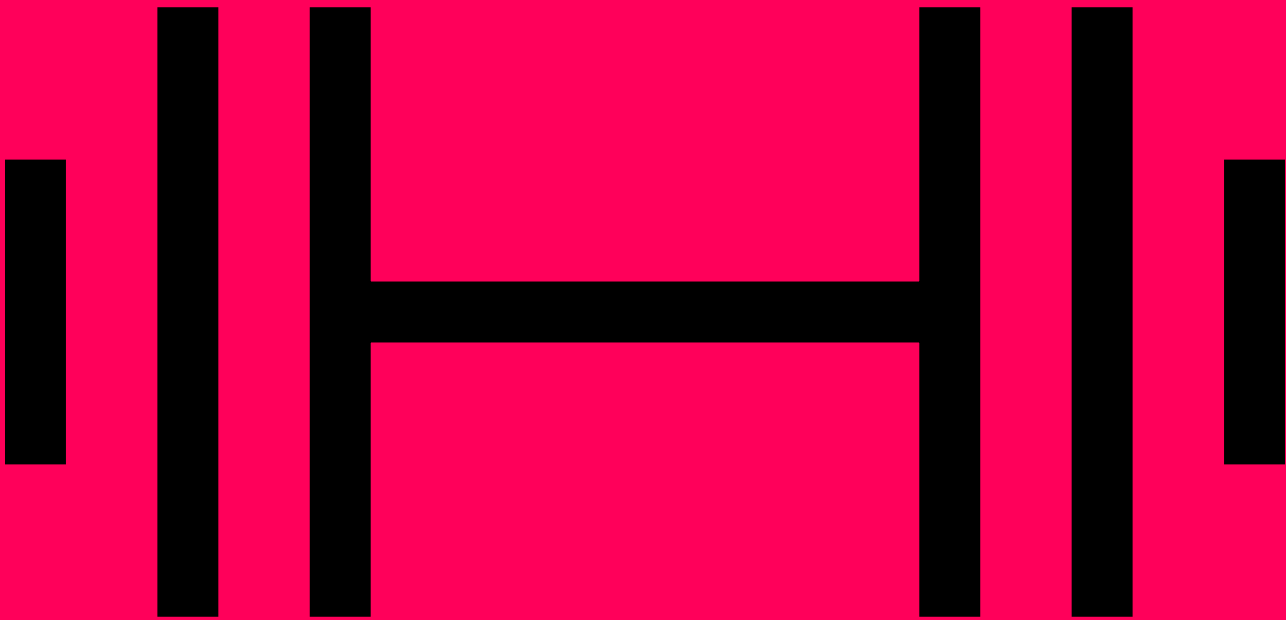


▲
miadidas New York,
5th Av. Flagship store
Image source
// solecollector.com



▲
adidas Parley
Made From Ocean Plastic
Image source
// ecouterre.com





GYM BRAND // Colgate

by John Shaw
// Chief Product Officer
// Brand Union

Gym brands offer continuous improvement. Their leading Experience Components are Deliver and Strive.

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// Colgate



GYM BRAND // Colgate

◀ Colgate and Michael Phelps
'Every drop Counts' campaign
Image source
// multivu.com



Built on hard work

Oral care is not a luxury. But there are few consumer products that literally require being used several times a day to safeguard some of the body's most vital assets. An oral care brand may not be top of mind for most of us, but it carries a high degree of responsibility: it must perform in every way, every day because our children's long-term dental health is at stake. It's a category that is all-pervasive and all-important... yet rarely thought about by the average consumer.

So it's no surprise that, as the unquestioned leader in oral care, Colgate is designated as a "Gym" archetype among the Top 30 brands in the 2017 Group XP Experience Index—one that works on continuous improvement, has all-around strength and is particularly strong on living up to its promises, whether those are to individuals (Deliver) or to society (Strive). It stands to reason, then, that one of its global "Water Ambassadors" is a man who is no stranger to the inside of a gym—Michael Phelps.

In many ways, Colgate is the ultimate packaged good. As one of the first truly global brands in marketing history, it is the only one now bought by more than half the world's households, according to the [Kantar Worldpanel](#). It was also the first to put toothpaste in flexible packaging and to make whitening a mainstream product feature and today remains a pioneer in oral care, constantly exploring new formulas and formats while keeping itself an essential daily ritual for millions. Although perhaps not as vocal as, say, Coca-Cola, Colgate has few chinks in its strategic armour. Its business strategy builds directly from its global ubiquity, high share of category and clear perception as a brand that consistently delivers on its promise of good oral health.

In line with that distinction, Colgate is a formidable performer across all dimensions of the Experience Index. It has created an instantly recognizable brand identity through an unwaveringly

consistent use of color and other core branded elements, using visual cues to build what Dr. Byron Sharp, author of *How Brands Grow*, might call a strong "memory-structure." Walk into almost any store, in any part of the world, and it won't take long to locate the Colgate.

Beyond its strong shelf presence, the brand solidly delivers on performance and it's no accident: the organizational culture behind Colgate is known to be obsessed with providing a high quality, decidedly effective product experience. Colgate's well-regarded, rigorous supply chain management and production capacity are honed to assure the brand is always available, reasonably priced and totally reliable. This, in large measure, is the result of being tuned into their global marketplace at the local level (e.g. Mexican consumers think of Colgate as a Mexican company). The use of local intelligence is ingrained in the company's internal culture and through its regionally-driven



▲ Colgate ‘Bright Smiles Bright Futures’ program
Image source
// colgatepalmolive.com



▲ #EveryDropCounts, Colgate 2016 Superbowl commercial
Image source
// superbowl-commercials.org



management style, influencing everything the brand says and does, market-by-market. Not flashy, maybe, but an essential factor in building a consistent, best-of-class, day-to-day experience for a brand as widely consumed as Colgate.

This pragmatic, ground-up approach has been further enhanced through a revamped, multi-lingual website firmly geared towards answering questions and solving real problems related to dental health, all optimized to be easily searchable by anyone seeking information about oral care. Colgate is a brand perceived as striving to make people’s lives better. It has used its scale to deliver social programs that have made a difference to vast numbers of people... without the usual corporate chest-beating. The “Bright Smiles, Bright Futures” program has reached over eight hundred million children in eighty countries. That’s a lot of teeth. For the last few years Colgate has also run the Oral Health Month initiative in various countries and

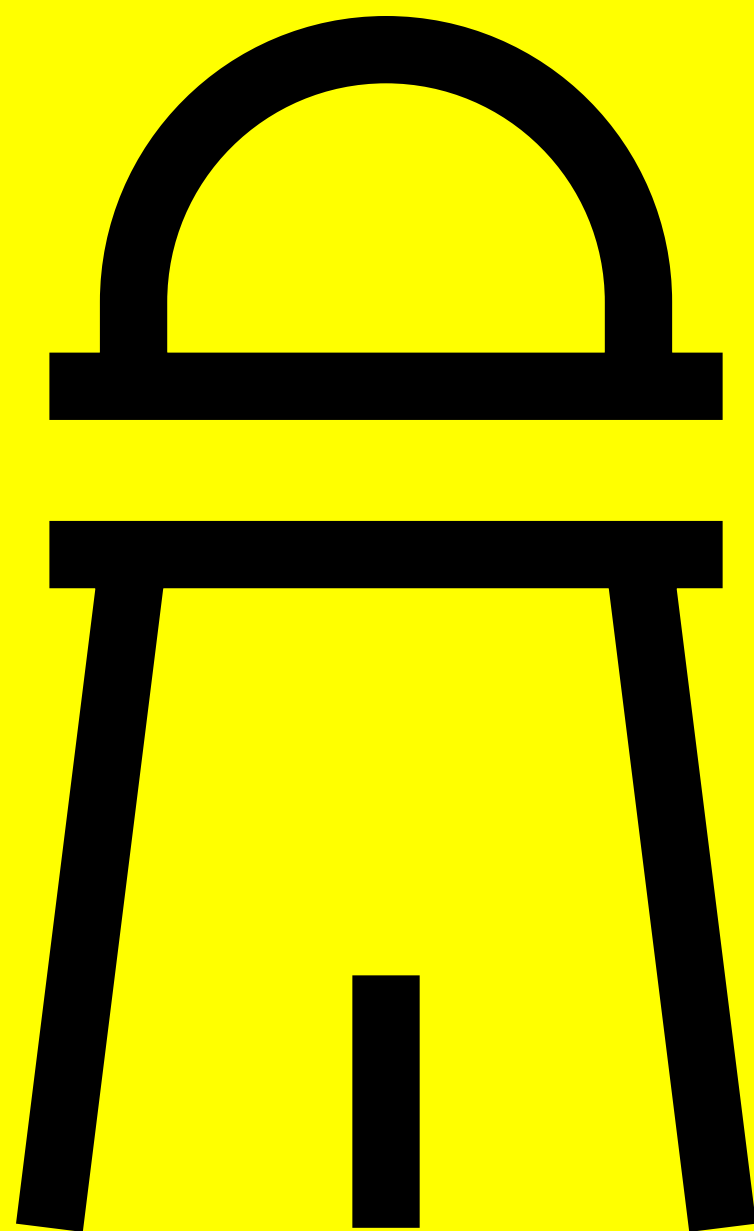
communities. The name may be utilitarian, but the results have again been far-reaching.

In keeping with the brand’s unpretentious style, its messaging has generally been simple and to the point. Colgate’s 2016 Superbowl commercial, part of its #EveryDropCounts initiative, encouraged people to turn off the faucet while brushing. Not by making extravagant claims (“brushing with running faucets wastes the equivalent of the Sea of Azov every year!”), but by bringing the impact down to a personal level, pointing out that this careless habit wastes more water than many people use in a week. The ad was never intended to win awards—just to make a relevant, human-level point that motivated action (but has been widely lauded anyway).

In our increasingly tech-driven world, Colgate has largely built its superior brand experience not on fancy algorithms but the old-fashioned way—through fundamental product-to-human engagement. It faces the classic challenge for big, well-

established packaged goods brands: how to remain connected in ways that are targeted, smart, relevant and present a clear business return? Colgate’s response is to stay true to its core as a universal brand into which everyone is invited. More driven by results than swagger, its straight-ahead focus on excellent product experience has earned its reputation as one of the world’s true “local” brands. It is trusted, daily personal hygiene to the millions who use it, wherever they may be, and it’s hard to get closer to a customer than that.

- KEY LEARNINGS
- // Grounded in local cultural context
 - // Seamless, bulletproof consistency
 - // Grass roots influencer experience

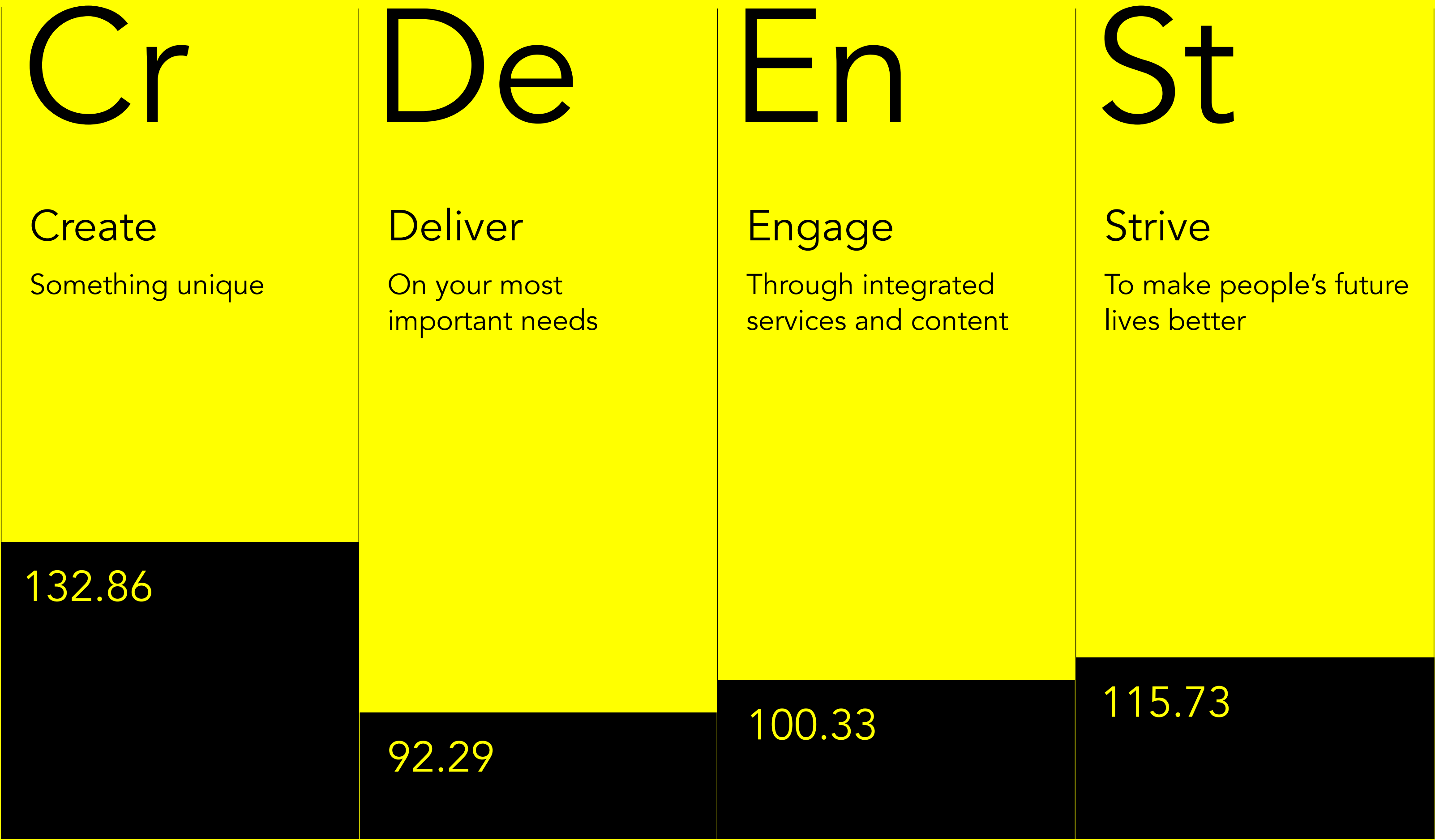


LIGHTHOUSE BRAND // Tesla

*by Tim Greenhalgh
// Chairman, FITCH
// Chief Creative Officer, Group XP*

Lighthouse brands show us a better way. They support, educate and offer a unique vantage point. Their leading Experience Components are Create and Strive.

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// Tesla



Brand
Experience
Score

// 110.30



LIGHTHOUSE BRAND // Tesla

◀
SpaceX's Falcon 9
rocket launch
Image source
//tesla.blog



Spark of genius

“Electric cars, giant batteries and solar” is how Tesla describes itself on Twitter—a very humble statement from a brand that has bold ideals. Tesla’s stated mission is far more ambitious:

To accelerate the world’s transition to sustainable energy.

It’s been said that Tesla is not just a car or a brand but the ultimate mission—the mother of all missions— and it seems to be catching the attention of commentators and consumers alike. Founder Elon Musk is regarded as among the most innovative and influential people alive today and his companies are transforming the way we travel, live and think... and all for the benefit of our planet. It’s important to realize that, for the next generation of consumers, the mission of a breakthrough business and its experience are inexorably linked by challenging convention at every single step.

Constant innovation

This is a familiar pattern for any business created by Elon Musk: he sold his first video game in 1983, aged 12, for \$500 and, 14 years later, he created X.Com—one of the first online banks. X.Com became PayPal (number 3 on the 2017 Experience Index and a featured case in our 2016 report). This ability to be a unique guiding light is typical of a Lighthouse brand—they have a distinct vantage and belief system from which they shine a light on the future and imagine a better world.

An ecosystem of innovation

// Space X
Revolutionizing space technology.

// Hyperloop
Exploring safer high-speed travel system in vacuum tubes.

// The Boring Company
Creating a network of intercity tunnels to ease congestion.

// Solar City
Designing, developing and installing affordable domestic solar products.

// Open AI
Discovering the path to safe artificial general intelligence. (Musk has been very vocal about the potential danger of misplaced AI development).

Tesla and its consumer-friendly cars may be the most high-profile of Elon Musk’s businesses but, with a pioneer at the helm and a growing number of ambitious siblings, it is a brand that is so much more than the sum of its parts.

A connected experience

Step into a Tesla studio (not “showroom”) and you are met with a single car. This is no suburban plaza that feels like a parking lot bedecked with bunting and balloons, but a cool, almost luxurious environment created to both inspire and inform.

The staff do not try to sell you a car but instead answer your questions, aided by digital tools and displays. Their enthusiasm for the product and the brand is palpable and reminiscent of one’s first encounter with a “blue shirt” in an Apple store. Sitting in the car is an entirely new experience, with the interior dominated by a giant, 17-inch touchscreen and lots of premium space—the new Model 3 doesn’t even have a dashboard—so while the others are celebrating cup holders, stitched leather and the usual car gimmicks, Tesla demonstrates

the pure luxury of experience and connectivity.

Tesla employs these spaces to make the brand visible in a low-pressure environment, where taking orders is not the reason for being but rather a chance to educate consumers about electric driving and a sustainable domestic life. Their “red shirts” are as capable of explaining the advantages of the Powerwall2—the lithium-ion storage panel for the home—as they are the performance of the vehicles. This thanks to user-friendly tools and training they’ve received to aid discussion and education. Or, you can self-serve via interactive stations that provide visuals and content to answer further inquiries, helping to move the buyer from interest to consideration.

Tesla has also re-imagined the sales experience far beyond the “let me just speak to my manager about this” artifice and intensity of battling through endless forms and paperwork.

The modernity of the experience is more aligned with the friction-free experiences we now expect when buying online.

Once options are selected, it is a simple case of a reservation fee, an email address and a password. Owners are kept up to date while the car is being prepared and it is delivered to their driveway. Tesla is also partnering with restaurants, hotels, resorts and shopping centers to make charging as convenient as possible, recently making its patents public to encourage others to follow their path.

Tesla has equally re-imagined the Servicing experience—they realize people don’t enjoy driving to a garage so 80% of service needs can be resolved by their technicians coming to the customer via mobile vans. Most times this home or road-side visit isn’t even needed, however, as the brains of the car can remotely diagnose 90% of the issues—“Smart Alerts” warn of potential



▲
Tesla Design Studio
Los Angeles
Image source
// tesla.com



▲
Tesla Model 3 interior
Image source
// theverge.com



problems and suggest simple fixes while the car receives regular “over the air” updates putting the brand into the realm of an IOT (*Internet of things*) product. They come with capabilities baked into them that are released as the software is finalized. As an owner recently enthused: “*It’s like getting a new car every six weeks as the dashboard changes for an improved UX or my car can now be driven autonomously...who knows what’s coming next?*”

Tesla Motor Clubs are also popping up all over North America, spawned by growing enthusiasm for EVs (Electric Vehicles). These meets tend to feel like Harley Davison owner group (HOG) gatherings in their engaged devotion to their brand. Yet the Tesla events are often comprised of more non-owners than owners—

enthusiasts who simply want to immerse themselves in this new phenomenon, exploring and learning from early adopters and advocates.

And then there’s the performance—the Ludicrous Mode shows just how fast these cars can go from a standing start... and it is ludicrous: 0–60 mph in 2.5 seconds!

A cool brand that resonates with everyone

Tesla has grown from small electric sports cars—the first Roadster launched almost 10 years ago—to a growing range of beautifully designed, albeit niche, vehicles. But next up is the Tesla Model 3, which carries high hopes for what an affordable mass market electric car of the future may be.

In a recent Google [brand study](#), Tesla was ranked the most “cool” auto manufacturer by teens and millennials, the latter ranking it closely alongside Google, Netflix and YouTube. Though not yet a mass market brand, its Lighthouse credentials ensure it’s in league with the best brands in the world. Of concern for competitors, Tesla may rank lower in awareness but young audiences think it is cool and want one, or more importantly, want their parents to get one.

Tesla may currently be producing “*electric cars, giant batteries and solar products,*” but these offerings are just

the vanguard of a visionary brand experience revolution founded on a core desire to accelerate sustainable energy... and transform our world.

KEY LEARNINGS

- // Innovation and ecosystem oriented
- // Designed simplicity
- // Ambitious for humanity

► Hyperloop
Transportation
technologies
Image source
// [hyperloop.global](#)



THE TECH-HUMAN PARADOX

by Iain Ellwood
// Chief Growth Officer
// Group XP

//05

Playing the “*Imitation Game*”

The famous Turing Test essentially asks: “*Can you tell whether you’re interacting with a computer or a human?*” Today, the better question might be: “*Do customers care whether it’s a real human helping them?*” The answer presents a looming challenge to effective customer engagement and experience design. As businesses rush headlong into automating their brand experience while seeking to provide more consistent, accurate and engaging service at significantly lower cost, the question has become more important than ever.

Technology has enabled seismic shifts in the way customers are attracted, served and managed. Today, we’re being machine-tended daily, whether on-line, on the phone or even in the show room. And frankly, it’s not bad! AI has improved so much and at low enough cost that we’ve approached the tipping point where customers are now generally accepting of

“*robo-service.*” Machines are less erratic, always available, simplify tasks and never have a bad day. The best experience brands use advanced machine learning capabilities to not only anticipate customer needs, but provide personalized advice, timely, relevant purchase encouragement and even custom product design, presenting a nearly seamless, if technically imitation, interaction with the customer. But is it true engagement?

For the tech savvy, cutting-edge robo-service may seem a happy utopia. But many customers still seek a human connection and the emotional engagement that goes with it. This is a critical problem for brands aggressively pursuing the efficiency paradigm—can a brand maintain a primary relationship with its customers purely through clever algorithms? Only at high risk: when the customer need becomes complex, automated response systems can quickly antagonize vs. soothe and solve.

The Emotion Quotient

The biggest opportunity—and challenge—in future customer experience design will be pushing the limits of EQ vs. IQ and purely functional efficiency. Brands must find ways to serve and engage customers in a more natural and human way despite—or preferably, in concert with—automation. Humans are a quizzical, unpredictable bunch and true connectivity requires understanding the nuances of tone and language as well as content. Despite Hollywood’s best attempts to convince otherwise, we’re a long way from actually caring about robots or desiring a deep, meaningful relationship with one.

Winning the Imitation Game

The genuine warmth of a personal greeting or empathetic response is at the heart of any consequential relationship and the future test of digitized engagement will be the successful confluence of emotional interaction and efficient machine connectivity. Whether it’s a miadidas personal shoe design screen in the middle of an adidas store or a Tesla technician’s house call, humans respond to individualized attention. It is not the zero-sum game the technology consultants might have us believe. Computers are better than humans at many things: those straightforward, functionally precise, repeatable tasks, even including autonomous driving. But if brands want to become (and remain) central to our lives, they must master EQ and IQ. Virtually all of the Group XP 2017 Experience Index Top 30 brands offer customers their unique approach to combining frictionless, automated interactions with authentic human engagement. Our analysis confirms that once technology

has automated significant parts of the customer experience, the remaining human touchpoints need to be truly exceptional. The reward for brands mastering this symbiosis is a fully connected customer base... and superior business results.

SIX UNIVERSAL LESSONS FROM 2017'S STANDOUT BRANDS

//06

SIX UNIVERSAL LESSONS FROM 2017'S STANDOUT BRANDS

// 01

It's safe to experiment: aim for continuous improvement vs. first-time perfection

// 02

Immerse yourself in current culture—clever collaborations can help

// 03

Create a meaningful community to surround your brand

// 04

Drive accessibility and consistency whenever possible

// 05

Define your brand's role in the world—what will your legacy be?

// 06

Use grassroots influencers to help shape your brand's experience

"Not all of us get the chance to create and define a breakthrough Lighthouse brand, but it is most certainly within our power as marketers to pursue real and significant improvement in brand experiences.

At Group XP, we constantly strive to assess and deliver meaningful attributes and actions to the experience that every brand promises. I therefore hope you have enjoyed this year's Group XP Experience Index 2.0—and more importantly, I trust this provides you with the inspiration, motivation and determination to make a lasting contribution to your favorite brand."

Simon Bolton,
// CEO, Group XP

METHOD— OLOGY

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Methodology

2016 was a year when experience was the buzzword for mad men and math men alike. By taking half a million pieces of data & four analytical components we were able, for the first time, to statistically prove that extraordinary experiences increase short-term customer demand and long-term shareholder value.

And so the inaugural Group XP Experience Index was launched.

Our goal this year is to reach far beyond the numbers alone and provide clients and partners with richer insights on how to create these more valuable experiences.

Now, with the benefit of two years’ worth of data analysis, we have further refined the methodology; increasing the level of rigor and insight to provide more actionable results and ideas. We again interrogated the global database of responses from three million consumers across 46 countries to identify the best global experience brands.

Once again, Group XP worked with the BrandZ team to decode brand experience into four drivers of value, applying a BrandZ metric to quantify each of the four dimensions: Create, Deliver, Engage and Strive. By combining the four components equally we are able to create a single score for each brand—these scores form the basis of the Experience Index. We use BrandZ data to quantify the positive impact on short term consumer demand as well as Bloomberg and Kantar retail analysis to further quantify the role that experience plays in driving business and shareholder value.

The four components of the Experience Index

| |
|--|
| <div>Cr</div> <div>Create</div> <div>Something unique</div> |
| <div>De</div> <div>Deliver</div> <div>On your most important needs</div> |
| <div>En</div> <div>Engage</div> <div>Through integrated services and content</div> |
| <div>St</div> <div>Strive</div> <div>To make people’s future lives better</div> |

// Step 1
Identified the four experience-based drivers of Brand “Power”, BrandZ’s measure of drivers of current consumer demand.

// Step 2
Integrated the four individual driver scores to derive a single measure—The Experience Index—to explore business and customer impact.

// Step 3
Tracked the business performance of those top performing brands against the MSCI, to explore share price impact.

// Step 4
Analyzed the two dominant scores from each of the Top 30 Global Experience Brands to define six Brand Archetypes with different experience strategies.

This year, having added a new layer of analysis on top of an already robust foundation, we have evaluated the four component scores to identify which are the dominant two for all of the Top 30 Global Experience Brands. These dominant profiles have then been translated into a series of Experience Archetypes that embody distinct experience strategies. The beauty of these archetypes is that they crystallize the diagnostic numbers into a practical experience strategy, effectively bringing the numbers to life.

From all of the data, there are six possible dyads or paired dominant profiles. Each of these has an overarching narrative with supporting characteristics. To dive into how these exemplify great experience, we have identified the brand that is the embodiment of each archetype.

These descriptions help clients identify their own current arche-

type, compare themselves against competitors’ archetypes and find future growth opportunities.

Early analysis for several clients has shown that this approach can unpack not only the strengths and weaknesses of their own brand across different markets, but also which brands are the best-in-category for each individual component and, more importantly, which brands are best-in-class for each Archetype.

We believe that this additional pragmatic richness of the 2017 Group XP Experience Index makes it even more valuable to clients, providing an actionable tool to help design extraordinary experiences. It gives clients a powerful macro analysis of where to invest their budget to achieve greater returns.

ABOUT GROUP XP AND BRANDZ

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ABOUT GROUP XP

Group XP is the world's leading experience collective including Brand Union, Fitch and Set Creative. It has:

- // 40 Studios around the world
- // +1000 Employees
- // Major clients: Absolut, adidas, Bank of America, Dell, Google, GSK, Lego, Nike, Spotify, Starbucks, & Vodafone
- // +45 Creative awards in 2016 alone.

ABOUT BRANDZ

The WPP BrandZ study is the largest and most authoritative brand analytics database on the planet.

Designed and managed by WPP's marketing and brand consultancy Millward Brown, the BrandZ™ Top 100 Most Valuable Global Brands ranking is now in its twelfth year.

It is the only study to combine measures of brand equity based on interviews with over three million consumers globally about thousands of consumer facing and business-to-business brands with a rigorous analysis of the financial and business performance of each company (using data from Bloomberg and Kantar Retail) to quantify the role that brand plays in driving business and shareholder value. Consumer perception

of a brand is a key input in determining brand value because brands are a combination of business performance, product delivery, clarity of positioning and leadership. For more information and to download the BrandZ valuation reports go to www.brandz.com.

www.group-xp.com

For any further questions on the Experience Index please contact ksenia.starikova@group-xp.com



Group XP is a unique consulting model formed through the partnership between Brand Union, FITCH, SET and SET Live. We believe that great customer experience is the key driver of business growth.

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