



2020 CHARACTER STUDY

TAKEAWAYS + FURTHER
RESOURCES



Gemma Acton on the economy

———— TUESDAY 15TH SEPTEMBER, 8.30AM

Gemma Acton is the finance expert within the national Seven News team and is one of Australia's foremost business and financial commentators. As Seven's Network Finance Editor, Gemma covers financial and business stories making headlines across the country and around the world. Gemma will provide a unique insight into the global economy, and into Australia's economy and what we need to be prepared for.

Hosted by Sarah Green.

Gemma Acton: on the economy

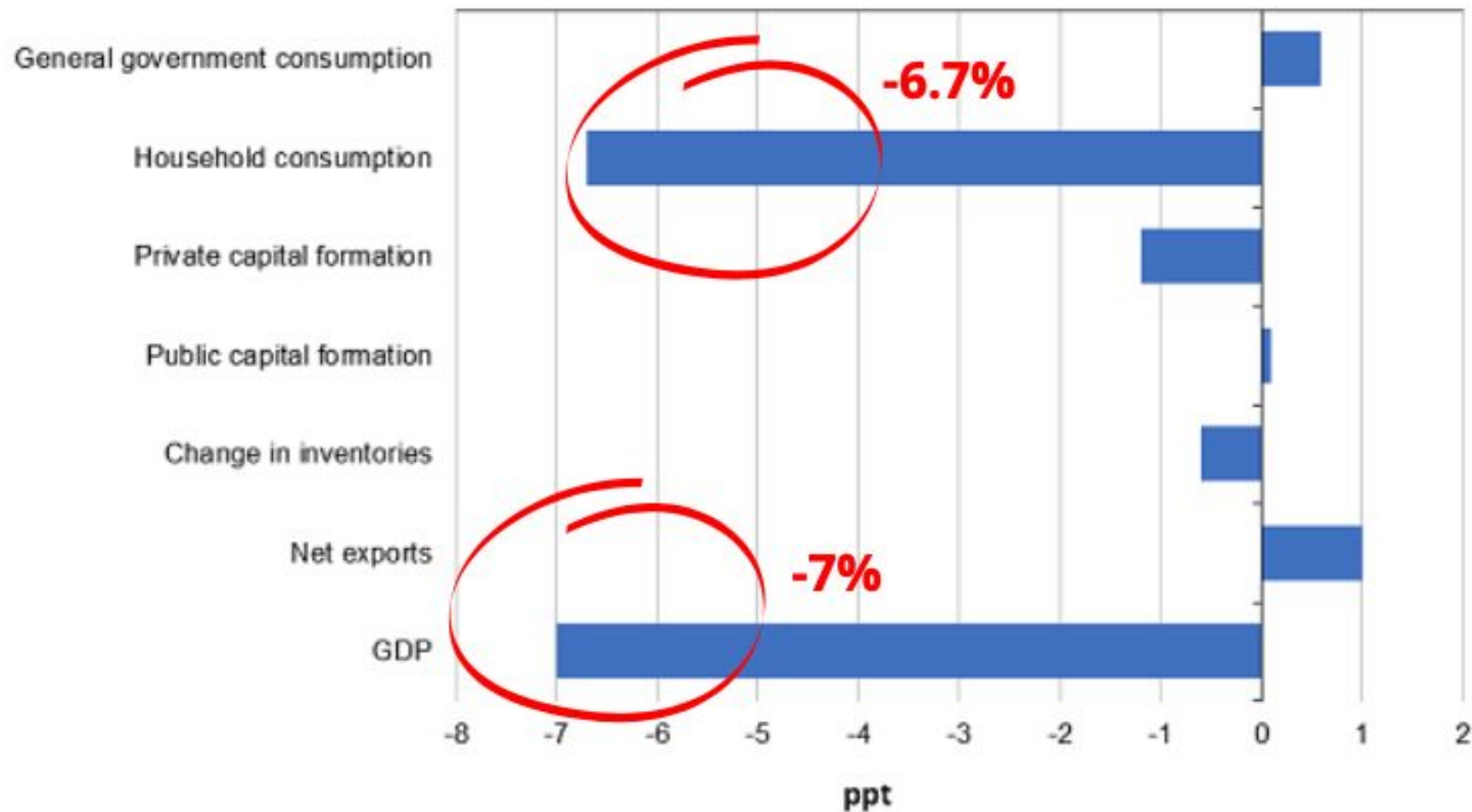
“Why did consumers stop spending, and when will they start?”

Resources

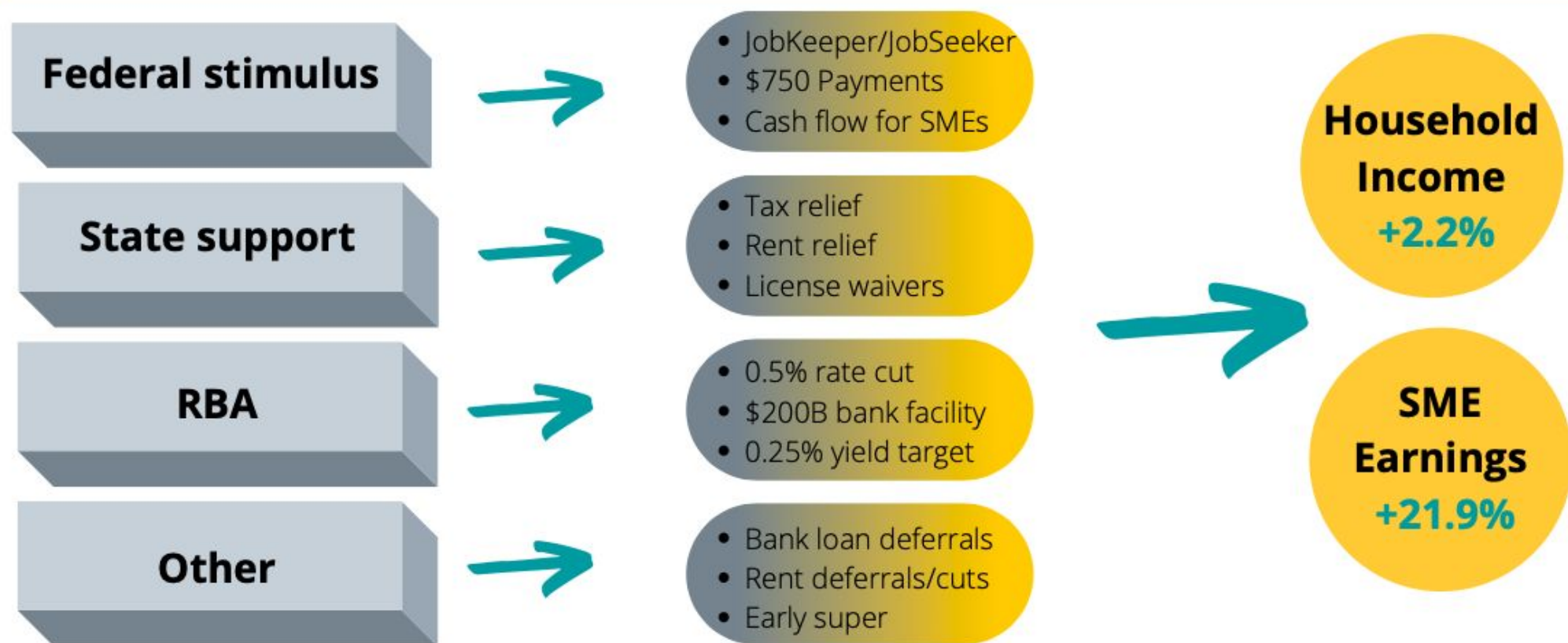
- [Link to Gemma's presentation](#)
- [Link to Gemma's slides](#)



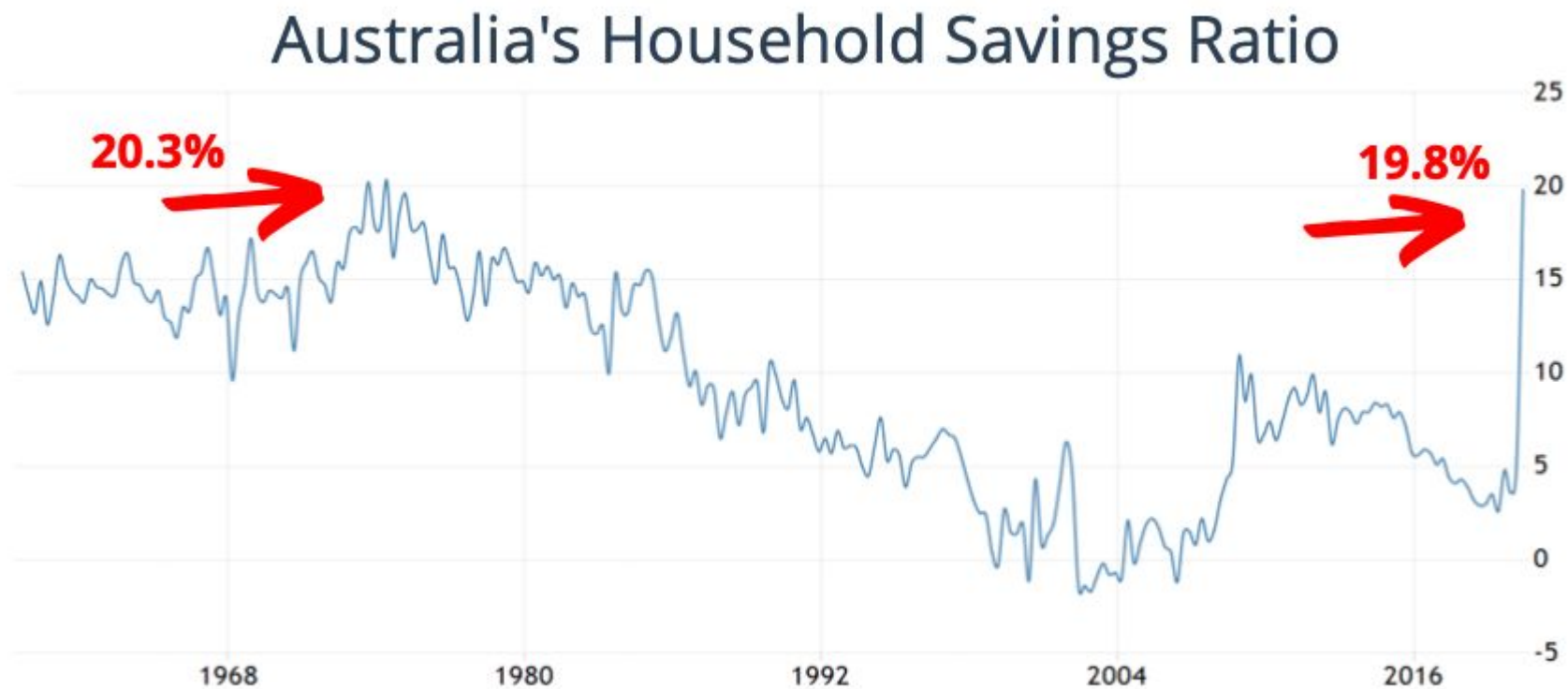
Household consumption has dropped sharply...



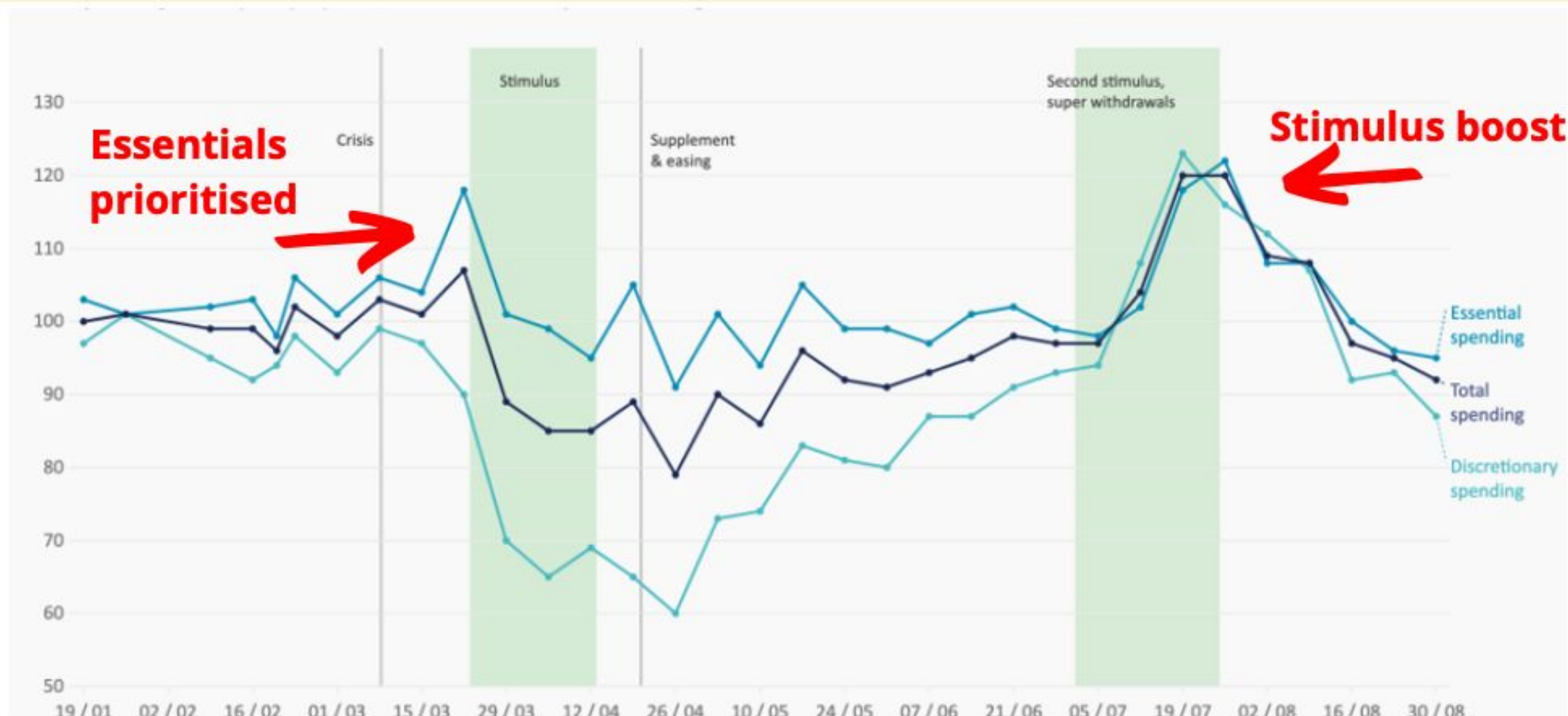
...but we didn't stop spending for a lack of money, many households are actually doing better, and SME earnings are up



And, we haven't spent it. We're scared and saving cash. \$42b saved by households between April to June. \$170b annualised if this saving rate continues.

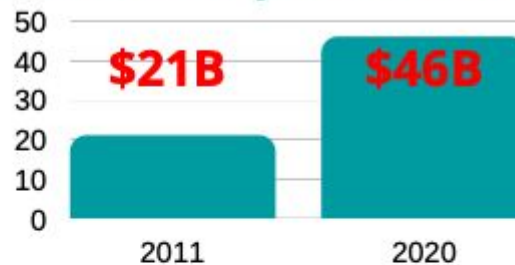


Essential spending continues - it has to. Discretionary spending has halted.



As consumer spending comes back, consumers are buying smarter. Shopping for value is a new badge of honour.

2nd hand economy has doubled in a decade



- Value hunting
- Items that last longer
 - Sustainability
 - Clutter
- Asset-light
 - What can I rent or borrow?
- Less credit via BNPL, credit cards
- Less prospect of wage rises
- Greater options along price scale
- Limiting interaction = less physical browsing

Stimulus gradually comes to end (at this stage). What is likely to happen?

- 25 Sep: JobSeeker cut
- 28 Sep: JobKeeper cut #1
- Oct: Bank check-in #1
- 31 Dec: Insolvency relief ends
- 31 Dec: JobSeeker ends
- 4 Jan: JobKeeper cut #2
- Feb: Bank check-in #2
- 28 Mar: JobKeeper ends

LIKELY

- More targeted fiscal stimulus
- State borders reopening
- More certainty
- Learning to live without a vaccine
- K-shaped economy: winners & losers
- Business incentives to invest

HOPEFUL

- JobSeeker permanently raised
- Job creation matched to society's gaps:
 - Healthcare (esp aged & mental)
 - Construction: social housing
 - Education: ongoing skills training
- Workplace flexibility, childcare: job readiness
- CBD restructure



Nir Eyal on how to build habit-forming products

———— TUESDAY 15TH SEPTEMBER, 10AM

Nir writes, consults, and teaches about the intersection of psychology, technology and business. The M.I.T Technology review dubbed Nir, “The Prophet of Habit-Forming Technology”.

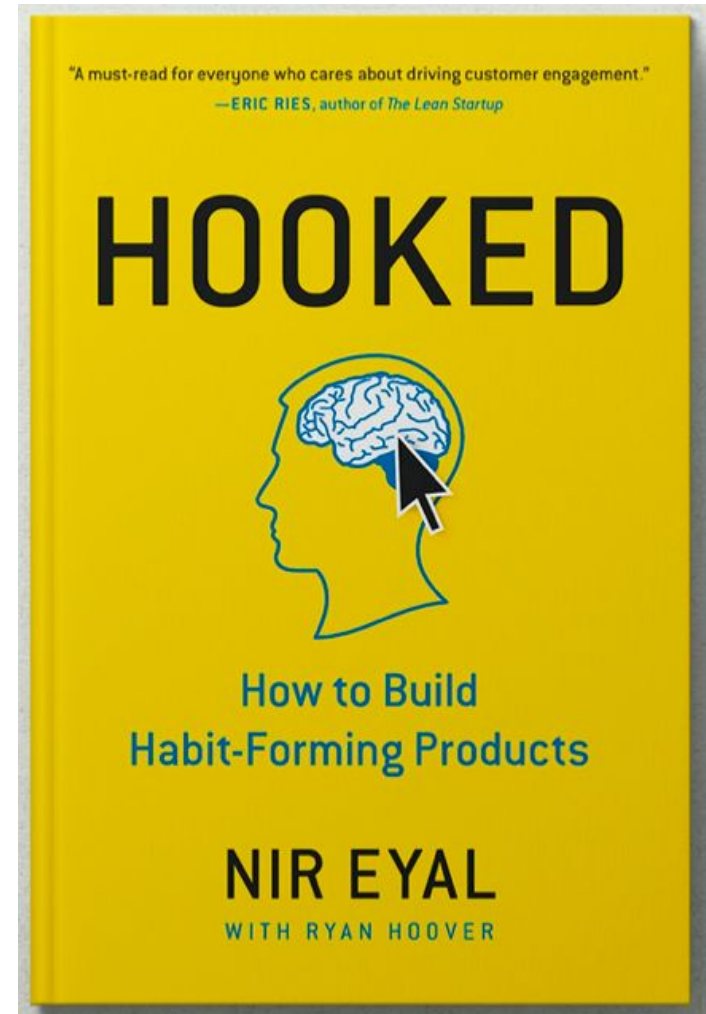
Nir has founded two tech companies since 2003 and has taught at the Stanford Graduate School of Business and the Hasso Plattner Institute of Design at Stanford. He is the author of bestselling books, “Hooked: How to Build Habit-Forming Products” and “Indistractable: How to Control Your Attention and Choose Your Life”.

Hosted by Sarah Gundlach.

Nir Eyal: on building habit forming products

Resources

- [Link to Nir's presentation \(video\)](#)
- [Link to Nir's slides](#)
- Nir also has a deck focused on enterprise, see here: <https://www.slideshare.net/nireyal/enterprise-habitforming-products>



Nir gave an overview of his famed 'hook' model



“You can buy growth and awareness - buy ads. You cannot buy engagement. It must be designed into the user experience”

“Embed the hook model into the ux. Connect the user's problem to your product with enough frequency to form a habit. Successive cycles through the hooks form tastes and shape preferences.”

Step 1: the trigger, can be external or internal

“What is your customer's internal trigger? What is the psychological itch, what pain does it solve for them? If you cannot articulate this clearly you are flying blind. It has to be something that people who design your product/service can articulate. You are not in the surface level business of a product solution, you are providing a psychological solution.”

External Triggers

The information for what to do next is within the trigger.



Internal Triggers

The information for what to do next is informed through an association in the user's memory.



People

Places

Emotions

Situations

Routines

Step 2: the action, the simplest behavior done in anticipation of a reward

According to BJ Fogg, for any *behavior* to occur, we need *motivation*, *ability*, and a *trigger*

$$b = m + a + t$$

Step 3: rewards, the brain is most active in anticipation of a reward

Tribe: search for social reward, things that feel good and come from other people (empathetic joy, partnership, competition), i.e. like buttons (uncertainty about what the comments might say, how many likes)

Hunt: search for resources and material possessions, ie. gambling (pokies), uncertainty when you play a game of chance, social feed ie. LinkedIn, scrolling - you keep scrolling to get more interesting content (same psychology as pulling on a slot machine)

Self: search for self-achievement, leveling up - mastery and competence, i.e. game play, angry birds and candy crush, getting to the next level/achievement, i.e. your inbox, checking unread messages and clearing them away - mastery over your inbox, ticking off your to-do list, clearing the notification on home screen

3 types of *variable rewards*



tribe



hunt



self

Step 4: Investment. Investments increase the likelihood of the next pass through the hook in two ways..

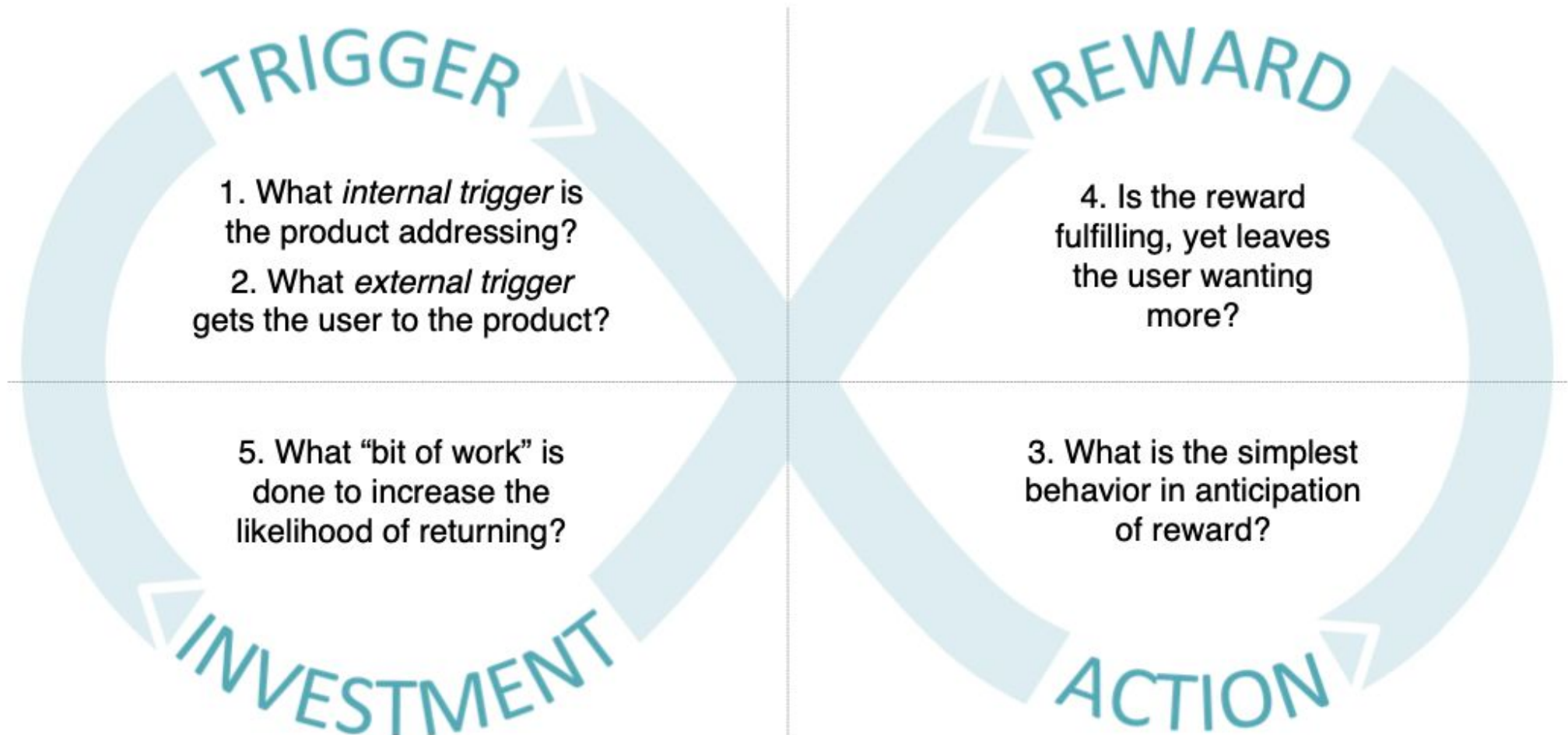
1. Load the next trigger, something the user does to bring themselves back (not spam/marketing), i.e. an open invitation for a trigger to be returned

2. Store value - so the product improves with usage. Physical items depreciate with use, habit forming products appreciate - they get better and better the more we interact.

i.e.:

- The more content into Dropbox / Google Drive, the more valuable over time.
- Mint.com - the more data you give them, the better the product becomes.
- Followers - the more followers the better you can reach your audience
- Reputation - upwork, ebay, airbnb - once you have positive reputation stored you can charge more, less likely to leave.

The Hooked Model *Canvas*



From “*Hooked: How to Build Habit-Forming Products*” by Nir Eyal, NirAndFar.com



Joanne Gray on the media landscape

———— WEDNESDAY 16TH SEPTEMBER, 10AM

As the managing editor of The Australian Financial Review and with more than two decades worth of experience in the media, Jo will provide her view on how the media landscape is changing, and what it means for brands and executives. In a Q&A interview format, Jo will reveal how the AFR newsroom functions and the topics, issues and approaches that lead to great media outcomes.

Hosted by Kate Dinon.

- [Link to Jo's Q & A with Kate \(video\)](#)

Jo Gray: on the media landscape

1. When there's big news story, journalists want more and more angles. This is exactly when you should be pitching. If it's a breaking story that is a great time to pitch a new and interesting angle. Attach it to something that is really relevant right now - that is key
2. Ultimately a journalist's aim is to get the best story. A journalist must always be prepared to write something knowing that that person may never speak to you again. That's ok. Everyone has a job to do
3. A great interview is thoughtful, authentic and human. They reveals insights, truths and foibles. A terrible interview will not stray from the speaking points
4. A good pitch is not about the timing, it's about the relevance. Ask yourself, is it; exclusive, good, new, authentic, part of a bigger discussion?
5. As journalist you can't be precious about your work, because it never comes out exactly as you wrote it. Never!



Jo Gray: on the media landscape

ON THE AFR...

- The AFR's core focus is on economic reform, progress and growth for Australians. It exists ultimately so Australians can live better and more informed lives.
- People have a real interest in business and an urge to find out what is going on. It is the AFR's role to explain that. For example, there is a growing interest in the stock market from young people, so with this comes an important role to decode a somewhat archaic language and provide accessible content and stories for all kinds of readers.

ON A GREAT INTERVIEW SUBJECT....

- **Great interview:** Thoughtful. Authentic. Human. Reveals insights, truths and foibles.
- **Terrible interview:** CEO who will not stray from the speaking points. Jo used the example of an interview she once did with a startup CEO who was completely impenetrable and wouldn't answer the questions properly. This meant she couldn't write a story and ultimately everyone's time was wasted - Jo's, the PR rep and the CEO's.
- It can be hard to reveal yourself if you haven't met the journalist before. This is why it's important to develop trusted relationships with journalists where you feel comfortable sharing information. It is highly encouraged that people make a conscious effort to develop those trusted relationships, without any motive behind it. Don't build relationships wanting an outcome.
- If something terrible happens, but you've built up relationships with reporters. You can pick up the phone and give them your side of the story. If you've shunned and resisted open conversations and not let them in, then there is no reason for them to give you a break.
- They will always try to talk to people at the centre of events to get both sides of the story. Sometimes it can be difficult when comms professionals get in the way and it becomes more of an effort trying to facilitate than actually having the conversation.



Jo Gray: on the media landscape

ON RELATIONSHIPS...

- Building them is straightforward. Reach out, grab a coffee, talk about the industry, ask journalists for their point of view. Don't always have an agenda, the best relationships are built this way.
- It's important to not continue to ask for time when there are no eventual outcomes. The same goes for information off the record. There is a place for information off the record, however, not everything can be based on relationships and 'off the record'. Eventually there needs to be an agreement about what can go on the record and what material can be used.
- The motive of the journalist is to not get played or used for their point of view with information that could be potentially damaging. This is an ongoing issue.
- Ultimately an existing relationship does not equate to a leave pass. The journalists hope is to get the best story. They must always be prepared to write something knowing that a person may never speak to them again. That's ok. Everyone has a job to do.

ON PITCHING...

- It's good to give as much notice as possible. The newspaper files 7.30pm each evening. However, a good pitch is not about the timing, it's about the relevance. Ask yourself, is it; exclusive, good, new, authentic, part of a bigger discussion?
- When there's big news, journalists want more and more angles. This is exactly when you should be pitching. If it's a breaking story that is a great time to pitch a new and interesting angle. Attach it to something that is really relevant right now - that is key.
- Not everything has to come back to Covid. Covid has only accelerated big industry trends. The big economic and geopolitical stories are still ongoing eg: ScoMo's gas policy, climate change, power wars, cyber security. Economics as a topic and debate spanning; monetary fiscal policy, unemployment, inflation, charting a way back to recovery is at the core of what the AFR will do for the next couple of years. Trying to tell more stories of how business is adapting to this extraordinary time will be really fascinating.



Jo Gray: on the media landscape

ON A DAY IN THE LIFE AT THE AFR...

- **8.30am.** Morning news conference with all editors - foreign editor, major city editors, editor in chief, national are on the phone. All reporters have listed stories on spreadsheets and what time they will file. These are not always fully fledged and sometimes ideas that need following up. This is an information session but also a pitching session for the Editor/ EIC to work out the best stories.
- **12.00pm.** A new brief goes out with a new deadline. Have to have stories for that. The biggest stories will have been leading the home page all morning. They try to be more weighted in the morning because that is when they get the most traction/ views. Reporters working day before what they will file the next morning.
- **2.15pm.** Another news conference.
- **5pm.** The focus now changes to getting the newspaper out each day. Every day this feels like a small miracle! It's all about page 1, called the palsh. There is usually 3-5 options. Is it exclusive? Does it stand up to scrutiny? What's the photo? Sometimes the reporter is called and told how to write the lead. As a journalist you can't be precious about your work, because it never comes out exactly as you wrote it.

ON WHAT'S NEW...

- **Markets blog.** A breaking news coronavirus blog. COVID is such an Important political and economic story. This is a way for reporters to get their stuff out there and get people up to speed. There is a huge increase in page views for this content. People really want to know the latest now.
- **Covid newsletter.** Goes out every night at 8. Provided significant bump in traffic. It has a chatty narrative that delivers a nice concise summary of the most important news stories from the day.
- Sent three hours after the market wrap. More of a page one focus breaking down the big stories. E.g. What really happened in Canberra, what does it all mean?
- **Careers newsletter.** Geared towards young professionals. Guidance on figuring out what you need to do to get the job offer or promotion; insights for career moves, wealth generation, figuring out your finances. This is for the young and ambitious who want to figure out how to build wealth and be financially successful. What do I value in my life and how am I going to get there? **Top secret!! To be launched.**
- Newsletters are really important for subscribers to get their information. Some people only read the newsletter. They want to find more ways to bring more curated ways to bring stories to people and makes them feel more connected to the master brand.



Ana Andjelic on on what consumers value today

THURSDAY 17TH SEPTEMBER, 9AM

Ana Andjelic is a New York based strategy executive, author of “The Business of Aspiration” and Forbes CMO Next who specializes in building brand-driven modern businesses. Ana earned her doctorate in sociology and worked at the world’s top brands and advertising agencies. She writes a weekly newsletter, The Sociology of Business, and is a widely read columnist, speaker and advisor.

Hosted by Lauren Sams, Fashion Editor, Australian Financial Review.

Ana Andjelic: on what consumers value today

Resources

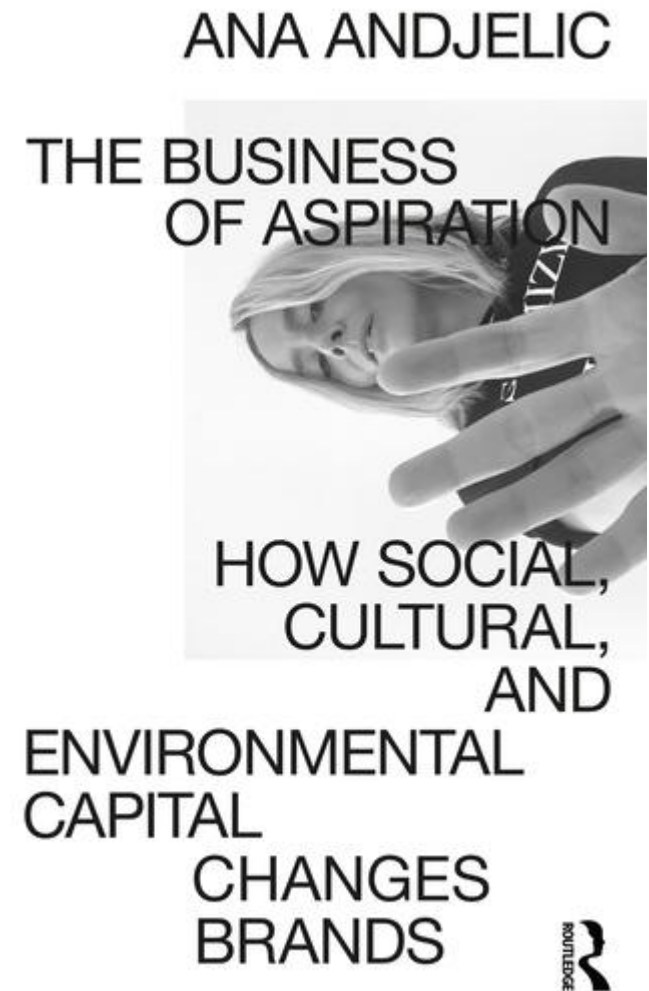
- [Link to Ana's talk \(video\)](#)

Ana's first book, [The Business of Aspiration](#) is released in October 2020.

The Business of Aspiration is a global journey on what consumers value today and what they want to pay for, and how this transforms business and brand growth.

Sign up for Ana's weekly newsletter, The Sociology of Business:
<https://andjelicaaa.substack.com>

[The Economist piece](#) discussed in the session.



Ana Andjelic: on what consumers value today

The Modern Aspiration Economy:

- Seeing a shift towards wellness and self actualisations rather than buying stuff.
- That's important because businesses are set up to create value for investors not to create cultural or social value.
- Business models are stuck in a traditional economy that's crumbling before our eyes, so how do you create value in the post growth world?
- Apple, Nike, are 'modern' brands that have been around for a long time.
- They have an approach - they are going to improve the quality of life for a privileged group of people.
- In the modern aspiration economy the value you're buying seamless convenience. The shift is now moving to think about how are they improving the life of the people in the countries where their product is produced and how are they making environmental impact.

The concept of 'made of' vs 'made in'

- How do countries like Europe make money when everything is made in China.
- Experiences, travel, luxury, food, art ect - they are branding their countries, it's not made in France it's made OF France - it's made of the artists of the country. They are creating a story that people want to buy into.
- "We don't go out to eat food, we go to consume culture"



Ana Andjelic: on what consumers value today

In the future all brands are going to be B Corps

- This value architecture is new. There are five new business models that new modern brands are thinking about how they create social values each part of their supply chain and it's part of their P&L. Chobani is an example of this, they think about
- In the future all brands are going to be B Corps, brands are going to move their social responsibility throughout their whole company not just giving money to charity any more.
- Creating environment, social and economic value.
- In the future we are going to have K shaped aspirations. Some people will buy more socially responsible and everyone else is going to buy what they can afford. Brand that create fast fashion or make products that have no consideration of their environmental impact, they will be taxed more.



Ana Andjelic: on what consumers value today

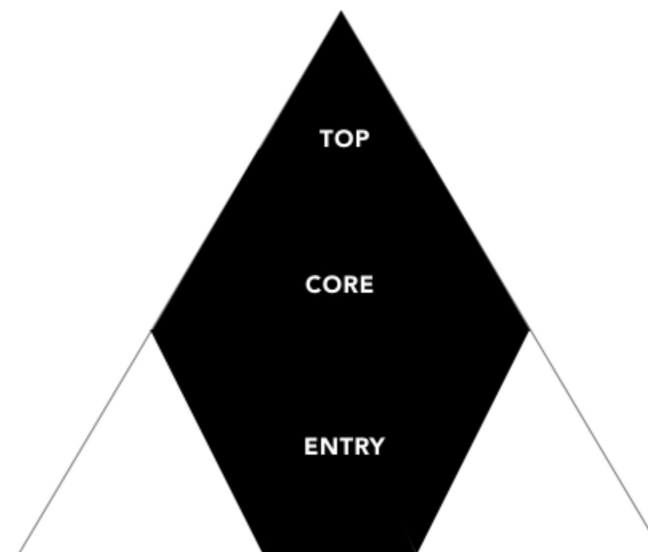
5 New Business Models:

Diamond Model

The Diamond Model has three levels: top, core, and entry. In contrast to the traditional pyramid model, products and/or services at the bottom do not diminish in quality compared to the core. They are not “masstige.” Core layer is one of the potential brand expressions. Its value promise and the brand experience are consistent with all other layers.

At the top, the diamond model features limited editions, special collections, small product series, and/or limited distribution that are still considered part of the same brand space and that share the brand identity with the core and the entry levels.

At the core of the diamond model can be either the brand’s original offering (both the top and the entry products are extended from it) or the offering with a common thread or theme, like art or a specific lifestyle. The core has a more selective and/or controlled distribution than the entry level.



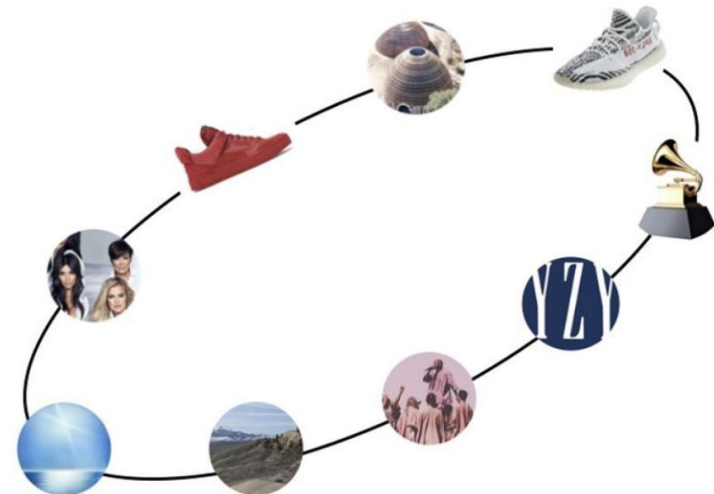
Ana Andjelic: on what consumers value today

5 New Business Models:

Galaxy Model

The Galaxy model refers to the brand and business strategy where products create a system held together by the gravity of the funder at its center. Some of the examples of the Galaxy model are Ralph Lauren, Martha Stewart, DVF, Kylie Jenner, or Armani. In this model, all sub-brands, brand extensions, products and experiences are entry points into the brand universe. There is no hierarchy among them: they all reflect brand values and play an equal role in bringing the brand to life.

The Galaxy model's advantage is the power of a single person, who ensures a strong point of view, a high creative consistency of all brand executions, and cohesion of its aesthetics and values. This is also its biggest liability: the founder, who often grows into an iconic figure of mythical proportions, has to have a clear succession plan, to keep their creativity fresh, and to stay vigilant in order not to fall out of grace, lest the entire brand collapses with them.



Ana Andjelic: on what consumers value today

5 New Business Models:

Wonder Wheel Model

The Wonder Wheel model is when a business expands from the first product that's made it known, and thrives beyond it by entering into products and services from other categories. Unlike in the Diamond and Galaxy models, products in the Wonder Wheel do not decrease in quality or price level, but stay consistent. The Wonder Wheel Model has a proto-product as its anchor. This product is the original embodiment of the brand philosophy and a lifestyle that a brand wants to reflect. This same philosophy expands across all new product and service categories that are added over time. The Wonder Wheel companies constantly optimize their core commercial capabilities in sales, marketing, pricing, and customer experience.

The Wonder Wheel of Goop



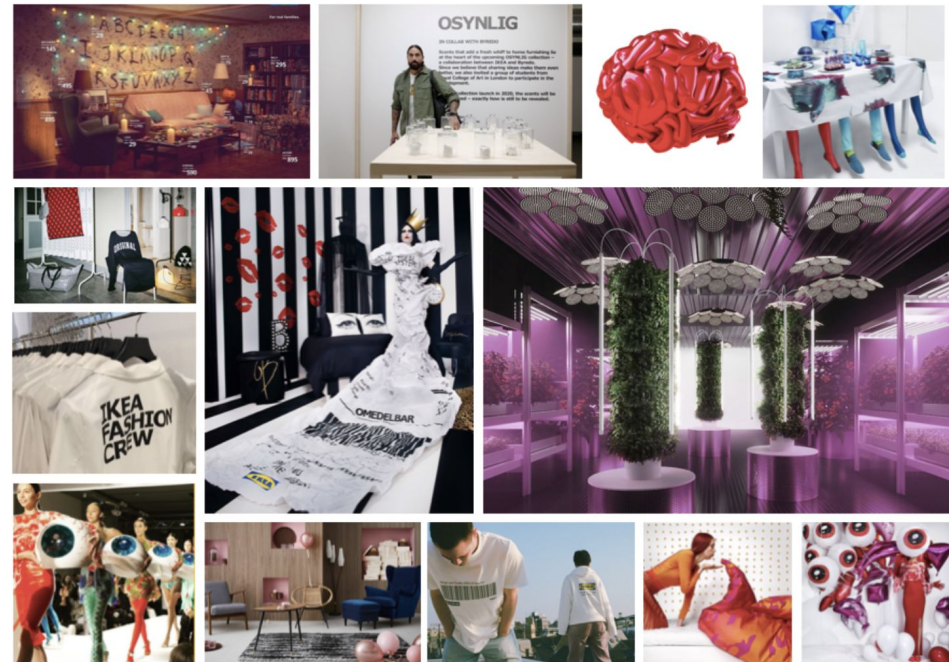
Ana Andjelic: on what consumers value today

5 New Business Models:

DJ Model

The strategy behind the DJ model of growth is a remix: the DJ model keeps reframing a brand for customers in a new context.

The DJ model reintroduces a brand in the market by remixing it with different parts of culture, community, technology or natural environment. A constant stream of new brand associations and attributes keeps a brand image fresh and a brand visible among consumers and cultural commentators alike.

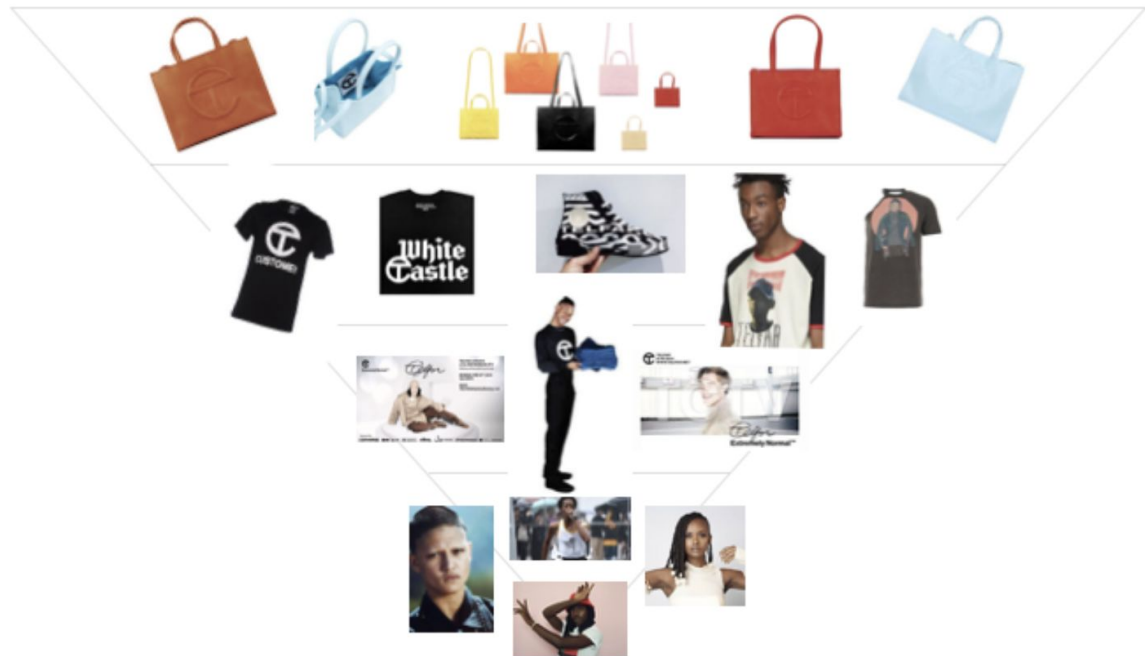


Ana Andjelic: on what consumers value today

5 New Business Models:

Reverse Pyramid Model

The reverse pyramid model is a revolutionary switch of the relationship between availability of something and its aspirational value. The model breaks from the established business and brand logic as it generates access to desirable products, taste, knowledge, and community in order to create economic value. This model powers growth in the de-industrialized markets. The pyramid's base is the most economically accessible, but the most creatively diluted. Unlike the DJ model, the reverse pyramid model doesn't revolve around value innovation, but around gradual value-add predicated on consumer commitment.



Ana Andjelic: on what consumers value today

QUOTES WE WILL REMEMBER:

The 4Cs: culture; consumer; company; competition (or the market/industry).

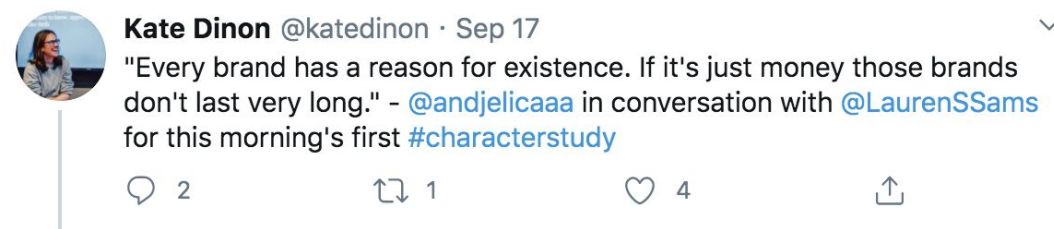
Brands need to ask themselves:

- What does the company care about?
- What does culture care about / focus on?
- What does the customer care about?
- What does the industry care about?
- What do you stand for? (as distinct from competitors)
- Whose voices are being heard? Whose aren't?



The importance and rise of curators

"These aren't influencers, curators invest their time and knowledge in some sort of taste and expertise. Anyone with internet access can become a curator."





Phoebe Simmonds on building brands through COVID

———— THURSDAY 17TH SEPTEMBER, 10.30AM

Phoebe Simmonds is a beauty industry veteran. Using her experience from working across three continents for LVMH and as the Marketing Director for Benefit Cosmetics Australia, Phoebe has since started two companies of her own, The Blow in 2018 (which has recently expanded into Sephora) and The Memo in late 2019. Phoebe will be speaking about building brands through covid: creativity, connection and finding new customer opportunities.

Hosted by Camilla King.

- [Link to Phoebe's Q & A with Camilla](#)

Phoebe Simmonds: on building brands through COVID-19

2020 has been a rollercoaster: focus on the bigger picture and trust your gut.

- You need to be okay with ambiguity and focus on the bigger picture and what you can control. Lean into what you do have: an ability to flex, opportunities for creativity, a chance to build a stronger community.
- Be decisive (Phoebe took charge and closed The BLOW a week ahead of the Government mandated closures). Be open to anything and back yourself and your values. You'll know if it doesn't feel right.
- The biggest load for many founders is the duty of care felt towards employees.
- Honest leadership and great communication matter in this context. Giving people space to process how they're feeling is also important.

Building brand as a defensible strategy; creating opportunities to flex.

- Never underestimate the power of a strong brand with a clear message. A brand can't be replicated, whereas a product can.
- A values-led brand approach allows you to flex your product and service offering in times of need (making you less reliant on delivering one single thing).
- The BLOW is not just a blow dry bar, they've created a community of women, offer great storytelling, share the stories of women navigating this year and conquering their day with confidence!



"Our focus at The BLOW is on what the brand stands for: helping women feel strong, confident and ready to conquer their day."

Phoebe Simmonds: on building brands through COVID-19

ofcharacter.com | @ofcharacter_

Brands today need to stand for something.

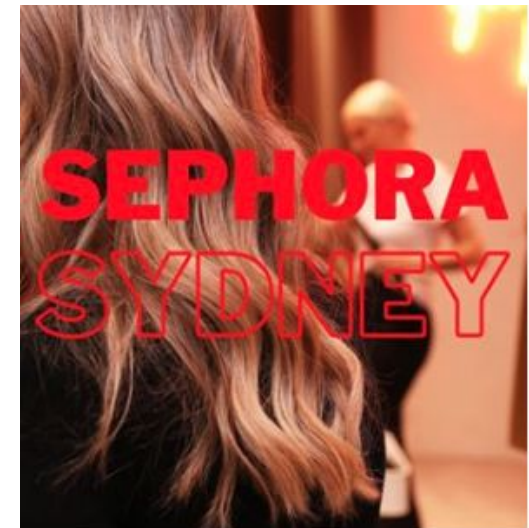
- If you don't stand for something you won't stand out.
- Taking action is important. Modern consumers expect brands to care: from Feminism to politics, the environment or social equality, it has to be more than a slogan on a tee.
- The BLOW stands for the strength of all women. Their events and services lift their community up and Feminism is part of their foundational DNA.

Tap into your brand DNA.

- Brand DNA is the blood that runs through the veins of a company. It represents the values of the brand helps define your unique tone, culture and experience that cannot be copied.
- Your DNA helps you stand out from competitors, withstand tech changes (and global pandemics) and most importantly, it builds brand love.
- You DNA should be expressed across every element of your business from culture, to choosing influencers and brand partners, and will become a shortcut for decision-making.

Small businesses can find *true value* in brand partnerships.

- For smaller businesses without a marketing budget, brand partnerships, collaborations and events can rapidly build brand awareness.
- Approach partnerships with an understanding of what's in it for both parties. As the smaller party, you may not bring brand awareness, but you can definitely create an impact in a relevant and engaging way.
- Work out what value you can offer and map out a partnership that delivers for you both and is true to who you are.
- When it comes to events, think how your activations will translate to the digital screen. It's not just for those who are physically in attendance. With social media, remember the adage: *"They may not go, but they will know!"*





We are The Blow. We are the nation's premium Blow Dry experience.

We believe that life isn't effortless but your hair can be.

We know that hair can exude power and help you sell the best version of yourself, not a made up version of perfection. That you're ready to do you, with courage, curiosity and confidence.

Like you, we value efficiency and want to maximise every minute of the day.

With us, you can schedule in an effortless style like you schedule in any other meeting so you can **get in, get out ... and get it girl.**

Brand highlights in action

- The BLOW helps women feel strong, confident and ready to conquer their day.
- The BLOW's DNA is based on Good Hustle; an anti-luxe, Made in Melbourne heritage; being unapologetically Feminist, fast and effortless services; deep, aligned partnerships; and their 'always on' warmth.
- The BLOW is not just a blow dry bar, but a community of women. They use compelling storytelling to share and celebrate the women in their community.
- Their events and services lift their community up. Feminism part of the The BLOW's foundational DNA. It's therefore only a natural extension to use their platform to express their views authentically.
- The BLOW walks the walk when supporting women. Through their partnership with [Share The Dignity](#), they raised \$20k+ in their first year of business.
- Partnering with Sephora - the biggest beauty retailer in the world - has been instrumental for The BLOW in terms of awareness, momentum and growth.



"Blow dries are one thing, but a brand that is outspoken and stands for something is one our customers can really feel good about."

Thanks for reading :)