From the Ordinary to Octopus Energy: how are disruptive businesses injecting humanity into their strategies?

At its heart, business is about people. Or, more specifically, it is about people buying from other people. This might seem an obvious point, but it's one that often seems to get lost amid talk of revenue, profits, innovation, productivity, social media campaigns, data analysis and the latest technological tools, not least artificial intelligence.

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The importance of people is not missed by the world's most disruptive businesses, however. On the contrary, they put humanity right at the heart of their business models and inject it deeply into their strategies for driving long-term success.

Busting the beauty myths

A good example of a business that embraces humanity is Deciem, the Toronto-based umbrella company for popular science-based beauty brand The Ordinary. Deciem's founder, Brandon Truaxe, launched the company with the intention of disrupting the traditional beauty industry to the benefit of everyday consumers. In particular, he wanted to challenge the hegemony of well-known brands that were using expensive packaging and sophisticated marketing techniques to get away with charging exorbitant prices for products that were cheap to produce and only

featured generic ingredients.

Truaxe planned to bust the myth that good beauty products must come with high price tags. So, he decided to sell skincare products – with time-tested ingredients, such as retinol – at hugely reduced margins. In 2016, Deciem launched The Ordinary, an affordable skincare brand with a clinically formulated product range. The brand quickly achieved cult-like status with beauty bloggers and influencers, acquiring the status of a household name among millennials. Its popularity was boosted by its sleek packaging, which conveyed an air of luxury.

As well as positioning itself as an effective brand that delivers results, The Ordinary champions authenticity and transparency. It shares the formulations and ingredients of its products and explains how they should be used. As a result, it appeals to consumers who like to understand what different formulas do and want to personalise their skincare routines.

Word of mouth has been crucial to The Ordinary's success over time, underlining its ability to engage with people on a human basis. The brand has a vocal army of fans, including celebrities like reality TV star Kim Kardashian and singer-songwriter Olivia Rodrigo. Many fans discuss the brand on social media. In fact, the *Ordinary & Deciem Chat Room Skincare Group on Facebook* boasts more than 200,000 members.

Sadly, Truaxe battled with poor mental health, and he died unexpectedly in January 2019, aged just 40, after falling from his condominium building. But his spirit lives on in the business he founded. Deciem's CEO and cofounder, *Nicola Kilner*, has said that his 'genius and ability to push the boundaries without fear is what got us here today'.

On a mission

Another disruptive business with a people-centric mission is Octopus

Energy, the UK's <u>largest domestic energy supplier</u> by customer numbers. In less than a decade, it has grown from an ambitious startup into a major global energy company while focusing steadily on its mission to deliver cheaper, greener energy.

Octopus Energy was founded in 2016 by Greg Jackson, a serial entrepreneur who had endured an underprivileged childhood and wanted to bring down energy costs for people. With the backing of asset management firm Octopus Group, the fledgling energy company took off fast. By 2019, it was serving over one million UK retail customers, as well as operating internationally. It soon became known for its competitive pricing, transparent and flexible tariff options, and high standards of customer service. In fact, its obsessive focus on customers led to it landing a stream of accolades and awards.

Humanity was at the forefront of Octopus Energy's strategy during the UK's energy crisis of 2021-22. The company set up Octo Assist, a hardship fund designed to help customers who would be most affected by rising energy bills. Furthermore, Jackson donated his £150,000 salary to Octopus's staff welfare fund, as well as to Octo Assist.

Notably, Octopus Energy injects humanity into its strategy by having fun with its brand. The company's distinctive pink mascot, Constantine the Octopus, boosts its appeal to would-be customers and differentiates it in the market. Such is Constantine's popularity that he is available to buy in Octopus Energy's online shop as a backpack and a plush cuddly toy. There is even a chew toy version of him, designed specifically for dogs.

The same, but different?

On the face of it, The Ordinary and Octopus Energy are very different brands, with very different business models, operating in very different sectors. But what these two brands have in common is a commitment to improving the lives of people and delivering high-quality and good-value products and services.

Also, these two brands don't lose sight of the fact that their customers are far more than simply 'market segments' whose behaviours and preferences can be analysed and exploited using algorithms. Instead, they recognise that their customers are real people with genuine passions and problems who want to engage with meaningful, purpose-driven brands – brands that connect with them on a human level.

Sally Percy is a business journalist and editor, and the author of <u>The</u> <u>Disruptors: How 15 Successful Businesses Defied the Norm.</u>

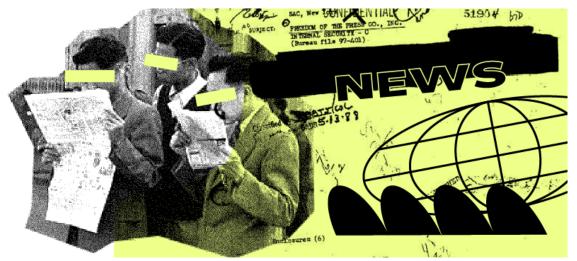
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