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# **Executive summary**

As brands continue to evolve their engagement models, the concept of a brand home is emerging as a powerful engagement channel.

More than just a marketing gimmick or bolt-on to existing premises, a well-designed brand home can be a key business driver for growth, combining supercharged customer engagement with commercial success.

But don't just take our word for it.

To find out what consumers really think, we asked 6,000 individuals on a global scale what they think about brand homes. Across China, Europe and the USA, we have reached out to those who have visited a brand home in the last 24-months and who have important opinions about what the experience meant to them. Importantly, we also spoke to those who have little or no understanding of a brand home or who haven't ever visited one.

The insight we have captured creates a blueprint for brands looking to dial up their brand presence and engage with new customer groups, as well as those looking to harness brand loyalty and amp up their customer conversations.

Perhaps most significantly, our research shows that genuine customer engagement can be successfully achieved alongside commercial gain, challenging the perception that one will always be at the expense of the other.

### Key learning 1: Brand homes generate brand value

Key learning 2: Brand homes drive commercial revenue

Key learning 3: Brand homes are an engine for creativity and innovation



### **Executive summary**

The greatest learning of all, however, is one of opportunity.

A brand home is more than a playground for marketing and brand professionals. It's definitely more than a quick source of revenue.

A well-considered and planned brand home is a sign of intent. It's a welcome with open arms to an exclusive community. It's an experience designed to stimulate and delight. It's permission to be part of a long-term conversation.

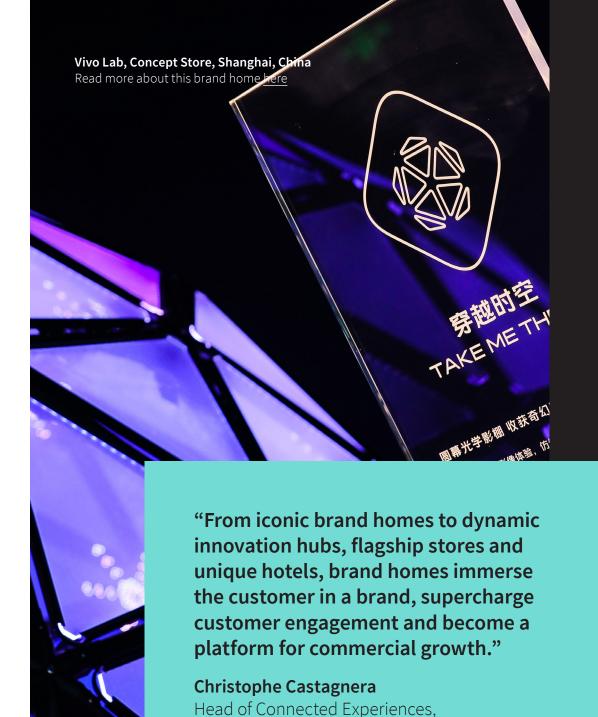
In a world in which brands are battling to hold the attention of their customers and brand loyalty is little more than a social media post, there's a grandeur attached to a brand home that simply can't be replicated elsewhere. And according to our research, consumers agree.



### Introduction

At their purest they are a destination; a physical venue to showcase your brand. They allow visitors to interact in a very tactile way with your products and explore your brand story. At their most powerful, they are an immersive and experience-driven tool in a changing world of brand, channels and customer relationships.

It's not a new idea; brand homes have been around for a long time. What's exciting today is how sectors as diverse as retail and automotive, hospitality and electronics as well as food, beverage and alcohol brands are driving forward innovation, interactivity and full-scale immersion in their brand destinations to create a whole new generation of brand homes. Common to all is a single principle – building an experience designed around the needs of its audience rather than corporate objectives.



EMEA, Imagination



### Introduction

As consumer behaviours and attitudes continue to evolve, brands are having to work harder than ever to build brand equity.

The continuous creation of points of differentiation is critical and at Imagination, we believe there is significant untapped potential in the area of brand homes to deliver this.

To explore this further, we've spoken to over 6,000 consumers across the UK, China and the US about brand homes. We have taken views from those who both have and haven't visited a brand home and explored their perceptions, viewpoint and behaviours in a number of key areas. Their insight creates a compelling and exciting narrative for brand homes, shining a light on their potential for both immediate commercial gains and long-term brand loyalty.

### #needtoknow: the numbers breakdown

3000 people 3000 people

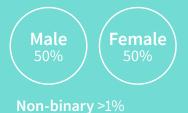
globally who have visited a brand home in the past 24 months (1,000 UK / 1,000 China)

globally who have never visited a brand home

(1,000 US / 1,000 UK / 1,000 China)

### Gender profile:

### Age profile:





### Research methodology:

An online survey, taking place between December 21, 2020 and January 5, 2021.

### Visited or not visited – the key differentiator

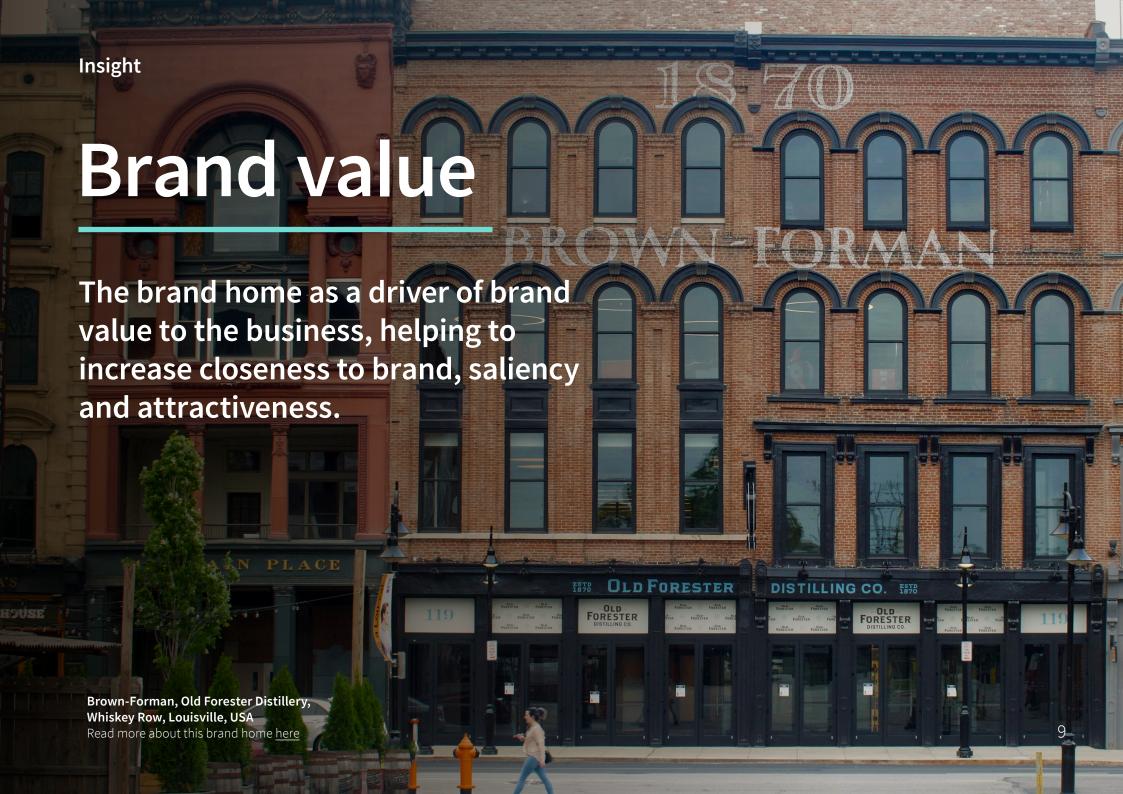
We're representing the view of **6,000 individuals**.

**6,000 people**, with data gathered over a **2-week period** through an online survey and as recently as **the start of 2021**.

The perspectives of the **3,000 people who** have never visited a brand home gives you an unfiltered view of the opportunities available in this space.

Of the **3,000** who have visited a brand home in the last **24-months**, they're able to use their experience as the foundation of what 'amazing' looks like for them.

Two different perspectives, one powerful evidence base.

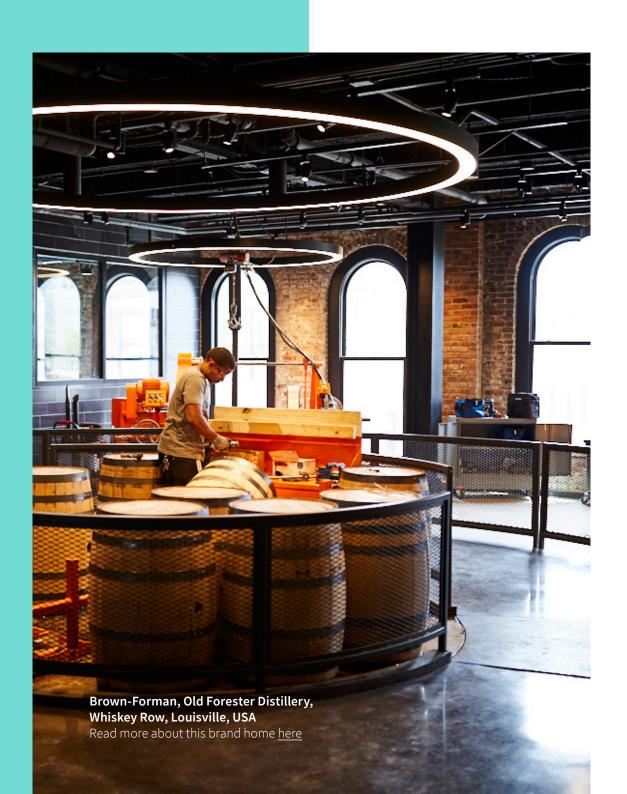


The business case for brand homes: Brand value

When we asked 3,000 participants what motivated them to visit a brand home, we expected the majority to express a fondness or affinity with the brand, typically because it is a brand they currently purchase or one that they aspire to own.

Whilst this is proven to be the case, what we have also identified is the desire for a deeper and more meaningful connection with a brand that is more complex than simply driving a sale.





### The business case for brand homes: Brand value

A well-designed brand home has the ability to allow an individual to become a part of the brand story. Visitors want to be educated about the brand and its history and furthermore, to be part of its future by experimenting with product development and sharing their experiences.

This act of opening up a brand and sharing its history in such an intimate way creates a unique connection that if nurtured properly, can lead to commercially attributable lifetime loyalty through enhanced brand value.

# Brand homes build understanding and affinity

One of the many appeals of a brand home is the ability for it to meet a variety of needs to a whole range of audiences.

Our research identified that there are three key reasons an individual chooses to visit a brand home:







2. Learn



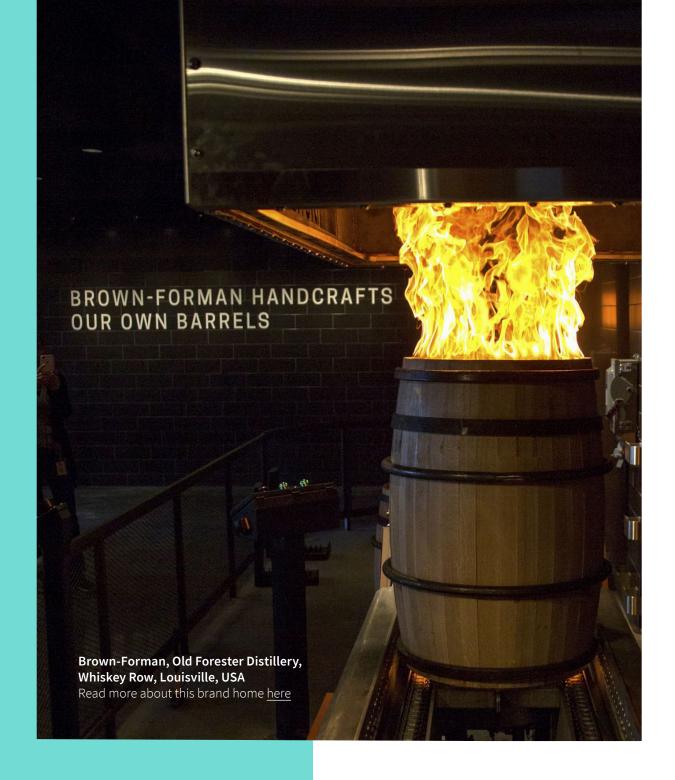
3. **Test** 



As an average, over two-thirds of participants who have visited a brand home believe a brand is more desirable because of the experience they have had.

Perhaps more interestingly, almost as many wanted to learn more about a brand, it's history and how its products are made and consumed.

The ability to connect with a brand at a very personal level evokes a powerful emotional reaction. It can create a sense of belonging; of being welcomed as part of the brand community. Brands can leverage this further by creating space for education where individuals can strengthen their brand connection by learning about its history and brand journey.



# 2 Brand homes change brand perception and increase positivity

In a powerful statement of advocacy for brand homes, 67% of people felt more positive about the brand after they'd visited a destination and almost half said they are more likely to choose the brand/product in the future as a result of their visit.



50%

said they are more familiar with the history of the brand/product



48%

said they felt 'happiness' during their visit



67%

of people felt more positive about the brand after their visit



48%

said they are more likely to choose the brand/product in the future after their visit The business case for brand homes: Brand value

It's clear that there is a link between the experience someone has within a brand home and their perceptions of that brand moving forward.

An important factor in this is the authenticity that connects the actual environment of a brand home to the products it offers and the people it represents. For example, the location has to have purpose; either through its meaning as part of the brand story or as somewhere convenient and accessible. Visitors also expect everyone they come across within a brand home to live and breathe the experience the way they are, so brand representatives and 'experience' employees must not only be highly-specialised in their knowledge but also unwaveringly passionate about their role in the overall experience.



[survey participant], (Name of brand experience)

## The top five global brand homes

### **Huawei Flagship Store**

China - Visit the website here

### Cadbury's World

England - Visit the website here

### World of Coca-Cola

Atlanta - Visit the website here

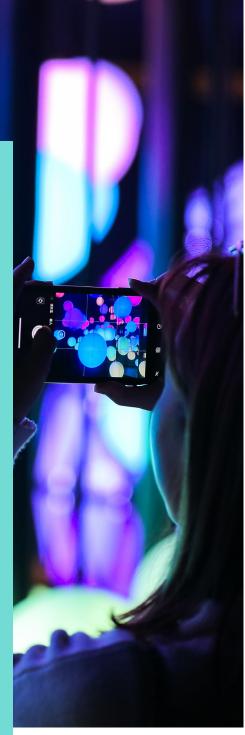
### **Jack Daniels**

Lynchburg - Visit the website <u>here</u>

### **Guinness Storehouse**

Ireland - Visit the website here

\* based on Imagination customer research



### The business case for brand homes:

Brand value

For brands thinking about the next evolution of their brand home journey, there is a clear opportunity to use the unique value of a brand home to increase time with the brand whilst potentially exploring other channels to support the ongoing connection and customer education as part of a broader engagement strategy.

## 3 Brand homes drive brand advocacy

A brand home offers more than the immediate gratification of a visit and can be integral as a lever for positive future brand engagement. Our research shows that 92% of people who visited a brand home have completed at least one further action.

Included within this activity, 50% have followed the brand on social media, 37% have told a friend of their visit and 44% have visited the brands website, all of which points to an enhanced level of brand affinity following a visit.



92%

of visitors have completed at least one further action



50%

have followed the brand on social media



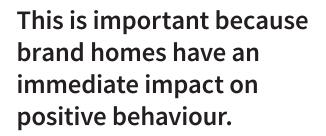
37%

have told a friend of their visit

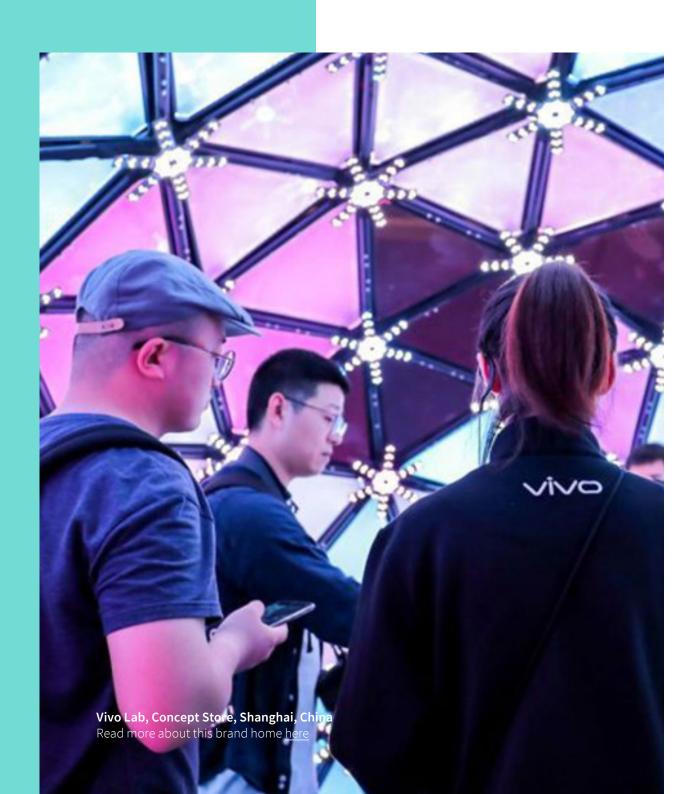


44%

have visited the brands website



This 'brand home afterglow' offers untapped brand and commercial potential as visitors are just waiting to be engaged with as an extension of their brand home experience. Therefore, brands must look to channel and build on this by continued engagement on social media, through Membership and CRM and even through targeted and sensitive e-commerce integration.



# Brand homes create interest and desire far beyond the physical place itself

Our research identified two interesting perspectives in relation to the understanding of brand homes. Out of the participants who had never visited a brand home, around 40% had never even heard of a brand home before. For those who are aware of what a brand home is, however, almost three-quarters expressed a desire to **visit a specific one**, demonstrating a high level of awareness of those brands that offer such an experience.



40%

of our respondents who had not visited a brand home, had not heard of a brand home before



73%

Amongst those who **had** heard of them, 73% expressed a desire to visit a specific brand home



67%

of people who have not visited a brand home believe a brand home makes a brand seem more desirable The business case for brand homes: Brand value

The opportunity here is significant. Brands can explore using this aspect of desirability to create greater engagement with their audience to drive increased advocacy or purchasing behaviours.

There is also potential to use this intent to create personalised, targeted campaigns designed to encourage individuals to visit the brand home through pre-visit experiences that further enhance the desire to be part of the brands community.

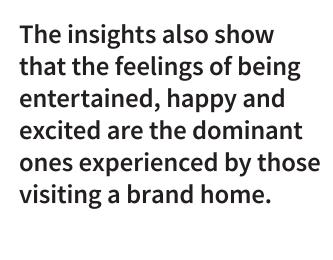
To address the lack of awareness of brand homes, brands that have already invested in this channel have real opportunities to target and engage with more distant fans.



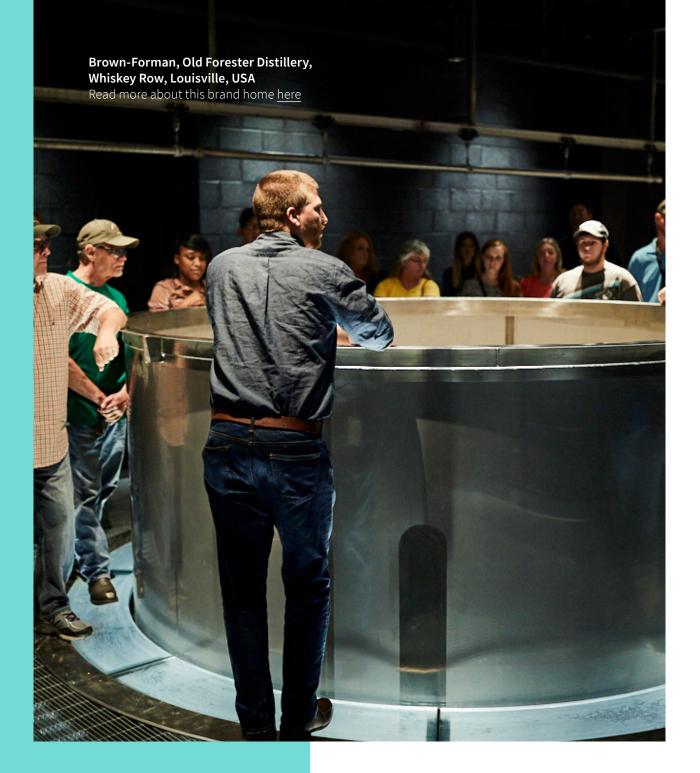
# 5 The host is integral to the Brand Home experience

For visitors to a brand home, there is a desire to be guided through their experience by someone who is going to make their experience even more special;





These are hugely positive emotions and it makes sense that the experience a visitor has with the people representing the brand are key to maintaining these sentiments.



# 5 take aways

If you **do** have a brand home

How should you integrate your brand home more closely to your global marketing efforts – using the authenticity and desirability to engage with far-off markets?

How might loyalty or virtual visitor programs engage with the 73% of far-off 'someday' visitors?

If you **don't** have a brand home

3

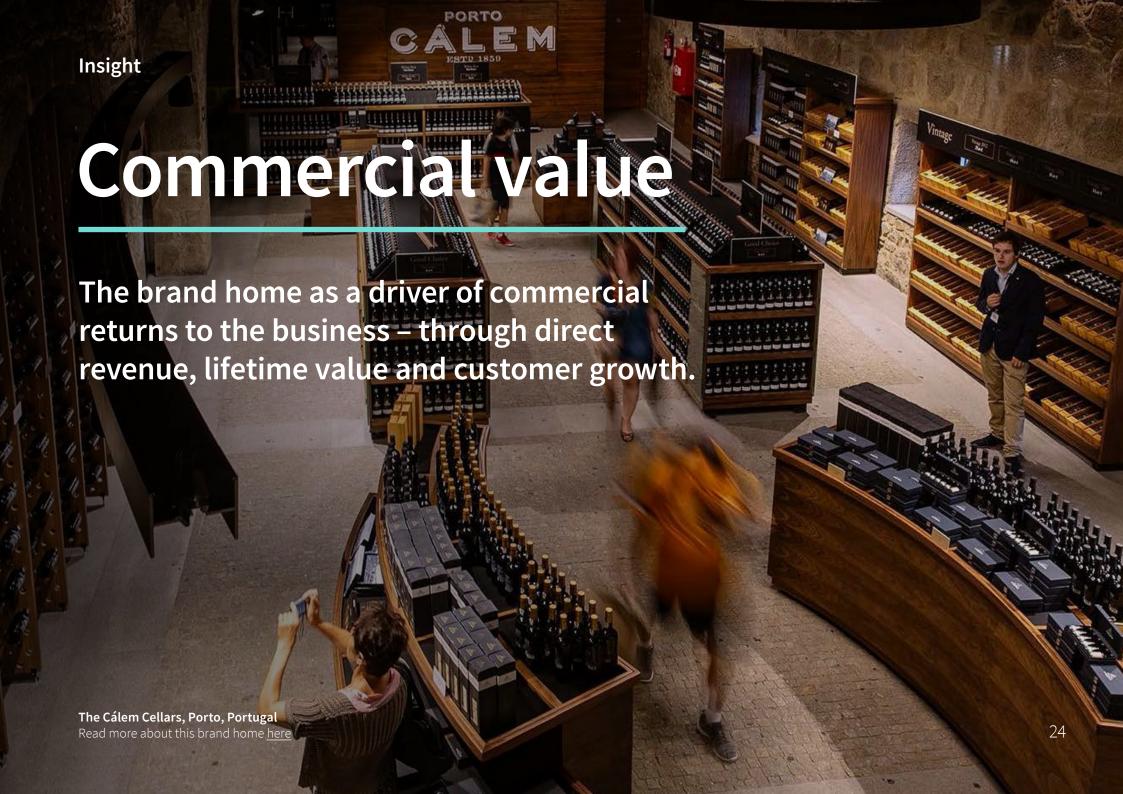
What are the locations, people and processes which create the authenticity and differentiation for your brand?

4

What are the stepping stones to using your significant locations, facilities or historic sites as destinations for fans and curious customers?

5

Where are the opportunities to bring customer learning moments into existing design and production facilities?

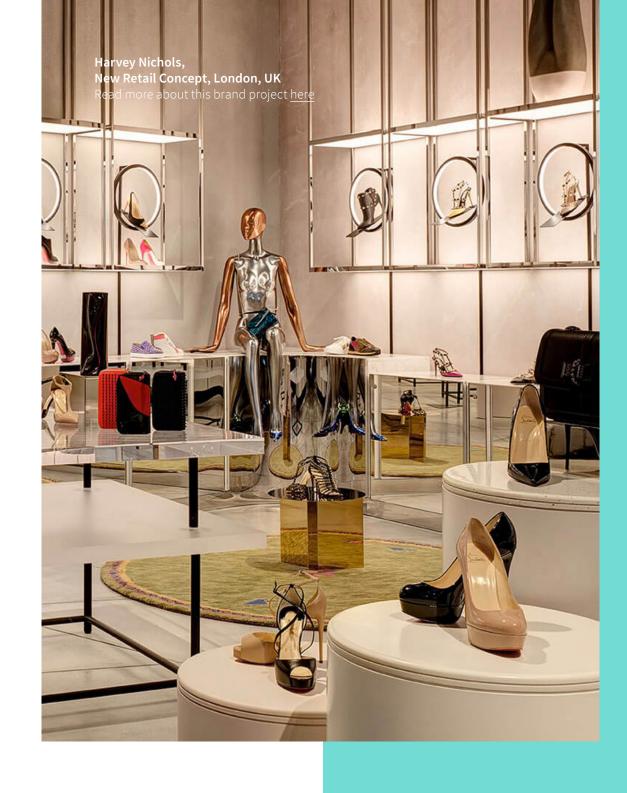


The business case for brand homes: Commercial value

Brand homes have to drive a careful balance between commercial profit and marketing innovation. Our research has shown that visitors are willing to embrace the commerciality of a brand home if it meets their expectations of an experience.

From the products available, the personalisation of the tour, the evoking of a post-visit 'afterglow', there are numerous ways for brands to ensure the value of their brand home goes beyond the physical destination.

Interestingly, the participants we spoke to felt their visit to a brand home was only part of their experience, with the pre-visit build-up and postevent follow up both important elements. This ability to create lifetime value is key to building the commercial case for brand homes



# Brand homes are undervalued by brand teams

A brand home isn't just a visitor attraction or marketing tool, ultimately it should be run like a business in its own right by designing the right commercial model and exploring multiple avenues that generate revenue whilst respecting the brand ethos of your particular destination.

People are happy to pay for experiences, services and products; only 8% of our research participants felt that their brand home experience was too expensive. By contrast, 23% would have paid more.



64%

said the experience was worth what they paid



23%

of people said they would have paid more for the experience



8%

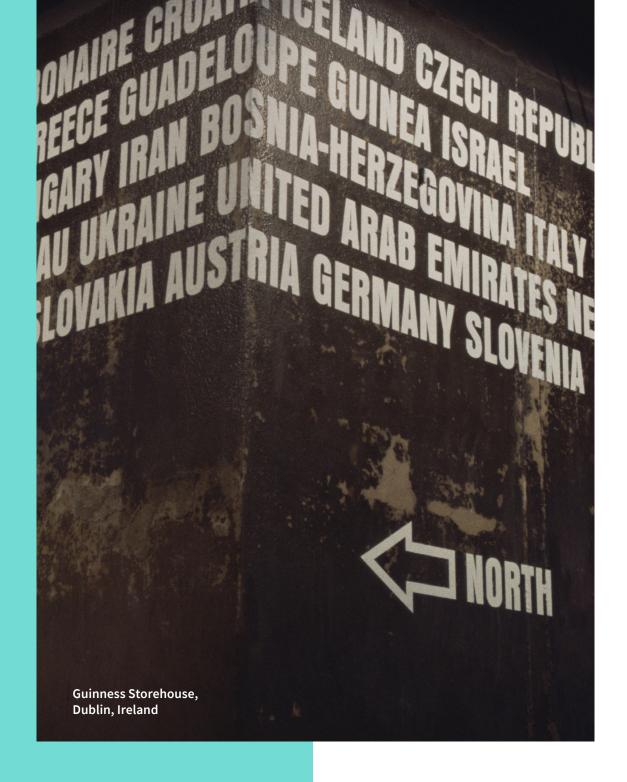
of people rated the experience as too expensive



Commercially, brand homes are a significant investment and it's important to balance this with the maximum range of potential, attributable value.

Whilst some began their life as Visitor Centres for Production sites (think cars or wine) that evolved into more rounded destinations, others started as a permanent playground for brand engagement without the full consideration of other forms of value, especially commercial, to offset operating costs. Dealing with this by suddenly dialling up the retail component is never a recipe for success.

This data here isn't suggesting you increase your ticket prices, rather increasing the focus on more diverse and premiumised revenue streams. Brand homes generate value across a spectrum of areas, including commercial and brand value. Every sector has its own particular ecosystem but our experience has taught us that most brand homes undervalue or overlook significant pools of value.



The business case for brand homes: Commercial value

Return on investment (ROI) is a key indicator but so too is return on objective (ROO). It is a careful blend of these two aspects that build the foundation of a successful brand home.

Whilst ROI is typically easier to measure through direct sales, ROO can be harder to determine. Integral to this is understanding the attributable lifetime value of a brand-loyal customer and capturing this alongside more tangible financials, supported by a robust approach to measuring and reporting.

Whether a new customer or brand-loyalist, the ability to connect with the very essence of a brand within the purpose-designed environment, as well as taking home a tangible piece of that brand in the form of a premium product, can all be encapsulated within the brand home. It becomes an ideal showcase for the value quadrant, improving the return on both investment and objective in ways that many other marketing initiatives simply can't.



"As the experience centre team, we are the entry point for those initial conversations. We are the where where the sales teams bring in their clients sometimes for the first time, and then they go on to have many, many more sales conversations that ultimately hopefully lead to that that end sale. So whilst we're absolutely a part of that journey, it's a tricky one as far as goal setting for us and true KPIs, but we're still learning and figuring it out as we go."

### **Daryl Maneri**

Director of Experiential Marketing and Mastercard Experience Centers, Mastercard

# 2 Brand homes give you the permission and credibility to develop higher value products, services and experiences

As well as offering an experience, brand homes are an ideal platform to drive increased customer spending not only on core products but on items deemed to be exclusive or limited editions.



84%

of people purchased products during their visit



40%

purchased limited editions, exclusives or personalised products



27%

of people rated purchasing limited editions, exclusives or personalised products as the highlight of their visit



The business case for brand homes: Commercial value

84% of visitors purchased a product during their visit which is perhaps to be expected. What is particularly interesting in this space is the potential for increased spend in relation to personalised products, merchandise and limited edition or exclusive goods. 40% of our participants went on to purchase goods in this high-value category, with 27% rating the ability to do this as the highlight of their visit.

The revenue stream potential here is huge, with opportunity in product ranges, future events and brand affinity activity all potentially attractive to brand home visitors.

A brand home can offer a unique opportunity to explore different product offerings and price points. By adopting a test and learn approach to point of sales, brands can experiment with premiumisation to establish the optimum opportunity in luxury, one-off and limited edition items. Alongside this, enhanced tour packages, invite only or ticketed events and invitations to purchase can all add to the bottom line.

# For many brands, this can be complemented with further revenue growth achieved through an online brand home presence.

Here, brands can be playful, leveraging the brand home 'feel good' factor to direct visitors online to explore hidden elements of the brand experience or inviting them to previews of products or launches as a reward for brand loyalty. This type of engagement can be designed to ultimately direct a customer to a well-designed online shop where the desire to purchase has already been primed.

A brand home plays a unique role in elongating the positive emotion attached to the brand, generating ongoing sales that strike the perfect blend of immediate gain and lifetime loyalty.



**Andrew Darrow**CEO Darrow Consulting

# Brand homes increase frequency, loyalty and customer lifetime value

Almost half of all visitors (49%) to a brand home bought the product more regularly following their visit.

It's possible that this is linked to two different attributes which would need treating quite differently. On one hand, there is the outward-facing Instagram-culture of instant gratification, demonstrating brand affinity and allegiance very publicly through social media as a personal statement.



49%

of visitors bought the product more regularly following their visit to the brand home



76%

of people said they would consider being a part of a Membership Club for the brand home to keep them involved and informed

### The business case for brand homes:

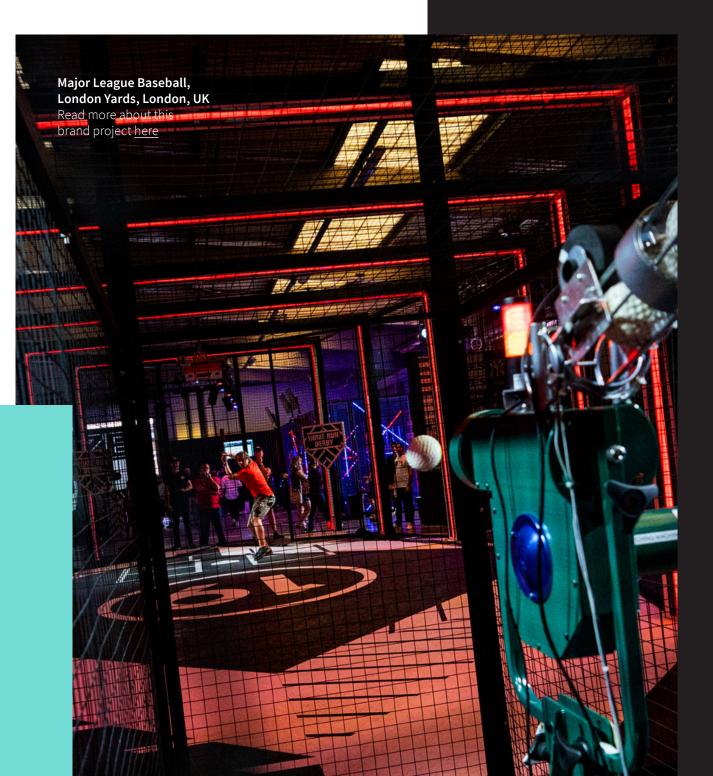
Commercial value

There's also a likely link with the underlying understanding of a brand and what it stands for as a result of a visit, going back to the idea of educating customers. When an individual believes in what a brand stands for, they feel more able to advocate for the brand.

"We are the creators of memories and emotions. When people come into our world, whether with family or friends, they are in that moment in time. Our challenge is to maintain this connection when they leave us."

**Laura Sileo Pavat** 

Brand Homes Expert, Pernod Ricard

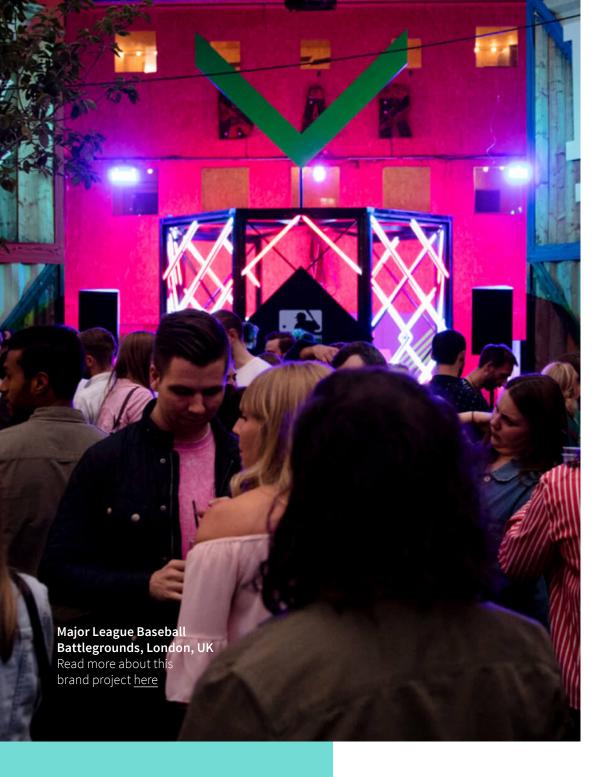




There is a real opportunity to think about what happens once a visitor has left the physical destination to continue that loyalty.

Over three quarters bought into the idea of being part of a 'club' associated with the brand home creating an opportunity to have an ongoing connection that builds on the value created as part of the brand home experience.

Brands have an opportunity to leverage this through brand home CRM programmes alongside subscription memberships for regular revenue. This creates further revenue possibilities where there is a strong value exchange, such as virtual tastings or 'direct to host' live links. This may not fully offset the marketing costs, however when thinking about the lifetime value model, the immediate need for investment should be offset by longer-term attributable brand affinity.



The commercial opportunities for a brand home are as real as they are significant, however core to the offering has to be the creation of an immersive experience that adds value as part of the brand conversation.





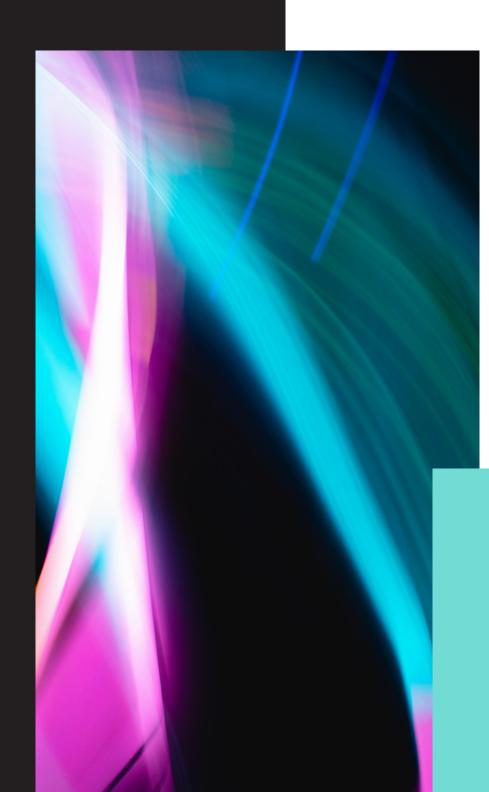
For example, brands should consider carefully where any retail elements are positioned within the overall experience. It's important that the brand host teams are experience-led and have a clear process and path to introduce relevant products or services at the right moment, with relevance coming first or even handing over to a 'personalisation' sales expert. Equally, brands also have an opportunity to think about clever ways to integrate sales with post-visit engagement, further capitalising the 'afterglow' effect of the visit.

By weighting the impact of a brand home too far towards being a commercial operation, there is a real risk of devaluing the brand.

"Visiting places like this kinda ruins the brand for you. It's here that you learn that it's all about the money and what you are willing to spend for an experience. They don't actually care that you care. If you don't spend, you mean nothing. It's all a numbers game and if you're not willing to pay, well you don't get to play."

**Survey participant** 





# 5 key questions

How desi experiment

How should you design the post-visit experience to maximise value?

What are the **key goals** for the brand?
How could a brand home contribute?

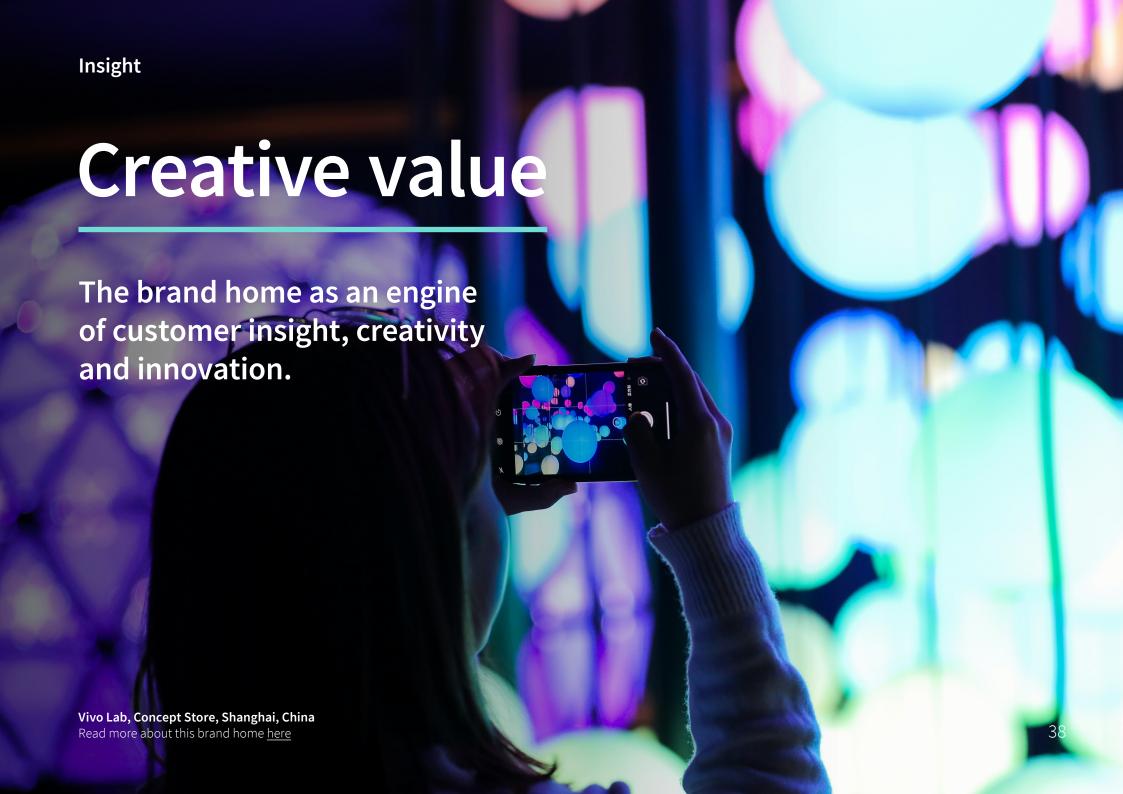
4

How might we make merchandising and product exclusives work harder?

What's the right ticketing strategy to maximise impact?

5

What new services and experiences might we design to increase revenue or dwell time? (F&B, concierge, etc)



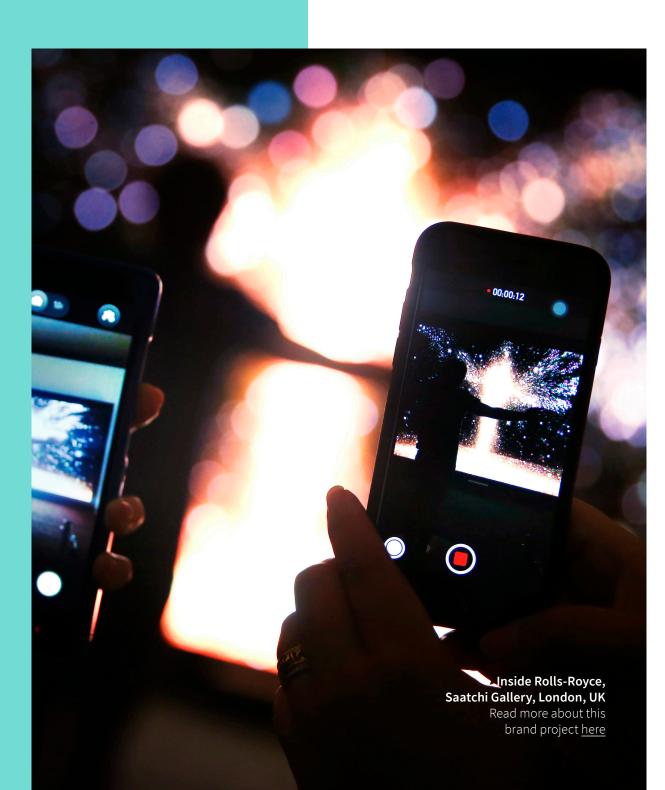
Brand creativity isn't typically placed in the direct hands of the customer but in brand homes, there is a unique opportunity to create a playground for visitors that can be intrinsically linked to brand development.

Of the people we surveyed, we identified a number of key trends including the growing appetite to engage with brands regardless of platform, the important role that social media plays in brand connection and how the use of data captured in real time as part of the brand home experience can help support commercial and creative decision making.



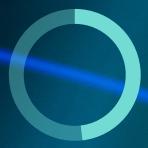


Utilising both on and offline space, brands can tap into the creativity of individuals and harness this as real-time data and insight to inform brand development. The opportunity here is tremendous.



## The brand home experience can thrive in a hybrid environment

With the growing shift towards online in everyday life, it was always likely that physical experiences would need to find some sort of home in the digital space. Customers now expect that there will be technology-based elements of a visit with 76% of Brand homes currently offering a digital experience or mobile app experience.



24%

Brand homes **without** a digital or mobile app experience



76%

Brand homes **with** a digital or mobile app experience

Brand homes must continue to redefine and evolve their experience to take advantage of emerging technology across both physical and online environments to keep up with growing customer expectations.

In those brand homes that have thrived in a hybrid environment, we have identified four key elements of success:

### **1** The host is key;

it's important to connect the virtual guest with a real host in the same way you would in a physical environment.

The host plays a key role in the experience and in fact should be amplified in the virtual format.

2 Ensure there is readily available content to 'tease' the virtual experience;

featuring the brand home and familiarising the host and other key personalities.

Create a virtual value exchange;
whether it's a product sampler or entire food hamper you can help the virtual guest feel closer to the experience by stimulating the senses that are harder to reach through digital engagement and creating a moment of delight that will last far longer than the brand home tour.

Aspire to create theatre for your virtual guests;

from the arrival to the online landing page of the brand home to the visuals, music, product stories and even live conversations with the people closest to the brand, make every moment of this captive audience count.

Just as important as thinking about what you can achieve and replicate in a virtual brand home experience is thinking about what won't work.

Not everything can be recreated so rather than diluting aspects that could disappoint your virtual guests, invest in being creative in the areas where you can create the strongest memories.



## 2 Brand homes are a powerful setting for customer co-creation

We know that the top three reasons people visit a brand home are love, learn and test and there is an absolute correlation between the creativity of a brand home and the resulting feelings and emotions that visitors are left with.



**51%** 

said that following their visit, they were now more familiar with the history of the brand



40%

said that free sampling was the aspect they liked the most about visiting a brand home 31%

said a brand home was a good way for brands to trial new products



The very act of arranging a visit: the booking process, the anticipation of attending, the journey to the destination are all important. It creates a more open mindset to being 'wow-ed', with people giving themselves permission to try new things, experience something different and to be part of the experience itself.

This perfect blend of mindstate combined with existing brand advocacy makes it ideal conditions for customer co-creation and innovation.

As a dynamic space, any brand home should be a place where you can test new experiences, incubate limited edition products and push the creative boundaries for your brand.

Harnessing the R&D potential is critical to delivering more long term value, with a ready-made audience that can be involved in co-creating your next successful product or service.

# 3 Brand homes offer a unique opportunity to implement tech and benefit from the data available

Technology is critical as part of the brand home experience; it's wanted, anticipated and expected to wow. From fully immersive experiences to the ability to self-explore through touchscreens or visual displays, visitors expect to experience something new and different in this space.



**Jaguar Land Rover, I-PACE Concept Launch, London, UK**Read more about this brand .
project here

#### The business case for brand homes:

Creative value

Crucially, this shouldn't replace the human elements of a brand home experience. It is our ability to have an emotional or sensory reaction to something that creates the memory that will be leverage for future brand loyalty. This cannot and should not be replaced by technology, rather complimented by it.

"The aim is technology in service of human interaction, not technology for technology's sake."

**Gabrielle Chamberlain** 

Managing Director, US, Imagination





# The smart use of technology creates an untapped opportunity for data collection with the aim of using metrics differently.

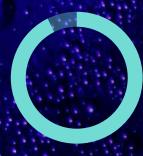
Yes, it is important to monitor customer preferences and learn from these and to understand the levers that trigger the most commercially constructive actions as a result of a visit but that's not all that metrics can support.

By drawing the customer into the conversation in real time, there's an opportunity to have a much stronger, insights-based discussion whilst also informing future engagements. This also has the benefit of enabling brands to personalise the engagement post-visit based on data captured within the brand home environment.

### 4

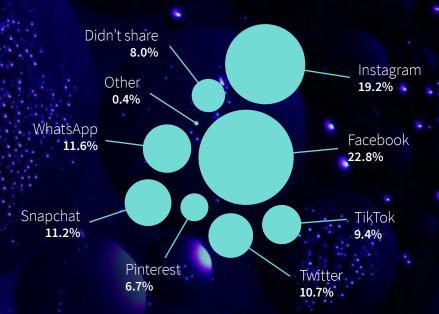
## Brand homes are a unique and powerful tool for content creation

Social interaction is a significant area of growth within a brand home experience and offers brands an unprecedented opportunity to not just be part of the conversation but to guide and shape it.



92%

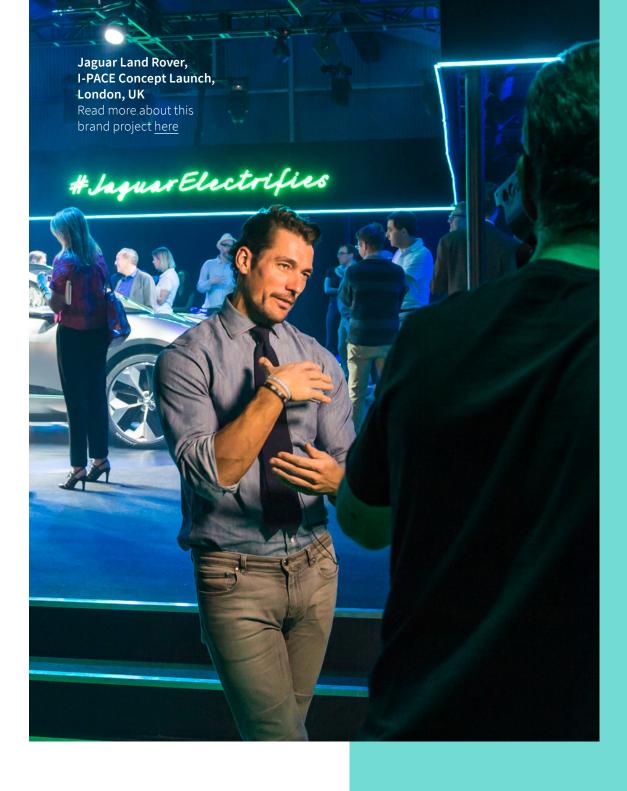
of visitors shared content of their visit on social media



There is the obvious opportunity to boost your range of owned channel content. However, by thinking about activations and event programmes that are exciting to watch from diverse social media platforms, the world of hybrid and virtual brand home experiences becomes a much more integral part of the brand home offering.

The greater the authenticity and uniqueness of the brand home experience, the more powerful and engaging the social content.

This is a relatively low-cost activity for brands and by curating user content and combining it with inhouse generated content, there is a real opportunity to shape the narrative.



# 5 key questions

3

How can the brand home become an online experience platform to connect with audiences remotely using hybrid experiences and emerging tech?

How can you
leverage smart visitor
research to elevate
customer insight?

4

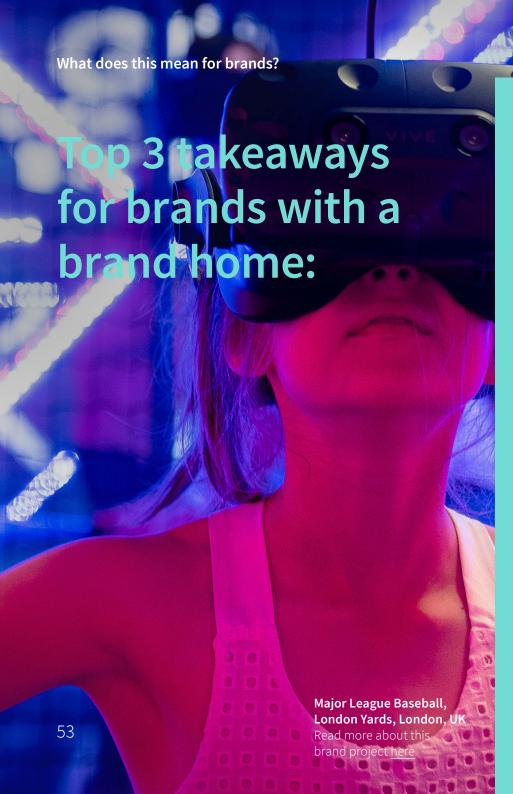
How can the brand home become a co-creation hub to test and learn on new products and services?

How could we use the natural authenticity and interactivity of brand homes as a content hub to supercharge engagement with social channel content?

5

How can the brand home be used as an **arena for creative collaborations** with influencers and other brands, to reach new audiences?





Just laying claim to having a brand home isn't enough;

the experience must continue to evolve alongside your customer expectations.

There are significant opportunities in digital and hybrid experiences,

especially when considering how the 'feel good afterglow' of a brand home experience can be amplified beyond the experience itself and built into a continuous relationship

Review the commercial arrangements you have in place and challenge your teams to be creative with potential revenue-generating opportunities

but be mindful of cheapening your brand integrity.

## Top 3 takeaways for brands thinking about a brand ho Shell, Make the Future Live, Lo 54

- Challenge yourself as to why you haven't invested in one already;
  - the experience must continue to evolve alongside your customer expectations.
- 2 Bring together the key stakeholders internally (from brand and commercial) to help understand what role a brand home could play,

what objectives it could support and how it could be part of a growth model.

Explore how digital or hybrid experiences could offer a 'test and learn' environment in the first instance

to help build the investment case for your brand home strategy.

Ultimately every brand home needs to be managed through the lens of brand and marketing, but also through the commercial, corporate and community value they create.

Therefore, before creating a creative concept, always start your planning by defining what areas of value matter to your business.

At Imagination, we work with brands to help them identify their own particular set of drivers tailored to their specific ecosystem to ensure that a brand home can deliver to these. Our proven methodology, captured in the 'Imagination Value Canvas', ensures the right KPIs are selected across the major strategic areas to deliver the desired outcomes.

### The Imagination Value Canvas

### Commercial

Includes direct revenue from ticket tours and products sales

### **Brand**

Includes visitor net promoter score or data gathered as part of the visit experience

### Corporate

- Includes brand image, B2B sales
- and training

### Community

Local jobs, education and contribution to the local economy If you would like to discuss any of the topics and themes covered in this report further, please get in touch with Simon Beddoe:

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