



TOP TRENDS FOR 2009

HCI EXECUTIVE SUMMARY



J W T INSIDE

Too often, leading-edge perspectives on global social trends and workforce dynamics are considered separately. This is largely because those doing the thinking work in different places, with distinct agendas, and disparate audiences. Yet as the walls between the workplace and the larger social environment continue to blur, connecting the “internal” with the “external” has become increasingly essential to leading organizations.

For the past four years, Trendspotting@JWT has published an annual trends forecast. This widely disseminated and cited report identifies the key trends that will shape the world in the New Year. JWT INSIDE –

the employee relationship marketing arm of JWT – collaborated with Trendspotting@JWT to connect these societal level trends with the preeminent organizational communications dynamics and develop a set of actionable insights for 2009.

On December 3, 2008, Ann Mack, Director of Trendspotting at JWT, and Jonathan Willard, Global Director of Organizational Communications at JWT INSIDE, presented their uniquely integrated point of view at a Human Capital Institute event. This document captures the event narrative at a summary level.

TOP TRENDS FOR 2009 AT A GLANCE

1 RECESSIONARY LIVING



<p>The Trend</p>	<p>The threat of a global recession has spurred people to make adjustments in their standard of living, whether it be cutting back on spending, trading down, choosing quality over quantity or becoming adept at relying on their own resources.</p>
<p>What it Means</p>	<p>As in past recessions, brands will have to communicate a value proposition loud and clear. Brands that can give consumers the tools to be resourceful will benefit. In this environment, brands’ competitive sets get broader. Rather than just brand vs. brand, it may now be category vs. category as well. Brands are competing for share of purse along with share of market. For some brands, that will mean marketers having to sell their category as well as their brand.</p>

THE TRENDSPOTTING @JWT VIEW

What can ordinary people do when the global economy is in turmoil and their confidence is on the skids? The language that increasingly dominates the news is dramatic, and the storylines are complex and baffling. People feel at the mercy of forces beyond their control—they are both spectators in the 24/7 drama and, simultaneously, members of a huge cast of extras caught up in the drama.

Businesses also feel at the mercy of forces beyond their control. But a recession doesn’t mean that an economy shuts down completely and people stop buying anything. They still have to buy necessities, and that doesn’t mean just food and drink. They may well regard non-essentials such as lipstick and beer and donuts and coffee and hair treatments as necessities. The opportunity for businesses now is to find out not just what people want (apart from low prices, of course) but what they particularly value at this time.

When budgets are feeling tight—or people fear they will get tight—even some commodity brands can become a luxury. It's critical for marketers to constantly reinforce the value of their brands to remind consumers why they're worth it. As in past recessions, brands will have to communicate a value proposition loud and clear to justify higher price tags and to shift the conversation from "Is this the cheapest I can find?" to "What do I really get for my money with this product or service?" In the words of one German trendspotter, "It's not about price; it's about price worthiness."

In this environment, brands' competitive sets get broader. Advertising Age's Eric Spahr, advises re-evaluating a brand's competitive set and tracking consumer behavior outside of a brand's traditionally defined category or region; a consumer might drop a gym membership, for example, in order to keep up his TiVo habit. Rather than just brand vs. brand, it may now be category vs. category as well. Brands are competing for share of purse along with share of market. For some brands, that will mean marketers having to sell their category as well as their brand.

THE JWT INSIDE VIEW

First thing's first: the psychological contract at work needs repairing. The psychological contract is the precursor of employee engagement. It is the unwritten agreement between the employer and the employee and all workers intuitively know it: the employee agrees to work hard, be loyal, uphold the brand reputation, be honest, and basically conform to a set of principles of right conduct. In exchange, the employer is expected to uphold a similar set of right principles: things like fiduciary responsibility, reasonable job security, and leadership integrity. As we all know, the employer's side of the contract has taken a well-publicized pounding in the cataclysmic turmoil of 2008.

In 2009, many organizations will move to build back trust with their employees. Successful trust-building campaigns in the workplace are developed along a continuum, beginning with first observing and acknowledging what has happened and then allowing feelings to surface. In our experience, once that happens it's possible to recast the workplace conversation and enable trust to grow.

Where we've seen organizations succeed in building trust, they invariably have had a campaign focused on values. The beauty of a values-based campaign is that value congruence is important to every stakeholder's trust. That is, not only employees and customers, but also suppliers, investors, and stakeholders - all of whom are interested in associating with organizations that they can identify with and that they perceive match their values. There has been no shortage of "vision and values" work in past years, but in 2009 these efforts will take on an even greater meaning and magnitude. Furthermore, they will be increasingly linked with external brand identity.

The New Year will see continued emphasis on the development of Employee Value Propositions and employer branding efforts. These initiatives force organizations to think more critically about their own values and what makes them distinctive beyond the corporate speak on the company website to everyday cultural reality. In our 2009 EVP and brand activation work, we expect to see a continuing emphasis on the use of video in internal communications, as video injects a completely different level of trust into the conversation. In challenging times like this, the concept of culture as a competitive advantage becomes increasingly obvious. In the words of Lou Gerstner, the legendary leader of IBM's turnaround, "In difficult times, building a strong culture is not one aspect of the game...it is the game"

Finally, the recessionary living trend will see many organizations and leaders communicate less in 2009. In tough times, a siege mentality takes hold over the C-suite and internal communications. This is unfortunate, not to mention dangerous. Lack of communication creates a void that gets filled with all the anxieties and rumors that a global workforce can muster. To the contrary, the coming year presents an opportunity-rich moment to communicate with employees, because people are paying attention for the simple fact that hard times are a moment of truth in the employee experience. Attention is the rarest of commodities in a corporate communications environment. Attention is psychic energy for leaders to leverage or squander, and 2009 is surely an attention-filled time. From an organizational communications perspective, a crisis is a terrible thing to waste.

2 AUTHENTICITY MATTERS

The Trend	In the wake of a financial crisis that has seen established institutions topple overnight and many others teeter on the brink, authenticity is the key to brands regaining credibility and trust. Brands once considered unquestionably reliable have lost their dependability capital and consumers are clamoring for truth and transparency.
What it Means	While this trend will be most apparent in the financial sector, it will surface across a range of categories. With ongoing revelations of corporate greed and misdeeds in the media, people are growing increasingly skeptical of any brand's claims, whether it peddles shampoo or retirement packages. People are seeking—and demanding—reliability and accountability. Marketers will need to work even harder to prove their brand is the authentic one above all, especially given that “authentic” has become such a misused and overused label.

things they work for, plan for and save for—the stuff that can't be measured by numbers. And now, more than ever before, people are reappraising not just how and where they manage their money, but what's really important in life.” By addressing the situation at hand straight on rather than ignoring or downplaying it, HSBC made a bold show of transparency. As Tracy Britton, head of marketing for HSBC Bank, North America, told *The New York Times*, “Now more than ever before people are reappraising not just how they manage their money, but what's important to them. This campaign is very timely and appropriate.”

Consider the use of the “authentic” label in the 2008 U.S. presidential campaign. The race in effect was a referendum on who was the authentic agent of change—the tested “maverick” or the coolly confident “hopemonger.” When the maverick was down in the polls, he attempted to boost his authenticity credentials by aligning himself with what was seen as the real America, i.e. honest and hardworking Joe the Plumber. When the news media revealed that Samuel J. Wurzelbacher was not, in fact, a licensed plumber and that he owed thousands in back taxes, the veneer of authenticity soon vanished. Furthermore, the maverick's running mate, who built her image on being an “Everymom,” drew the ire of the public when she spent \$150,000 on a new wardrobe. In the end, voters chose Barack Obama, rather than John McCain, as the beacon of authenticity.

THE TRENDSPOTTING @JWT VIEW

Authenticity will become paramount for brands as they look to regain credibility and trust in the wake of a financial crisis that has seen established institutions topple overnight and many others teeter on the brink. Consumers have lost a great deal of faith in brands once deemed unquestionably reliable, and they are searching for truth and clamoring for transparency.

Some brands are already responding, at least in their messaging. Consider the following, on an HSBC print ad in the wake of the Wall Street crisis: “Banks are supposed to be all about numbers and interest rates and CDs, right? But with 100 million customers in 85 countries and territories, HSBC Group understands that people aren't about numbers. They are about the

So how does a brand exude authenticity? One way is to involve customers in the experience of the brand, allowing them to understand it in a way that is organic, not contrived. Take for example Hotel Chocolat, a British chocolate brand. Every month Hotel Chocolat creates about 40 new recipes and sends chocolates to its 80,000-member-strong Tasting Club, who taste, rate and score them. These tasting experiences are perceived as authentic because they intimately involve the consumer and allow the consumer to understand the inner workings of the brand. Hotel Chocolat's approach is proving successful, with sales now reaching around £40 million per year.

THE JWT INSIDE VIEW

If “recessionary living” amplifies people’s need for security, “authenticity” drives the need for connection. If this sounds drawn from Maslow’s Hierarchy of Needs, it’s because strong brands relate back to the hierarchy. Unquestionably, organizational communications in 2009 will focus a great deal on connecting with and communicating authenticity. The hunger for authenticity – and the related impatience with politics, the reason employees don’t like corporate-speak – is that people are uncomfortable with spin and packaging in their communications. Employees in particular want a direct and authentic connection with their company. What this means for organizations in 2009 is that authenticity will be the product of co-creation between the organization and employees. The most effective human resources, communications, branding, training and development, and leadership efforts will involve employees in creating the content for powerful organizational change and communications efforts that are resonantly authentic.

In the New Year, organizational communications will further move from providing “command-and-control” corporate answers and to the role of providing the core story and the platform/governance model for capturing and communicating employee content. We also expect to see a further integration of the internal and external brand management functions driven by employer branding, which has continued the talent-driven transformation of HR by attracting marketing and strategy resources to the HR function.

In 2009, it will be extremely important that the corporate communications platform includes the overarching story. It is largely understood that the role of corporate storytelling is to capture the organization’s mission in a story that evokes powerful emotions and wins the assent and support of key stakeholders. In the quest for authenticity, it’s the bit about evoking powerful emotions that has been so elusive up to now, and in 2008 it was clear that change is at hand. We enter 2009 engaged with some of the world’s preeminent organizations with the explicit role of defining their organizational stories and activating them emotionally around the world. It’s all about storytelling and emotion. As the expression goes, “Tell me something and I’ll forget it, but make me feel something and I’ll remember it for a lifetime.”

In our experience, the greatest obstacle for organizations in getting this authentic story right is not ignorance, but rather the illusion of knowledge regarding their ongoing cultural conversation. All organizational culture can be thought of as a conversation. Conversation is by definition a dialogue, rather than a monologue. Because of this, so much of the heavy lifting in 2009 will center upon moving from first-generation employee engagement – which defaults to corporate-driven surveys and predictable pulse studies - to next-generation authentic engagement, which centers on dynamic involvement in an inspiring, surprising, and revealing cultural conversation.

Creating a conversation that people want to get involved with – and ideas that people want to spend time with – is the essence of branding and organizational communications today. This involvement flows forward when organizations bridge the illusion of knowledge by stepping back and taking an anthropological view of 1) that which they are at their core; 2) the nature of their employee experience and how employees live within the organization; 3) what makes them different from their competitors; and 4) the ways in which their story/promise resonates within the larger social context. Many will spend time in 2009 developing this type of inquiry as a foundation for activating their authentic stories. It will be time well spent.

3 REDISTRIBUTION OF POWER



<p>The Trend</p>	<p>There will be a widespread redistribution of power in the economic, social and political spheres in the years to come.</p>
<p>What it Means</p>	<p>This trend will have far-reaching implications. In business, after many years of prioritizing profits and shareholder value, employee value will be due for an upgrade. Why? The productivity growth and rising corporate profits of recent year haven't gone hand-in-hand with more employee spending power—just more consumer debt. But in the bigger scheme of things, if consumers aren't earning decent money, they can't spend, and that means poor sales and poor profits for business.</p> <p>Meanwhile, in the social sphere, we will see accelerating shifts of power to women and to ethnic minorities. In global politics, fast-growing emerging economies such as Brazil, Russia, China and India will increasingly have more influence and a bigger role in running the world's international organizations.</p>

Going forward, consumers will be unwilling or unable to draw on credit and continue spending at previous levels. That means the less they earn, the less they will buy, the less corporations will sell. Corporations will have to start paying attention to employee value as well as shareholder value, a principle Henry Ford espoused in 1914 when he more than doubled the average autoworker's wage. Since it had become possible to build inexpensive cars in volume, Ford figured he could expand the market if more employees were able to afford a car. This notion—that being a consumer depends on being a wage-earner—is ripe for rediscovery.

In the social sphere, we will see accelerating shifts of power to women and to ethnic minorities. Women have increasingly outnumbered (and outperformed) men in higher education and are now rising up the ranks in business, medicine, law and other influential sectors. At the other end of the scale, in developing countries, microfinance and education initiatives are empowering women, a key factor in driving economic development. Take for instance the investment bank Goldman Sachs, which aims to provide business training to no fewer than 10,000 women in developing nations over the next five years. Around the world, women's communication and negotiation skills will be crucial in finding and implementing solutions to pressing global problems.

In global politics, the massive redistribution of power under way in the 21st century—with the rise of China and India, the growing power of Russia and the waning influence of the U.S.—will get a boost from the financial crisis of 2008. China has been amassing a huge trade surplus and then lending the money back to Western countries (especially the United States), which they used to buy more Chinese goods. Now, with their economies on a knife-edge and facing recession, Western leaders are looking to wealthy creditor countries for help: China and oil-rich Gulf countries in particular. Nations that are major contributors to the International Monetary Fund will expect something in return, not least a greater say in how the IMF is run.

THE TRENDSPOTTING @JWT VIEW

The coming years will see a widespread redistribution of power in almost every major sphere: economic, social and political.

In the economic realm, power will shift away from shareholders and toward employees as business re-seeds its shell-shocked markets. For more than a generation, business has been intent on driving down costs and driving up profits in the name of shareholder value. The result has been expectation of annual double-digit growth but falling wages for most working people. Consumers kept buying but had to rely on credit.

THE JWT INSIDE VIEW

The 1990s witnessed the first wave of employee empowerment. Everyone was talking about empowering employees to make decisions and use their judgment and ideas in the pursuit of enhanced organizational performance. In 2009, we will see the continuation of the second wave of employee empowerment, one which focuses on allowing and encouraging employee participation in creating the identity and voice of the organization. This new empowerment aims at increasing employees' discretionary communications authority and/or influence upon the organization's culture.

With all the forward-looking statements about the new empowerment and social media, the reality is that in 2008 we observed many organizations still struggling to manage the balance between the promise of collaboration/communication and the loss of control that this empowerment implies. On this point the internal and external are truly converged. Many within the c-suite are terrified. How does the corporation – by nature an unadventurous entity – confidently move forward into such uncharted territory? In the New Year, there will be a great deal of pressure on organizational communicators to figure out these new collaborative tools and channels - and how they integrate with traditional communications tactics.

If the first wave of empowerment focused on the individual through a productivity-centric lens, this second wave centers upon groups, with the spotlight upon real-time, actionable knowledge sharing. Because of this shift, we expect to see organizations put greater emphasis on rewarding and recognizing collaboration. As we reflect upon 2008, we believe that organizations can do a much better job in recognizing and rewarding the shining lights of collective effort.

In 2009, we will see the ongoing shift from traditional hierarchical power to the most passionate individuals (MPIs). These MPIs are becoming the true arbiters of employee opinion and the gatekeepers of employer branding efforts. They are the people within the organization who are continually cited by their colleagues in the online/off-line conversational ecosystem. Once again, this redistribution of power will raise questions for reflexively conservative corporations: how do we contend with the fact that more people are visiting a line-worker's blog than are reading the company newsletter? How can these new voices be integrated into the organization's overall communications strategy in a way that is authentic, forward-thinking, and effective? For certain, the New Year will be one of new communications road-mapping exercises.

4 THE COLLECTIVE CONSCIOUSNESS



The Trend	With the increasing popularity of online technologies and a new global mindset, people are thinking less about “me” and more about what “we” can do—collectively—to address the challenges of modern society.
What it Means	Businesses that can tap into this shift will have the ability to connect and form allegiances that go much deeper than the superficial and transactional. After all, while being a consumer can make people feel selfish, aligning with socially conscious companies can make people feel selfless.

While it may still be true that the Internet has fostered narcissism, as social critics have argued, the election has shown the Web’s potential for galvanizing civic-mindedness and community spirit. Consider freecycle.org, a Web site that has grown in popularity as more and more people aim to help others while simultaneously reducing their contributions to the garbage heap. Freecycle allows people to organize in their neighborhoods and pool resources that would otherwise be thrown away. (For example, someone who upgrades to a new washing appliance can offer up their old one for free and gift it to a neighbor.)

With the increasing popularity of online technologies and a new global mindset, people are thinking less about “me” and more about what “we” can do—collectively—to address the challenges of modern society. Businesses that can tap into this shift will have the ability to connect and form allegiances that go much deeper than the superficial and transactional. After all, while being a consumer can make people feel selfish, aligning with socially conscious companies can make people feel selfless.

THE TRENDSPOTTING @JWT VIEW

Traditionally, people in developed economies have been considered individualistic, prioritizing their self-interest above the interests of community or country. As one trendspotter from Australia observed, “We worry about our own money, our own families and our own health and fitness, while concerns about terrorism and loss of community have abated.” In general, “me” has dominated “we” as people have increasingly identified themselves more as consumers than as citizens.

Yet thanks to online technologies and a keen global awareness, especially among younger generations, a paradigm shift is occurring. After two decades’ worth of 24/7, in-your-face, “famous for being famous” celebrity culture and reality TV, the focus is starting to return to the collective-driven notions of community and doing things for the greater good. Outright cynicism is taking a backseat to pragmatic idealism.

One salient example is the 2008 U.S. presidential campaign. Barack Obama sailed into the White House in large part due to the organization and fervor of his supporters on the grassroots level. His campaign, which received no public financing from the government, was able to raise \$600 million from more than 3 million people, mainly through small contributions over the Internet (sometimes in as little as \$5 and \$10 increments).

THE JWT INSIDE VIEW

In our consumer culture, people no longer consume for merely functional reasons. In fact, consumption has become a meaning-based exercise in which brands function as symbolic resources for the development and iteration of identity. In other words, we consume to define ourselves. The same can be said of work: our work - what we do and for whom we do it - adds great definition to our sense of self. Our clients have grown increasingly aware of this connection and its implications for managing today’s global workforce.

An employee wants an employer’s reputation to evoke a sense of honor and pride that the individual can co-own and which will enhance the employee’s sense of self. For this reason, we expect 2009 to see much greater and effective organizational communications efforts in promoting corporate social responsibility (CSR) investments. Almost as a rule of thumb, we find CSR investments underleveraged in internal communications, employer branding, and employee engagement efforts. When we

ask why this is the case, we are invariably met with explanations of organizational humility or a vague sense of corporate philanthropy.

The business world of 2008 has witnessed a macabre parade of disillusionment, betrayal, and disappointment. Employees are groping for something to believe in and CSR investments provide exactly what they are looking for: responsible institutions doing good, giving back, and contributing to a better world. Organizations assume that their employees are aware of the company's CSR efforts, when often they know little of these investments or their intended beneficiaries.

When companies fail to involve employees and share ownership in their CSR stories, they are in fact under-nourishing a workforce starved for such spiritual sustenance. Part of the appeal of Obama's 2008 campaign was the social responsibility component – government as opposed to corporate – and it is clear from the election results and from his sustained popularity that this is what people want.

Another major takeaway from this year's presidential campaign was the bipartisan emphasis on change. From a business perspective, it is now clear that change is

the one pervasive and dominant feature of the global economic system, with its emphasis on flexible work patterns and international networks. If anything, globalization has made employees less sure of who they are and what their jobs mean, much less their organizations' identities. We expect 2009 will see continued emphasis by global organizations toward defining their organizational identities across the spectrum of the employee journey, from honing their talent acquisition campaigns to cultivating robust alumni networks.

Finally, against this trend of the collective consciousness, it is our belief that community will be the “killer app” of 2009. Online communities align with each of these trends: they are recession-friendly (low cost), represent a redistribution of power, are by definition authentic (or else they die!), and are forums for the collective consciousness. In the New Year, organizational communications will help seed, stoke, and leverage these communities for new kinds of content, relationships, metrics, and real-time transparency. These and other dynamics are cause for optimism and excitement in the year to come.

JWT INSIDE is an employee relationship marketing firm. JWT INSIDE integrates the best of advertising, branding, strategy, and internal communications to help organizations advance employee engagement. JWT INSIDE does award-winning work for many of the world's most admired organizations in the areas of talent acquisition, employer brand strategy and activation, internal communications strategy and execution, leadership communications, and customized research. The agency has 12 offices and 9 satellite locations across North America and internationally. JWT INSIDE is a subsidiary of JWT.

ABOUT JWT: JWT is the world's best-known marketing communications brand. Headquartered in New York, JWT is a true global network with more than 200 offices in over 90 countries employing nearly 10,000 marketing professionals.

JWT consistently ranks among the top agency networks in the world and continues its dominant presence in the industry by staying on the leading edge—from producing the first-ever TV commercial in 1939 to developing award-winning branded content for brands such as Freixenet, Ford and HSBC.

JWT's pioneering spirit enables the agency to forge deep relationships with clients including Bayer, Cadbury, Diageo, DTC, Ford, HSBC, Johnson & Johnson, Kellogg's, Kimberly-Clark, Kraft, Nestlé, Nokia, Rolex, Schick, Shell, Unilever, Vodafone and many others. JWT's parent company is WPP (NASDAQ: WPPGY.)