

Launch Marketing Report.

The Consumer's Perspective.

fivebyfive

Launch Loud and Clear

Foreword.

In our 2018 report, the most memorable, and concerning, insight is that **61% of consumers can't recall a launch in the last 12 months.**¹ All of that investment of time and resources that goes into a launch, and yet nearly two thirds are entirely forgettable. As launch specialists, we felt this needed further investigation. To give clients the best advice, we're on a continuous mission to identify the key drivers behind a successful launch.

Our report interrogated some of the world's top marketers to give us clear insight from a brand perspective as to why launches fail. **In this report, we're turning the spotlight on the consumer.**

We commissioned an independent piece of quantitative research that surveyed 1,070 UK consumers via the Toluna UK Panel in October 2017. In this report you will find important insights into how different generations engage with launches across industry sectors. It highlights the obstacles brands face in breaking through and proposes several key strategies to overcome these challenges.

Launching anything today is tough. But the things that excite consumers about launches are inherently human, they don't change. We love 'new', but with so much out there, making something feel authentically new that fulfills a genuine need is challenging.

At Five by Five, we believe that with these challenges comes an even bigger opportunity. Consumers crave novelty, content and new experiences like never before. We hope that this report will help you deliver these for your launch in 2018.



A handwritten signature in black ink that reads "Nick Lawton".

Nick Lawton, MD Five by Five

- 01 Launch awareness.**
- 02 Attitudes and behaviours towards launches.**
- 03 Interest in launches.**
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01

Launch awareness.

61%
of UK consumers
are not aware of
any new launches
in the last 12
months.

Brands need to do more to put their launches on the consumer's radar.

61% of UK consumers are not aware of any new launches in the last 12 months. This supports findings in an earlier study that 40% of new product launches fail² and points to a lack of awareness amongst consumers as a contributing factor. When asked to recall recent product launches, the new Apple iPhone came out as the top answer, followed by automotive launches such as Tesla. Technology was considered to be the category that delivers the most memorable launches (34%) with movies coming second (16%). The least memorable launches come from the leisure and healthcare category with days out/experiences (2%), travel (3%) and healthcare (3%) ranking the lowest.

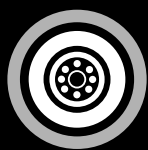
Which industry stands out as being able to deliver the most memorable launches?



34%
Technology



16%
Movies



8%
Automotive



7%
Food & Drink



7%
TV



6%
Gaming



5%
Music



4%
Cosmetics &
Personal Care



4%
Fashion



3%
Healthcare



3%
Travel



2%
Days Out &
Experiences

Launch awareness declines with age.

iGen consumers are the most attuned to new product or service launches, with over half (52% vs. 39% average) stating they were aware of a new launch in the last 12 months.

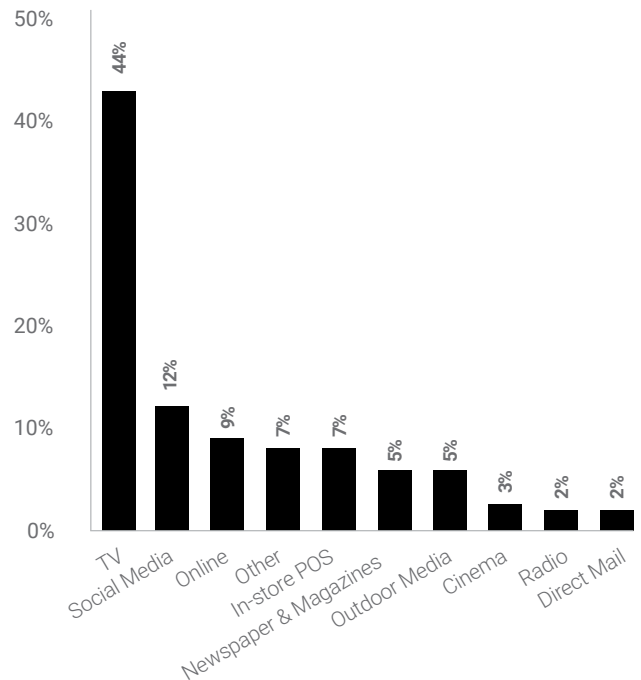
Launches that resonated with this audience included tech, gaming, cars and personal care ranges. Nearly half of Millennials (49%) and 44% of GenX consumers were also aware of new launches, citing technology, FMCG and food brands as standout launch examples. However, new launch awareness slipped to 26% and 25% respectively for Baby Boomers and Traditionalists, suggesting these older audiences are more resistant to new launch messaging.

When it comes to driving awareness for launch, TV is alive and kicking.

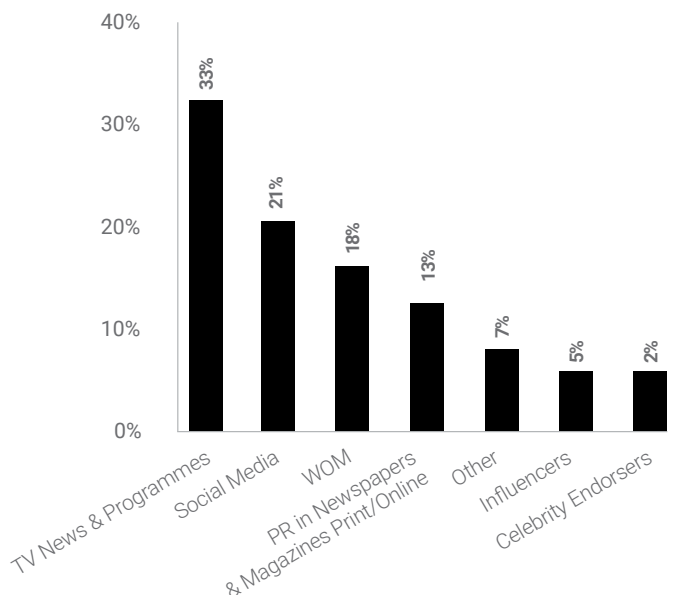
TV is still hugely influential in driving new launch awareness. It tops the channel list with 44% of consumers noticing new launches advertised on TV and 33% seeing new launches being discussed on the news or other TV programmes. Perhaps this is unsurprising. Despite years of technological disruption from new video services, standard average daily TV viewing has only dropped by 4 minutes a day.³ Other studies show that TV viewing amongst Millennial audiences increases as they become parents,⁴ while cult TV favourites, such as ITV2's Love Island, are bucking TV viewing trends for iGen audiences.⁵ Despite this, our findings from a previous study revealed that marketers increasingly prioritise social media over TV as a preferred launch channel.⁶ With TV alive and kicking, maybe it's time to review media channel priorities.

TV is the lead awareness-driving advertising channel for nearly all generations, including Millennials. iGen audiences are the only exception to the rule, with social media advertising playing a greater role in driving launch awareness than TV (30% social media vs. 23% TV). The importance of TV increases with age. Baby Boomers are markedly more likely to notice new launches advertised on TV (53% vs. 44% average) and new launches being discussed on the news or TV programmes (40% vs. 33% average).

Where have you noticed new launches being advertised the most?



Where have you noticed new launches being talked about the most?



3. ThinkBox/BARB 2006-2016 | 4. ThinkBox/TGI Touchpoints 2016 | 5. Campaign Live, Love Island Success Boosts Younger Audiences for ITV, July 2017 | 6. 2017 Launch Marketing Report, Five by Five

Meaningful brand engagement trumps blanket advertising in driving awareness.

There's greater awareness of new launches when consumers are engaged with or follow brands (45% awareness vs. 39% average) or when teaser campaigns build excitement (48% vs. 39% average). In contrast, and contrary to perceived wisdom, when consumers feel that campaigns are 'Everywhere', their awareness of new product launches is actually lower (30% awareness vs. 39% average). Deeper brand engagement and affiliation is a stronger awareness driver than mass broadcast wallpapering.

Consumers become more aware of new product and service launches when they're in-market.

22% of consumers are more aware of a new product or service launch when they have a need for that type of product or service. This is all the more important for older age groups who are less influenced by word-of-mouth relating to new products or services. 27% of Baby Boomers and 29% of Traditionalists agree that they're more aware of new launches when they have a need for the product or service (vs. 22% average), while only 13% become aware of the new launch when others discuss it (vs. 18% average and 23% iGen).

Social media drives awareness and consideration amongst prospects who aren't in-market.

For those who notice launches being discussed on social media, 'Perceived Need' ranks as a lower priority in delivering campaign standout than for those who notice new launches discussed on TV (12% vs. 38%). This suggests that social media can be an effective tool to drive awareness and consideration for prospects who aren't actively in-market.

Healthcare launches fail to deliver standout.

Those on the lookout for healthcare launches have the lowest level of launch awareness (24% vs. 39% average), suggesting that healthcare brands are failing to deliver standout, even for warm prospects. Conversely those on the lookout for technology launches are much more attuned to new product launches, exhibiting the highest awareness levels (57% vs. 39% average).

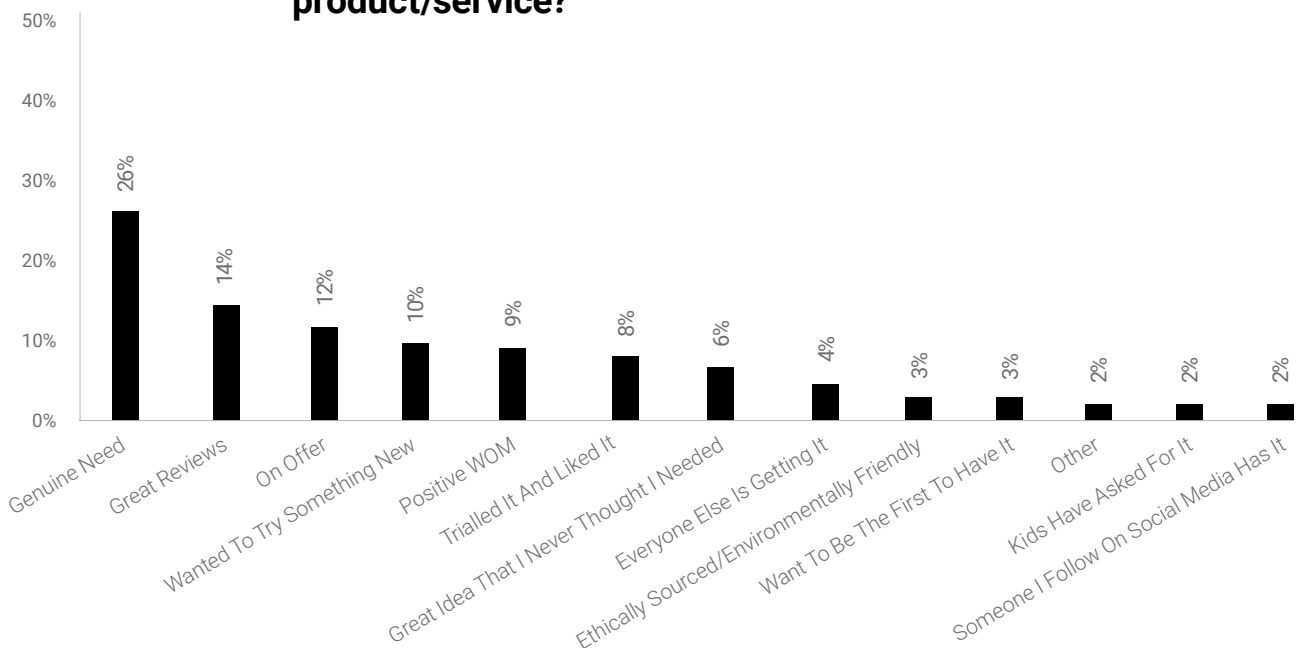
02

**Attitudes
and
behaviours
towards
launches.**

Creating or tapping into the consumer's need for a product should be prioritised above all else.

'Need' came out top as the most influential factor on purchase by a significant margin (26%), followed by 'Great Reviews' (14%) and 'Promotional Offers' (12%). The only exception was for Millennials who are more influenced by 'Great Reviews' (18%) than a genuine 'Need' for a product (16%). The purchase decisions of younger generations are more heavily influenced by emotional factors with iGen more likely to buy a new product or service if 'Everyone Else Is Getting It' (12%) and are motivated by 'Being The First To Have It' (9%). In addition to 'Great Reviews', Millennials are driven by the desire to 'Try Something New' (14%). Baby Boomers and Traditionalists are much more rational in their purchase decisions and are primarily driven by 'Need' (36% and 35% vs. 22% average) and getting a good deal through discounting or added value offered through promotions (11% and 14%).

What is the biggest influencing factor when you are considering the purchase of a new product/service?



78%
of Millennials say that reading product reviews is 'Extremely Important' or 'Important'.

Millennials associate launches with innovation.

Millennial audiences instinctively associate new product or new service launches with innovation. They have high expectations from brands, anticipating something 'new', 'fresh', 'innovative' and 'exciting'.

Launch cynicism increases with age.

Raised in an era of mass marketing, Baby Boomers and Traditionalists are sceptical when it comes to new product or service launches. They're wary of brands 'pushing' products or repackaging existing products under new guises to entice unassuming consumers. A lack of 'Perceived Need' actively puts Baby Boomers and Traditionalists off new product or service launches (28% and 28% vs. 20% average).

Millennials seek proof and reassurance.

When it comes to new product or service launches, Millennials have high expectations from brands. With that in mind, they value peer and professional reviews before taking the purchase plunge. 76% of Millennials say that reading product reviews is 'Extremely Important' or 'Important' (vs. 67% average). Second to 'Perceived Need', Great Reviews' are key in influencing purchasing decisions (18% vs. 14% average) and they're more likely to share good reviews on social media (22% vs. 17% average).

When consumers feel advertising is 'Everywhere', they worry more about price.

Perceived ubiquity can have a damaging effect on value perception. Those who feel that the advertising is 'Everywhere They Look' and/or 'Everyone Is Talking About It' are more likely to be deterred from new product or service launches due to high price perception (34% vs. 29% average).

03

**Interest
in launches.**

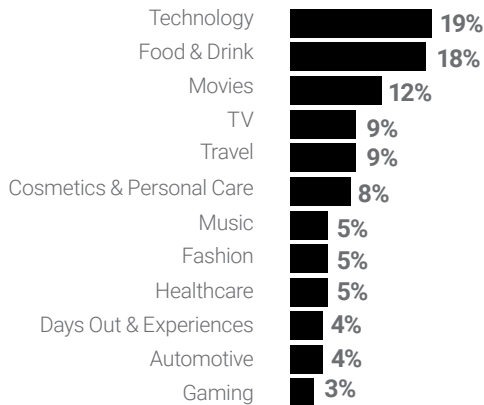
Launch interest shifts with changing life stage priorities.

iGen audiences are over twice as likely to look out for cosmetics and personal care launches (20% vs. 8% average) and four times as likely to be on the lookout for gaming launches (12% vs. 3% average). Respondents with children in the home are more likely to look out for gaming launches (53% vs. 47% with no children), reflecting purchase consideration for both the individual and their offspring. With fewer time and financial restrictions, those without children are more likely to look out for travel launches (80% vs. 20% with children) and automotive launches (79%).

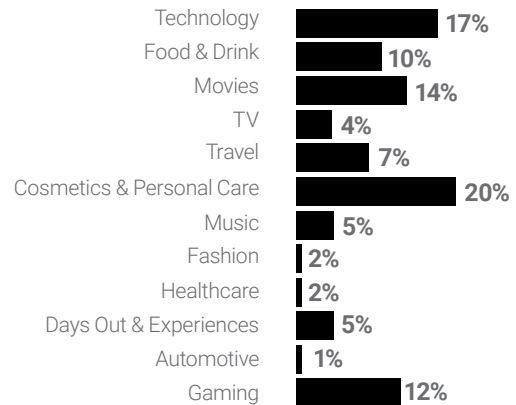
As audiences age, priorities shift. Traditionalists value food and drink launches more so than younger generations (25% vs. 18% average). They are also more likely to look out for travel launches (14% vs. 9% average) and automotive launches (7% vs. 4%). The latter two sectors may well reflect Traditionalist empty nesters' higher levels of disposable income, making them attractive prospects for larger ticket purchases.

Which type of launch are you most likely to be on the lookout for?

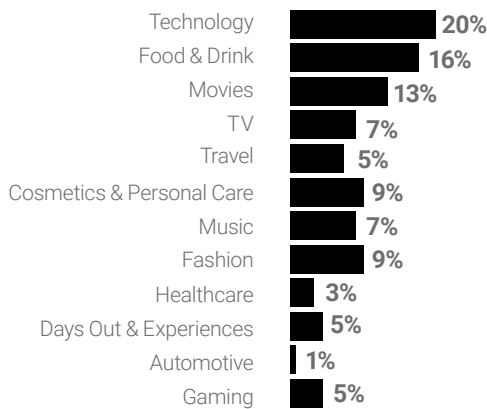
National Average



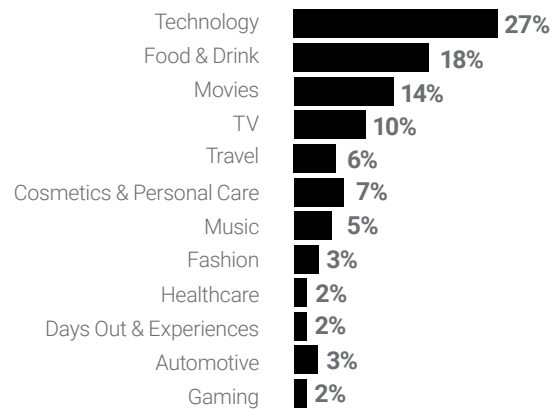
iGen



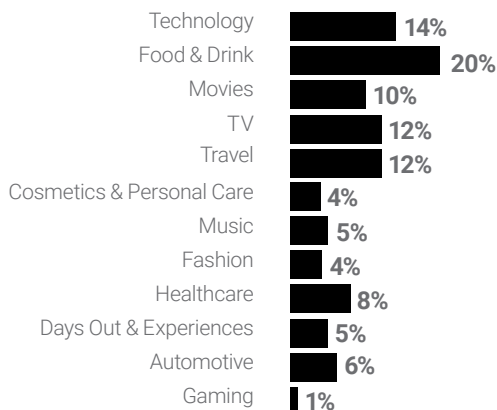
Millennials



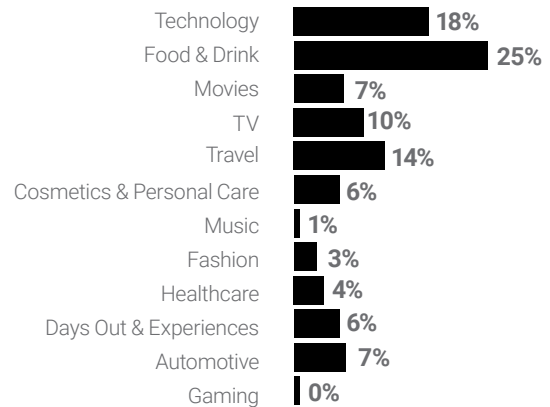
GenX



Baby Boomers



Traditionalists



Men and women look out for different launch types.

Food and drink launches are nearly twice as important for women as they are for men, with 23% looking out for new foodstuffs (vs. 12% men). Conversely, men are over twice as likely to look out for technology launches (28% vs. 12% women). Despite this, women rank technology launches as the most memorable (37% vs. 9% food and drink). This is a testament to leading technology brands' capacity to stand out and achieve front-of-mind awareness, even for audiences who aren't in-market, while food and drinks brands need to up their launch marketing game.

Technology launches drive the strongest intrigue.

34% of consumers agree that technology brands deliver the most memorable or standout launches, outstripping all other sectors, including movies (16%) and automotive (8%). Technology launches stand out in large part because they drive talkability — the fact that everyone is talking about them makes them all the more memorable (46% vs. 34% average).

Automotive launches are delivering cut through.

While automotive launches are amongst the least sought-after by consumers (4%), the industry is able to deliver standout through their launch marketing efforts with this type of launch cited as the third most memorable (8%).

04

**What
makes for a
successful
launch?**

Celebrities and influencers are failing to create standout and buzz.

Whilst the popularity of using influencers and celebrities to launch a new product or service is on the up, marketers aren't yet making this strategy work to their advantage. Only 5% of consumers have noticed a new launch being talked about by celebrities and influencers. This type of activity is failing to generate the talkability and word-of-mouth required to get a launch noticed. The exceptions are the younger generations who do take note of launches celebrities and influencers are supporting. 18% of iGens and 13% of Millennials have noticed launches being talked about by these people versus the 5% average. When asked what makes a launch stand out most, only 3% believed celebrity endorsement does this effectively, ranking as the lowest factor for creating standout. All generations were in agreement with this which suggests consumers question the authenticity of this type of activity.

Successful launches need to foster FOMO for younger audiences.

iGen audiences expect brands to excite the senses and drive intrigue around new product or service launches. Standout launches for young consumers are those that get everyone talking about it (23% vs. 18% average), with 42% noticing new launches mentioned in their social media feeds (vs. 21% average). Brands can exploit this opportunity by instilling FOMO – a fear of missing out. This audience is over twice as likely to make a purchase if it feels that everyone else is getting in on the action (12% vs. 5% average).

Ethics and environmental concerns aren't deal breakers.

51% of consumers said that a new product or service that's ethically sourced and/or environmentally friendly is a 'nice to have' but not essential in influencing purchase decisions. 25% said that it doesn't influence purchase decisions at all. iGen audiences are amongst the most ethical shoppers, with a third claiming that they always consider ethical/environmental provenance before making a purchase (33% vs. 24% average).

78%

have never shared information about a launch either online or on mobile.

Consumers seek value exchange when sharing branded launch content.

Consumers aren't currently being motivated enough to share information about launches. 78% have never shared information about a launch either online or on mobile, such as an offer, a review, an article or video. When asked what would encourage consumers to share this kind of information about a new product or service, findings show that consumers seek value exchange in return for their efforts — either financial or informative. 25% of consumers would share branded content or information about the new product or service launch, in return for a promotional offer. 23% would share branded content if they felt it met a friend or family member's needs.

Recommendations.

1. Find your 'Newness'.

If 61% of people don't recall a launch, it's not because they don't like new things or because nothing's being launched, it's because they're not recognising it as anything new. Humans are hardwired to look for familiarity and patterns, anything new disrupts that and gets our attention.

It's an instinct that helped us survive in a world full of faster, stronger predators. Brands have to work hard to articulate how their product is new. It's no surprise that the launches that people do recall are from innovators like Apple, Tesla and Dyson, that's because their products often have something new baked into them, the newness is easier to spot. But newness doesn't have to come from the product. Newness can go beyond the traditional marketing USP.

Newness can come from anywhere - disruptive marketing, innovative pricing, unexpected audience targeting. But, while newness will get attention, it must be in the context of a genuine need to drive action as the research shows that 'Need' is the most influential factor on purchase.

2. Learn from the best.

Marketers need to deliver a much greater level of standout by looking outside their industry for best practice. Consumers are enthusiastic about food and drink launches and yet recall is low. Tech and entertainment companies in particular have nailed how to build excitement around their launches. Brands like Apple, Amazon and Dyson routinely stand out. "But we're not Apple/Amazon/Dyson" is the common refrain. And that's true, but you can learn from their techniques. Often these brands aren't launching something brand new, they're just experts at injecting Newness into the launch. It's about better communication.

3. When people think 'advertising' they still think TV.

When it comes to communication channels, TV is thriving. It is cited as the main channel for driving awareness amongst all but the youngest audiences, where social media takes on a more significant role. However, there is a health warning attached to this. Consumers of all generations are now more advertising-savvy than ever before, making success more difficult to achieve.

Spending big on broadcast advertising won't necessarily guarantee results. It might seem obvious but the volume of brands with ads in 2017 that failed to cut through is incredible. There's no doubt that TV gives you the biggest stage and the brightest spotlight, but if you're not doing something new, you could be wasting money on a grand scale.

4. Make it as much about you as the product.

With only 7% of consumers noticing any launch promotion and only 3% believing celebrity endorsements, our research finds that higher awareness can be generated by brand authenticity. But what do we mean by that? Authenticity is a word that's thrown around a lot these days. Essentially it means people identify as much with who you are and why you do it as what you sell. This is also a great way of generating newness.

Our research shows that older generations are skeptical of the big sales pitch, we believe that this is when the newness doesn't feel real. When your launch is an expression of your values, you reach people in a deeper place. It's more credible and compelling. This is something Apple have mastered. Their launches are always an expression of who they are. They're as much about making the world a better place as they are about the products. There's little on an iPhone X that isn't on a Samsung Galaxy, the difference is the iPhone X is part of a bigger Apple story that people want to be a part of.

Built for launch.

40% of product launches fail.⁷ Marketers cite the three main reasons for a failed launch are ineffective marketing communications, slow internal processes and a lack of internal alignment.

What we believe.

Marketing a launch is a unique discipline and requires the help of a specialist. To achieve a successful launch requires three important ingredients:

Strength and clarity.

Design an idea that changes consumer attitudes or behaviour in a short space of time.

Rock solid execution.

Implement the perfect launch plan every time.

Launch from the inside out.

Create alignment across the company for the launch.

fivebyfive

Launch Loud and Clear

If you would like to find out more about the research or discuss your launch marketing needs, please get in touch: team@fivebyfiveglobal.com

fivebyfiveglobal.com