

Soft power is the new currency

 By [Saint-Francis Tohlang](#)

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In the information age of the 21st century with a social fabric that is evermore complex coupled with the breakdown of age old systems, it becomes increasingly important to assess what's going on in the world right now to understand ways of moving forward better.

The Flux Trends' byline is "the state we're in" and Dion Chang and his team are committed to understanding the state we're in, connecting the dots and presenting digestible chunks of information that aid strategies in this period of flux.

On 2 August, Flux Trends hosted their open session at the Protea Fire & Ice Hotel Melrose Arch where Chang presented his monthly serving of brain food. The topic of the open session was "The Importance of Soft Power".

What is soft power?

Soft power is a phrase coined by Joseph S. Nye essentially antonymous to hard power. Hard power is understood to suggest influence or leadership attained through military and economic means. Soft power on the other hand is a means of power that uses strategies such as diplomacy, culture and history. Nye goes on to explain that "Soft power rests on the ability to shape the preferences of others".

The terms soft and hard power have come to have meaning outside the contexts of international relations. The terms have seeped into wider fields as ideologies that shape approaches. In organisations, hard power is in the form of hierarchical command approaches, with top-down structures. This also applies to ways in which organisations, companies and brands communicate with their customers. Customer relations have evolved.

Soft power in a new world order

In his presentation, Chang painted a miniature portrait of the world, documenting the state we're in and uses that demonstrate the relevance of soft power in the business world.

He pointed to five changes in paradigm that have created a storm that has precipitated the need for brands and companies to leverage soft power. These changes in paradigm are 1) the global financial crisis of 2008, 2) the eco-sustainability movement, 3) the boom of the female century, 4) rise of the techno warriors through social media and lastly 5) the new civil voice.

These five paradigm shifts have incited change in consumer mindsets. The economic downturn has meant that consumers

expect more from their purchases. The eco-sustainability movement has created a more conscious consumer in touch with brands that are more environmentally friendly. The era being touted as the female century has seen more women employed in the workforce and that will usher in softer undertones in approaches. Social media has meant consumers have a greater voice than previously. Moreover, new civil voices evident in movements such as Occupy Wall Street have meant that civil citizens are empowering themselves; which speaks to a change in consumer relations and social expectation.

In essence the picture that Chang painted is that the currency of hard power in a global context is waning, that consumers want solutions and not necessarily just products. The fact that public brand sentiment has become key means that industry and businesses need to make an impact through soft power.

How to speak the language of soft power

"Success in managing such public and private networks depends on talent, trust and soft power" say Evans and Wolf, suggesting that organisations are now faced with managing both their private and public networks. Managing these networks entails ensuring a free flow of information and speaking this language of soft power.

Chang suggests that the way in which brands and companies can begin to leverage soft power is in mirroring value systems and empathy. Customer satisfaction is simply not enough anymore and to attain that sacred brand loyalty, soft power is the key.

What emerged as focal points in Chang's presentation was understanding curated networks on social media and public brand sentiment, and using soft power to maintain it and sell solutions - not necessarily just products.

Social media is a way in which companies can engage their soft power. Integrating social media experiences into customer experiences is a way of speaking the language of soft power. Speaking to curated networks on social media is a way in which a company not only establishes connections with their customers but also a way of engaging in conversation. Therefore speaking with and not necessarily to your customers and network is the difference.

Public brand sentiment is also more easily distributed via social media. At the cornerstone of public brand sentiment are qualities such as service, loyalty, concern for environment and community. Therefore, companies need to actively champion corporate social investment initiatives, go beyond service, be transparent in their dealings and ultimately find solutions.

Increasingly, brands and companies are not just selling products, but sustainable solutions *with* their products. That concern for the greater socio-economic climate shows a commitment to the general wellbeing that encourages consumers and customers to be loyal to a certain brand. Consumers respond better to soft sell (packaged offerings that go beyond just the product) as opposed to hard sell and it is all very simple; appealing to the emotiveness of consumers means that they respond better.

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There is a power shift taking place at the forefront of customer relations and hard power in the face of globalisation and information revolution proves to be experiencing less favour. Harvard Business School experts suggest that the relative role of soft power to hard power is likely to increase. As Chang stated; finding ways to retain customers in a world filled with 'brand sluts' is difficult, and soft power is the currency in which brands and companies need to start trading. Chang has opened up alternative thinking suggesting that companies ask themselves what their soft power is.

ABOUT SAINT-FRANCIS TOHLANG

Saint-Francis Tohlang is an Independent Insight Consultant and Trend Analyst. He provides insight observations to different stakeholders such as Flux Trends, HDI Youth Marketeers, Lovelife, Savino Del Bene and South African trend observations to a leading international trend firm. He holds an MA in Media from UCT and continues to research in the areas of media markets and strategies, consumer culture and popular subcultures. Follow @SaintFrancisT on Twitter.

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