
NetworkB 2018 Brands Breaking Barriers

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What does it mean?

We are becoming more and more aware of brands that are currently stepping away from their traditional business model and using their brand as a platform for positive social, political or environmental change. Rather than just selling products, these brands seem genuinely interested in selling new ideas, new ways of thinking, of effecting cultural change, and bringing about behavioural shifts to positively impact our world. But why now? Why do brands now think they have a right to comment on social injustices and is anyone prepared to listen? Will consumers act on the advice of a well-known brand over the advice of a well-known politician?

We set about asking the question; “Why are Brands Breaking Barriers and will it have an impact?” to some of the biggest brands in the sports, fitness and outdoor industry at our annual NetworkB event, in Munich at the end of April 2018. The following paper outlines this collective meeting of minds, where the industry feels we have come to, and perhaps more importantly, where it thinks we might be in the future.

What did we cover?

With speakers from The Mirai by McFit, The German Industry Association for Fitness and Health (DIFG) and an expert panel including P&G, Black Yak, OC Sport, Icebreaker and renowned journalist Sissi Pärsch, we set about tackling the future of brand strategy with regards to breaking barriers. We heard of personal crusades to make a positive impact and about the different forms that these crusades could take; from the personal investment put into the charity, Shades of Love, to Rainer Schaller, the founder of McFit and his personal passion to provide fitness for free to the general public. During the event we also undertook live polling with the 45 represented brands to delve deeper into the topics and to give an indication of standpoint across the represented industries in the room, the outcome of which will help to form the following perspective.

Why now? What does the future have in store?

Our first live poll question, asked attendees if breaking barriers was part of the future strategy of their business. The result was that a resounding 88% of brands have this within their future business strategy, which demonstrates the importance of the topic in our industry.

Is breaking barriers part of your future strategy as a business?



This tells us that even brands that are not currently focusing their strategy on affecting political/ social/environmental change would certainly consider doing so in the future.

Which brands are already breaking barriers?

Patagonia are arguably one of the most well known brands in the industry for their social and environmental standpoint. Patagonia position themselves as an activist company, their mission 'build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis'. The protection and preservation of the environment isn't what they do after hours, it's the reason they're in business and behind what they do every day. These beliefs have been at the core of Patagonia since the company was founded in 1973.



The
President
Stole Your
Land



Credit: Video & campaign imagery by Patagonia.
#crudeawakening campaign via YouTube.

How do patagonia break barriers?

Patagonia do not just campaign for environmental rights, they have a long history of supporting others to fight environmental issues. For over 20 years they have held Tools for Grassroots Activists conferences around the globe, born out of their desire to do more than just funding environmental organisations. They wanted to use the assets of Patagonia to help find solutions to urgent environmental problems. By running these conferences at a grassroots level for innovative groups overlooked or rejected by other corporate donors, they support activists who take radical and strategic steps to protect habitat, wilderness and biodiversity.

It has not only campaigned and raised awareness since 1985, Patagonia have also donated 1% of their sales to their grants programme. Instead of giving large sums to a handful of causes, they seek to give modest grants ranging between \$2,500 - \$15,000 to hundreds of groups every year for whom this money makes a world of difference.

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Perhaps in their boldest move yet, Patagonia announced in December 2017 that it was suing the Trump administration in response to the government's decision to reduce the protection of two national monuments in Utah. Although not the brands intention, this action resulted in a reported sales increases by up to six times more than a 'typical' sales day*.

It is this acute sense of authenticity that distinguishes Patagonia. They are a stand-out brand because their founding DNA is about purpose. Patagonia is without a doubt one of the most respected brands in the outdoor industry by consumers and peers alike. With a 4.9 million following on their social channels, 21.6 million views of their videos on their YouTube channel and sales growing year on year (a reported 209 million dollars revenue in 2017**), they truly are a success story and leader of brands breaking barriers.

*Sales information from Slice Intelligence

**Forbes



Credit: Video by Nike. Nike ProHijab campaign via YouTube.

NIKE

Patagonia may be seen as one of the most successful cases but they aren't the only brand addressing these key issues. During NetworkB we discussed the recent launch of the Nike Pro Hijab. This was more than just about developing a new product for Nike, their goal by creating the Nike Pro Hijab was to make sports a more inclusive space for Muslim women.

View the campaign movie here: https://www.youtube.com/watch?v=9BAeEbz_TVE

“The Nike Hijab Pro has been a game-changer...”

Statistics from the Active People Survey reported by Sport England showed that just 18% of Muslim women take part in regular sport, compared to 30% of the total female population*. Nike developed the Pro Hijab after athletes spoke about the struggles they faced with traditional hijabs when it came to competing in their sports.

The Nike Hijab Pro has been a game-changer and a symbol of empowerment for Muslim women. With 2.4 million views on YouTube of the Nike Pro Hijab video it should not only encourage Muslim women to take part in sports but also to support positive conversation around hijabs across the globe.

As part of their campaign Nike recruited Muslim athletes, Manal Rostom, an Egyptian mountaineer and marathon runner. She said of the Nike Pro Hijab 'It is more than a performance garment. It inspires me to reach greater heights and to run farther distances, and I believe it's going to inspire girls worldwide to follow their passion for sport.' Manal Rostom was one of the first to wear the Nike Pro Hijab, wearing it for the New York marathon.

For Zahra Lari, the prolific UAE ice skater the Pro Hijab is a symbol of empowerment. 'It's a reminder to us Muslim women that we can achieve anything in the world,' she says. 'What Nike has done for Muslim athletes is a dream that we never thought would happen.'

The supporting stories around this product launch are not just about the selling of a product. Nike are using their reach to make sports a more inclusive space, raise awareness, and support racial equality. They are using strong powerful athletes to create positive role models for female Muslims.

*Participation in sport refers to at least 4 sessions of 30 minutes moderate intensity sport in the last 28 days (once per week), reference source <https://www.sportengland.org/research/understanding-audiences/faith/>



Credit: Video by Pepsi. Kendall Jenner campaign via YouTube.

PEPSI

In March 2017 Pepsi launched a video starring model and reality TV star Kendall Jenner, the film's purpose (outside of advertising their product) was to project a global message of unity, peace and understanding.

View the campaign movie here: <https://www.youtube.com/watch?v=uwvAgDCOdU4>

“...Pepsi were forced to remove the advert and issue an apology”

The advert was widely criticised for appearing to trivialise demonstrations aimed at tackling social justice causes, suggesting that protesters and police would get along better if the former were kinder. The film was received poorly and shown to be insensitive with regard to the Black Lives Matter movement. Within just one day of release Pepsi were forced to remove the advert and issue an apology.

The Kendall Jenner disaster wasn't the first time that Pepsi have got it wrong. In 2013, it was also forced to pull an advert for the soft drink Mountain Dew that was widely criticised for portraying racial stereotypes and appearing to make light of violence toward women.

Why did Pepsi get it so wrong?

Social and racial topics are without doubt one of the most serious to address. The Pepsi video seemed to generalise and make light of these, in particular undermining the work that Black Lives Matter undertake. The video comes across as portraying the social message as light hearted. This resulted in angering people worldwide, who took to social media in their droves to criticise Pepsi for their poor judgement and lack of understanding of complex issues.

If Pepsi really wanted to tackle these issues and bring them to people's attention, this should of been approached in a more sensitive manner, consulting those groups that protested, people who have actually been on the front lines and those that are looking to educate others on these important topics.

Why are brands wanting to break barriers?

During NetworkB we asked the industry why they felt it was that brands are wanting to break barriers. This is key to understanding why we have seen a shift with brands and the industry and how this will affect future strategies. The following chart outlines this result.

Affecting positive change



Building consumer relationships



Higher consumer expectations



Desire to tell genuine stories



Other



Increase in digitisation



Please note, polls conducted had multiple choice answers where the audience was able to select more than one option. Therefore will not add up to 100%.

During our panel session we heard from key industry experts who interacted with the audience to identify key themes as to why brands are stepping outside of their boundaries and looking to break barriers:

- Governments are not tackling issues that are important to their people
- For those issues that the governments are tackling, they are not acting fast enough
- It was widely felt that people have lost faith in our governments to effect change
- Consumers are evolving at a rapid pace, they are more educated and have more awareness of how brands are operating - they are questioning everything

BRANDS BREAKING BARRIERS

- Consumers now expect more from brands, they want to align with brands that share their beliefs and values
- Employees want to work for companies where they can resonate with some level of authenticity, where they feel part of something and are proud to work there, they want to be engaged and motivated
- Brands have a responsibility - particularly sports and outdoor brands in relation to the environment. They need to preserve the environment as it is their consumers' playground

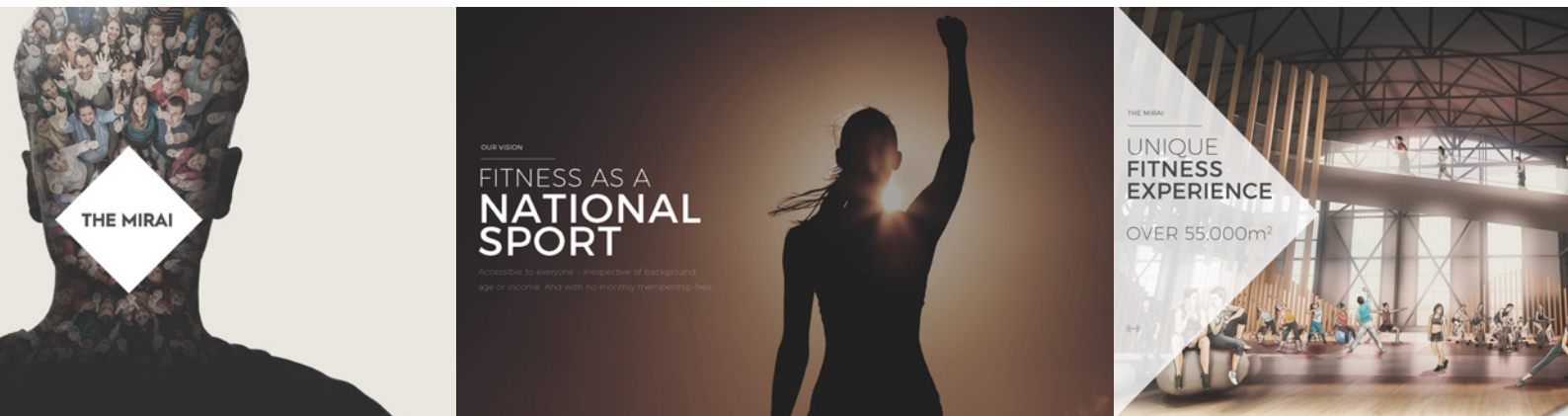
From the live polling and sessions it is clear that this topic is more important than just for sales of products or services. Brands want to effect positive change and are looking to form long-term relationships with consumers.



What's the future of brands breaking barriers?

Ralph Scholz, CEO and Managing Director of The Mirai GmbH was one of the NetworkB keynote speakers, who presented the Mirai, the latest project from the McFIT Global Group.

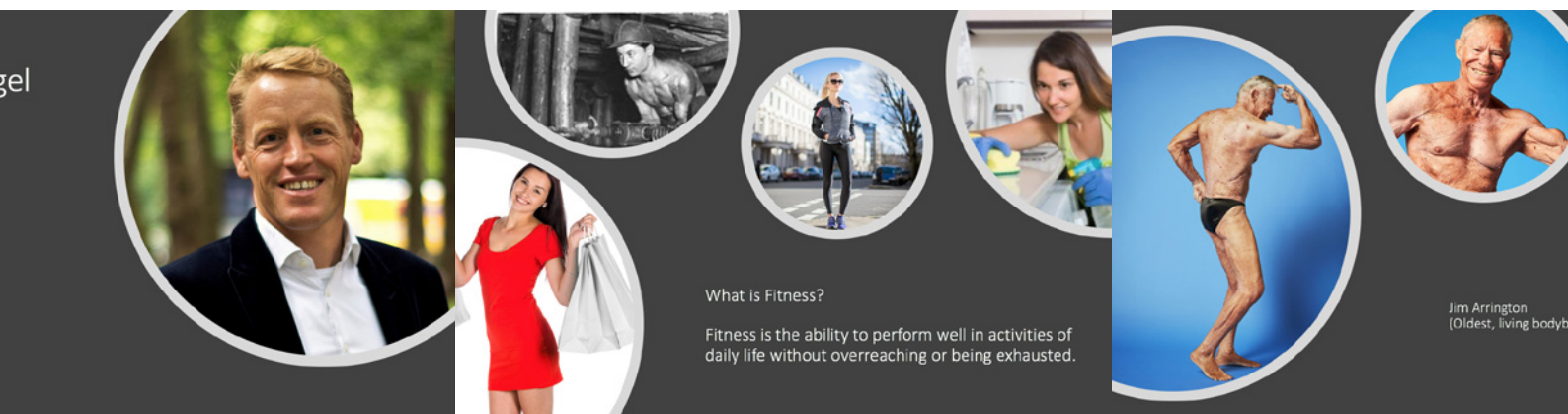
The Mirai is a completely new and innovative approach to getting people active and participating in sports and exercise. Their vision is to create fitness as a national sport, making it accessible to everyone irrespective of background, age or income. The Mirai project will see the group build a huge fitness complex, 55,000 square feet in size.



The Mirai will be bringing together brands across sports, outdoors and fitness looking to house over 100 brands in the complex. They aim to reach up to 3 million people per year, offering no membership fees and first time free entry. The objective of this centre is to get more people active - giving them the opportunity to try as many different types of sports, classes, fitness equipment and experiences all under one roof. The Mirai will have facilities ranging from children's play parks, to sports with virtual reality to their own fitness channel. There will be interactive fitness experiences, including a state-of-the-art sky running track, with heart rate monitoring and lap timing displayed on the walls whilst you run.

In addition to being a unique fitness experience, the centre will be multi purpose with the ability to hold trade shows, conferences, undertake R&D and have training facilities. The first Mirai is planned to launch at the end of 2019 in Oberhausen - in the heart of Europe and solely funded by McFit.

Our second keynote speaker, Dr Niels Nagel of DIFG, spoke of their focus to engage with more people, to be more active - more often. The aim is to get people active, to make people happier and to improve our society. The DIFG want to break down the barriers between the sports and fitness industries to encourage industry collaboration to support getting more people active.



BRANDS BREAKING BARRIERS

As part of the expert panel Peter Ottervanger, General Manager at Icebreaker talked about the future of breaking barriers for Icebreaker. Formed in 1995 Icebreaker was created by a 24-year-old Jeremy Moon. His aim was to provide garments for outdoor adventures with less reliance on petrochemical fibres, providing a more sustainable future for us - and the planet. Icebreaker are making a 10 year commitment and pricing strategy with their suppliers. This was identified as a key strategy to protect their brand DNA and also to support the farmers that are supplying them. Icebreaker are also working on a global packaging project for 2020, focusing efforts on taking a circular economy approach to their packaging. Their aim is to use materials that can be safely returned to the soil or reused and recycled in closed loops.

By 2022 they want to reward their loyal consumers that share their values to making a difference. They are committed to establishing a return and recycle product lifecycle program, for consumers wanting to return their Icebreaker products for recycling.

In addition and perhaps most radically, Icebreaker have recently launched their transparency report; which you can read here: <https://eu.icebreaker.com/en/transparency.html>. The report outlines Icebreaker's philosophy to be transparent with everything that they do, in order to encourage other companies to do so and to outline the ways in which they intend to improve as a company in the future. The report looks to give consumers clear context, in order to provide answers to the question "What if our consumers could see everything we do?". Icebreaker are clear that there is still some way to go, but this first step is revolutionary in an industry which is typically so guarded about their supply chain.



A key theme for brands speaking at NetworkB is that they all had plans and strategies wider than outside their fundamental business goals to effect change on society, improve environmental impact or support raising awareness of important issues.



The final question for the live poll session was how the other brands saw themselves breaking barriers in the future, what would be their key focus? The results were as follows:

How do you see your brand breaking barriers in the future?

Creating campaigns to affect change



Behavioural change



Creating products



Environmentally



Challenging social normalities



Lobbying to change policies



Supporting/Developing charities



Please note, polls conducted had multiple choice answers where the audience was able to select more than one option. Therefore will not add up to 100%.

Conclusion - what did we learn and what does the future have in-store for the industry?

It is not a prerequisite for a brand to break barriers. In fact, quite the opposite, if (like Pepsi) a brand throws money at a “cause” they have no genuine belief in, this can cause the opposite to the desired effect.

However, if a brand and its people genuinely care about something they, now more than ever, have the ability to use their (often large) brand platform to encourage their like-minded followers to join them in creating the change, starting a movement and empowering others to be heard. This can be a very powerful thing, not just for the brand and its sales, but for creating a positive change.

“...we have the opportunity here to step up and use our connections and followers to be the change.”

During NetworkB we discussed the topic of investment. The room was in agreement that Breaking Barriers does not comply to the rule that “those who throw the most money at a cause will create the biggest impact”. The belief here was that this is not only down to money, but here creativity almost always “trumps” money and creativity and collaboration combined are much more likely to be a winning force in this instance.

What we aimed to do with NetworkB was start the conversation about **How** and **Why** brands are Breaking Barriers, to allow our industry to pat some brands on the back and say thank you for leading the way. If our polling was anything to go by, many brands in the industry will look to join the movement and make a difference moving forwards. The key is to be completely authentic, brands have to really **Feel** what their consumers are feeling as they have the opportunity to be their voice in a world where people do not feel they are being listened to.

Whenever we talk about strategy, we always tend to bring the topic back to sales, because the desired result of most strategies that we work on is to increase sales. However, when we talk about Breaking Barriers, sales should be the afterthought, a brand should do it because they want to make a genuine difference, or they shouldn't do it at all. If a brand happens to sell a “shed-ton” of product off the back of their political statement, they should do so safe in the knowledge that their intention was always to do something positive that will lead to change, leave a legacy, make a difference in people's lives, to communities, minorities, the environment and to the world in which we all live.

As the global sports industry we have the opportunity here to step up and use our connections and followers to be the change. We have the motivation to maintain the playground in which we all participate and the desire to improve the conditions of the communities and minorities that make up our following. The movement has already started and long may it continue.

To ensure the collaborative philosophy of NetworkB is maintained throughout the year and to keep these conversations going beyond this event, we'd love to hear more about the collaborations that have happened as a result of this group or other collaborations you'd like to share with us and the industries we work across. If you missed out on this year's event and would like to be involved in our next event please contact Dan or Vicky (details below) and become part of the conversation that embodies collaboration and change in our industry.

To talk to us further about any of the topics discussed during this event, and how you might want to get involved in the future speak to vicky@brandwavemarketing.com or daniel@brandwavemarketing.com we would love to help you join the movement and be part of the change.

NetworkB is an invite only free event funded by Brandwave Marketing, as a brand we also strongly believe in breaking barriers and giving back to charity is at the core of our business values. For this event Shades of Love was our nominated charity, we asked those to attend to support the charity. We were privileged to have Jürgen Altmann, Founder of Shades of Love, in attendance to communicate the fantastic work that the charity does, which to date has been mainly self-funded as a personal passion.

To find out more about the charity and how you could support them visit: <https://shadesoflove.org/>

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