

# **Cultural Velocity**

**Making Ideas Move**

**Jonah Berger**

**with Stefan Burford**

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Initiative Global Headquarters

100 West 33rd Street, New York, NY 10001, USA

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## ABOUT THE AUTHORS

Jonah Berger is a marketing professor at the Wharton School at the University of Pennsylvania and author of the recent *New York Times* and *Wall Street Journal* bestseller *Contagious: Why Things Catch On*. Dr. Berger has spent over 15 years studying how social influence works and how it drives products and ideas to catch on. He's published over 50 articles in top-tier academic journals, consulted for a variety of Fortune 500 companies, and popular outlets like *The New York Times* and *Harvard Business Review* often cover his work.

Stefan Burford is the Global Chief Strategy Officer at Initiative, a global communications agency with over 5,000 employees worldwide. He has over 15 years' experience delivering strategic thinking and breakthrough ideas on some of the world's best brands.

He has numerous industry accolades, including *Campaign Magazine* Media Planner of the Year, AdNews 40 Under 40, as well as winning the prestigious Global Media Campaign of the Year at the Festival of Media.



# **Introduction:**

## **Making Ideas Move**

For 60 years, IHOP, or International House of Pancakes as it was originally named, has been America's unrivalled pancake house. This restaurant chain, known for celebrating the "best of breakfast" was famous for their slogan championing "Pancakes. Pancakes. Pancakes!"

Going into 2018, however, IHOP was facing tough times. Industry headwinds, changing consumer tastes, and mounting competitive pressures were exacerbating an already challenging environment. Quick service restaurants like McDonald's and Taco Bell were upgrading their breakfast menus and fast casual restaurants like Panera and Chipotle were encroaching on IHOP's turf with high-quality, reasonably priced alternatives.

In this aggressive, competitive climate, IHOP needed to stall their sales decline within a shrinking Midscale Dining category. They needed to not just steal share from competitors but also increase frequency of restaurant visits among current IHOP customers. But how?

The problem wasn't positive sentiment. People liked IHOP just fine. In fact, most people loved the brand. Digging into the research showed that IHOP's brand love and awareness was significantly higher than their competitors. It was even 70% higher than cross-category giant McDonald's.

No, the issue was translating that positive sentiment into new purchase occasions.

Qualitative research indicated that IHOP was only seen as relevant at one time of day and in one form: breakfast and pancakes. Because that was the only story IHOP had ever told.

So, to reverse declining sales, the brand had to break that association. They had to get people to think of IHOP outside of the breakfast-only box.

They knew they needed to promote lunch and dinner, but traditional approaches probably wouldn't be enough. After all, regular advertisements telling consumers that IHOP serves lunch wouldn't be that attention-getting.

They wanted to do something that would build buzz, grow their brand, and get them famous once again in popular culture. Something that would not only get people talking about IHOP but get them talking about IHOP for lunch and dinner in particular.

But how? Tasty food wasn't exactly news. So how could they cut through the clutter?

On Jun 4<sup>th</sup>, 2018, IHOP released the beginnings of an answer. They announced a name change. "For 60 pancakin' years, we've been IHOP. Now, we're flippin'

our name to IHOb. Find out what it could b on 6.11.18.

#IHOb.”



The internet caught fire. IHOb, IHOP, and International House all began trending on Twitter. Thousands speculated on what the “b” might be. International House of Bacon? Broccoli? The ever-trendy Bitcoin? The possibilities were endless. And because people didn’t know the answer, they kept guessing.

Soon, more media outlets jumped into the fray, covering the cultural outpouring. “IHOP Says ‘IHOb’ –



And The Internet Says, What?” wrote *NPR*. “Why Is IHOP Changing Its Name?” wondered *Entrepreneur*.

Some people were upset by the news. Others were curious. But regardless, they were talking about IHOP.

In the first week alone, the tweet announcing the name change had more than 5 billion impressions. IHOP even changed the signs at its flagship restaurant on Sunset Boulevard in Los Angeles to reflect the new letter.

Then, after a week of rampant speculation and unbearable suspense, people awoke to the news they’d been waiting for. The “b” stood for burgers.

IHOP was taking on the big guys with the most American of dishes. They timed the “reveal” to go live on national breakfast television, swapped in burger creative across all their advertising, and flipped every brand asset including their LinkedIn employee profiles and social handles to showcase their new temporary name. At the flagship store, they even hosted a VIB

event for cultural foodie influencers who produced social content vouching for IHOB's quality and taste.

More buzz soon followed. Some people liked the change. Some people hated it. But everyone had an opinion that they wanted to share.

Other brands jumped in. Netflix said it was changing its name to Nexflib. Qdoba came out with a logo suggesting the "b" in its name had been replaced with a "p." And burger chain White Castle suggested it was changing its name to Pancake Castle.

And while these other brands hopped on the bandwagon to demonstrate their relevance, they were simultaneously helping IHOP. Fueling the fire.

Extending the attention the campaign received and keeping the brand part of the cultural conversation.

When the dust settled, the campaign inspired roughly 20,000 news articles and over 35 billion social media impressions.<sup>1</sup> It simultaneously trended at #1, #2, and #4 on Twitter, outranking Trump's North Korea

Summit and the concurrent Net Neutrality Rulings.

Burger sales quadrupled. Same-store sales increased.

Shares of IHOP's parent company rose 2.6%.

*The New York Times* called IHOP's campaign "A 21<sup>st</sup> century marketing success story." And indeed, it was quite successful.

But while it might seem like a one-off success or a lucky break, it's actually an example of something much more pervasive. Because IHOP didn't just increase sales, they created an idea that moved through culture. They generated Cultural Velocity.

## **Culture as a Channel**

The marketing and media landscape has changed.

Paid media used to be the best way to get consumer attention. Whether you were selling cars, clothes, or consumer packaged goods, television, radio, and print were the ideal route to get a message out there.

Until the early 1990s, for example, there were only three major commercial broadcast television networks in the United States: ABC, CBS, and NBC. All the top TV shows and every successful commercial telecast of a major feature film appeared on one of the Big Three.

If you wanted to reach a lot of people and do it quickly, paid media was the way to go. You could have your ad show up in an episode of *MASH*, between the articles in *Time* magazine, or interspersed among the songs and news on people's morning commute. 105 million people tuned in to watch the last episode of *MASH*. Tens of millions of people read *Time* or *Life* magazine. Similar numbers tuned into *The Howard Stern Show* and *The Rush Limbaugh Show*.

But then, things started to shift. The media landscape slowly fragmented. The advent of cable meant that rather than just three channels on television, there were now hundreds, if not thousands, competing for

viewers' attention. The advent of satellite radio led to a similar increase in the diversity of radio options.

Then the internet came along. And suddenly, rather than just competing against other mainstream outlets, media companies were competing against everything, including hundreds of millions of websites, blogs, and social media posts. Everything from world news to photos of your cousin's new cat were all accessible at the tap of a button on your smartphone.

And with all that competition, it made getting attention for a given brand message that much harder.

But that was just the start of the challenges. Because along with reduced concentration, people started paying less attention to ads.

This wasn't an abrupt switch but a slow and steady shift. Advertisements were always an interruption. After all, people wanted to watch *MASH* or read articles about topics they were interested in, not sift through announcements about new dish soaps or toilet paper.

And for a while, consumers were happy to tolerate these interruptions in exchange for the free programming.

But eventually, people realized that they didn't have to tolerate the interruptions. They could leave the room or change the channel. There became more ways to block, skip, or ignore ads than ever before.

Consumers also became savvier. They realized that rather than being an accurate reflection of the world, ads were a carefully edited slice that was designed to make whatever was being sold look great. Food that was always piping hot and mouthwateringly delicious. Vacation destinations where the weather was never cloudy and the kids were never bored. Conditioner that always made hair look silky, smooth, and luxurious. Perfect lighting, smiling actors, and claims that focused on the strengths of the offering while avoiding the weaknesses.

So consumers stopped trusting ads. Like the juxtaposition between a carefully curated Instagram

photo and the reality of actual life, consumers started not to believe the hype. They skipped most ads entirely and started counterarguing the ones they paid attention to. Like an anti-missile defense system shooting down incoming projectiles, they rushed to defend themselves against the persuasion, thinking about all the reasons why what the ad was saying was wrong.

In 2019, trust in advertising reached an all-time low.<sup>ii</sup> 96% of consumers said they didn't trust ads.<sup>iii</sup>

Paid media just isn't as effective as it used to be. 94% of all consumers skip television ads completely, 94% unsubscribe from emails, 25% actively block digital ads, and an amazing 50% are on the National Do Not Call Registry.<sup>iv</sup>

But all is not lost. Great products and ideas still catch on, they just do so in a different way. And that happens through culture.

Brands travel through culture by embedding, interacting, and reacting to what is happening in the world and not passively pushing messages out there.

By doing this well, a brand can create more word-of-mouth and peer-to-peer conversations, meaning their ideas will move faster through people's networks and be more trusted.

Indeed, research by McKinsey finds that word of mouth is the primary factor behind 20 to 50% of all purchasing decisions and that “word of mouth generates more than twice the sales of paid advertising in categories as diverse as skincare and mobile phones.”<sup>v</sup>

Advertising and paid media are still powerful tools to amplify messages, but to succeed, great ideas must move through culture. People need to share them, talk about them, and feel passionately enough to interact with them.

After all, you can skip through television ads or change the channel, but you can never adblock culture.



So how do we get messages to diffuse through culture?

### **The Death of Brands?**

Before we answer that question, there is another challenge that deserves mention. And that is the death of brands.

Big brands have become less relevant in our lives. A major industry study found that “66% of global brands are in decline or stagnant, and their brand life expectancy has halved since 1950.”<sup>vi</sup> Other research indicated that 77% of brands could disappear, and no one would care.<sup>vii</sup>

Brands used to mean something. Consumers trusted them because they stood as signals of quality. Rather than guess whether a new product would be good or deliver on what it promised, consumers would look at who made it. If it came from a brand they knew, they trusted it. They knew it would deliver.

Consumers would pick a favorite in a category and stay loyal forever. They organized their lives around those brands, shopping at stores that carried them and avoiding retailers that didn't.

But then the disruption happened.

Now there are more brands than ever before. Dozens of mattress brands, hundreds of food brands, thousands upon thousands of brands in total.

And most of them are pretty good. Advances in technology have made it faster and easier to produce good products. So today, consumers are less worried about whether a car will last or clothes will fall apart. Most products are above the bar.

Further, rather than needing to rely on brand names they've heard of, consumers can just go online and see what their peers think. Billions of reviews are out there on everything from coffee and couches to minivans and microwaves. So rather than having to rely on the fact that a product is made by a brand they've heard of,

consumers can easily determine quality independently by reading what like-minded people are saying.<sup>viii</sup>

This, combined with increasing consumer expectations and the emergence of cheap copycat brands, means that the brands are besieged from all sides. So how can brands compete in this day and age? How can they stay relevant, grow, and thrive?

### **Cultural Velocity**

There is a solution to getting a brand's message to diffuse and move through culture while remaining relevant and growing.

And that solution is something called Cultural Velocity.

In this era of ad avoidance, the key success metric is not reach but relevance. It's not enough for a message to be potentially seen by lots of people. For that message to be effective, it also has to connect with the people it

reaches. It has to speak to them, inspire them, or touch them in some way. It's not about reach and frequency, it's about relevance and action. More specifically, how relevant a brand's message is on the people it reaches and the action it creates.

Indeed, a great deal of research shows that relevance drives sales. The more relevant a brand is to consumers, the more likely they'll be to purchase it and the more likely they'll choose the brand or think it's for them. In fact, a recent study across declining brands in multiple markets and categories showed that every one-point increase in relevance is associated with a 3% increase in sales.

But while it's one thing to *be* relevant, it's another to *stay* relevant. Because while advertising is distributed through traditional media, relevance and the ideas, content, and conversations that help a brand stay relevant are diffused through culture. And culture moves fast.

## **Marketing at the Speed of Culture**

Culture can be defined as shared norms, values, or practices. This includes everything from how people dress to the issues they care about, whether that group is as big as a whole country or a community such as online gamers, investment bankers, or runners.

Culture used to move slowly. What was popular today was still popular next week. Styles and trends took months, if not years, to diffuse. Today's news story was still relevant tomorrow.

But technology and particularly the global proliferation of smartphones has transformed the speed of culture. Now news and information ping around the globe in a matter of seconds. Something can go from the runways of Paris to the streets in San Francisco in the blink of an eye. Today's breaking news is tomorrow's old news. What was cool today is soon passé.

And that is where velocity comes in. Cultural Velocity is the speed at which a brand gets diffused and

moves through culture. How fast it travels around the internet, gets talked about on community blogs and comment streams, or buzzes around the water cooler and at barbeques.

And while relevance captures where a brand *is*, Cultural Velocity captures where it is *going*. A brand's movement and trajectory. Not just whether people are talking about it today, but whether they'll keep talking tomorrow. Not only whether consumers like the brand today, but whether they'll continue loving and engaging with it in the future.

Messaging used to happen in a vacuum. Brands would determine their ideal positioning, and what message they wanted to communicate, and then use paid media to push that message into the world. It was one-way communication: what the brand wanted to say whether it was relevant to people or not.

But the old way of doing things no longer works. Because if a message isn't relevant to them, people aren't going to listen. They'll just change the channel.

Cultural Velocity requires a shift in how marketing is developed, from one-way paid media plans to creating an idea so powerful that it can move through culture, creating a deeper connection across a broader ecosystem of touchpoints.

Simply buying a magazine ad, sponsoring a show, or badging a stadium will not get people talking in culture. Brands need big ideas that challenge the status quo, showcase interesting untold stories, and highlight new perspectives that create an emotional relationship with the audience.

It all starts by understanding what matters to the audience that the brand is trying to reach. This includes understanding, interpreting, and responding to what is going on in the world around them.

This is done through the use of cultural data signals, such as a spike in searches or an increased number of social conversations around a particular topic, cause, or person.

These signals can also be at a more individual or personal level. Things like how an individual (or certain group of individuals) is interacting or behaving with a particular brand. The intersection of a person's hobbies and interests.

To generate Cultural Velocity, brands have to use individual and cultural data signals to design ideas that can move through culture. Technology means we have more data than ever before. More information about what is going on, both in culture and with a given individual.

The challenge is then not just collecting that data, but understanding and responding to those signals at a speed with which to create maximum impact.



## **Five Ways to Generate Cultural Velocity**

To understand what drives Cultural Velocity, we started on an ambitious quest. Collecting hundreds of the most successful campaigns from around the world to understand why they worked, and more importantly, what they had in common.

We analyzed everything from sneaker brands in the United States to supermarkets in Germany and fast food restaurants in Australia to vitamins in the UK.

We broke down each campaign into its component parts to understand the brand approach, creative execution, ecosystem of channels used, and the overall outcome achieved. Whether it drove conversation, was picked up in media, or built buzz. And ultimately, whether it drove sales.

After months of analyses, we began to see some common themes. Similarities in successful approaches that differentiated them from the failures. Patterns that separated the wheat from the chaff.

It turns out that there are five key ways to generate Cultural Velocity. Routes or paths that get ideas moving through culture to build relevance, drive conversations, and grow brands not just today, but into the future.

Those routes are:

- 1) Cultural Agitation
- 2) Cultural Collisions
- 3) Cultural Proximity
- 4) Cultural Spotlights
- 5) Cultural Contributors

Each route, or approach, is a different way to create ideas that move and achieve the end goal of building Cultural Velocity.

**Cultural Agitation**, for example, is all about controversy. Challenging the status quo by associating the brand with a polarizing issue (e.g., immigration) or person (e.g., Colin Kaepernick). Driving conversation and attention by stirring the pot and asking the audience

to pick a side (IHOb anyone?). Using attention-grabbing acts and public announcements to garner media attention and amplify a message.

While Cultural Agitation focuses on pairing with a person or issue that is already controversial, **Cultural Collisions** work by pairing two things that aren't usually seen together. Bringing together unexpected elements (e.g., a payment company and a hip-hop star) or juxtaposing disparate things (e.g., fashion couture and fast food). Generating surprise, and thus conversation and attention, by using a spokesperson that seems quite different or collaborating with a brand or property (e.g., LEGO with *Stranger Things*) that seems quite dissimilar.

**Cultural Proximity** involves demonstrating hyper- local knowledge. Using data to power neighborhood- specific ads, or subcultural specific passions, that show understanding and cultural embeddedness. That the brand is part of the subculture,

not outside it. That the brand gets and represents the community.

**Cultural Spotlights** is about understanding an existing cultural boundary and extending it to drive conversation. Taking an issue that is important but does not get a lot of attention (e.g., menopause), and bringing it to the fore. Something that may not be that surprising, but impacts lots of people and highlights its importance or value. Taking the interest that exists already and providing the spark that amplifies it and pushes it into mainstream consciousness.

And finally, **Cultural Contributors** is about providing open access to information, resources, and tools, with the goal of enacting positive, meaningful cultural change. Encouraging others to participate by making it easier for them to do so.

Each of these five routes is a powerful way to build Cultural Velocity. To garner attention, both from individuals and the media, and to leverage existing

consumer conversations and drive new ones. All to grow brands and their value.

When we analyzed the uplift in search interest across hundreds of different cases across the five routes, we noticed that where there is smoke there is also fire. In most cases, there was a three- to fivefold increase in search volumes, which is notable as a dramatic increase in organic searches is almost always indicative of something dramatic happening with the brand.

Each route can be pursued separately, but as we'll talk about throughout the book, there is some overlap in the key science behind how they work.

Proximity, for example, works through building individual relevance. The more the brand speaks a person's language, demonstrates that they understand their needs, or allows them to participate and make the brand their own, the more that brand seems relevant to that individual. In doing so, this increases conversation, buzz, and eventually purchase.

Agitation, Collisions, and Spotlights, on the other hand, all work through building cultural relevance. Through creating or connecting with topics, issues, and themes at a cultural level. This not only generates conversation, but it makes the brand feel topical. And the increased cultural relevance, in turn, spills over to make the brand seem more relevant at the individual level.

And Contributors works on both levels. Making it relevant to the individual and culture at the same time.

As we'll discuss throughout the book, Cultural Velocity is the future. The question is how you can harness its power.

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