

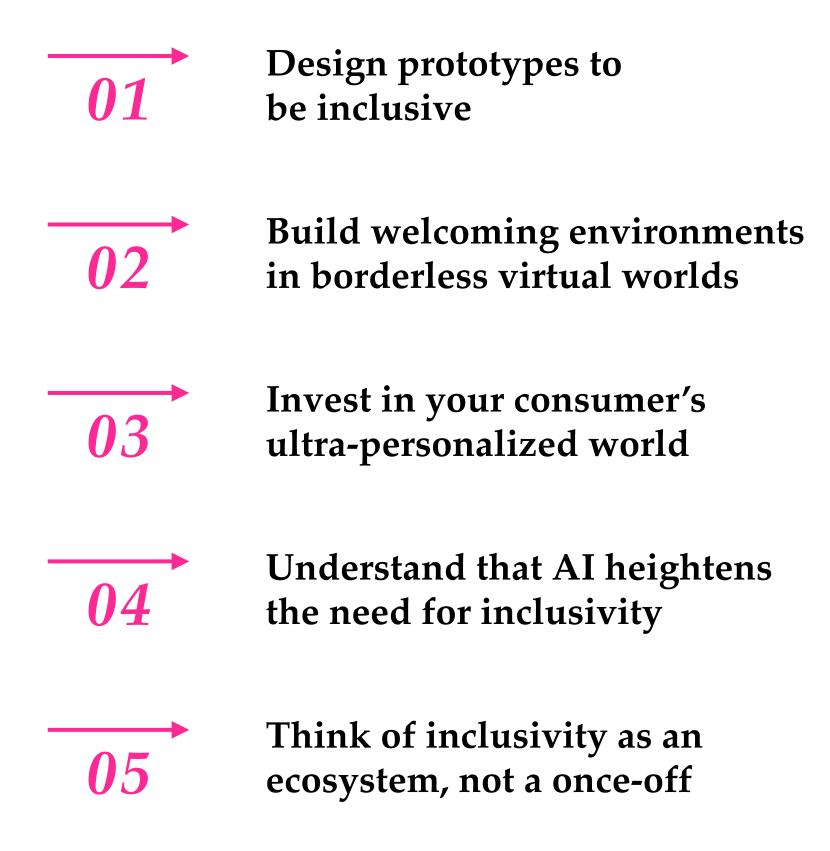
# Five ways to build brand loyalty with inclusivity

Inclusion is a valuable ingredient for every marketing leader and brand innovator. From storytelling to communications, connecting the diversity of thought and voices behind the stories being told will make the difference in a market that is increasingly diverse and receptive to cultural nuances.

Your consumers are demanding that inclusion is baked into the mindset of every brand, regardless of audience, product or service. In fact, 81% of consumers surveyed in sparks &

honey's Responsible Marketing Index 2023\* agreed that brands and businesses have a role to play in addressing social issues that affect their customers. Whether you're a sneaker brand, a coffee brewer or a device manufacturer, understanding the cultural and social landscape of your customers is a must for building brand loyalty.

Here are five ways to start rethinking the value of inclusivity in a rapidly changing world.



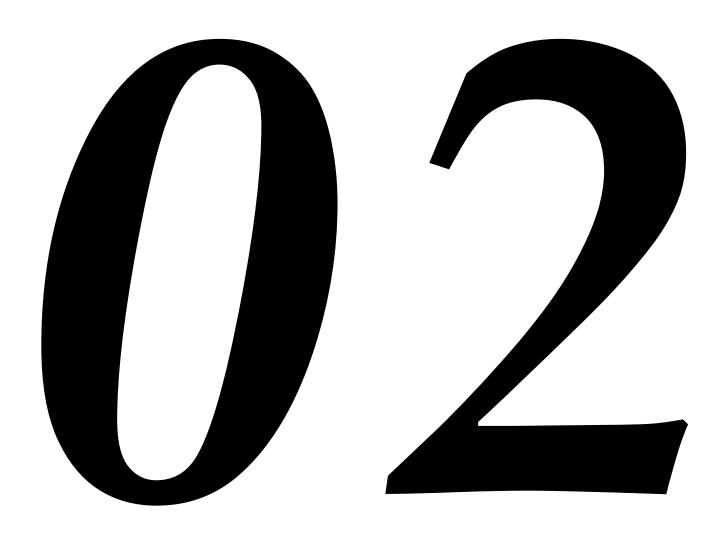


# Design prototypes to be inclusive

Inclusive design touches anything from gaming to architecture and hair care. At its core, inclusive design is about creating products and services that resonate with the needs of all consumers. It means having the right balance of decision-makers in a room, ensuring the use of sustainable resources in development phases, and ultimately, creating products or services designed for one audience that can be beneficial for everyone. Consider items such as an easy-to-open lid for people with physical disabilities or toy

blocks designed for every child. Designing for one audience can be beneficial for everyone, or what Google calls building belonging into products.

Truly inclusive design, and the storytelling surrounding it, will resonate with audiences of all kinds, and leave an impression on the brand overall. Our research showed that 71 percent of consumers\* would be likely to buy an inclusive alternative to a product, even if it didn't specifically apply to them.



# Build welcoming environments in borderless virtual worlds

Many female-identifying individuals and audiences of color are defying stereotyped portrayals in the media by turning towards entertainment platforms that value their individuality and help them find likeminded communities. There's a social responsibility component to these platforms: 74 percent of consumers\* we surveyed said it's important for brands to help audiences see beyond stereotypes. From audio to visual and gaming, multisensory experiences are giving historically excluded groups the opportunity to express every facet of their identity and creativity in virtual worlds, such as the Metaverse. Expression is key for many Gen Z in particular: one in two **Gen Z** say gaming improves their mental health. And sixty percent of Gen Z see gaming as an important part of maintaining both social connections and self-expression.

Telling real stories, authentic narratives that reflect a diverse range of experiences, are seen by consumers as a priority for brands — in both virtual and real world spaces. Sixty-seven percent of consumers\* said that fostering a sense of belonging and inclusivity through characters that resemble underrepresented individuals is important for companies and brands.

A digital reality like the Metaverse has the potential to fuel more brand loyalty with consumers entrenched in that world: a community without borders, where brand loyalty becomes a by-product of engaging in those virtual spaces.



# Invest in your consumer's ultra-personalized world

The need for access to ultra-personalized data, whether it's for health, fitness or just living comfortably at home, is only escalating. By 2030, we can expect to see the costs related to precision technologies decrease, amid an increased desire for the benefits of precision data to escalate with people and organizations alike, as we detailed in sparks & honey's Precision Consumer 2030 report. Brands will need to understand the need for diverse precision data and create products and services based on such data. The use of diverse data has the potential to improve people's lives, from wellness to health and beyond. The beauty category is leading in building inclusivity into personalized products, such as beauty ingestibles tailored to the needs of different

skin tones, or <u>fake lashes that fit all shapes</u> and sizes of eyes and eyelashes.

Personalization and customization is critical to creating loyalty, particularly for Gen Z consumers, and brands have to invest the time to understand their consumers holistically. Personalization extends to value and purpose. Seventy-one percent of consumers surveyed\* agree that brands should create unique products that benefit a specific consumer impacted by a social issue, for example. That means understanding not just how they make purchasing decisions or what they buy, but how those consumers, the people, think and interact with the world, and how identity shapes their relationship with brands.



# Understand that AI heightens the need for inclusivity

Every tech and consumer brand is thinking about AI. But we should be thinking of the human side of AI too. Even with the rise of ChatGPT, Team Human is set to score when it comes to ethics and inclusivity. The first regulatory frameworks making AI ethics tangible for people and organizations are now surfacing. Building on its track record of regulating tech, the European Union is set to advance the AI Act, designed to protect citizens from social scoring schemes, facial recognition systems, and more. The expectation is that the new rules will have a broad impact beyond the EU, with 97 percent

of respondents in a <u>global study</u> by Accenture claiming that the regulation will affect them to some extent. In the U.S., the Biden administration unveiled its first-ever <u>AI Bill of Rights</u>, which seeks to introduce protections from algorithmic discrimination, a long-overdue response to AI ethics advocates.

Amid consumers' growing awareness of privacy issues and ethics surrounding AI, the brands that manage to build the most authentic connections, and thereby trust, will be the ones to thrive.



# Think of inclusivity as an ecosystem, not a once-off

Equity and inclusion are an organic part of your business goals and not just a sticker solution for employee initiatives. Think of equity and inclusion as an ecosystem. At its core, equity is an organizational principle that drives everything you do and stand for. The World Economic Forum defines

innovation ecosystems as key spaces where meaningful engagements between people, resources, institutions and infrastructure lead to the advancement of ideas, processes and technologies for all fields of life - from food systems, to health and the environment. Inclusivity plays a key role in all of it.

# **Thought Leaders**



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# \*Responsible Marketing Index 2023, sparks & honey.

In this study, we surveyed 1300 people with diverse backgrounds on attitudes and behaviors related to social impact marketing. The research was led by Leslie Rodrigues and conducted in partnership with Lola Bakare to inform her upcoming book *Responsible Marketing*, *How to Create an Authentic and Inclusive Marketing Strategy* (Kogan Page, 2023).



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