Simple is smart and other lessons from the Global Brand Simplicity Index

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INTRODUCTION
Consumers are always seeking products, services and experiences that improve the quality of their lives. The ongoing market dominance of companies that simplify customer experiences (such as Amazon) and the success of simplified technologies (such as the iPod) make it clear that simplicity truly does sell.

Siegel + Gale defines simplicity as ease of understanding, transparency, caring, innovation and usefulness of communications. When properly applied, it helps consumers make decisions, saves time and money and minimises debate over decisions. Most importantly, simplicity forges powerful relationships with customers and builds brand loyalty. It is a core principle for how brands interact with consumers and generate long-term financial benefits. Simplicity is why Steve Jobs loathed buttons and why Google won over a generation with the austere motto: ‘Don’t be evil’. Zero buttons. Three words. Billions of loyal consumers.

Abstract
Consumers are always seeking the products, services and experiences that will improve the quality of people’s lives. Those brands that effectively employ simplicity — by providing a consistent experience, easy access and clear presentation — tend to come out on top. This paper conveys the findings in Siegel + Gale’s 2011 Global Simplicity Index, an output of global brand ratings based on an online survey of more than 6,000 consumers across seven countries. Most important, the survey articulates and underscores the across-the-board demand for simplicity from consumers trying to navigate their way through an increasingly complicated world. In addition, the paper illustrates how many brands are leaving money on the table by failing to embrace simplicity in their communications and interaction with consumers. Also included are Siegel + Gale’s ‘Simple How-Tos’ for harnessing brand simplicity.

Keywords
branding, brands, simplicity, brand experience, Global Brand Simplicity Index
SIMPLIFIED COMMUNICATIONS AND EXPERIENCES

Sustained investment in simplified communications and experiences breeds more extensive and enduring brand loyalty.

The 2011 Global Brand Simplicity Index is an output of global brand ratings based on an online survey of more than 6,000 consumers across seven countries — the US, UK, Germany, China, India, Saudi Arabia and Dubai. The survey articulates and underscores the across-the-board demand for simplicity from consumers trying to navigate their way through an increasingly complicated world crowded with real and virtual clutter. The following top ten global brands engage consumers through simplicity by crafting a brand identity and experience that resonates with consumers’ common desire to keep their lives simple.

A CLEAR SENSE OF IDENTITY

Brands with a clear sense of identity, focused on consistent experience and communications, are big winners.

Each of the top global brands has internalised simplicity into how they think, speak and behave, which further illustrates an important point revealed by the survey: industry is not destiny. Although some industries may be more complex than others, simplicity is a universal value for any business or organisation. Whatever the industry or product, companies that effectively employ simplicity tend to win, the wisdom of their approach reflected time and again in their market share, profits and stock performance. Simplifying interactions with consumers does not mean that the underlying products or services must be simple. The winners move complexity to the background and minimise it for consumers. After all, consumers are human. Whether engagement is achieved online, over the phone, through the media or face to face, ultimately relationships are built on expectations set, met — and exceeded.

Half of the top ten brands are from technology, telecommunications or internet sectors. Across the globe, ease of com-
Communications was considered technology’s greatest contribution to a more simplified life. E-mail and phone ranked in the top three simplest technology products.

The ten least simple global brands are Ramada, Budget, AXA, Hertz, LinkedIn, Peugeot, Allianz, Enterprise, Ryanair and GE. Half of these bottom dwellers are travel-related, reflecting consumer dissatisfaction with perceived declines in services afforded the average traveller. To be considered, the brand had to appear on two regional lists.

**SIMPLICITY SERVES A PURPOSE**

When properly applied, simplicity serves a purpose, it gets into our heads faster and stays there longer, helps us make choices, saves time, money and minimises debate over decisions.

The problem many brands have with integrating simplicity into their culture, values and messaging is that they fail to understand fully what ‘simplicity’ entails. They wrongly apply the most superficial connotations to the term, and miss its power. Simplicity does not mean a lack of sophistication, but a lack of obfuscation. Simplicity is a belief in the value of honesty, research, vision and innovation.

People value simplicity. In fact, the survey found that people everywhere crave simplicity, regardless of geography, gender or age group. They look for it in interpersonal relationships, and believe that technology is part of the answer. An overwhelming majority recognises that the benefits of simplicity include greater peace of mind and less stress, which translates into more enjoyable lives. Brands that align themselves with this fundamental
human condition connect with consumers in very powerful and meaningful ways.

Alan Siegel, founder and chairman emeritus of Siegel + Gale, explains simplicity this way:

‘We all seek simplicity. The circumstances vary from generation to generation and culture to culture, but the instinct is universal and its implications in the global marketplace indisputable. In business, simplicity creates an environment that promotes peace of mind with consumers, inspires confidence and generates brand loyalty.’

‘82% of people worldwide are more likely to recommend a simpler brand’

Consumers do not support brands that take their hard-earned money for granted. Unforeseen fees, last-minute surcharges and hidden penalties greatly anger consumers, resulting in debilitating trust crises for brands. Incorporating simplicity into every touchpoint poses challenges, but brands that fail to integrate it into their DNA lose customers. In today’s connected world, one unhappy customer can lead to hundreds, if not thousands more, within minutes.

Take European airline Ryanair, which ranked a lowly 86 out of 87 global brands. Ryanair uses artificially deflated prices to entice bargain-shopping travellers to buy tickets on its website. Consumers were unambiguous about the acute disconnect they felt between the carrier’s promises of cheap and simple air travel and their actual experience. Many respondents thought Ryanair’s offers were intentionally complex — a common reaction when communications lack transparency and directness.

Simplicity pays

In the USA, UK and Germany alone, companies in the surveyed industries are leaving more than US$30bn on the table. Many brands are leaving money on the table by failing to embrace simplicity. In fact, the study found that consumers are so serious about simplicity that they are willing to pay for it — between 5 percent and 6.5 percent extra, depending on the category. Consumers want to be told the truth, and any brand’s attempt to disingenuously characterise itself as being the most organic, the least expensive or the best bargain ultimately results in brand erosion and diminishing returns in consumer loyalty — and significant amounts of lost revenue.
The survey asked people if they would be willing to pay more for simpler communications and interactions, and if so, how much more. Brands in the financial industry stand to gain the most — at an estimated US$4.3bn. This is not all too surprising given that years of recession and a struggling economy have changed the relationship between people and their finances. Consumers feel jilted and financial brands — particularly retail banks — need to tread lightly when engaging their customers.

When respondents were asked to rate a set of banking processes in terms of simplicity, understanding bank fees was at the bottom of the list. Consumers had very negative feelings about not completely understanding when and how they were being charged. Using an ATM, on the other hand, was the most simple. So while the focus on simplifying the transactional pieces of the customer experience is having a positive impact, the communications are still sorely lacking. There is an opportunity for banks that put it all together: transparent processes, easy access to knowledgeable staff, and clear and simple policies and agreements.

**Simplest brands perform best**

A portfolio made from the publicly traded stocks of the top 10 global simplest brands outperforms and is less volatile than the major indexes.

Brands must prepare for the future, and that means knowing where and how consumers will live in that sliver of space which exists between human beings and the technologies they use. Leading the way is Google, the number one global brand. With its simple brand identity and

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**Figure 4** In the USA, businesses are leaving more than US$20.1bn on the table
Source: Sigel+Gale

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Health Insurance</td>
<td>+ $4.3 billion</td>
</tr>
<tr>
<td>Retail: Grocery</td>
<td>+ $1.6 billion</td>
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<tr>
<td>Retail: Internet</td>
<td>+ $1.1 billion</td>
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<td>Technology/Electronics</td>
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<td>Utilities</td>
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<td>Restaurants/Entertainment</td>
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<tr>
<td>Retail Banking</td>
<td>+ $1.4 billion</td>
</tr>
<tr>
<td>Telecom: Cell Phones</td>
<td>+ $905 million</td>
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boundless energy for corralling new technologies and implementing innovative social media strategies (the company owns YouTube, for example), Google remains at the forefront of our lives and the Global Brand Simplicity Index.

Google dominated every part of the world except China (where domestic brand Baidu still reigns). It should come as no surprise that Google’s simple design unleashes a mind-boggling universe of information, opportunities and services — all without overwhelming the user. Capitalising on its success, Google has run its ubiquitous online thread through news, products and advertising and made it look deceptively simple. In the company’s *Think Quarterly* publication, Google’s People Analytics Manager Cole Nussbaumer recently asserted that ‘simple is the new sexy.’

Simplicity creates an environment that promotes peace of mind with consumers, inspires confidence and generates brand loyalty. But whatever the industry or the product, the companies that effectively employ simplicity tend to come out on top, the wisdom of their approach reflected time and again in their market share and stock performance. The top 10 simplest global brands have outperformed the market by a significant margin.
SIEGEL + GALE’S SIMPLE HOW-TO FOR HARNESING BRAND SIMPLICITY

Think human

Devise processes and communications to better serve people rather than merely increase efficiency.

Retail banks need to reach out to people, and not just their money. Advances in technology have led to improved customer service with online banking and depositing cheques via phone. But banks are failing to develop brand loyalty because of what many consumers see as a lack of honesty. An ailing economy means people are no longer willing to simply hand over their paycheques to banks. Today’s consumers are scrutinising the risks banks are taking with their money. They worry about being exploited by additional charges to routine transactions.

Retail banks would be wise to follow the branding strategies of HSBC, which was ranked as the simplest global banking brand. Consumers were engaged by HSBC’s simple global message: issues can be addressed and questions answered without the burden of unnecessarily complex financial language and information.

Think experience

Take a customer-centric approach to everything, including typically ignored touchpoints such as bills, labels and service interactions.

Consider utility brands. For many of these companies, the only consistent consumer touchpoints are complex monthly billing statements. Consumers resent utilities that send bills containing unexpected surcharges or fees. They are wary of small print, believing that brands are manipulating them to gain an advantage at their expense. It is surprising how many brands fail to leverage brand loyalty and goodwill via touchpoints such as clear and simple billing.

Think consistency

Focus on delivering a consistent and true experience across all touchpoints and communications.

No brand exemplifies the importance of consistency more than Netflix, the number one brand in the index for the USA. Netflix built up incredibly robust goodwill with consumers by offering a simple way to rent movies without late fees. Even after a rate hike, Netflix was seen as the simplest brand in the USA. Subsequent to the survey, Netflix announced that it would split into two separate companies, one offering streaming video and the other, dubbed Quickster, offering DVDs by mail. After consumer outcry, Netflix quickly reversed its decision and returned to its simple service model. As of this writing, both Netflix’s stock price and subscriber base are increasing at an enviable rate.

Think innovation

Look to technology as a tool to simplify, not just dazzle. Find unexpected ways your brand can simplify its experience to gain differentiation and loyalty.

It makes sense that Apple, a brand obsessed with simplicity, ranked so highly — number five — in the index. Admired for its laser-sharp focus on consumer-friendly products, Apple thrives in every category — from product functionality to targeted advertising — that consumers find relevant and intuitive, sophisticated and simple.

Apple also creates valuable brand experiences for millions of consumers through
its Apple Stores, where customers are encouraged to interact with the brand’s products and promises. Apple Stores feature a ‘genius bar’ staffed by knowledgeable, tech-savvy and customer-friendly employees who provide both transparency and simplicity to customers when answering questions. Through its retail touchpoints, Apple demonstrates that innovative brands value people as much as their products.

**Think governance**

Governance is the process of orchestrating and aligning disparate parts of the organisation to create value for customers and the brand through cohesive, relevant, differentiated and simple experiences. Diagnose current customer experiences, prioritise those that define the brand, align and orchestrate each part of the organisation that contributes to those experiences, and monitor customers’ response.

The 2011 Global Brand Simplicity Index underscores the across-the-board demand for simplicity from consumers trying to navigate their way through an increasingly complicated world. Companies that respond to the collective cry for transparency, easy access and clear presentation gain on the bottom line and beyond.

**FURTHER INFORMATION**

To learn more about Siegel + Gale’s Global Brand Simplicity Index and its methodology, and to see the complete global and regional rankings for industries and brands in the USA, UK, Germany, China, India and the Middle East (UAE and Saudi Arabia), please visit [www.siegelgale.com/white_paper/2011-global-brand-simplicity-index/](http://www.siegelgale.com/white_paper/2011-global-brand-simplicity-index/)