

BUSINESS & GROWTH TRENDS 2022

Ogilvy CONSULTING



INTRODUCTION



As we entered 2021, the most optimistic among us believed that Covid would be squarely in the rear-view mirror by now. Not only is it clear that we're not in the "post-Covid era," it seems increasingly that we're not even in the "pre-post-Covid era."

Now, as we enter 2022, the impact of Covid, and all it brought with it, still looms large – a global health crisis, crippled supply chains, entire industries suffering. Covid continues to be an accelerator of trends that would have taken longer to evolve otherwise.

Perhaps the most troubling of these trends is the polarization of societies. Many countries report higher levels of division today than ever before and indeed some of these divisions have been lethal. As a result, brand platitudes about us "all being in it together" are falling flat as people take sides on critical issues like vaccinations. We dive a bit deeper into this with Heather Watson who leads our Behavioral Science Practice in North America.

Meanwhile, the supply chain disruptions, which have forced many brands to consider new product positioning and DTC strategies for the first time, continue to

wreak economic havoc, and as Clare Brody - Global Consulting Director - observes, lofty brand promises won't count for much if customers can't get their hands on your products.

Speaking of walking the talk, the days of broad pronouncements on sustainability commitments are coming to a close, note Consultants Gemma Bardsley and Jamie Hamill of our Sustainability Practice, as more companies respond to public and regulatory pressure to implement strategies on the local level – where they actually can make a measurable difference.

Will the lasting impact of Covid turn us all virtual once and for all? The companies and investors pouring billions into the Metaverse think so. Is it the realization of "Ready Player One", or just another Second Life for brands in ruins on the horizon? Either way, Marina Lindsay-Brown of our Growth Insights, Trends & Futuring Practice suggests, says the next phase of the online world will have irreversible impact on every aspect of life as we know it and brands will dismiss it at their peril.

Laurie Close, a Consulting Director in the UK & Cesar Holguin, Chief Strategy Officer, Mexico challenge whether the

great resignation will turn out to be fact or fiction. But what's undeniable is more and more millennials, and soon Gen Z'ers, will be changing the workforce at all levels, and we observe that most companies are not well equipped to attract or retain them. While more organizations will look outside themselves to better understand employee drivers, we will see more taking an Adaptive Business approach to reshaping their organizations and business operations. This will be especially pronounced in the B2B space, as Global Consulting Partner Michael Lombardi observes while sharing some of the key business growth opportunities that can be surfaced through adaption.

We predict a lot of change to come in 2022, but we hope to illustrate key actions brands can take to move forward successfully in these uncertain times. We hope to provide some clarity on how to navigate these new realities.

We're here to help and would love to hear from you.

Happy 2022 – Stay safe and be well.

The Ogilvy Consulting Team



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Trend

**THE FUTURE IS
(ALMOST) NOW:
GET READY TO
MEET YOUR
DIGITAL TWIN**



Teeming with cryptocurrency, NFTs, avatars, and entire immersive worlds, the metaverse is both misunderstood and overhyped. Here's what you need to know.



By MARINA
LINDSAY-
BROWN

Don't feel bashful if you don't yet have a solid working definition of the metaverse. In November, *Wired* magazine needed more than 2,000 words to explain the borderless new digital realm for its tech-savvy readers. The takeaway? The metaverse is no one single thing, but rather an array of virtual experiences, environments and assets, from non-fungible tokens to cryptocurrency, digital avatars to immersive AR/VR worlds.

Also:

It's coming at us. Fast.

New technologies will continue to redefine the metaverse in the years ahead, but it's already emerging as a digital layer atop everyday life—a digital twin of the physical world. To help quantify its impact—and highlight the myriad ways it might bolster brand and business growth—we've distilled this trend into three fresh insights.

1. New virtual worlds create fertile space for subcultures and niche communities. If the physical world has eroded subcultures—thanks to globally homogenized trends across music, fashion, interiors and food—then the metaverse nurtures diverse interests and behaviors. This in turn provides brands with richer segments and

narrower targeting opportunities. (It's not without its dangers, though, as internet subcultures like incels show.)

2. An unregulated metaverse poses privacy concerns. If personal data is the exhaust fume of life, your metaversal twin will significantly increase the volume and richness of those emissions. Brands must enter with thoughtful ethical positions, and be ready to work with “owners” of virtual worlds (e.g. Decentraland) to make experiences safe. Roblox is leading the way with age verification for spatial voice features.
3. Remember hearing decades ago that the Web would be an open system? Big Tech may have walled off their gardens, controlling operations and consumers in closed ecosystems, but the metaverse presents fresh opportunities to create interoperable virtual worlds where avatars move seamlessly between dimensions. This could create a significantly more distributed power base, unsettling FAANG/BAT and impacting brands' technology and media partnerships.

by *the numbers*



\$800 billion

Estimated total market size of the metaverse by 2024

(Bloomberg)

\$4,115

Amount a Gucci bag sold for in Roblox's Gucci Garden. The same bag IRL cost \$3,400

(Hypebeast)

45,000,000

Number of people (as their avatars) who attended Travis Scott's virtual concert in Fortnite

(Guardian)

What TO DO NEXT



1

LEARN FROM THE PAST

The metaverse will soon present a limitless, multi-sensory interface for new products, services and experiences. This will require new segmentations, go-to-market models and innovation—but brands must learn from early metaversal experiments and ensure that forays into the metaverse are linked to customer need states and brand promises.

2

OPEN YOUR DIGITAL WALLET

Crypto will become a common form of payment for goods and services, and that behavior will bleed into the physical world. Brands will need to pivot to accept new forms of payment, working closely with crypto experts to create checks and balances.

3

DON'T GO IT ALONE

The metaverse is a complicated place. You'll want a range of expert guides—think technologists, content creators, media experts, and experience strategists—to navigate this new world. They'll also help you stay abreast of emerging hardware (headsets, glasses, implants) that enables metaversal experiences.

Trend

**CONSUMERS
WILL NEED TO
TOUCH IT TO
BELIEVE IT**



In 2022, reliability has never been sexier.

By CLARE BRODY

If you're running a business, it's hardly front-page news that the global supply chain is a hot mess. Covid toppled the first in a line of dominoes stretching around the planet, the last one landing with a thunk on an empty shelf somewhere in Milwaukee. Outbreaks, labor issues, and uneven demand have effectively tied the supply chain into a knot.

And now, after nearly two years of being told to wait and keep waiting, consumers are fed up. Companies have tried to maintain their loyalty by offering transparency, with website banners announcing longer delivery times. But just when things began to improve—and products started reappearing on shelves—they started breaking bad again. Since the end of 2020, the index of global supply chain disruptions has been on a steady rise for the Eurozone and US.

Companies and brands looking to grow even during times of adversity need to abandon the normal course of business and go over, under, and around. In other words, follow the lead of creative consumers. Faced with toilet-paper shortages in March 2020, Americans turned to an unlikely (at least for Americans) solution: the bidet. At the peak of the shortage, TUSHY, a

company selling bidet attachments for toilets, reported a ten-fold increase in sales.

No replacements for normal stock? Get crafty. Baking equipment experienced a boom at the beginning of the pandemic, trumpeting the start of a larger DIY revolution. Sales for baking cookbooks rose by 42% from October 2020 to October 2021. And when consumers aren't learning to do new things themselves, they're leaning into the craftiness of others, shopping small in peer-to-peer marketplaces like Etsy. Investors seem to believe it will last, if Etsy's strong stock performance is any indication.

Nimble businesses can generate the same buzz and impact on their bottom lines—by meeting crafty customers halfway and positioning themselves at the intersection of need and supply.

by the numbers



\$9.6 billion

Daily cost to global trade for the 6 days the cargo ship Ever Given was trapped blocking the Suez Canal

(BBC)

659

Increase in cost, by percentage, of shipping containers from Shanghai to Rotterdam from August 2020 to August 2021—the biggest jump ever on Drewry Shipping's World Container Index

(CNN)

10.5 to 13.5:

Estimated growth in retail sales, by percentage, in 2021

(NRF)

What TO DO NEXT



CHECK IN WITH YOUR PEOPLE

The supply chain is made up of ships and containers—but it's also a system that relies on living, breathing humans to work together. Companies should listen to their workforce and support it. The pandemic has evolved rather than ended, and emergency operating conditions were never meant to be permanent.

DON'T MAKE THINGS WORSE

If you're experiencing supply issues, avoid enhancing consumer frustrations with delayed delivery times and out-of-stock messaging simply to remain relevant. You'll only destroy brand loyalty. Find other ways to promote growth and engage with consumers that maintain your customer relationships.

TRANSFORM YOUR BUSINESS

Consider a more distributed and localized business model. The more diverse your commerce touchpoints, the more resilient you'll be to future disruption.

Trend

THE GREAT POLARIZATION



Even in a borderless business world, people are increasingly building walls around their own beliefs.

Your message needs to cross territories.

By HEATHER WATSON

Sixty percent of people say their countries are now more divided

The pandemic altered much of the world, but here's one thing it didn't change: anyone's mind. Walled in for health reasons, people bunkered down in their minds as well, hardening their opinions and preconceived views. In fact, researchers have found that the virus has intensified brewing societal conflicts, pushing many

folks from moderate positions to more extreme ones. Sixty percent of people say their countries are now more divided; in the U.S., that number rises to 88%. Even certain gestures (like face-mask wearing) became unexpected triggers.

Call it the Great Polarization.

Why is this so? The real life-or-death consequences of the virus heightened what behavioral scientists refer to as in-group-out-group bias. Both online and in person, humans sort ourselves into categories—by hometown, by race, even by eye color—and strongly prefer their own group. When we feel threatened, as in pandemics, this bias kicks into overdrive. People accept

messages from their group as true, while messages from opposing groups become threatening.

How does this apply to brands and businesses looking to grow and innovate? For starters, they must be more calculated than ever in their messaging. Even some uplifting brand communications have clanked amid the tumult. A few well-meaning brands widely advertised variations of “we're in it together,” which fell flat for a group of people that doesn't share that worldview. For those with an individual-hierarchical orientation, we're certainly not “in it together”—because they see policies intended to promote safety for the group as threatening individual liberty.

The good news is that businesses can still have a powerful impact both on sales and on society. A one-size-fits-all approach has vast limitations in a such a divided environment—but brands can use more tailored approaches to influence choices that carry social and moral implications: electric-vehicle purchases, food options (meat vs. plants), sustainability choices, and vaccine compliance. It's all about knowing your audience.

by *the numbers*



59

Percentage of Americans who say people can't agree on basic facts, second only to France (61%).



9
in
10

U.S. adults who report conflicts between people who support different political parties. In other countries, this perception hovers around 50% (overall median of 17 nations).

58

Percentage of Americans who say they have at least some trust in the media (the smallest share over the past five years the question was asked).

(Pew Research)

What TO DO NEXT



1

NUANCE IS EVERYTHING

As product choices become powerful social statements for or against certain values and beliefs, brands face a heightened imperative to create nuanced messaging that will “speak the language” of their deeply divided audiences.

2

TAKE A LOOK AT WORLDVIEW

Our framework for worldview comes from the research of anthropologist Mary Douglas and the Yale Cultural Cognition Project, where individuals’ beliefs can be plotted between two moral orientations: hierarchy-egalitarian and individual-communitarian. Your message will have more impact the more you frame it to each group’s ideals.

3

POP YOUR BUBBLE

It’s both easy and expedient to assume you are like your customer (false consensus effect)—but the reality is you are (more than likely) not. Do primary research and get to know your customer groups. They’re different today than they were even a year ago. Put forth extra effort, and they will reward you with deeper engagement.

Trend

FORGET “TOP-DOWN” AND “BOTTOM-UP” –

THE WAR FOR TALENT WILL BE WON

“OUTSIDE-IN”



Companies that will win the talent war will look outside

their organizations to grasp what talent wants and needs.

By LAURIE
CLOSE, PAUL
ENGLISH &
CESAR HOLGUIN

In 2021, the world celebrated the 40th anniversary of the release of the film “Take This Job and Shove It.” The movie is a cathartic and lighthearted look at an employment situation gone deeply wrong, but for businesses facing a stunning exodus of workers, the iconic title is likely to inspire nothing more than a cringe. As the world enters the pre-post-Covid era, one of the most significant and impactful changes has been the workforce talent drain—aka the Great Resignation.

This once-in-a-generation surge of self-administered pink slips has made employers desperate to hire—and retain the workers they have. But some of the crisis is a function of selectivity: Employment figures show that the talent pool has actually increased, and that companies with attractive employer brands are hiring more than ever. The resignation movement seems to be strongest within the US and UK, but it’s unclear whether it’s being driven by millennials, or by Boomers leaving to live their best life.

The full impact of the Great Resignation is yet to be understood—but what’s certain is that workers have voted with their feet, and let companies know they’re expecting something quite different from their employers.

In most cases, that means changes in company culture. In the past, such change has been driven from top down—that is, from the C-suite—or was the result of a bottom-up, grassroots push. The answer for today’s brands seeking growth? Neither. Today, cultural change must be driven from the outside in.

To succeed in the talent war, companies must reduce their navel-gazing and look outside their organizations for a more complete and nuanced understanding of what today’s emerging talent wants and needs. And then they will prioritize steps to meet those needs in ways they might not have considered even a year ago. Arrive at the intersection of desirable culture and high self-awareness, and your brand will be loaded for success.



by *the numbers*

41 Percent of workers across the globe considering leaving their jobs.
(WeForum.org)

77 Percent of millennials looking to change roles within the next year.
(Metro.co.uk)

51 Percent of workers who place work-life balance at the top of their list of priorities. Career advancement opportunities were second, at 43%.
(IBM Business Value Report)

What TO DO NEXT



1

FORGET WHAT YOU THINK YOU KNOW ABOUT EMPLOYEE CULTURE

Sure, workers want their employers to express gratitude, praise their work, and enable healthy work cultures. They also want more flexibility than ever—but every organization is unique and must be treated as such. It is important to set out on your own path to discover your talent’s needs and wants.

2

FOSTER THE RIGHT CULTURE

With a deep understanding of your talent in hand, seek to nurture a greater sense of trust by enabling your top talent to fulfill their professional responsibilities in a manner that closely aligns with their personal values and embedded life interests. Once that trust is in place, an unbreakable culture will follow. And when the organizational culture is right, employee performance and loyalty will soar.

3

BUILD YOUR BRAND—AS AN EMPLOYER

Companies will continue to grapple with the talent war for years to come, so your brand needs to remain attractive. The best way to do this is to display your organizational culture across every touchpoint. A strong and appealing culture and employer brand is a critical differentiator in recruiting, retaining, engaging, and competing for top talent.

Trend

**DISRUPTED BUT
NOT DEFEATED:**

THE RISE
OF A NEW
GENERATION OF
B2B LEADERS



B2B people are used to challenges,

from powering cities and economies to transporting food to tables. It's in their DNA. Hard has never meant impossible.

By MICHAEL LOMBARDI

Still, the last two orbits around the sun have been extraordinary in the hurdles and the tectonic shifts the industry has seen. Customer expectations have changed; supplier dynamics have remained in constant flux across a borderless supply chain; traditional sales organizations have become immersed in a move to virtual engagement. The unexpected has become the only reasonable expectation—and with pandemic-related complications piling on, the quantity of revolutionary change has jolted even the most hardened B2B leaders.

What does this mean for the year ahead in 2022? A whole lot of adaptation is what. And B2B may help show the way forward for everyone else through a concept called “Adaptive Business.”

Adaptive Businesses are customer-centric companies that succeed through adversity—not despite it—by pivoting quickly and confidently and innovating in new landscapes. Having endured the last two years of upheaval, B2B leaders will begin reshaping their organizations around the qualities of the Adaptive Business. These companies will demonstrate

an outside ability to find growth and opportunity.

The good news is this need not be an exclusive club. Adaptive Business and leaders can be built. In 2022, we see four critical strategies they'll harness to drive business growth:

1. They'll challenge the traditional norms of how relationships and trust are built, mastering the complexities of hybrid customer relationships across virtual and in-person environments.
2. They'll build networked ecosystems designed for continuous growth, from traditional routes to market to unconventional direct-to-consumer, e-commerce, or “frenemy” partnerships.
3. They'll create more meaningful customer interactions with innovations created through next-gen technology.
4. They'll champion social and environmental change through active and influential planet- and social-forward actions.

by the numbers



1ⁱⁿ
3

Number of B2B leaders who saw the speed of decision-making and access to people increase through digital selling, suggesting they must better leverage virtual environments.

80

Percentage of B2B sellers who will see traditional inside-sellers qualities, such as demonstrating deep knowledge of the customer's organization, as increasingly important.

75

Percentage of B2B leaders who believe in the value of strategic relationships and collaboration between parties over transactional vendor relationships.

(WPP Proprietary Research)

What TO DO NEXT



1

RE-THINK MARKETING

Marketers should play a key role in Adaptive Businesses. They can do this by shifting from static communications to more engaging virtual experiences and by serving as strategic internal partners who provide account-level insights back to sales, product, and other organizations. As buyer needs and interests change, so must content and experience. Marketing must be ready to adapt by continuously learning how buyers want to engage.

2

MAKE YOUR BUSINESS HYBRID

From products and services to customer interactions, every part of the Adaptive Business is re-evaluated and categorized as physical, virtual, or hybrid. Can your services be delivered virtually? Can you provide self-service online tools? Do your virtualization efforts build trust and advocacy as well or better than in-person experiences? Where should you avoid going virtual, either because of a loss of a customer connection or your ability to provide your offering? Evaluate all of these questions and act accordingly.

3

INCUBATE INNOVATION

Tomorrow's advantage won't be built by purchasing out-of-the-box technology. As with other transformations, the biggest innovations are creative and first to market. Adaptive Businesses should be able to seize these innovations through effort, not luck. Doing so requires an incubation environment centered on solving a core customer challenge while still being free to embrace risk environment.

Trend

**SHOW,
DON'T TELL:**
THE NEW
REALITY OF
SUSTAINABILITY



As supply chain standards improve, sustainability claims will become the norm.

Brands must be smarter on messaging—and find ways to help the public become sustainable by default.

By GEMMA
BARDSLEY,
JAMIE HAMILL

Back when dinosaurs roamed the earth a decade or so ago, greenwashing was a viable business practice. Slap an earnest sounding but ambiguously worded decal on a label, and brands could plausibly claim to be keeping an eye on sustainability. Fortunately for the planet, and for consumers who don't like being duped, those days are officially over.

Investors and regulators are now scrutinizing brands' threshold of compliance to sustainability claims. The palace guard is no longer asleep, which means that claims must be verifiable in addition to sounding good. At the same time, the sunk costs required to make supply chains more sustainable will be less easy to claim back through sustainability equity alone. Brands must find new ways to connect with customers on their sensitivity to the health of the planet, while at the same time helping them become more sustainable in their day-to-day lives.

The stakes are indisputably high:

- **74%** of global institutional investors revise investments if a company does not consider environmental, social, and governance (ESG) criteria within their business model.

- **COP26** leaders asked nations to consider, formulate, and publish updated Nationally Determined Contributions (NDCs) to the Paris Agreement for 2030 by the time COP27 begins next year. This new “ratcheting mechanism” will enable the public and other nations to call out the slow movers on climate action.
- **92%** of people say they want to live a sustainable lifestyle, but only 16% are actively changing their behaviors. Sustainable experiences can also help solve this intention/action gap while helping brands grow.

As attention on sustainability matters intensifies, conversation around business efforts will morph from a unique selling proposition to business as usual. That means brands will need to integrate sustainability efforts into their entire customer experience. Creating sustainable experiences will help brands adopt solutions into the full brand lifecycle, helping customers become sustainable by default.

by *the numbers*



76

Percentage of Americans who expect companies to take action against climate change.

(Cone Communications' corporate social responsibility study)

100

Percentage of the top 100 companies in Japan and Mexico that report on sustainability.

(KPMG Survey of Sustainability Reporting 2020)

\$26
trillion

Economic benefit that businesses could realize taking action on climate change in combination with governments and other stakeholders.

(New Climate Economy)



What TO DO NEXT

1 LOOK WITHIN

Understand where your business is on its own sustainability journey. Carry out an audit to understand your current strategy, which should involve mapping all of your commitments and pain points alongside the macro landscape.

2 BUILD A PLAN

Use your audit findings to develop your organization's sustainability ambition, then align this to your customer needs through cognitive profiling.

3 BRING IT TO LIFE

Map your customer-experience journey online with your sustainability ambition to identify how you can create a sustainable experience from the value chain through to point of sale and beyond.

About Ogilvy Consulting

Ogilvy Consulting is the strategy, innovation, and business insights arm of The Ogilvy Group. An enterprise-wide offer, we provide advisory services across Business Growth & Innovation Strategy, Business Transformation, Corporate Brand & Marketing Innovation, Sustainability, Behavioral Science and Growth Insights, Trends & Futuring.

We are a global network and bring agile and diverse teams of analysts, strategists, and consultants together at the intersection of brand, growth, innovation, and transformation. We are positioned as the strategic advisors to the C-Suite on all aspects of brand, marketing, and business

growth.

We also work closely with teams and businesses across Ogilvy including Advertising, Brand and Communications, Public Relations, Experience and Health. Our global team works across all sectors and categories including healthcare, technology, financial services, manufacturing, automotive, retail, and many more.

For more information please visit us at:

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