

# BRAND INTELLIGENCE BRIEFING REPORT

A Partnership Between:



and

**Inkblot** Analytics

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## EXECUTIVE SUMMARY

1

Consumers today, in the post-pandemic world, are seeing the most **fluctuations** in the following areas of their lives: **psychological, social, work, and financial**. These fluctuations tend to trend towards a **more negative impact** rather than a positive impact, prompting brands and organizations to do more in order to impact these areas of consumer lives to bring about change.

2

Brands can best connect with consumers via social media, TV, or through family and friends. Brands should attempt to **demonstrate a clear purpose**, especially in conjunction with a consumer's psychological health, physical health, and environmental perspective.

3

**Impacting** various aspects of consumers' lives, specifically physical, psychological, technological, and environmental areas, can help increase brand engagement, brand favorability, and consumer usage.

## INTRODUCTION

On average consumer priorities have shifted significantly over the past few years, in the aftermath of social and economic trends, and not necessarily in favor of indulging more and acquiring more. For example, consumers are becoming increasingly concerned about their health and seeking out products that promote health and wellness (e.g., organic, natural, farm-raised). In parallel, consumers have become more conscious of the environmental and the social impact of their purchases and seek out products and brands that support social and/or environmental causes. Oftentimes consumers even choose to abstain entirely from excess purchases and brands that do not support their favored causes. At the same time, consumers are gravitating to products and services that are convenient and quick (e.g., online shopping) and consumers are responding most to personalized products, experiences, recommendations and even marketing messages.

The Anderson Group is a marketing agency that helps brands and organizations assess opportunities to **deepen their purpose and increase their value and impact** on their customers and employees.

Having a positive impact individually and overall on various aspects of consumer lives (including social, psychological, family, work, environment, physical, technological, purpose, and financial) and adapting to these evolving consumer priorities is essential for brands to succeed in today's competitive market. To overcome these barriers, brands must demonstrate that they not only have a clear purpose and deliver a relevant value, but also make a desirable impact on the things that matter to their customers, prospects, and employees. People just aren't as receptive to "messages without substance" or "business as usual."



The Brand Intelligence Briefing Report is a quarterly report divided into two sections. In the first section, methodology and an overview of the sample for the current study are briefly discussed. In Section 2, results are discussed and further divided into three subsections. First, we discuss how various aspects of consumer lives have been impacted in the aftermath of COVID-19 across age groups and what brands can do in response. Second, we discuss how brands can effectively connect with their consumers in today's world across age groups. Finally, we discuss which aspects of consumers' lives brands should focus on to increase their impact and how increasing a brand's impact influences consumer engagement with the brand, consumer usage, increase word-of-mouth, and brand favorability.

# METHODOLOGY

For this first Brand Intelligence Briefing Report, we recruited participants from across the United States. We were able to recruit **320 participants** who completed the survey online.

Our online survey was divided into the following sections:

- Introduction and Consent Form
- Positioning Information
  - Positioning Observation
  - Positioning Problem
  - Positioning Insight
  - Positioning Solution
- Impact 360 - The Brand Impact Scale
- Relevant Outcomes
  - Consumer Engagement
  - Likelihood of Usage
  - Word of Mouth
  - Brand Favorability
- Demographics

We used a proprietary scale to measure brand impact or the extent to which a consumer perceives the impact a brand has on them and their lives, the **Impact 360** survey. The Impact 360 scale allows us to extract brand impact quotient scores for each brand. If you are interested in the validity and reliability of our survey, please see our technical report on the psychometric features of our scales.



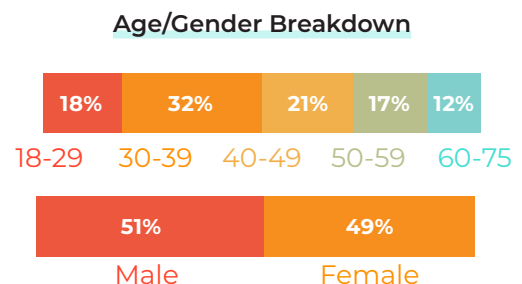
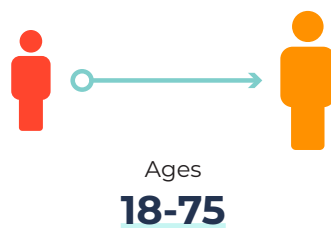
While this study was quantitative, our proprietary projective test, **“360 Consumer Diagnostics,”** can also be used to capture study goals qualitatively. Powered by Brand Blots, Inkblot Analytics’ AI-enabled projective testing platform, the **“360 Consumer Diagnostics”** measure is an add-on service providing hidden insights about consumer emotions in relation to brands.

Using a rigorous data cleaning and quality assurance (QA) process, we ensured that the data were::

- Produced by real people (not bots)
- Produced accurately (not randomly answered)
- Entered thoughtfully (not someone rushing through it to answer as quickly as possible)

# SAMPLE

To have a better understanding of who took this survey, the following is a breakdown of the sample composition.



Overall, the sample was representative of a wide variety of consumers and evenly distributed across various age groups and sex to match census percentages, which was ideal for generalizing these results to all consumers.

# RESULTS

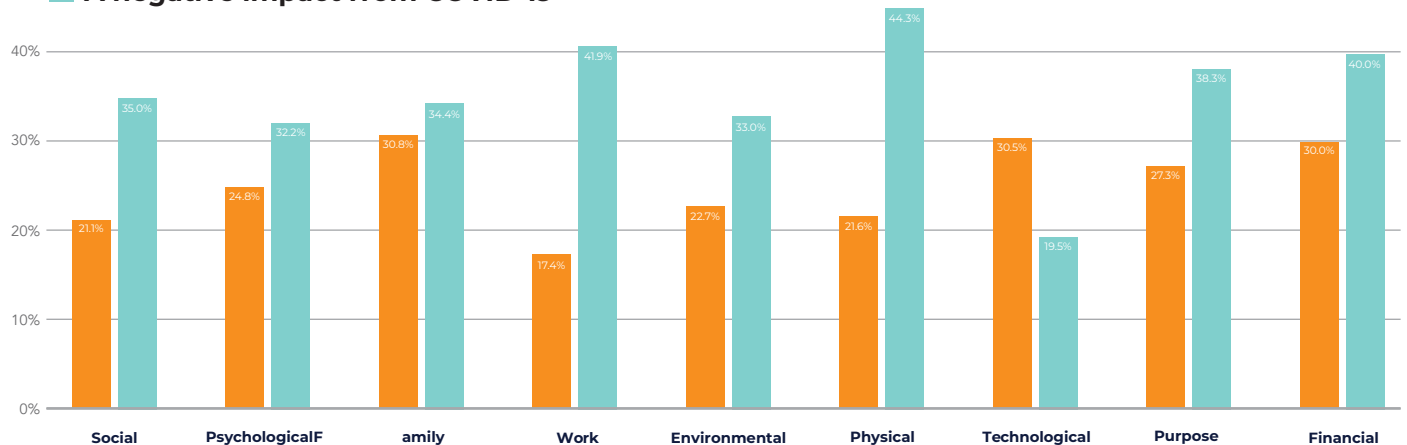
## CONSUMERS TODAY . . .

The past few years have had a significant impact on consumers. In fact, **nearly 86% of consumers reported having been impacted to some extent by COVID-19**. More specifically, the past few years have both positively and negatively impacted various aspects of consumer lives. In our study, we inquired after COVID-19's positive and negative impact on nine possible distinct domains in an individual's life:

1. **Social** refers to an individual's behaviors and ability to interact with their community, friends, and social circle.
2. **Psychological** refers to an individual's mental health or their overall affective well-being, including an individual's ability to manage their emotions, make decisions, cope with stress, and form healthy relationships with others.
3. **Family** refers to an individual's relationship and interactions with their immediate and chosen family members.
4. **Work** refers to an individual's professional life, their job status and the details of their employment.
5. **Environment** refers to an individual's care and/or concern for the protection and preservation of the natural environment and sustainable use of resources.
6. **Physical** refers to the overall condition of a person's body and encompasses a variety of factors including cardiovascular health.
7. **Technological** refers to all things digital, new and existing technologies that people interact with in their daily lives, including softwares and virtual interactions.
8. **Purpose** refers to the sense of purpose and belonging an individual perceives to have.
9. **Financial** refers to the state of an individual's financial well-being, such as income or debt.

### ■ A positive impact from COVID-19

### ■ A negative impact from COVID-19



**30%** reported a **positive financial impact**

**44.3%** reported a **negative physical impact**

**30.5%** reported a **positive technological impact**

**41.9%** reported a **negative impact on work**

**30.8%** reported a **positive impact on family**

Notice how in almost every aspect, consumers reported a greater negative impact than they did a positive impact, particularly on their physical health, their psychological health, their work, and their financial lives. The highest endorsed area of negative impact was work, speaking not only to the



current internal positioning and understanding of consumers but also employees. All nine domains are intrinsically tied within an individual, where an impact to one area can influence multiple even all adjacent areas. For example, a significant stressor such as work may oftentimes induce a domino effect in a person's life, where financial stressors lead to psychological, physical and social stressors or when an individual's psychological health is suffering they are less likely to take care of their physical health. Fluctuations in each domain dictate a consumer's behavior, consumption habits, engagement, and retention.

In today's world, understanding which areas of their lives consumers are experiencing fluctuations in can help brands develop more personalized and effective marketing strategies. For example, including positive messaging (e.g., "You're special") in marketing messages and emails or by supporting social or environmental causes important to consumers today can increase brand engagement, acquisition, and favorability.

Taking a closer look at each of the nine domains:

### Social

- Compared to 21% of individuals that noted that COVID-19 had a positive impact on their friendships and romantic relationships, nearly **35% of individuals** indicated that COVID-19 had the opposite effect.
- 56% of individuals negatively impacted by COVID-19 found it to be particularly frustrating, especially in how it impacted their social relationships. For example, 60% of individuals negatively impacted by COVID-19 indicated having a "major fight" with a friend or family member.
- **Social health and psychological health are closely related** for individuals. In our sample, we found a correlation between the impact COVID-19 had on people's social life and mental health to be .41. The worse the impact on social health the worse the impact on the person's psychological health.
- Whereas all age groups endorsed that the pandemic had a negative impact on their social lives, the negative impact was particularly salient for consumers from the **ages of 30-49** in our study.
- Creating products, services, or events that facilitate social connections and interactions was a great way for brands to address this shift in consumer's social lives:
  - **Creating social media platforms** that foster connection, engagement, and discussion.
  - **Hosting events and experiences** that bring people together (e.g., community service, participating in social events such as pride).
  - **Collaborating with influencers** to create excitement, engagement, and promote social interactions (e.g., doing a promotion on instagram that includes tagging a friend in the post).

### Psychological

- **32% of individuals** noted that COVID-19 had a negative impact on their psychological health.
- Of those individuals,
  - 78% started seeing a therapist
  - 62% indicated that they had gotten fired or laid off from a job
  - 72% experienced the death of a loved one
  - 68% indicated experiencing some kind of estrangement from their family
  - 54% broke up with a significant other
- Major life events in multiple areas of their lives such as these had some sort of impact on consumers and also impacted their psychological health.
- 87% of these individuals indicated that they were frustrated to some degree with their mental health.
  - Some possible reasons why consumers may be frustrated with their psychological health in a post-COVID world include: **increased stress and anxiety, difficulty accessing mental health care, and lack of health insurance.**



- Whereas all age groups endorsed that the pandemic had a negative impact on their psychological well-being, the negative impact was particularly salient for consumers from the **ages of 18-29** in our study.
- Brands can make an impact on their consumer's psychological health by:
  - **Including positive messaging** promoting mental well-being and positive self image in their marketing and promotional messages.
  - **Promoting and creating companions** that highlight inclusivity, celebrate diversity, and promote accessibility and affordability could help consumers feel less isolated and nurture a sense of belonging.
  - **Empowering consumers with products and experiences** that encourage personal growth and creativity.

## Family

- Of the full sample:
  - 47% have had a baby
  - 41% went through a divorce
  - 51% have gotten married
- Notice that a large percentage of the sample have experienced major life events during and after COVID-19, further reiterating that consumer behaviors perspectives have changed.
- **34% of individuals** noted that COVID-19 had a negative impact on their family life, where, compared to other age groups, consumers between the **ages of 30-49** endorsed a negative impact the most.
- Many of these individuals experienced at least one negative event associated with their family (i.e., being estranged from family). Further, nearly 20% of the sample felt frustrated with how often they interacted with their family.
  - A possible explanation for such a trend may be due to financial stress, where many people have been experiencing financial stress due to joblessness, increased inflation, and decreased wages. The trailing impact of social isolation may also be a cause of disconnection. Increase in mental health concerns such as depression and anxiety can also create such tensions within familial relationships.
- In fact, in our study we found that people who reported a negative impact in their financial lives were highly likely to report a negative impact on their family lives, correlation = .44.
- Brands can make a positive impact on this area of a consumer's life by:
  - **Offering support for families** to their employees, such as child care and educational resources.
  - **Promoting a sense of belonging** among consumers by advertising messaging that celebrates diversity and inclusion.
  - **Taking responsibility for the potential impact of their actions** on families and promoting positive and realistic family values and ideals.

## Work

- Nearly half (**41%**) of individuals indicated being negatively impacted by COVID-19 in their work lives
- When we looked at this closer, we found that of these individuals:
  - 56% had been fired or lost their job
  - 53% indicated that they were frustrated with their employer's remote working policy
  - 69% were frustrated with the state of their work-life balance
- Consumers between the **ages of 30-39** were particularly negatively impacted in their work lives compared to other age groups.



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  - 53% indicated that they were frustrated with their employer's remote working policy
  - 69% were frustrated with the state of their work-life balance
- Consumers between the **ages of 30-39** were particularly negatively impacted in their work lives compared to other age groups.
- In the aftermath of COVID-19, it is clear in our study that most individuals experienced a negative impact on their work lives resulting in frustration and even job loss. As previously discussed, this can have a negative impact on other domains of a consumer's life. For example, in our study we found that those who were negatively impacted in their work lives were also negatively impacted in their social lives (corr = .40), their psychological health (corr = .28), their family life (corr = .35), and their financial lives (corr = .56).
- In order to impact a consumer's work life, brands can:
  - **Create a positive work culture** and foster collaboration, inclusivity, and good management. Allowing for paid time off and even flexible work would help promote work-life balance in their lives.
  - **Offer job training programs**, support job creation, and foster opportunities to underrepresented communities.

## Environment

- Whereas 23% of the sample indicated that COVID-19 had a positive impact on their opinion of the environment, **33% indicated the opposite effect.**
- 65% of our sample indicated that recycling had an impact, to some extent, on their lives.
- 78% of the sample indicated that they were frustrated with global warming and particularly 13% indicated feeling very frustrated by this.
  - Studies indicate that prior to the pandemic, consumers were just as concerned about climate change and global warming. These concerns have grown with the movement as the climate change crisis grows more severe each year. Further, the interconnectedness and awareness of these issues have increased in the wake of the pandemic and have been brought forth to the public consciousness. As more people are aware of issues and salient of a sense of urgency, concerns have increased after the pandemic.
- Compared to other age groups, more consumers from the **ages of 30-39** endorsed being frustrated with climate change than other age groups.
- Brands can address this concern by:
  - **Increasing transparency** of sourcing of their materials, ingredients, and products.
  - **Incorporating recyclable materials and sustainable products** into products and services (e.g., Starbucks getting rid of plastic straws).
  - **Delivering education, awareness, and advocacy** through partnerships, through social media, and in the workplace.

## Physical

- Nearly **half of the sample (44%)** indicated that COVID-19 had a negative impact on their physical health.
- Of those individuals,
  - 58% of those individuals reported joining a gym in the aftermath.
  - 88% indicated feeling very frustrated with the state of their physical health.
- It is likely that in the wake of the pandemic, many consumers are still attempting to return to normal due to reduced physical activity. Reduced physical activity can impact an individual's overall





physical health and even body image issues. A lack of access to healthcare due to financial stressors (e.g., inflation) or from losing their job may also have prompted frustrations for consumers regarding their physical health. Moreover, fluctuations, particularly a decline in an individual's psychological well-being, can also lead to a negative impact on a person's physical health, exacerbating feelings of frustration. In fact, in the current study we found that **80% concurrently indicate feeling frustrated with the state of their mental health.**

- Physical health and psychological health are closely related for individuals. In our sample, we found a correlation between the impact COVID-19 had on people's physical health and mental health to be .50 - which is a very high correlation.
- Compared to other age groups, consumers between the **ages of 30-39** endorsed feeling frustrated with their physical health the most.
- Brands can impact this area of consumer's lives by:
  - **Providing accessible health services** for their employees and giving adequate time off or work from home flexibility for individuals who need it.
  - **Partnering with healthcare providers or influencers**, brands can offer free health screenings and assessments to promote the overall well-being of their consumers and their communities.

### Technological

- More consumers reported **a positive impact rather than negative impact in this area.** Whereas 20% of the sample indicated that COVID-19 had a negative impact on their use of technology, 31% indicated a positive impact on their life.
  - Since there were limited options to keep themselves entertained, many consumers turned to technology to provide entertainment during the pandemic. It is likely that those who reported a negative impact felt concerned and frustrated by their overuse of technology, especially in the wake of the pandemic. The use and misuse of social media could have also caused a negative impact on consumers.
- In our study, we found that whereas consumers from the ages of 18-29 equally reported technology as having a positive and negative impact on their lives after the pandemic, consumers **older than 30** reported a positive impact of technology.
  - The pandemic gave an opportunity to many older consumers to get better accustomed to technology, as during the pandemic the use of technology was imperative to stay connected to the world and to their family, friends, and colleagues. It is also likely that the convenience of technology, especially for shopping (e.g, food delivery, online shopping) had a positive impact.
- Brands can capitalize on this shift by:
  - **Improving the user experience** of consumers. This may look like offering a seamless online shopping experience.
  - **Promoting digital literacy** and offering educational resources and training programs for their consumers and their employees. For consumers, hosting workshops to teach consumers about their products and services could be useful.

### Purpose

- **38% of individuals** indicated that how they felt about life and their life's purpose was negatively impacted by COVID-19.
  - Consumers between the **ages of 18-29** and consumers between the **ages of 40-49** felt more negatively impacted in how they felt about life and their life's purpose in the aftermath of the pandemic compared to other age groups.
- 20% of the sample indicated that they were really impacted by finding a new sense of purpose.
  - This was more salient for consumers between the **ages of 30-39** than other age groups.
- Brands can make an impact in this area of a consumer's life by:
  - **Hosting events and fostering communities** of like-minded individuals would help consumers





feel a greater sense of purpose and belonging, especially during events and in communities that appeal to the social and environmental issues consumers care about today.

- **Advertising and marketing inspirational messages** through storytelling, visual imagery, and campaigns that inspire and motivate consumers to pursue their own sense of purpose and meaning.

## Financial

- **40% of the sample** indicated that their financial health was negatively impacted by COVID-19.
- Major life events of these individuals included:
  - 58% had been fired or lost their job.
  - 43% were impacted by buying a house.
  - 37% were impact by having a baby.
- People who were negatively impacted by COVID-19 also indicated a negative impact on their psychological health (correlation = .37) and their social life (corr = .42).
- Consumers from the **ages of 40-49** reported feeling negatively impacted more so than other age groups.
- Brands could impact this area of a consumer's life by:
  - **Providing educational resources** to help consumers and employees manage their money.
  - **Partnering with schools**, non-profits, and other organizations in order to promote financial literacy.

Overall, consumers in today's post-pandemic world are seeing the most fluctuations in the following areas of their lives: **psychological, social, work-related, and financial**. These fluctuations tend to trend towards a more **negative impact** rather than a positive impact, prompting brands and organizations to do more in order to impact these areas of consumer lives to bring about change. Actions taken to impact these areas of consumers' lives can lead to greater brand engagement, increase the likelihood of usage of products and services, and brand favorability. Nonetheless, it is important to take note that fluctuations in various aspects of consumers' lives in **today's world calls for brands to connect with their consumers differently**.

## CONNECTING WITH CONSUMERS TODAY • • •

In a post-COVID-19 world, consumers are **more demanding, insecure, frustrated, and outright skeptical** about the information and messages they're hearing, which means brands must pay more attention to the information and messages they are putting out there. Especially since, in our study, we found that **77% of consumers reported following news surrounding brands** to some degree. Consumers reported that they received most of their brand news on social media, TV, via email, and from family and friends, pinpointing modalities brands should focus on. More specifically:

- Participants between the **ages of 40-49** reported that they got most of their **news from TV**.
- Participants between the **ages of 30-39** reported that they got most of their **news from social media and family and friends**.

Particularly, we found that **25.8% of participants** said that they generally hear from brands **too little** and **20.4% of participants** said that brands **do not reach out enough**. Specifically, participants between the **ages of 40-49** said that they generally hear from brands too little and that brands do not reach out enough, compared to other age groups.

This indicates that brands still have some room for improvement in providing information and reaching out to consumers, leading to the question: **what do consumers want to hear about?**



Taking a closer look, in this study we inquired after what kind of brand news consumers preferred to receive. We found that consumers **preferred receiving news** from brands that pertained to **three key areas** of consumers' lives:

Physical Health

Mental Health

New Technology

More so than other age groups, participants aged 30-39 prefer receiving brand news on physical health and new technology, while participants aged 40-49 prefer receiving brand news on mental health. Interestingly, consumers did not prefer news on social events brands have or information that helped them with their careers to the same degree. This is particularly salient for participants between over the age of 50.

Knowing what consumers want to hear about from brands is an essential part of the puzzle, as it is known that brands that **demonstrate a clear purpose and deliver relevant value** are better positioned to form long lasting relationships with consumers.



In our study, we asked participants about their perceptions on a brand's "higher purpose." We found that **51.7% of consumers said that brands should have a "higher purpose"** or mission beyond just selling their products/services. Specifically, 54.3% of consumers said they would buy more frequently from brands that have a "higher purpose" or mission. Participants most commonly endorsed **three key areas of consumers' lives brands should prioritize as their brand's purpose**.



Physical

"Support consumer physical health"

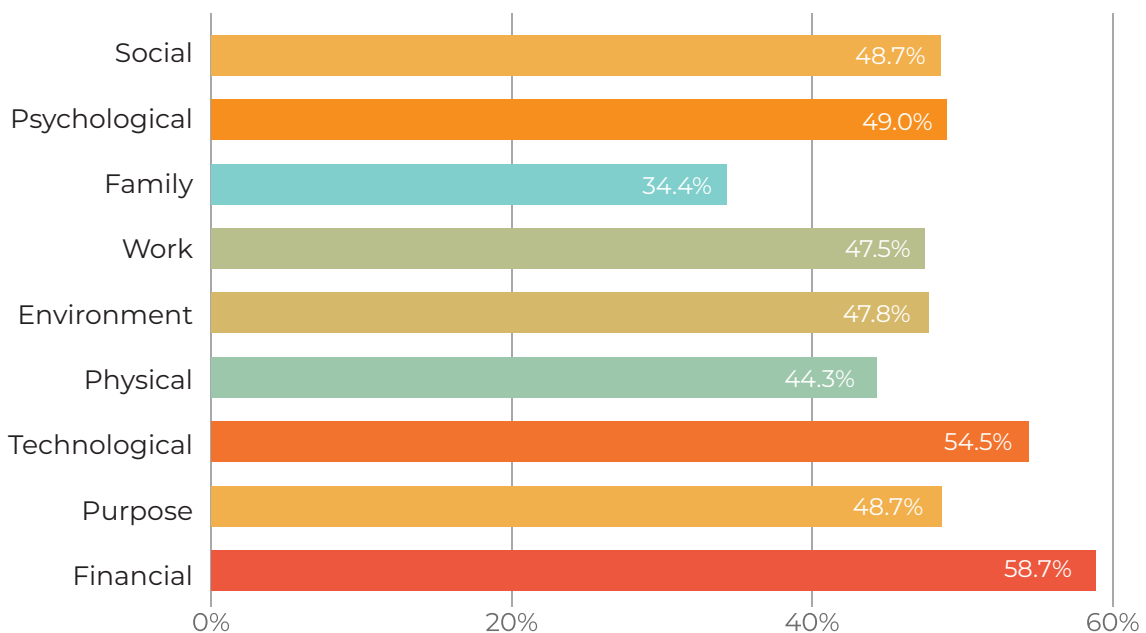
Psychological

"Support mental health awareness and treatment"

Environmental

"Make our planet cleaner"

We also wanted to know which areas of consumers' lives brands should target. We found that consumers reported that **brands have a large impact on the world when they are concerned about the following aspects of consumers' lives:**



The three key areas participants indicated as **important for a brand to focus on** were:

Physical

Technological

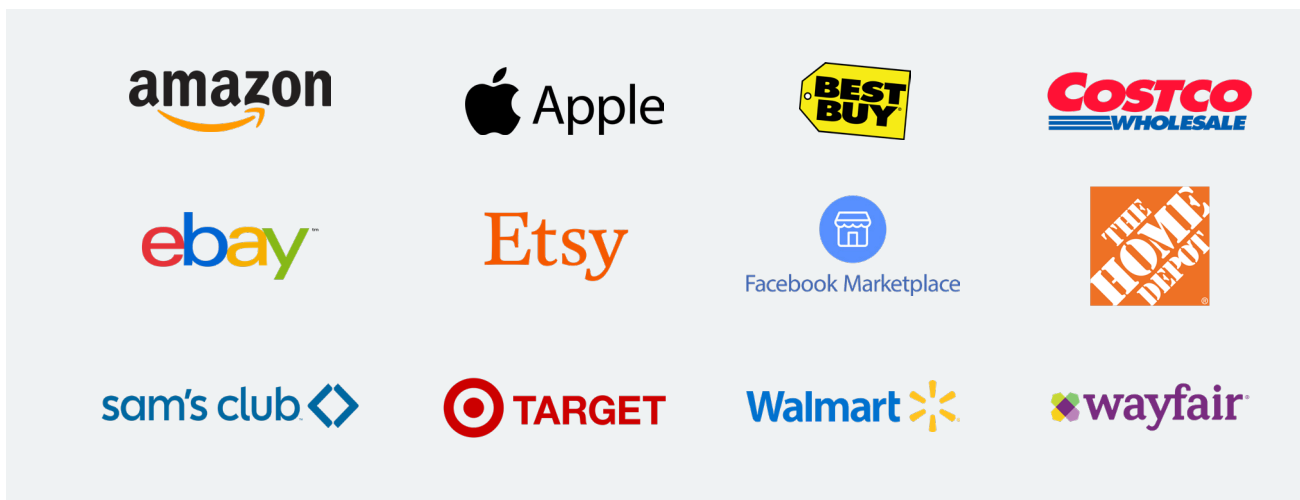
Environmental

Altogether, results indicate that brands can best connect with consumers via **social media, TV, or through family and friends**, brands should attempt to demonstrate **a clear purpose**, especially in conjunction with a consumer's psychological health, physical health, and environmental perspective. Of the nine key domains we identified, results from the study indicate that consumers prefer brands that focus on the following areas of their lives: **physical, psychological, technological, and environmental**.

## BRAND IMPACT QUOTIENT • • •

To measure consumer perceptions of the impact brands have, The Anderson group collaborated with InkblotAnalytics to create the **TAG-IQ** scale. The TAG-IQ scale was administered in the current study. The scale measures consumer perceptions of a brand's impact on three key areas: **Culture, Category, and Consumer Psychology**. The brand impact quotient is calculated as a combination of these three areas. The brand impact score ranges from 0 - 100, where higher scores indicate that the consumers perceive a brand's impact is large.

In our study we asked consumers to **rate their perceptions** of the following brands:



We found the following score breakdown for each of the brands:



Based on the brand impact scores, **Apple** seems to be the brand that is perceived to have the greatest overall impact on consumers among these three brands.

Consumer Psychology scores can be further divided into nine distinct areas of a consumer's life:

	Psych	Physical	Tech	Family	Financial	Edu	Social	Work	Purpose
	58	61	56	51	56	47	52	53	57
	67	73	76	66	63	66	67	67	69
	54	42	50	50	46	47	43	46	57
	60	66	45	58	66	47	50	46	56
	55	58	70	48	45	52	35	48	50
	50	57	52	48	43	43	54	48	68
 Facebook Marketplace	41	50	62	25	38	34	50	41	47
	56	62	56	58	53	54	54	58	62
	53	52	52	58	56	50	61	58	41
	64	52	49	57	62	51	52	45	57
	53	59	54	53	60	49	51	54	59
	50	38	50	50	47	50	47	38	50

Notice that specific scores on consumer perceptions of a brand's impact on various aspects of their life reveals greater insights on **which areas these brands can make a greater impact in** to better connect with consumers and differentiate themselves in the marketplace. For example, to improve profitability and to retain consumers, Amazon could focus on enhancing their impact on Family and Work. Increasing their Family and Work scores will result in a 12.5% increase in consumer engagement.

**Such insights and more can be gleaned from the TAG-IQ and our AI-powered platform: Impact 360.**



## NEXT STEPS

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This report is only the tip of the iceberg. More extensive research can be conducted to take a closer look at the relationship between consumer purchasing behavior and emotions and brands. If there are topics that interest you, we'd be happy to include them in our next round of research. Just let us know by contacting us at [info@inkblotanalytics.com](mailto:info@inkblotanalytics.com).