



FEATURE / THE GENIUS SURVEY

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The Genius Survey

What's the single biggest issue facing businesses over the next 12 months? **James Swift** canvasses the smartest people we could collar – from the worlds of technology, business, academia and advertising – to help sort your priorities for the year ahead



Welcome to the sixth annual Genius Survey where we ask leaders, makers and thinkers about the biggest issues facing businesses over the next 12 months.

Before getting to this year's responses, an acknowledgement: no one featured in the 2020 Genius Survey published last March mentioned the coronavirus as a possible threat.

In defence of that omission, we spoke to most of the respondents months before the publish date, and few people at the beginning of 2020 knew much about Covid-19 beyond vague reports of a flu-like outbreak in China.

And it's to the credit of our respondents that so many of their forecasts held true in spite of the disruption caused by the pandemic.

Brands inarguably did double down on addressing climate change, race and gender, just like one respondent predicted, and you can ask TikTok whether or not ratcheting tension between the US and China was an issue, as another respondent supposed it would be.

The unifying theme we identified as running through many of last year's answers – a growing rejection of untrammelled capitalism – felt prescient, too.

The pandemic exposed and entrenched inequalities, and if there was one aphorism that defined 2020 it was that, while we might be weathering the same storm, we're not all in the same boat.

ROAD TO RECOVERY

The uneven distribution of hardship amid the pandemic has paved the way for a two-speed recovery, and marketers must get to grips with this dynamic in the coming months, says leading econometrician **Dr Grace Kite**, founder and managing partner at consultancy Magic Numbers:

'The biggest issue facing marketers over the next 12 months is the 'K-shaped recovery' from the Covid-19 recession. Economists are describing the recovery as K-shaped because already wealthy people had a good pandemic financially, and have money in the bank. They are in the top arm of the K, their spending will quickly bounce back. On the bottom arm are people who were already low income, and experienced the worst effects of the pandemic. In fact [according to data from the Institute For Fiscal Studies] 80% of people in the bottom 10% by income work in shut-down sectors or on the high covid-risk frontline. These people will continue to struggle.'

'And this will have a big impact on the effectiveness of everyone's marketing in 2021. Marketers should be familiarising themselves with the demographics of each arm and identifying where their target markets are. New strategies will be needed as the people in the top arm treat themselves to luxuries, while people in the bottom arm struggle to make ends meet. Copy needs to be sensitive; product and price offers redesigned; and media buys should separate out the two audiences so they can be treated differently.'

In a volatile world, we need to see around corners and widen our lens – blending social and data science

Gillian Tett, journalist



NEW PERSPECTIVES

But if the pandemic has exacerbated old problems, it has also created an impetus for new perspectives. The existing methods used by businesses to solve problems are no longer fit for purpose, argues **Gillian Tett**, journalist at the *Financial Times*. Tett, who is also the author of *Anthro-Vision: How Anthropology Can Explain Business and Life*, believes that institutions require new models for interpreting the world.

'One of the biggest issues facing business is this: recognising that the tools we used to navigate the 20th-century world are no longer working. Why? These were based around a tunnel vision, or bounded, approach to life: economic models (with pre-determined parameters); corporate balance sheets (that looked just at profit and loss); big data sets (that only collected data on pre-set topics); consumer surveys (that asked questions companies, not consumers, cared about.)'

'Today, however, we need lateral vision, since Covid-19 and other crises have changed the equation. Issues such as climate change or pandemics are no longer an "externality" in economic models, or footnote to a corporate balance sheet; they are the model. Big data does not offer meaningful results unless it is put in social context. Consumer polls work best when they recognise that the people being studied may have entirely different assumptions from those asking questions. In a volatile world, we need to see around corners and widen our lens – blending social and data science.'

Shannon Washington, senior vice president and executive creative director at R/GA New York, also homed in on the idea of old practices and institutions being viewed with fresh eyes. People's attitudes and priorities have shifted and they're reevaluating how they work and shop, and business leaders that fail to recognise or respond to these changes are going to lose out:

'I can't think of any other word than "the human truth". A company's values are just as well known (and sought out) as the quality of products and services they offer. The veil of in-office productivity has been shredded. Workplace culture and leadership is evaluated on the same level as pay. Sustainability, inclusivity, equity, transparency – these are no longer buzzwords, they are the expectations of our now and future workforce and consumers alike. This isn't a temporary challenge, it's a socially conscious-led evolution of business culture, values and ways of work that will continue to form a new language of industry, and if you're just waking up to that – you're five years late.'

It's never been easier – or more consequential – for a business to misread its audience and their needs

Natalie Lam, Publicis Groupe

MIXED RESPONSE

Customers too are likely to have changed their buying habits in the wake of lockdowns and other pandemic-related measures, says **Natalie Lam**, Publicis Groupe's chief creative officer for Asia Pacific, the Middle East and Africa. But she cautions that, just because people faced a common enemy in the Covid-19 virus, it would be a mistake to assume a uniform response:

'The single biggest challenge that our clients face today is keeping up with their consumers. The past 12 months have seen everybody alter how, why and what they buy. They've had a chance to rethink what they want, need, value and what they can live without. Countries' experiences of the past 12 months have also been extremely varied. Their collective psyches have shifted in very different directions; often emotionally charged, volatile and with an appetite for further change.'

'As many organisations now bask in the glow of a post-pandemic return to growth, a delusional "business as usual" complacency is endemic. Consumer change is in their blind spot. Savvier businesses are meanwhile acknowledging how fundamentally and quickly they'll need to continue to evolve and localise their strategies to earn a meaningful place in their consumers' lives. It's never been easier – or more consequential – for a business to misread its audience and their needs. However, conversely, perhaps there has never been a better time to embrace this change, in order to create sustainable growth.'

DEFINING NORMAL

But while businesses seek to understand changes in people's attitudes and needs, they must also anticipate whether each change is likely to be permanent or a temporary response to the extreme circumstances of the pandemic.

Moran Cerf, a neuroscientist and business professor at the Kellogg School of Management at Northwestern University, believes that in the coming year businesses must devote time and resources to figuring out the new parameters of normality.

'In addition to the elephant in the room – the pandemic – this year we've seen notable shifts in the dispersion of technology and retail, the rise in demand for privacy and alternative currencies, and the recognition that lack of diversity in the workforce is leading to negative consequences for companies.'

'But the current that will calibrate and correct those dynamics in the coming year is the re-definition of normalcy. While the world calls for a "return to normal", we need to figure out what "normal" looks like. Is "working in an office" normal? Is dividing markets by country normal? Maybe it makes more sense to slice the world by different categories. After all, viruses don't see borders but they do recognise boundaries in healthcare, age and approach to solutions/information.'

"Left-wing companies" or "right-wing companies" will also become a normal term, as businesses increasingly

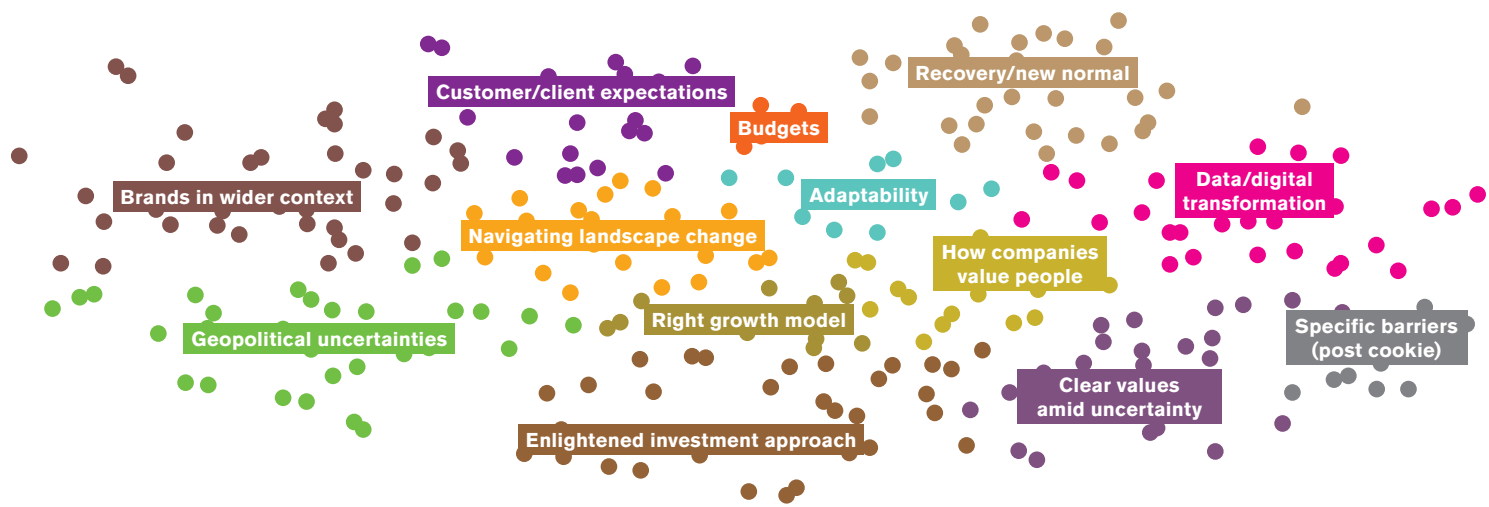
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Moran Cerf, neuroscientist

take political and ideological stands (and risk alienating customers and employees) on issues – and they will have to learn how to deal with people within the corporate who do not share its views.'

'Finally, new products born from academic advances will shift the sociology of our experiences as humans and turn industries upside down. For example, the gradual lift in regulations on neural implants will start showing products that change people's thoughts and decisions (first for clinical purposes but later as consumer products). Advances in text analysis (like OpenAi's language generator GPT-3) will make seamless communication between individuals using different languages mainstream.'

'And we will see the first AI-based creative company – meaning, a company that produces (reliably and repeatedly) creative content (music, literature, humour, etc) generated fully by a machine.'



The (extended) Genius Survey

This year, for the first time, we created an online survey to open up the Genius Survey question to everyone in the advertising industry who cared to answer it.

More than 300 people from almost 50 countries answered the survey, and we worked with Phrasia, which uses an AI tool to interpret linguistic data, to map their responses into thematic clusters (see graphic).

The results revealed an eclectic array of concerns, from geopolitical challenges to more granular problems. One respondent, for instance, felt the 'state of the planet' was the biggest issue facing business in the year ahead; another thought it was offices transitioning smoothly from set seating plans to ad-hoc desk booking systems.

The coronavirus was a constant, though it was referenced in many different guises and contexts. Some respondents were worried about a post-Covid exodus of staff, while others were more focused on how the pandemic had changed customers' habits and behaviours. Still others feared a post-pandemic recession.

The so-called 'cookiepocalypse', referring to Apple and Google disabling third-party cookie tracking on their platforms, was also cited by a significant number of respondents, with one warning that brands that have built their business on microtargeting were in for a 'shock'.

But what really jumped out from the analysis, says Jeff Bradley, co-founder of Phrasia, was the 'clear values amid uncertainty' cluster.

The responses within this cluster were concerned with issues like employee mental health, diversity, working practices and outputs, and the vast majority (around 80%) came from agency-side respondents.

But what really piqued Bradley's interest was that 28% of the responses within this cluster were longer than 80 words, which is extraordinarily high for a survey response.

'In assessing the narrative landscape, the amount people write is an early clue to future behaviour,' says Bradley. 'We know from customer reviews, health forums and employee studies that a torrent of words reveals a "tipping point" narrative. On the negative side, a tipping point narrative reveals the issues that lead people to give up, quit, or resort to destructive behaviours – before the smoking gun. The converse is "long positives" written by passionate fans: these themes pinpoint the drivers of intense brand advocacy.'

And, in this instance, it seems unlikely that the responses are the outpourings of passionate fans.

The public, regulators and market are headed toward a future that includes enhanced data protection

Jason Kint, Digital Content Next

A RETURN TO PRIVACY

Cerf predicts three more changes in the next 12 months. First, he believes we'll 'see the firing (and even legal prosecution) of one or more of the famous CEOs that right now are glorified by business schools as "business geniuses" for fraud'. Second, that there will be a 'significant drop in the stock price of one of the companies that is seen now as an exemplar for business acumen, which will also lead to a shock to the financial market'. And finally, that one of the leading tech giants in the US will be broken up by the government.

Jason Kint, CEO of the Digital Content Next trade association in the US, also senses a shift in attitudes towards the dominant ad-funded internet companies and the data-dependent marketing practices they pioneered. He urges brands to get ahead of the regulators and embrace a privacy-first approach to win customers' trust.

'The digital advertising marketplace has grown into an ecosystem where a few powerful gatekeepers relentlessly track the public's activities online and offline to micro-target advertising. Brands wrongly perceived this model as lower risk – perhaps even beneficial to their businesses. However, it's become clear there are significant downstream harms as brand and consumer trust has eroded. The public, regulators and market are headed toward a future that includes enhanced data protection and is less dependent on tracking consumers across their activities outside of their expectations. Brands have the power to drive this new future – spending valuable marketing dollars in competing environments where this new world exists, a world where consumers' direct, trusted relationship is digital gold for any brand.'

**Provide clarity.
People crave certainty.
Leaders cannot
guarantee certainty
at this time. The next
best thing is clarity**

Juliet Ehimuan, Google

TIME TO UPDATE

New privacy norms are not the only shift for which leaders must prepare. **Don Tapscott**, an adjunct professor at Insead and executive chair of the Blockchain Research Institute, is one of the world's leading thinkers on the impact of technology on business. He says that we've reached an inflection point where a convergence of nascent technologies is about to usher in a transformation as dramatic as the arrival of the internet.

'The biggest challenge facing business coming out of the global pandemic is to transform itself for the second era of the digital age. The trivergence of AI, blockchain and the Internet of Things is beginning to disrupt every industry. Covid-19 has accelerated this shift by years and in some cases even decades. Firms that don't change will be left chasing the diminishing returns of their former markets, channels and even value propositions.'

ROLL WITH IT

No one wants to be left behind to subsist on diminishing returns, but it's also hard to commit to drastic change when there is so much turmoil. For Google director **Juliet Ehimuan**, who leads the company's business strategy in West Africa, this is the defining conflict of the year ahead. Ehimuan, who is also an executive coach and the author of *30 Days of Excellence*, argues the greatest challenge in the year ahead is offering effective leadership in the face of uncertainty.

'The single biggest issue facing business over the next 12 months is dealing with uncertainty. The pandemic has introduced uncertainty in virtually every area of business – customer behaviour, access to finance, talent management and retention, supply chain management, product and business model viability. Even uncertainties about when the world would settle to a "new normal". These uncertainties impact the ability of businesses to pivot effectively.'

'It is important for leaders to:

'Embrace the uncertainty, understand that the context in which they operate is changing, and focus on controlling those things that are under their control.'

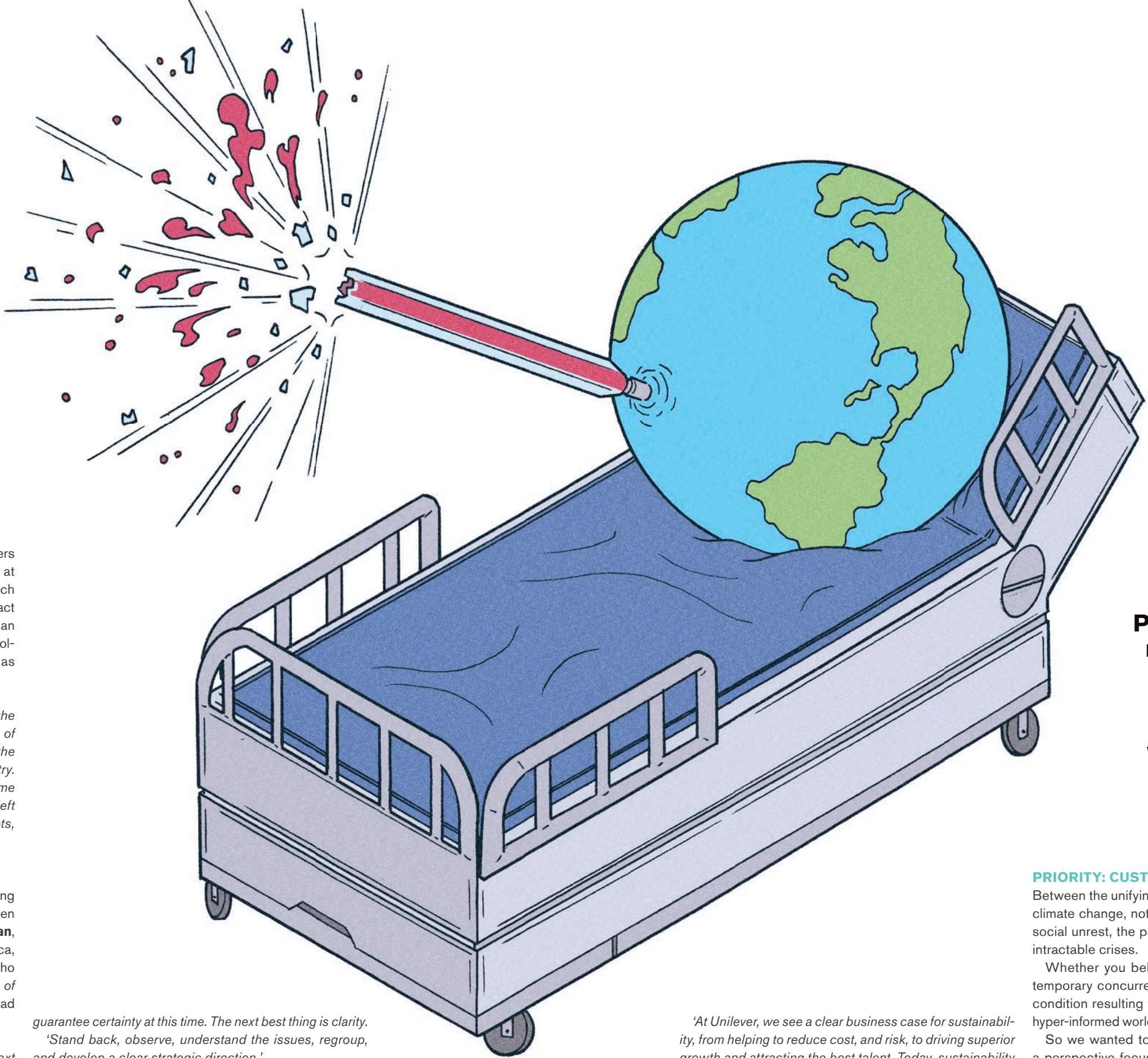
'Provide clarity. People crave certainty. Leaders cannot

guarantee certainty at this time. The next best thing is clarity.

'Stand back, observe, understand the issues, regroup, and develop a clear strategic direction.'

Of course, not every challenge and priority over the next 12 months will be a consequence of the pandemic. The looming threat of an ecological disaster befalling our planet may have been bumped down the news agenda by the coronavirus, but it is no less urgent a problem, says Unilever's chief digital and marketing officer, **Conny Braams**:

'The biggest issue that the world and therefore businesses face is climate change. Not only because the climate crisis is an environmental emergency; it also has a harmful impact on people's lives and livelihoods.'



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Conny Braams, Unilever

PRIORITY: CUSTOMERS

Between the unifying threats posed by the pandemic and climate change, not to mention heightening political and social unrest, the past year has been a bombardment of intractable crises.

Whether you believe this is just an unfortunate and temporary concurrence of catastrophes or a permanent condition resulting from living in a hyper-connected and hyper-informed world, it can be disorienting and paralysing.

So we wanted to end this year's Genius Survey with a perspective focused on what is constant, rather than what is in flux.

Mark Ritson, columnist, former marketing professor and founder of the online Mini MBA in Marketing, provided such a pragmatic response, with an appeal for leaders and decision makers to remember the first principle of marketing:

'The priority should be the customer. Not Covid. Not purpose. Not sales figures. Follow the money to the person that pays for everything and start there. Always.'

And you can rest assured that, no matter what unseen disasters unfurl over the next 12 months, it will still be good advice. 🌱

'At Unilever, we see a clear business case for sustainability, from helping to reduce cost, and risk, to driving superior growth and attracting the best talent. Today, sustainability is also a mainstream consumer trend. People are becoming more conscious and cautious in their consumption at a time where the world enters a deep global recession. This puts more emphasis on the dual nature of value for our brands at Unilever. Value in terms of offering the right value equation of superior products at affordable prices, and values for having a point of view on matters people truly care about and more importantly, taking action to drive change.'

'For a brand to continue to be chosen for its value and its values, as marketers – powered by innovation, data, purpose and creativity – we must make sustainable choices simple and preferred.'

