

Companion brands

A new way to define and measure
brand relationships with young people

The world changed.

We've experienced racial justice reckoning around the globe, countless extreme weather events, a pandemic, and one of the worst economic downturns in history. These have caused massive social, cultural, economic, and environmental shifts.

These seismic shifts in the world have changed people's values, especially the values of young people whose very future is on the line and who will be instrumental in shaping where we go from here. We must look to the future and change with them.

With young people at the heart of everything we do at VICE Media Group, we felt a responsibility to our audience to understand what all these changes mean for how we as brands can help them. This research set out to identify what makes for strong brand relationships today.

What we found solidified a trend we've been seeing signs for a while - young people are looking for brands to be their companion. They invite brands into their daily lives by engaging with them on their social media feeds, they seek out brands that match their values, and use brands to help express their identity.



The need for companion brands has accelerated.

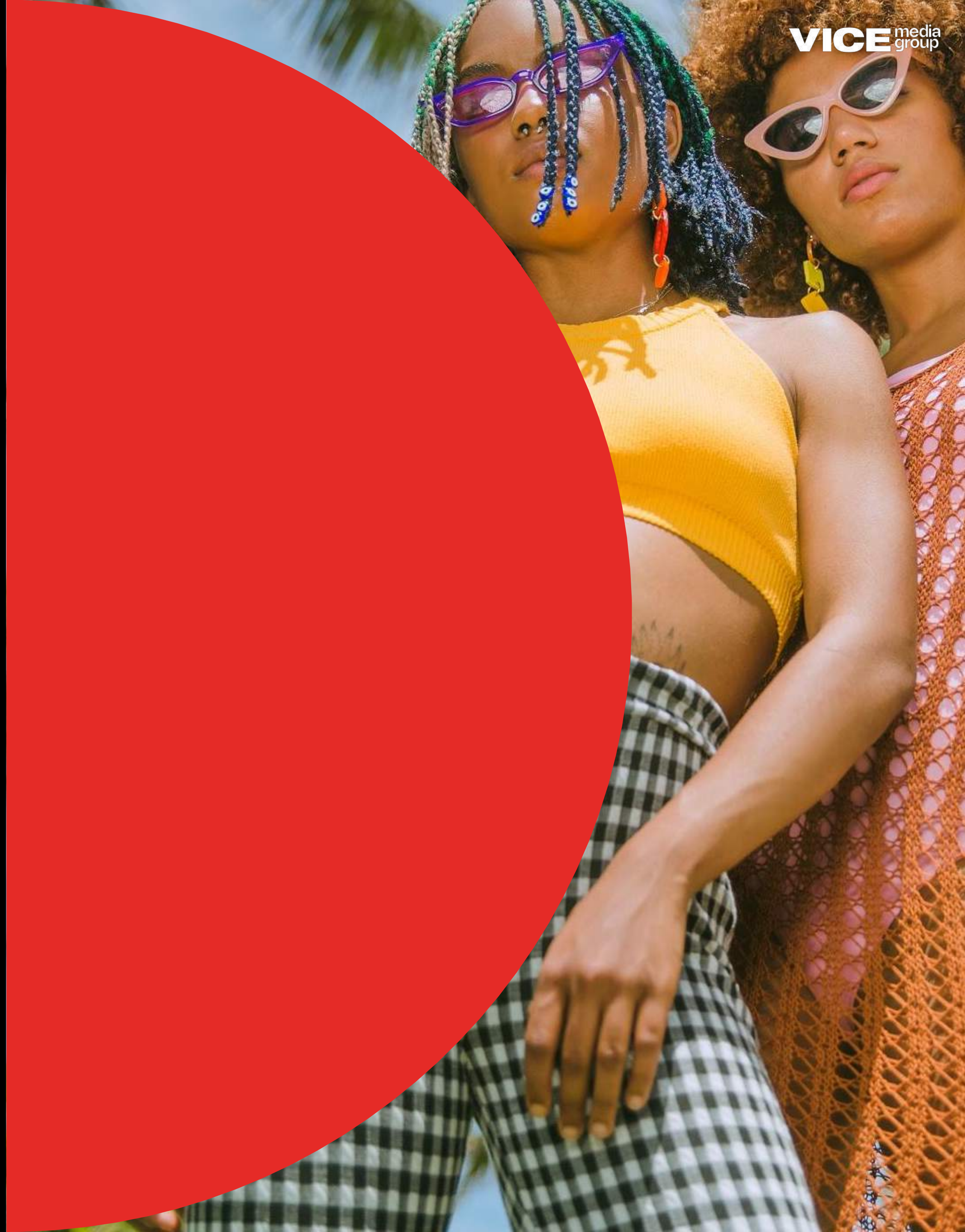
The world is in uncharted territory, and hits young people particularly hard as they are becoming independent and entering the prime of their social and professional lives. Young people are looking for someone to be by their side to make sense of and navigate this new world.

Being a companion brand is not about leading or challenging a category. It's not about having purpose. It's not about impacting culture. It's about *how* you do these things.

There are certain codes of conduct good companions follow. It's about respecting, supporting and empowering your customers so they can succeed as you do. True leaders understand that there is only so far you can get on your own. The people you surround yourself with are critical in helping you accomplish your goals.

Through our research, we identified the critical codes to being a companion and developed an index to help brands evaluate their current compatibility as a companion to consumers.

Julie Arbit | Global SVP, Insights



The values that young people look for in brands map directly to how VMG approaches our audience and our content every day.

We approach all our storytelling with authenticity, innovation, respect, and inclusion in mind. Our goal is to empower the reader to understand and better navigate life as a young person in today's world. We are driven by the opportunity to inspire conversations and ideas that could change the way we view each other and our world, and we do it through immersive storytelling with radical empathy for our subjects and audience.

Stephanie Clary | Global VP, VICE Digital Entertainment



We set out to understand how brand relationships have changed

THE AUDIENCE

Survey completes among the general youth population in the U.S. during March 2020.

2,759

50% GEN Z 14-23
50% GEN Y 24-39

47% MALE
50% FEMALE
3% NON BINARY

200

Brands analyzed based on their relationship with young people

14

Categories covered:

Alcohol	Home
Automotive	Media
Beauty	Restaurant
CPG	Retail
Fashion	Technology
Finance	Travel
Food & Bev	Wellness

Note: Publishers were not included

50+

Attributes based on consumer feedback and previous research. We included both standard attributes such as quality and innovation and new attributes like compassion and community.

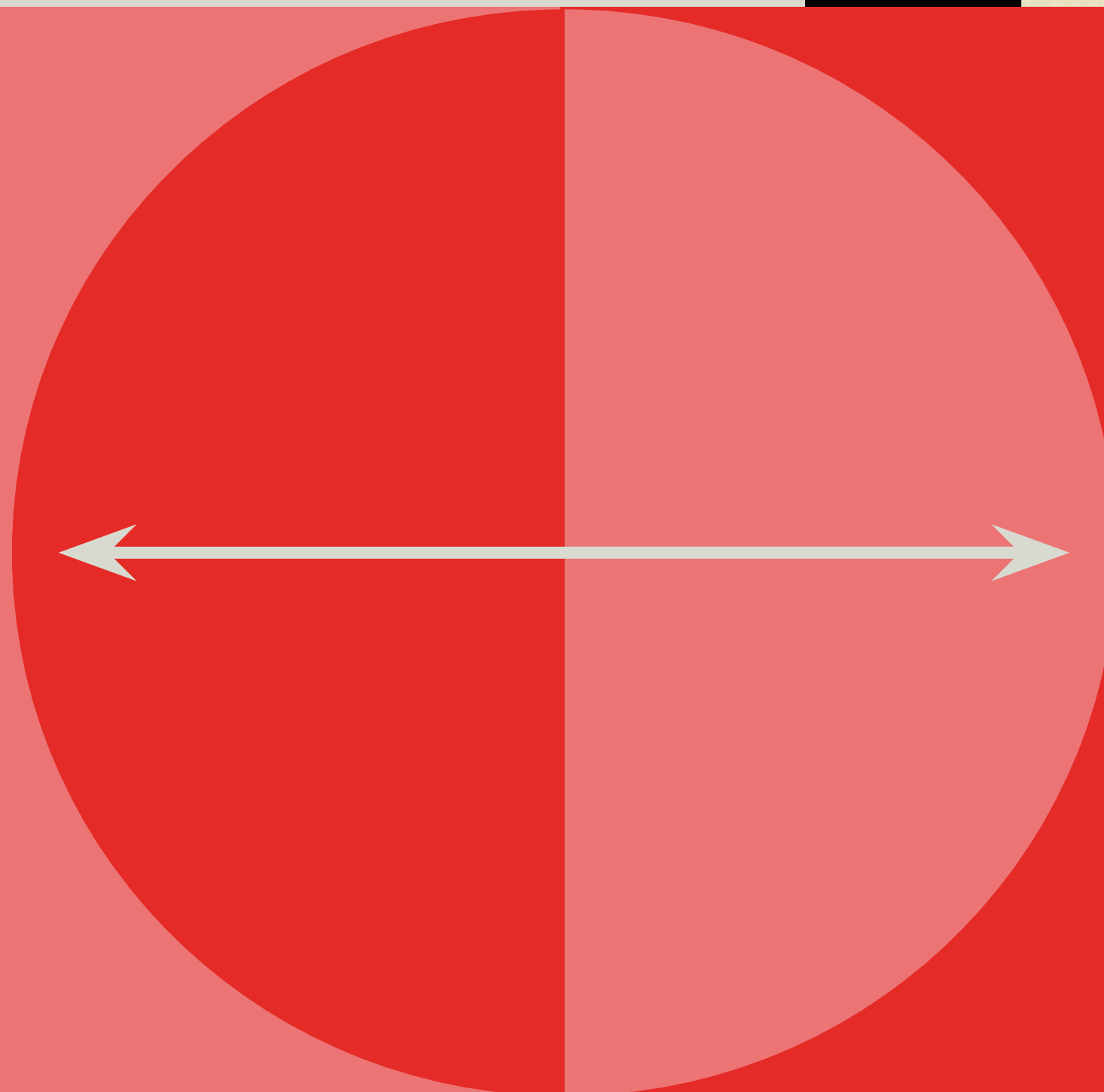
Using a unique lens, we investigated the relationship dynamics between young consumers and brands



Young Consumers

Focused specifically on youth - Gen Z & Millennials - who shape the world we live in and impact purchase decisions across generations.

Understanding how these influential young generations perceive brands ensures our learnings will be relevant well into the future and allows brands to make lasting and meaningful changes.



Brands

To measure market success we tapped into social analytics and engagement rather than sales data.

How companies and their consumers interact is a modern indicator of a strong, loyal relationship and the true impact brands have on consumers' lives.

Exploration

Investigation

Analysis

The Research Process

01

We dug into previous research we'd conducted, analyzed existing secondary research and gathered additional qualitative inputs from our audience to inform the attributes and brands included in the study.

02

In an online survey, we asked young people to evaluate brands on their performance on 50+ attributes.

We also collected social media metrics for each brand to understand audience engagement.

03

Based on consumers' responses, we created factors that clustered features together. We gave each of these clusters a name, which we're calling codes.

We then used models to determine predictiveness of a strong brand relationship for each code.

Finally, we scored each of the 200 brands using this formula.

A new way of thinking about a brand's role in young people's lives



New Codes of Conduct

Using advanced analytics techniques we identified the characteristics that are necessary to develop strong brand relationships today.

A new way of engaging and partnering with consumers which holds true across categories and generations of young consumers.

A Compatibility Index

We created a model that enables us to identify which brands are the best companions for young people today.

Not only do we now have goals to aspire to, we also have a formula brands can use to measure the strength of their relationship with young people and pinpoint weak spots.

NEW CODES OF CONDUCT

Redefining the brand relationship

Repurchase is the ultimate sign that young people are into you

#1

Repurchasing or **reusing** a brand signifies I am taking the relationship to the next level.



The biggest predictor of repurchase is affinity - young people have to really like you

Level of importance (predictiveness) in the repurchase decision*

Affinity (Most Predictive)

Recommendation

Relevance

Consideration

Momentum

Pride



74%

Say if they love a brand, they are **loyal** to it

*50+ variables were analyzed
Source(s): VICE Voices Spirituality 2018



Affinity today is built on shared human values

Critical Codes of Conduct*



*True for all categories

The charts on this slide represent the results of a classification model run to determine how important each code (created by attributes) is in predicting brand affinity.

The size of the circle demonstrates how important its predictiveness is.

Complementary Codes**



**Dependent on categories

Brands need to be a companion to young consumers, helping them make sense of and navigate the changing world around them



Critical Codes of Conduct

Respect

Open communication through active listening and honest responses

Support

Helping make the world a better place through empathy and action

Empower

Providing the tools for self expression and community building

CODE 1: RESPECT

Respect between companions is mutual

7 in 10

Say brands can make a more meaningful connection with them by being **respectful**



“[Brands should focus more on] sustainability, connecting with consumers, **honesty and transparency.**”

— 26, Female

Attributes of Respect

VICE media group

01 Be trustworthy

02 Be transparent

03 Be innovative

04 Respect my data privacy

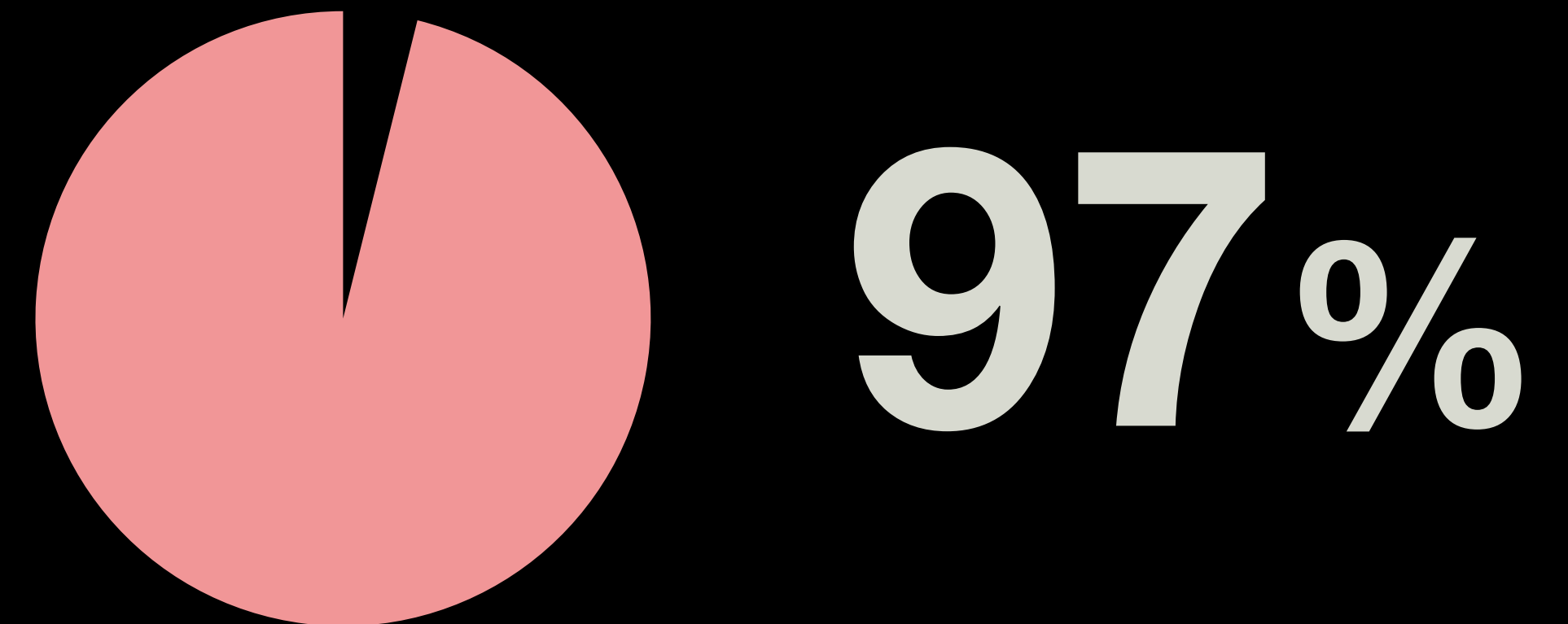
05 Listen to consumers

06 Be high quality

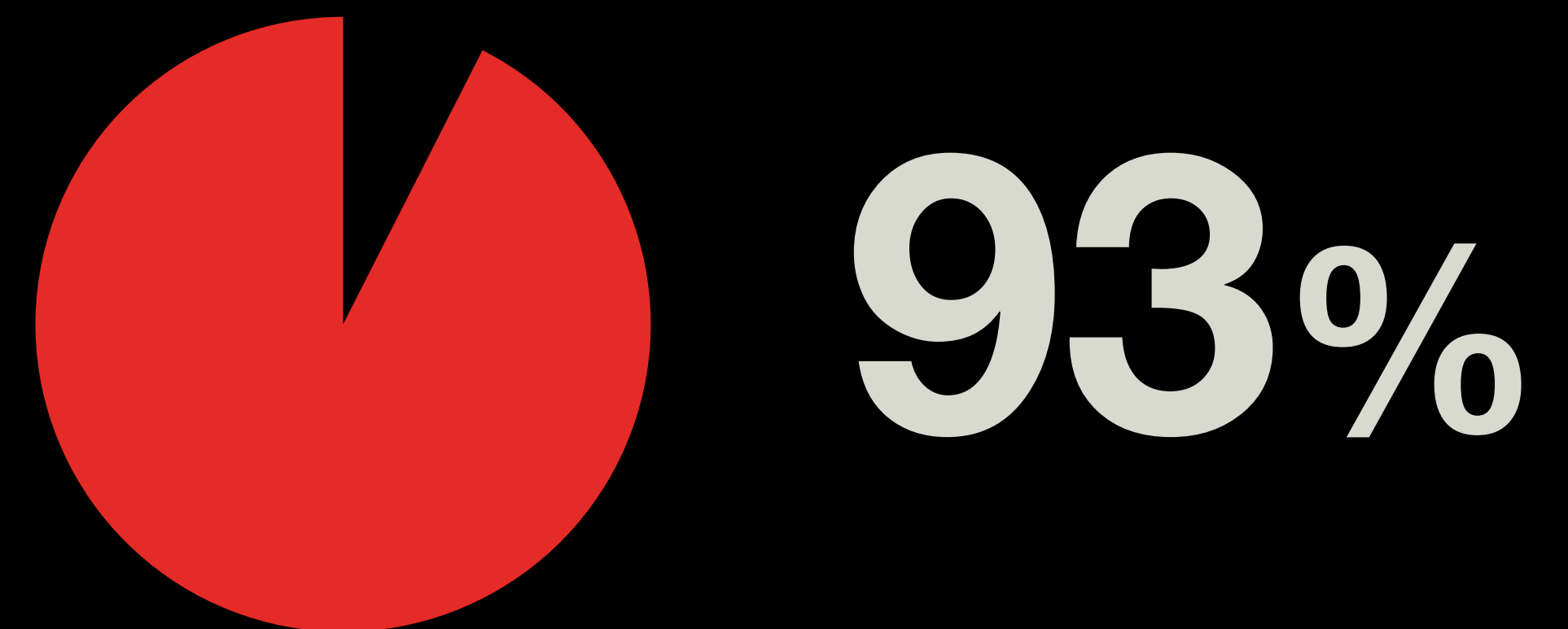
Consumers demand to be treated with respect through the products and services brands provide



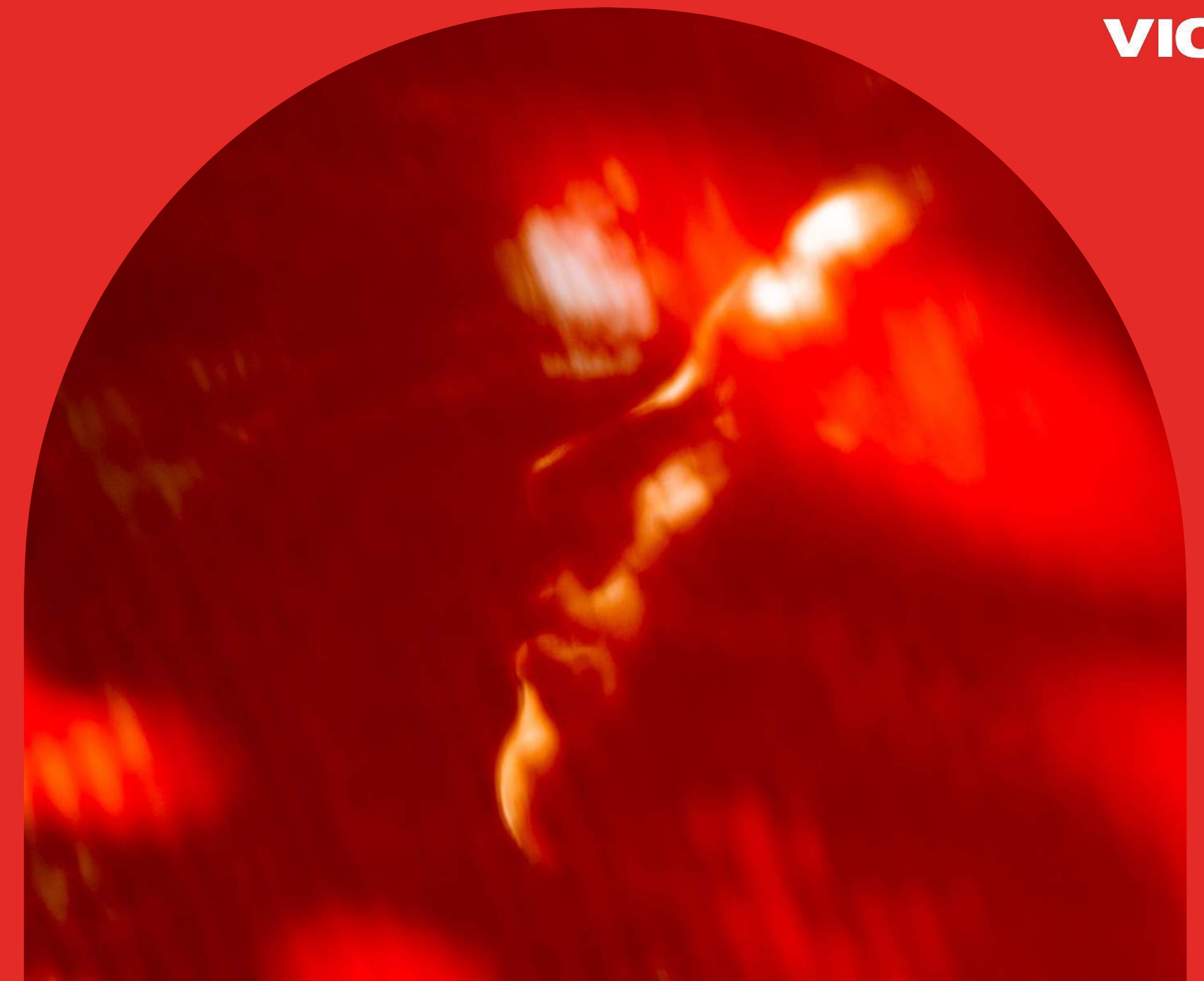
Important to the purchase decision making process:
Brands with the best product quality



Brands with good customer service

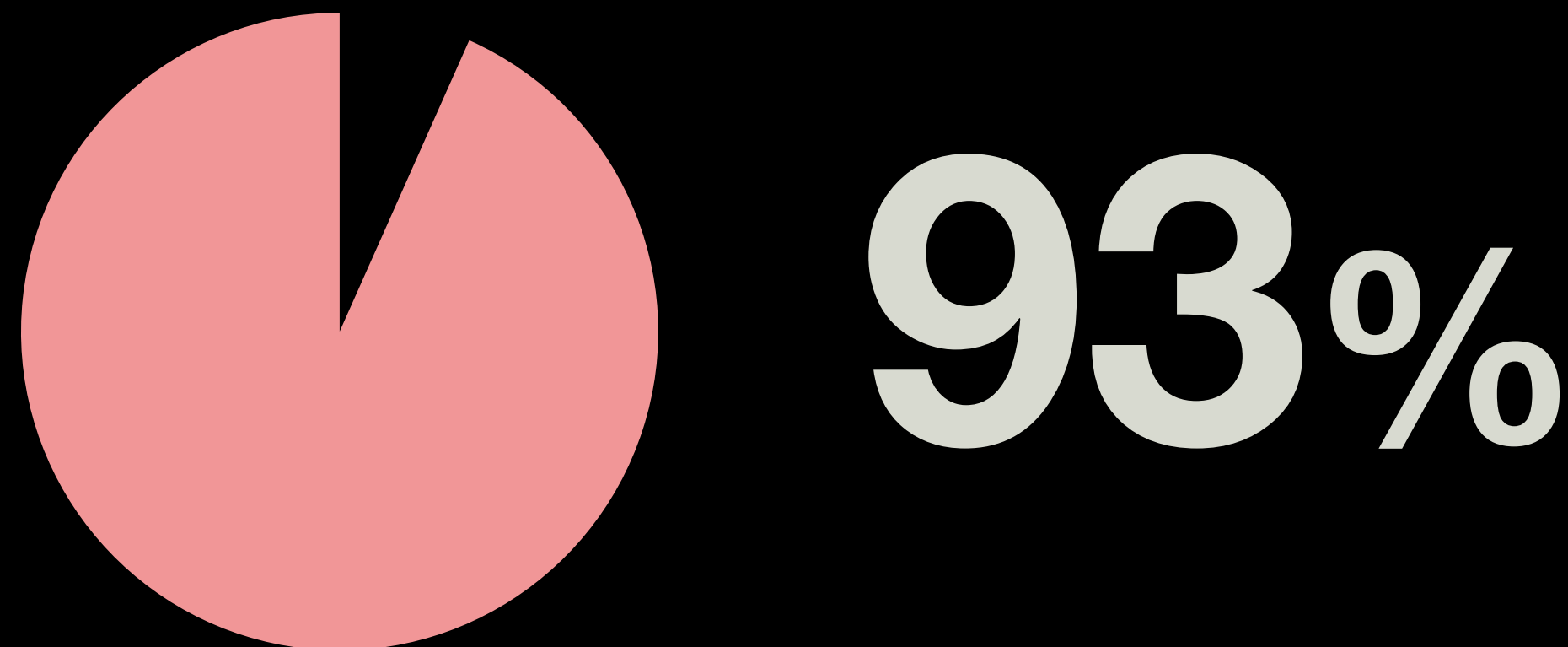


Being a companion means total transparency in all aspects of the relationship

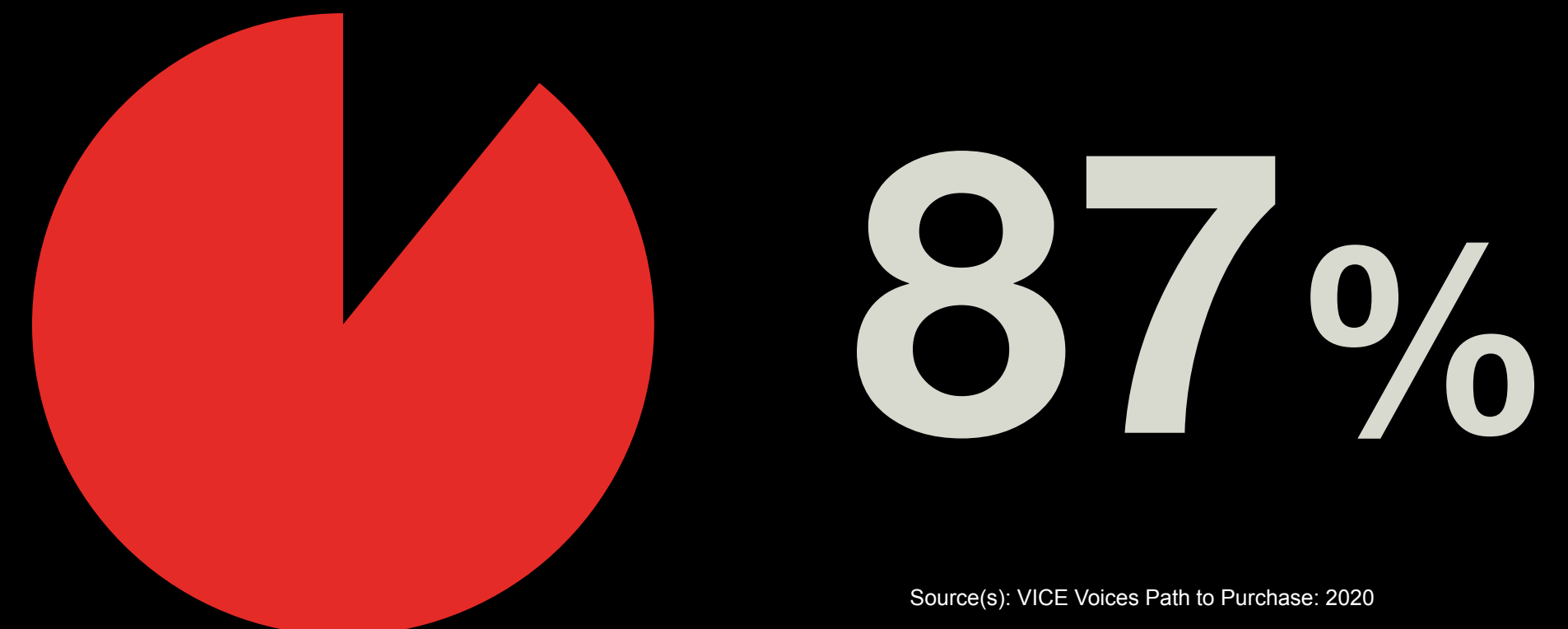


Important to the purchase decision making process:

Transparency - owning up to their mistakes and expressing changes that might affect me



Stance on corporate policies (such as transparency in business practices and data privacy practices)



CODE 2: SUPPORT

Companions share values and are always there for each other

6 in 10

Say to love a brand, it needs to be **altruistic**



“[Brands should focus more on] what they **do for good; good for me and good for the world.** I don’t want lectures... I want to know why a brand is doing what they do and that they are committed to doing it well.”

— 35, Female

Attributes of Support

VICE media group

01 Persevere through tough times

02 Show compassion

03 Take actions that better society & humanity

04 Give back to the community

05 Spark emotion within me

Young people define themselves by their values; demanding humanity and justice

#2

Values are important now, and critical in the future:

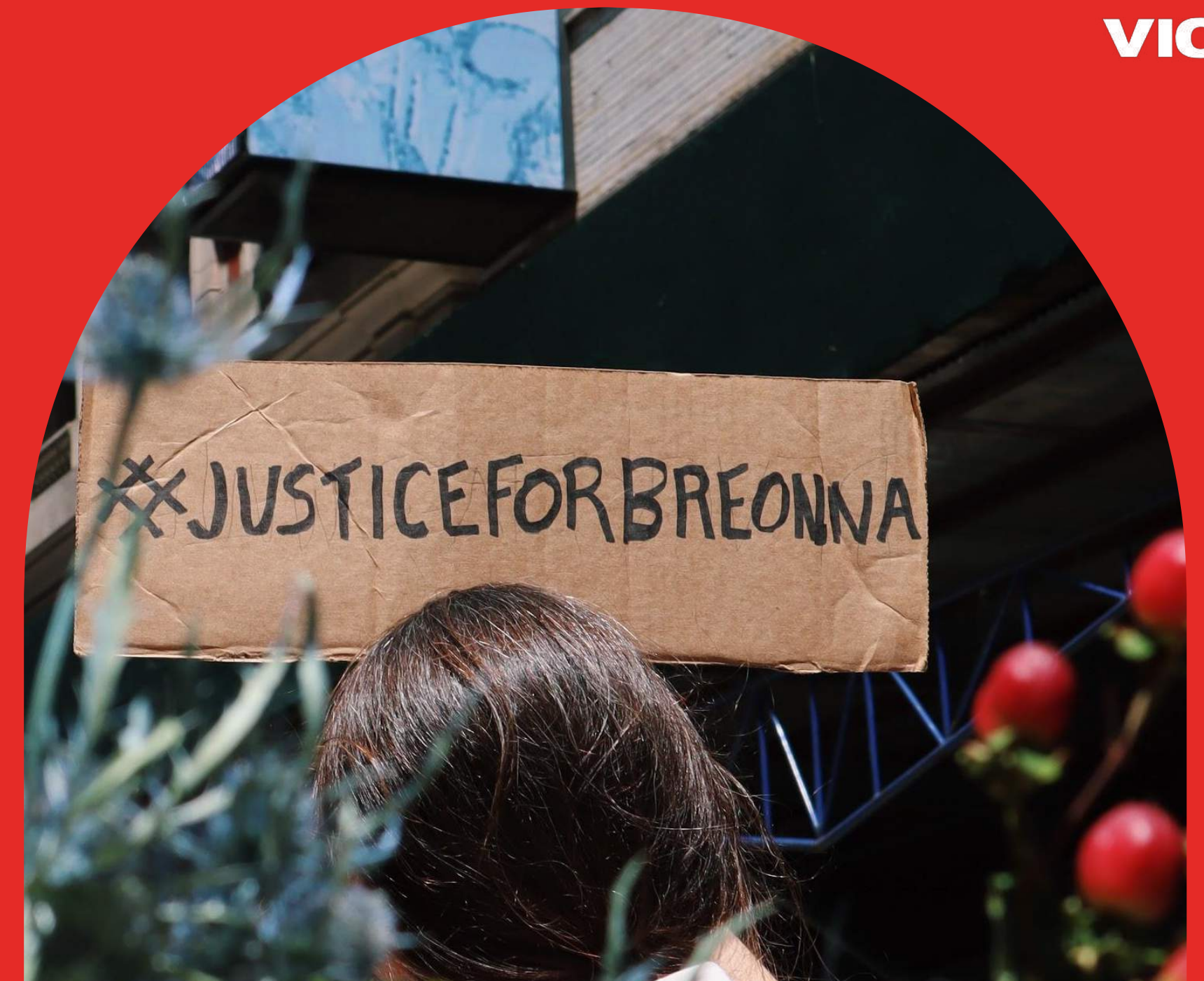
Values are the second most important aspect in defining their personal identity today

Curiosity
Honesty Self-reliance
Compassion Perseverance
Faith Diligence
Humility Justice Discipline
Kindness Respect
Bravery
Generosity Patience Humor
Altruism Honor
Fidelity/Loyalty

#1

In 10 years, their values will rise to the most important aspect in defining their personal identity

Doing good and supporting the causes young people care about has an undeniable impact on purchase



88%

Say brands that take actions that better society and humanity is important in their purchase decision

77%

Look for brands that align with their values

67%

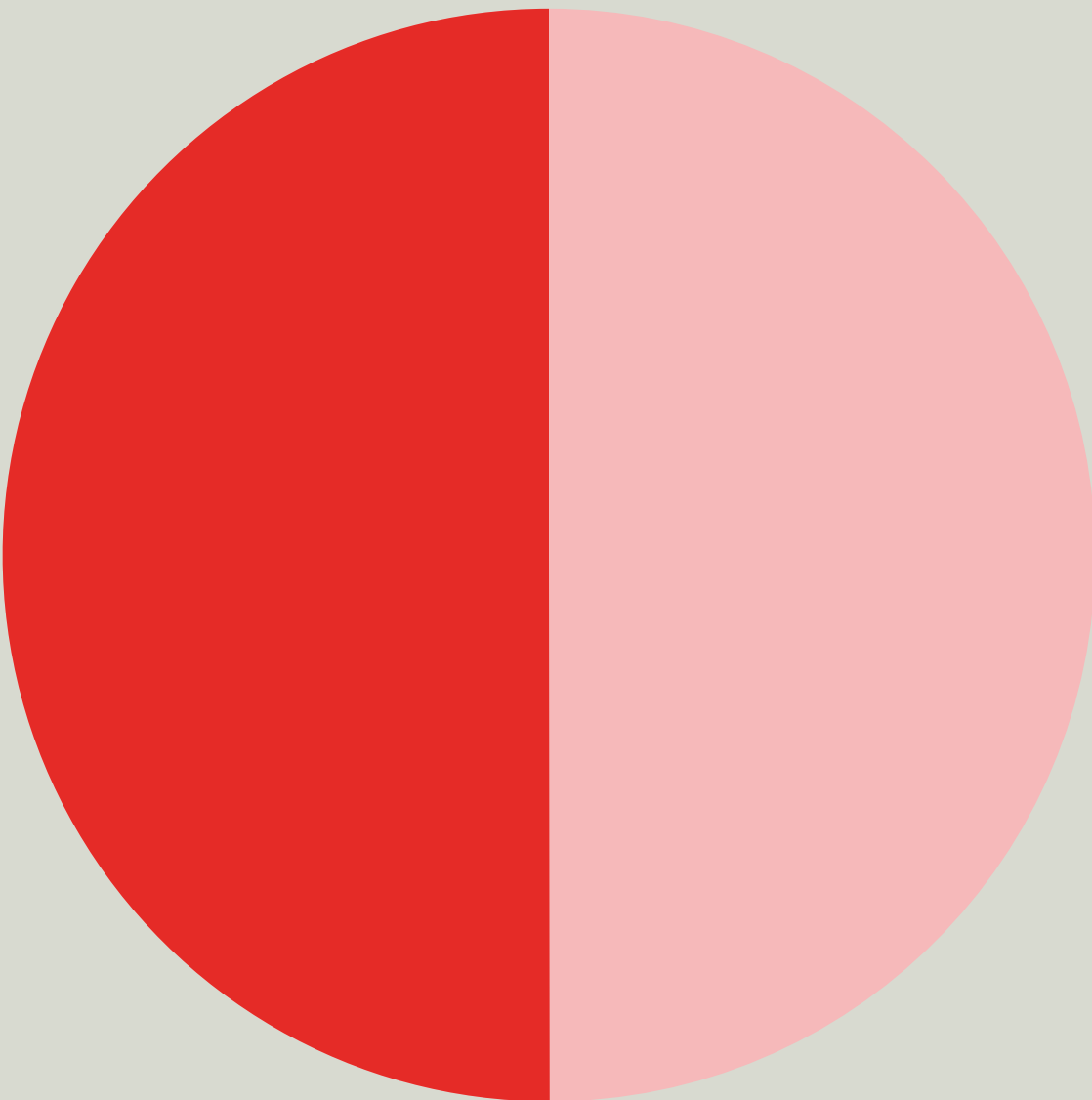
Say they would purchase from a brand that supports social causes they believe in

CODE 3: EMPOWER

The best companions empower you to be you

1 in 2

Say brands can make a more meaningful connection with them through **empowerment**



“I really like supporting [brands who] put body positivity at the forefront of their marketing and make it so that girls **don't feel uncomfortable** shopping for undergarments.”

— 18, Female

Attributes of Empower

01 Empower me

02 Inspire me

03 Make me feel like part of a community

04 Make me feel special

05 Help me to express myself

Self expression is key to young people's happiness

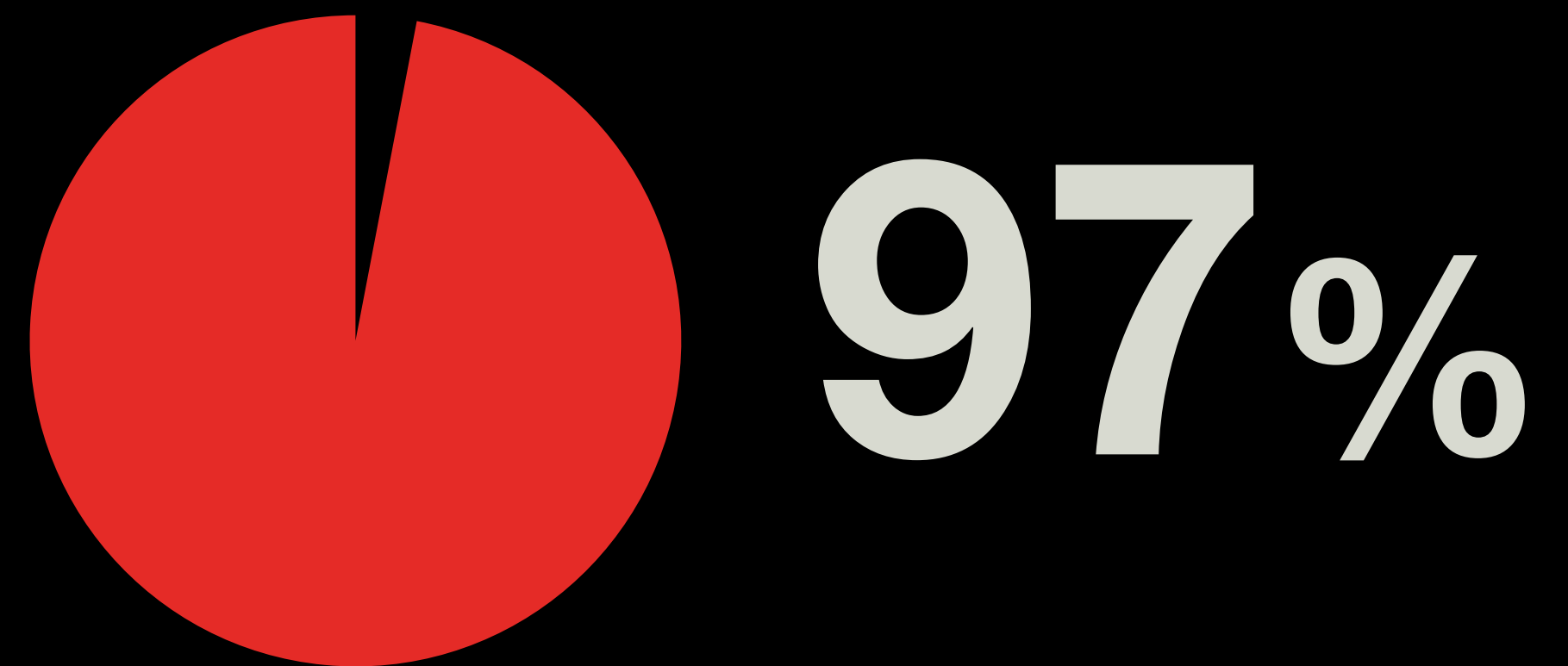


Self expression is important now and in the future:

Believe they need more self expression to live a happy, healthy life



Feel we need more support to feel comfortable in expressing our personal identities by 2030



Source(s): VICE Voices - Health & Wellness, 2017; VICE Voices 2030 Project - Identity, 2020

Identity today is fluid and complex



Based on who not what you are:

How I express myself today:

- 01 Thoughts & opinions
- 02 The people I surround myself with
- 03 My attitude

Binaries rejected:

1 in 2

Gen Z define themselves as something other than heterosexual

41%

Gen Z describe their gender traits as neither masculine nor feminine

Growing more complex:



Say that in 10 years, identity expression will be even more complex

Youth are looking to brands to help them express their unique identities



84%

Say they like brands that make them feel good about themselves

68%

Say brands help them express their identity

53%

Use brands to stand out from others

These codes of conduct create a new set of attributes for brands to measure themselves against

Respect

- ✓ Be trustworthy
- ✓ Be transparent
- ✓ Be innovative
- ✓ Respect my data privacy
- ✓ Listen to consumers
- ✓ Be high quality

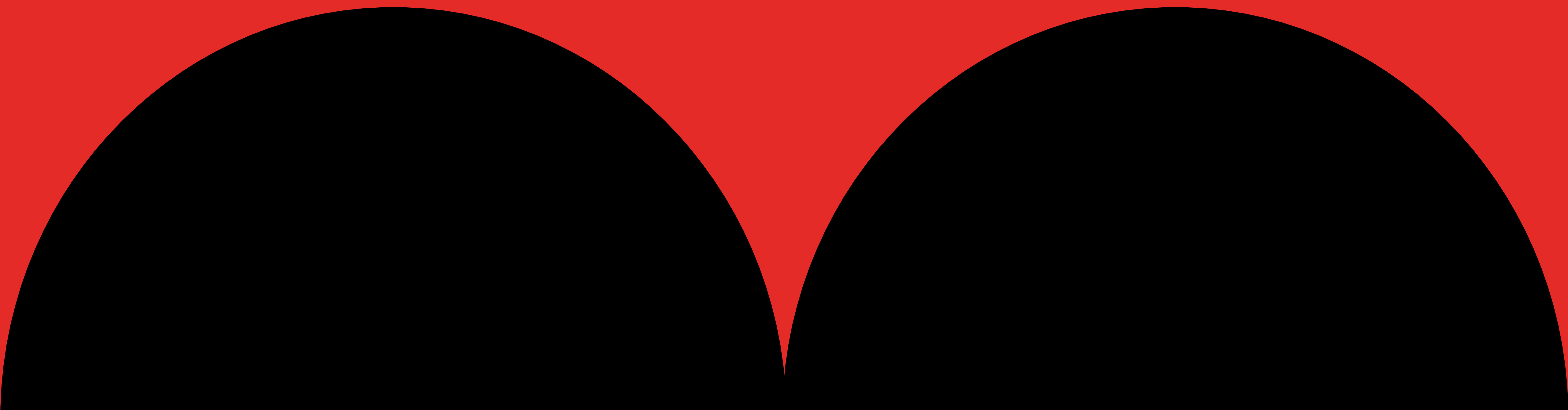
Support

- ✓ Persevere through tough times
 - ✓ Show compassion
- ✓ Take actions that better society
- ✓ Give back to the community
- ✓ Spark emotion within me

Empower

- ✓ Empower me
 - ✓ Inspire me
- ✓ Make me feel like part of a community
 - ✓ Make me feel special
- ✓ Help me to express myself

THE COMPATIBILITY INDEX

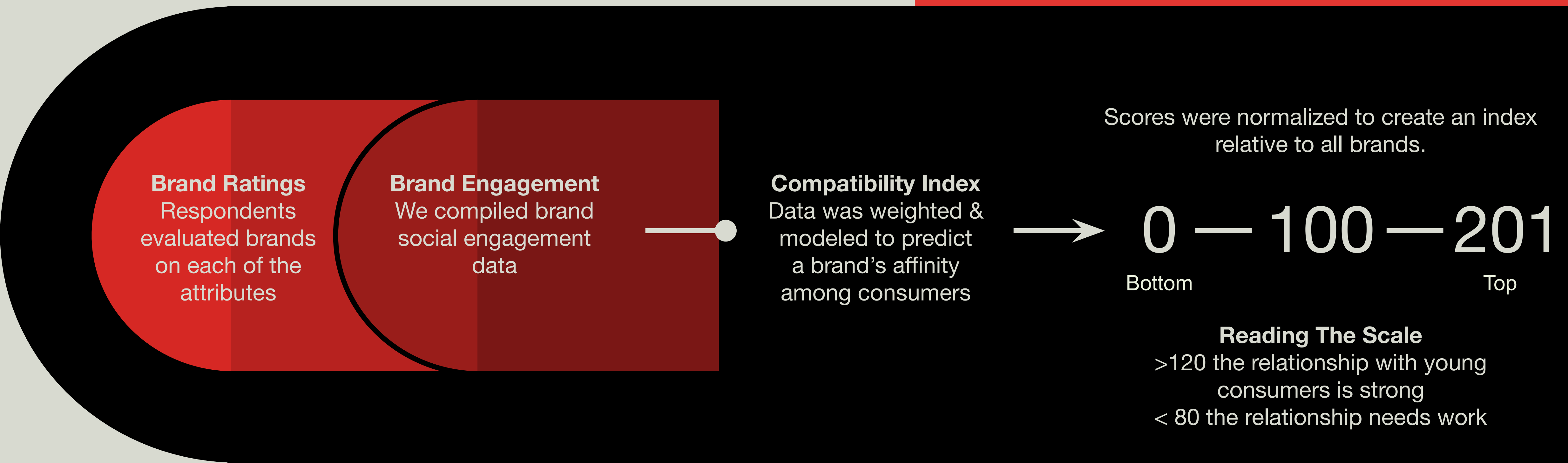


A Compatibility Index to identify which brands are the best companions to young consumers today

While we know the Codes of Conduct that need to be followed to be a companion today, some brands make better companions than others.

VICE Media Group's Compatibility Index is a unique measurement solution that enables brands to understand how well they connect with young people - to measure how compatible they are as companions.

Delving into the specific attributes in the Codes of Conduct allow us to pinpoint areas in which brands excel and where they could improve.



In this study we measured the companion compatibility of 200 brands

We couldn't just make one **best-of** list...so we made four:

Companion Brands Top 10

The best of the best across categories, giving us all a companion to aspire to

Longtime Companions

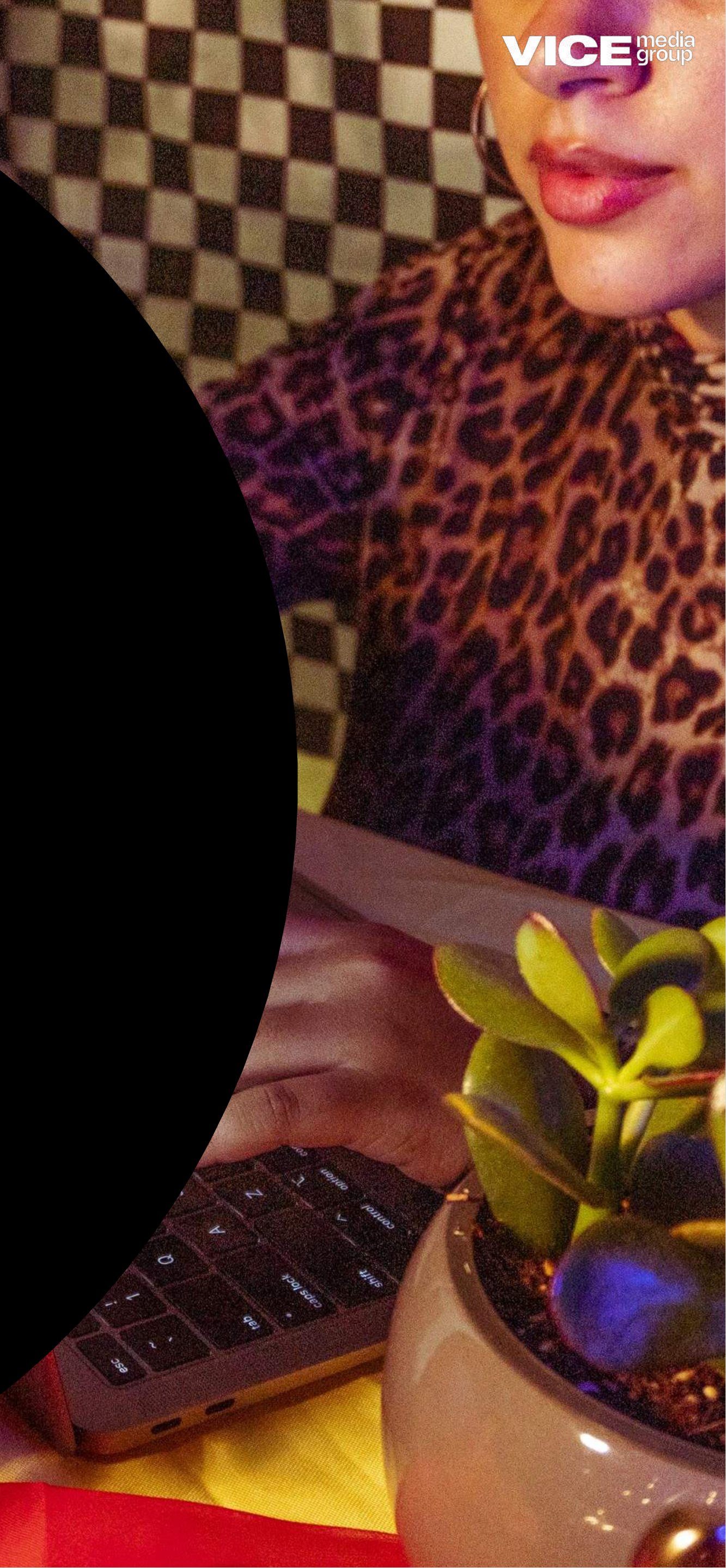
Brands that have been around since before most of our respondents were born and continue to prove their companionship again and again

New Companions

Brands that have come onto the market in just the last couple of years and have established their compatibility with consumers almost immediately

Category Companions

The most compatible companion in each of 14 categories



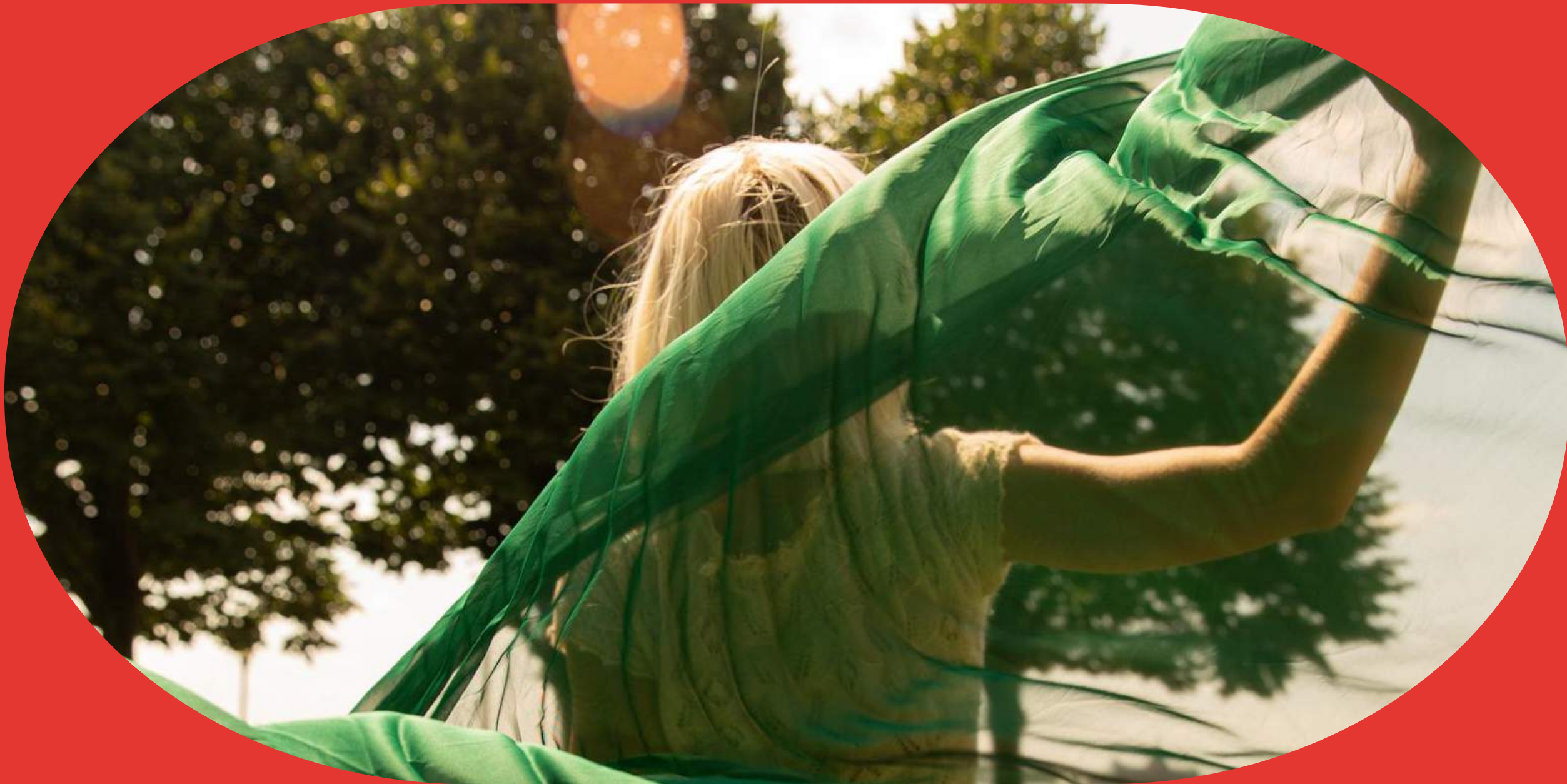
COMPANION BRAND TOP 10

The most compatible companion brands
for young people today

Top Companion Brands

Most compatible companions for young people today.

TOP 10
Overall Ranking Out of 200



Compatibility Index

01

NIKE

201

02

NETFLIX

200

03

GOOGLE

195

04

LONELY PLANET

189

05

OREO

182

06

YOUTUBE

176

07

BILLIE

172

08

HERSHEY'S

169

09

SPOTIFY

166

10

LOLA

164

Case Study: Nike

RATINGS

201

Compatibility Index

1/200

Overall Rank

1/16

Fashion Rank

For once,
Don't Do It.

COMPANIONSHIP IN ACTION

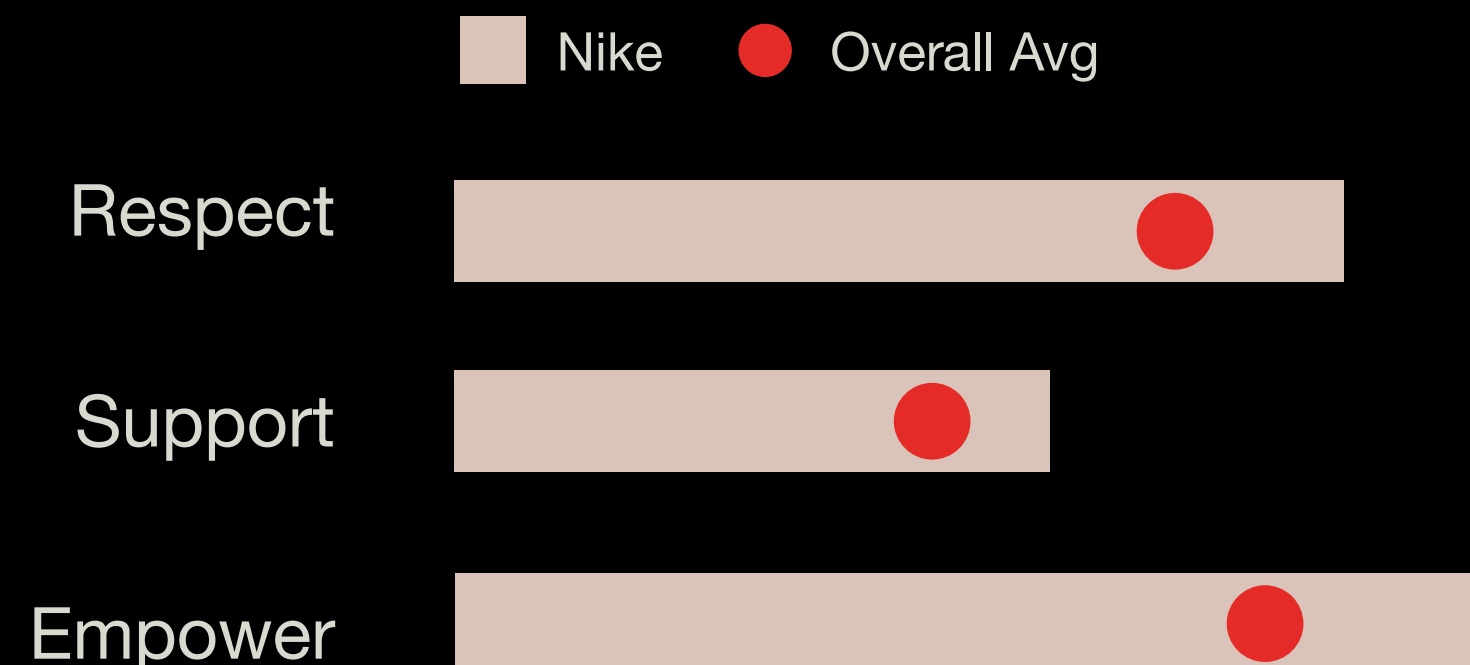
Nike has made a history of empowering their customers, and consumers in general.

Starting with their “Just Do It” tagline, they have built a reputation of inspiration over the years.

Recently Nike has taken a bigger step for society by following through on their tagline and empowering people. Their Colin Kaepernick ad inspired consumers to believe in something, and they took the lead in the racial injustice protests of 2020 by telling consumers “For once, Don't Do it”, stop being complicit in racism.

Nike didn't just talk, they acted. Most recently they pledged to donate \$40m over four years to social justice programs that support Black Lives Matter.

CODES OF CONDUCT



NEW COMPANIONS

Recently launched brands that quickly proved their ability
to be good companions

Top New Companions

Most compatible recently launched companions for young people today.

TOP 10

Overall Ranking Out of 200



Compatibility Index

07

BILLIE

172

10

LOLA

164

11

WEEDMAPS

164

12

BETTERMENT

159

14

RENT THE RUNWAY

153

16

SWEETGREEN

151

21

S'WELL

149

22

SNAPCHAT

149

23

FENTY BEAUTY

148

36

PARACHUTE

137

Case Study: Billie

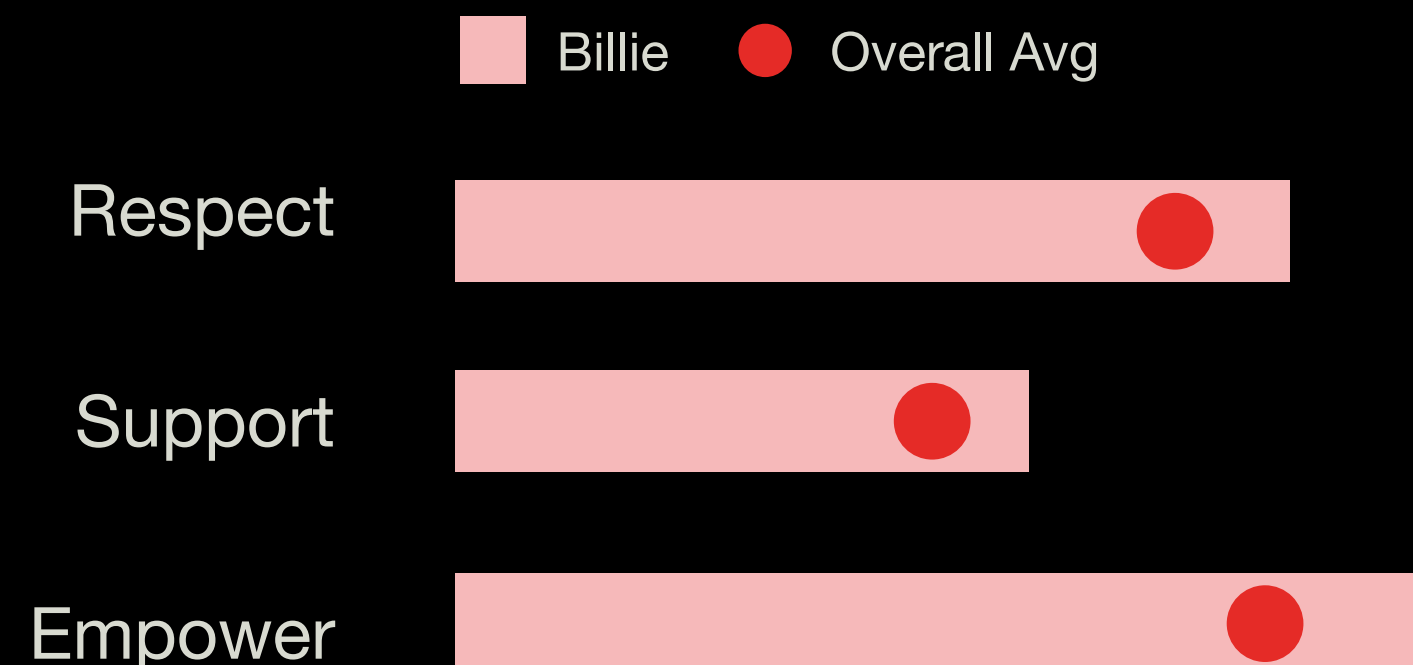
RATINGS

173
Compatibility Index

7/200
Overall Rank

1/14
CPG Rank

CODES OF CONDUCT



COMPANIONSHIP IN ACTION

Billie is a new razor start-up and they have hit the right tone with their audience, providing inspiring and empowering messaging from the start.

Billie has been a constant champion of inclusivity, starting with their Project Body Hair campaign that debuted female body hair on an ad for the first time. Recently, they unveiled a campaign for women to stop apologizing for how they look on Zoom calls, being both present and empowering in a time when many need it.

Billie's products also help support the world. They are vegan, gluten and cruelty-free.

LONGTIME COMPANIONS

Brands that consistently put in the work and adopt to the changing needs of consumers over time

Top Longtime Companions

Most compatible established companions for young people today.

TOP 10
Overall Ranking Out of 200



Compatibility Index

04	OREO	182
08	HERSHEY'S	169
18	COCA COLA	151
19	NAT GEO	150
20	TARGET	149
25	DISNEY	146
26	COLGATE	144
27	ADIDAS	143
30	LEGO	140
33	DOVE	138

Case Study: Oreo

RATINGS

182
Compatibility Index

5/200
Overall Rank

1/16
Food & Bev Rank



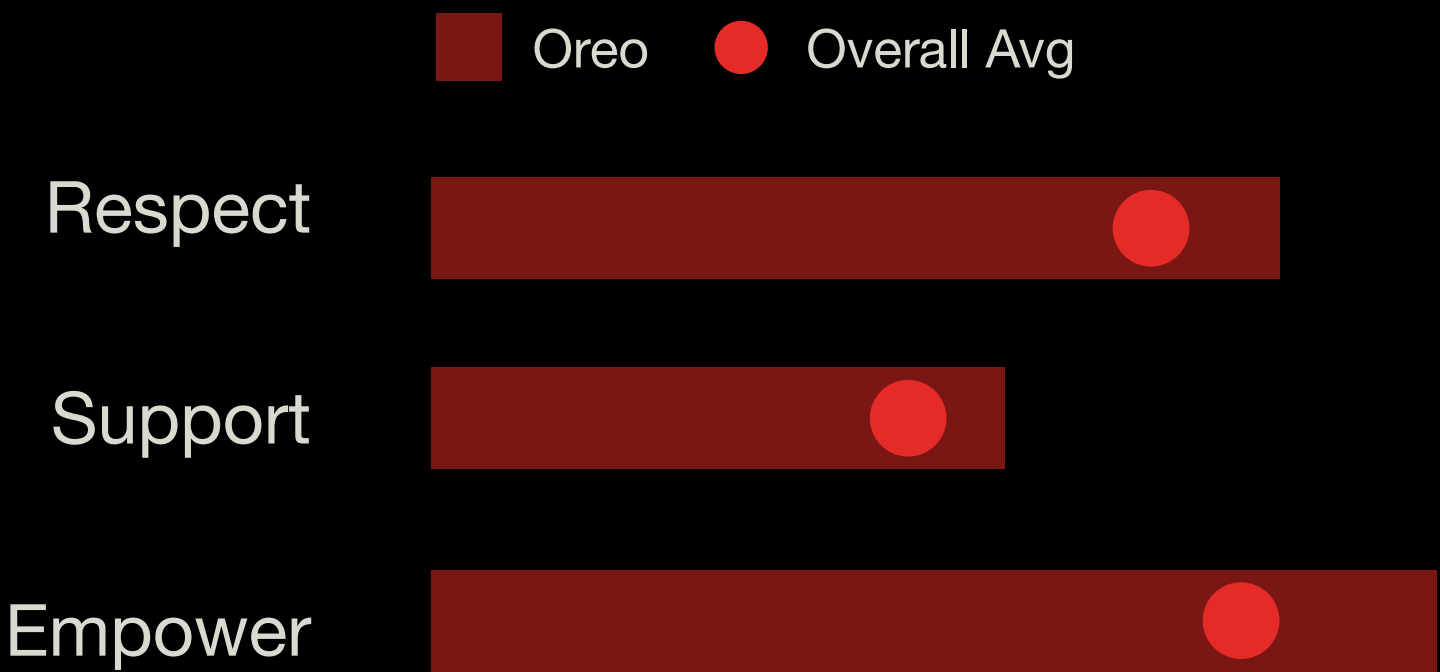
COMPANIONSHIP IN ACTION

Oreo has been around since 1912 and they haven't stopped innovating and empowering those around them.

They constantly come out with new flavors and new forms of their classic cookie, including their most recent campaign with Supreme, to help consumers express themselves.

Oreo doesn't rest on their laurels or delicious cookies, they actively support the world around them. During the Covid-19 pandemic, Oreo created a global strategy urging consumers to stay home and provided recipes and activities to entertain them.

CODES OF CONDUCT



CATEGORY COMPANIONS

The most compatible brands by category

Top Category Companions

The most compatible brands in each category.



OREO

Food & Beverage

TESLA

Auto

STARBUCKS

Restaurant

BETTERMENT

Finance

S'WELL

Home

RENT THE RUNWAY Retail

NIKE

Fashion

BUSHMILLS

Alcohol

GOOGLE

Tech

BILLIE

CPG

LONELY PLANET

Travel

WEEDMAPS

Wellness

FENTY BEAUTY

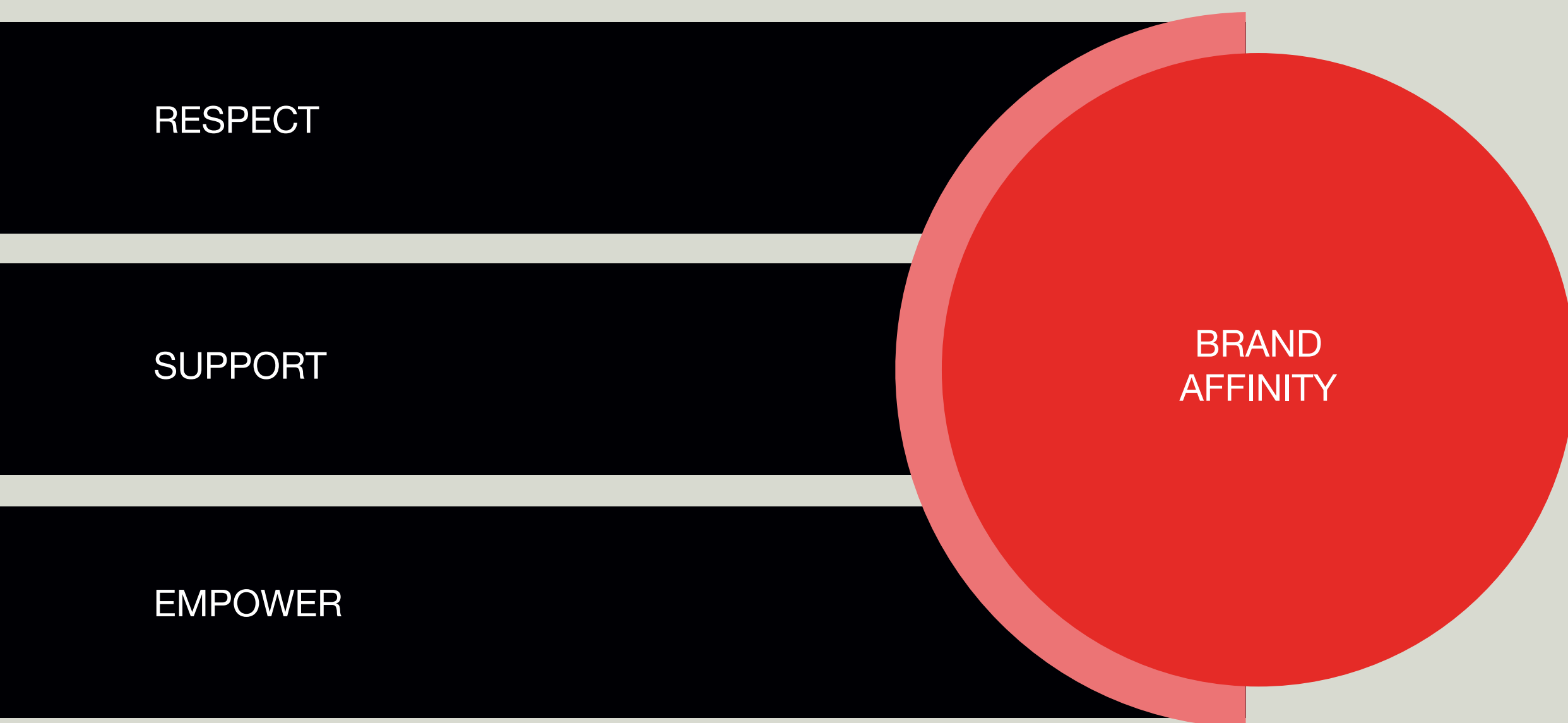
Beauty

NETFLIX

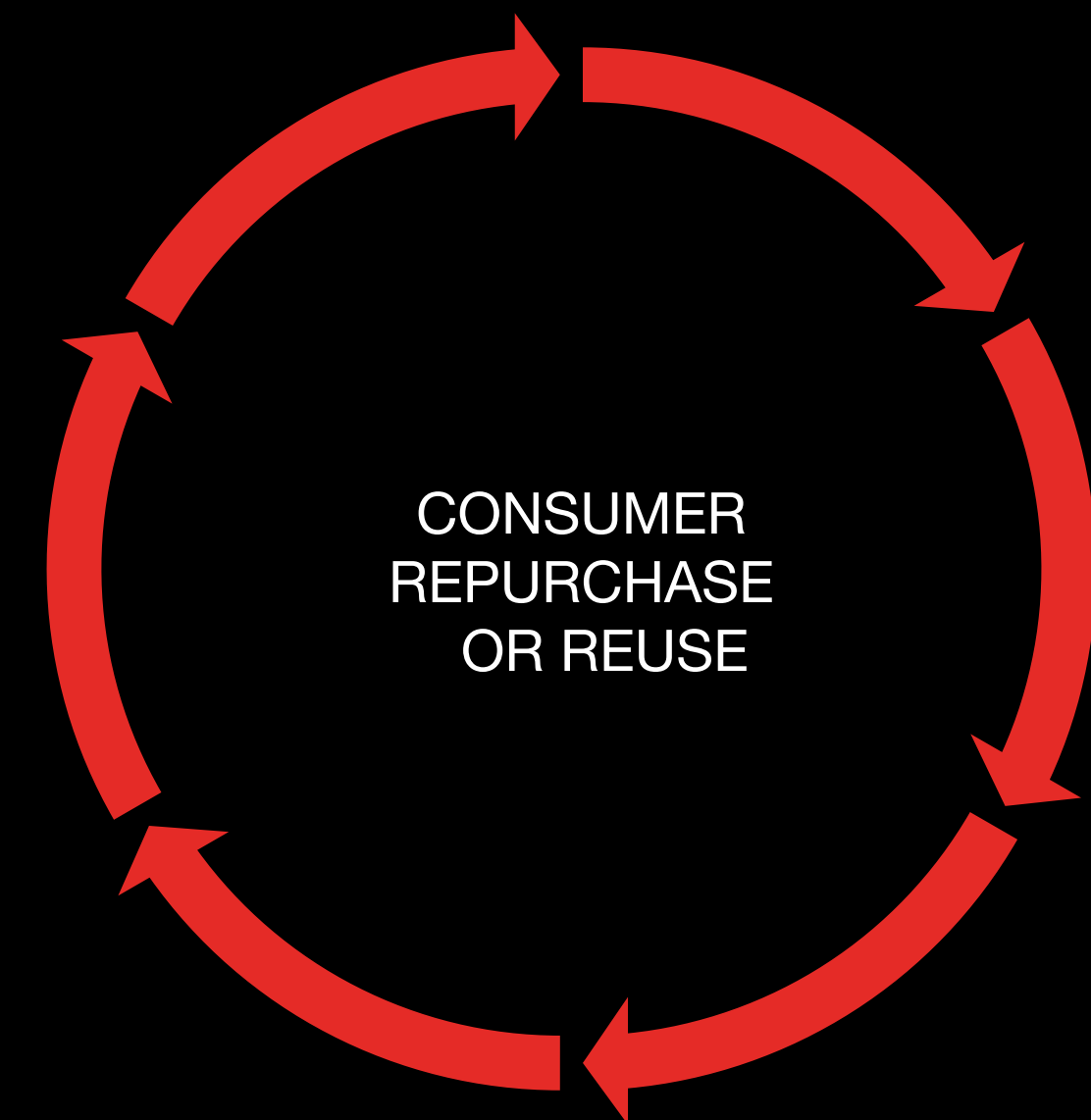
Media

SO HOW
DOES A
BRAND REACH
COMPANION
STATUS?

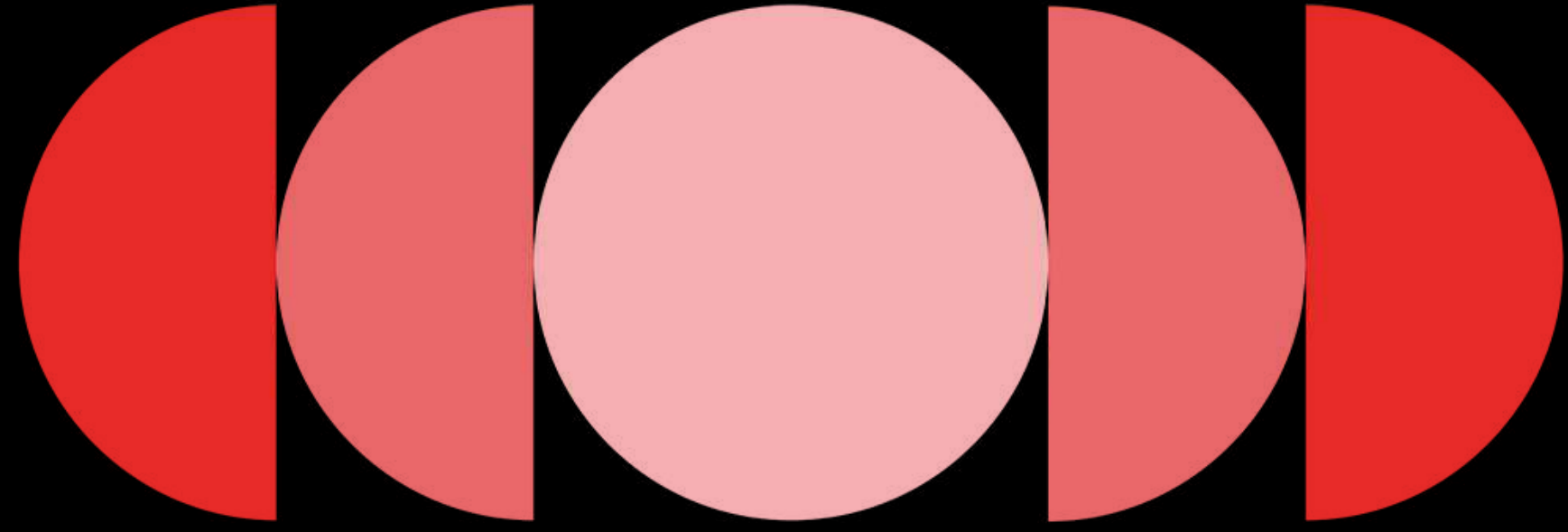
Brands must embrace human values to be a compatible companion for young people.



It's not what you do, but how you do it, that gets consumers to continually engage with your brand.



**THANK
YOU**



Companion brands

VICE media group