



ICE AND A CITY SLICE

Neighbourhoods hold the key to growth
for premium spirits brands



Looking more closely at how you segment individual cities into codes, tribes and neighbourhoods opens up new avenues for growth. It opens up a new growth path to scale for new and emerging brands. It also opens up new opportunities for incremental growth for established brands. Are you open to it?



The established view

- Cities are economic powerhouses and hold the functional key to growth: increasing concentration of consumers and therefore channels to market; more rapid growth of disposable income.
- Cities have been long perceived as cultural signifiers, representing freedom, escape, success, luxury and rule-breaking. Brands have been quick to use them in their positioning (e.g. L’Oreal Paris) or on their product (e.g. Absolut’s cities range or Coca-Cola’s cities range).
- However, in our view, this use of the city in strategy doesn’t go deep enough.

The challenger view

- A city is not a monolithic entity, a “Shining City on a Hill”, that enables neat summarisation into brand signifiers that a brand can leverage.
- Every city market can be unbundled in unique, creative ways to identify segments of value creation and consumption.
- We ran semiotics research on New York, London, Shanghai and Lagos and it proved a powerful way of unbundling and identifying the established and (more importantly) the emergent social codes that are uniting sets (or tribes) of consumers. In addition, it helped identify the neighbourhood as a key building block of a city strategy.

Growth

- We believe that brands can unlock growth by slicing the city into tribes, and the neighbourhoods they frequent.
- Indeed, growth is possible across a variety of challenges
 - Driving growth in existing scale brands e.g. JW
 - Driving established brands to scale e.g. Campari, Aperol
 - Buying emerging brands to take past the million case tipping point e.g. Sipsmith
 - Innovating new brands into a new space e.g. Ciroc

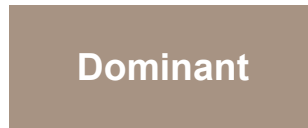
“CITIES HAVE BEEN LONG PERCEIVED AS CULTURAL SIGNIFIERS, REPRESENTING FREEDOM, ESCAPE, SUCCESS, LUXURY, RULE-BREAKING”



We decode and map the way in which culture is changing, plotting the ideas or 'codes' we observe around us and interpreting likely futures.



RESIDUAL codes which are dated and belong to the past



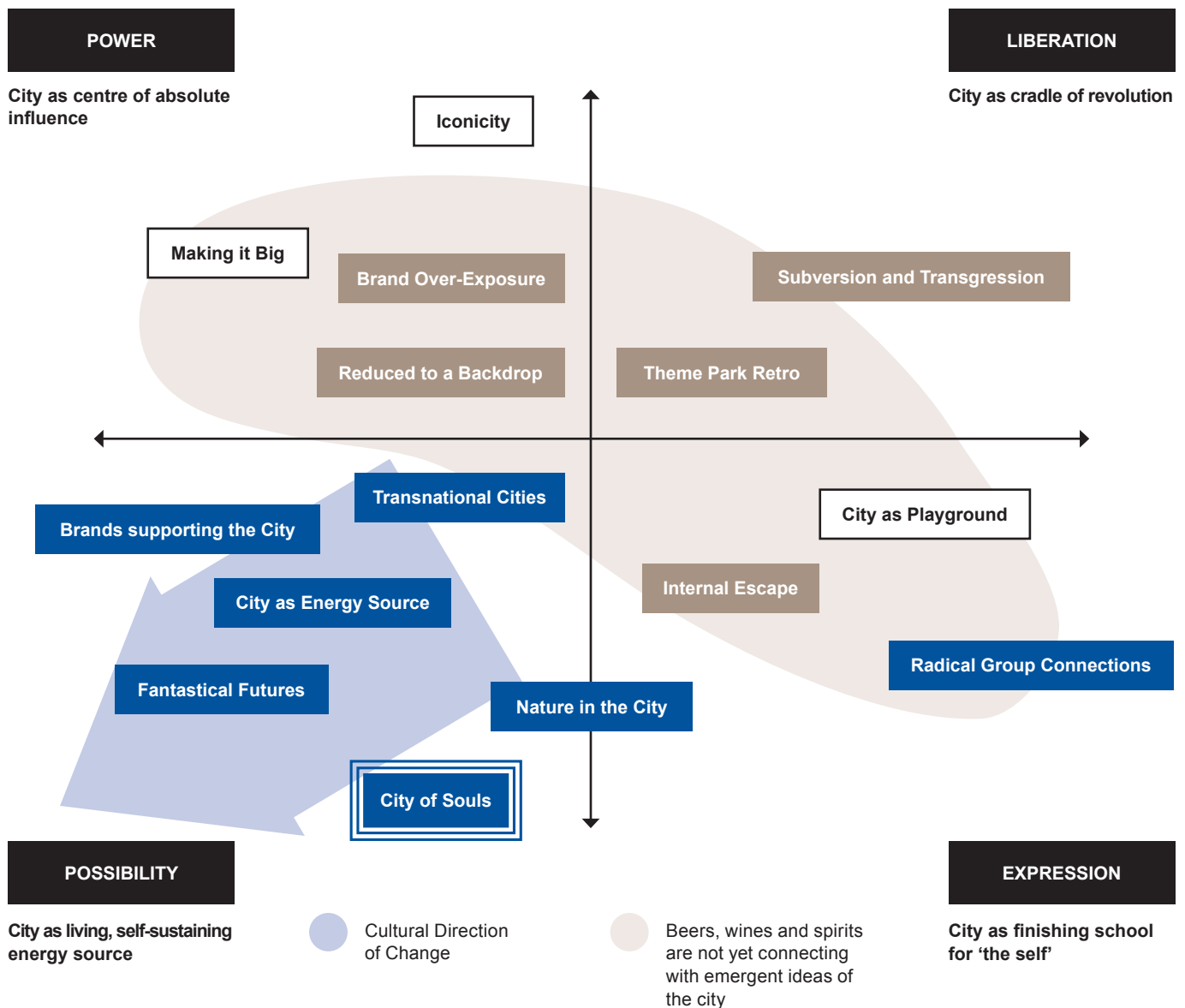
DOMINANT codes that represent the mainstream and expected



EMERGENT codes which shine a light into the future, showing the direction of change.

SEMIOTIC MAP

Ways that brands connect with cities



EMERGENT CODES TO CONNECT WITH THE CITY (AN EXAMPLE)

City

Wellbeing, spirituality and entertainment converge in the emergent city. Escape and self-numbing via alcohol give way to awakened, mindful and active forms of being together, from soul cycle classes to pre-work raves. Drinks brands support through the identification of new rituals, occasions, less potent, awakening or non-alcoholic products and experiences which blur previous category lines.

— Distinct boundaries between work and play are less relevant. We move away from ideas of the city as playground and embrace an Always On, 24-7 precarity.

—The new urban lifestyle will prioritise a stream-lined, productive, emotionally clear and self-actualised life with new products and services responding.

of



Soylent – personal productivity through food

A brand of meal replacement products (manufactured in L.A., by Rosa Labs), advertised for consumption as “staple meals”

The TVC above (“Use less, do more”) positions the brand as an emblem of the personal productivity movement showing how personal enhancement culture has penetrated food/drink.



Psyche – psychology meets cycling

Psyche claims it “will inspire you to lead a vibrant, energetic and happy life”, for £20 per 45 mins class

Blog posts such as one entitled “Soulcycle brand spinning and spirituality” and editorial on the Psyche website feat. “a fashion editor turned shaman” point to how contemporary wellbeing experiences offer a type of “secular spirituality”.



Seedlip – low proof drinks bring back control

A Diageo produced distilled, non-alcoholic spirit, inspired by the Art of Nature

The brand’s partnership with Harvey Nichols, London, celebrated ‘Dry January’ on the 5th floor terrace

Emergence of a category of low-proof drinks (shrubs / drinking vinegar, shims) targeting anxiety over being seen to be out of control in public.



Daybreaker – sober raving to start the work day

Pre-dawn, sober raves that attract young office workers, in 17 cities worldwide ...

Part of a desire for collective events which foster deep, human connection, release and a transcendence of everyday norms but without the need for artificial mediation and intoxicants.

Souls

CASE STUDY RIDING THE EMERGING WAVE

Our / VODKA

- From a semiotics perspective, Our/Vodka is tapping into specific emerging codes of “Brand as part of it”, “City as Energy” and “Radical intimacy” (essentially being a brand that contributes to social/cultural/economic development of a city, taking and giving energy to the city)
- It localises itself to a city (e.g. Our/Vodka by Our/London) but also to a neighbourhood (social media, general marketing and local news ground it firmly in the neighbourhood of Hackney)
- Expansion from the first distillery in Berlin has not been just to megatropoli, (London, LA) but to secondary cities like Miami, Houston, Detroit, Amsterdam where it is managed and micro-distilled locally, using local ingredients
- Brand ambassadors have been appointed to set up distribution in other cities where appropriate customer segments and neighbourhoods can be identified e.g. Paris, Copenhagen, Bucharest

“BRAND AMBASSADORS HAVE BEEN APPOINTED TO SET UP DISTRIBUTION IN OTHER CITIES WHERE APPROPRIATE CUSTOMER SEGMENTS AND NEIGHBOURHOODS CAN BE IDENTIFIED”

So what?

- The emerging codes found in a city can underpin growth
- If you can find similar codes in other cities, you can also get growth there even if they are not megatropoli – your growth is not capped by the original city, nor limited to big markets
- This can sustain the growth of start up brands, but also more established brands that you are looking to get over the tipping point of scale

Questions?

- What are the key emerging codes that we can see in the main cities? What are the key consumption and key cultural neighbourhoods and what codes do they represent?
- Can your existing brands connect with any of these codes/neighbourhoods and the tribes that frequent them? Do potential acquisition targets match up against any of these? Are there sufficient numbers of similar codes, neighbourhoods and the tribes that frequent them in other cities to support global growth?
- Is the global network of neighbourhoods and their codes numerous/strong enough to underpin a new brand launch if no existing brand is properly serving them?

Key takeaway...

“A new growth path to scale for new and emerging brands”

CASE STUDY ACTIVATING THE TRIBE



- Sailor Jerry has just tipped over into the 1m cases category
- A lifestyle brand from inception (the original brand was clothing) it is averse to advertising, preferring localised activation around specific bars, locations and events
- Broader outreach is established through larger events like music festivals in Las Vegas or Chicago, food festivals in London
- Films and social media that draw on road trip biker stories provide an authentic richness
- It is a classic “break the rules” brand, but it connects far more deeply with its tribe as it pulls on the emergent codes of “Brand as part of it”, “City as Energy” and “Radical intimacy”
- In neighbourhoods that are the natural home of the tattoo parlour, opinion leader bars are targeted
- Strong links to grounded neighbourhood locations allow it to run activation even in airports, as it replicates the kind of tattoo parlour boutique found in its key neighbourhoods
- Ready access is provided through leading supermarket chains and Amazon

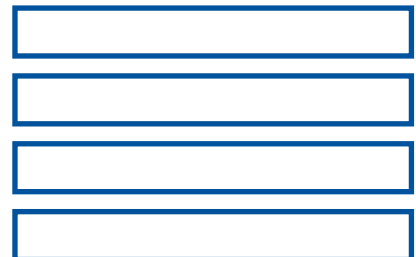
“STRONG LINKS TO GROUNDED NEIGHBOURHOOD LOCATIONS ALLOW IT TO RUN ACTIVATION EVEN IN AIRPORTS”

So what?

- Once the right codes are identified, you can identify the key neighbourhoods to target
- This means you can tailor your commercial strategy not just across different cities, but across different neighbourhoods within cities
- Within neighbourhoods, opinion leader outlets are critical, and message saturation in neighbourhoods can also be highly effective
- Social media is critical in connecting with the consumer through a geographic lens

Questions?

- Do you have the right consumer messages in the right neighbourhoods? The right brand ambassadors (not sales reps) on the right streets? Are you supporting the right bar managers?
- Is your social media rooted in a place and a code, not just on-brand in a city?
- Have you struck the right partnerships and the right sponsorship deals that will resonate with localised audiences?



Key takeaway...

“New opportunities for incremental growth for established brands”

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