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## Editorial

### The Worlds Greatest Marketers?

We received an email this week from an association overseas asking if we had ever heard of someone in Australia - let us call him Harry Bloggs - and was he, as claimed the winner of an award of the International Marketer of the Year. We didn't know this named person, but we knew of the organisation and we were sceptical. We visited the given site address and found no mention of this prestigious award. Googling "International Marketer of the Year" didn't turn up anything either.

It may have in fact been in the CV link that was given - but to access this we would have needed the secret password. Perhaps.

Obviously our scepticism did not diminish, but since we were once associated with another well known marketing body which had often been referred to as the institute for giving awards we thought it may be still a possibility. Back in its bad old days the IFGA actually had difficulty finding enough categories let alone "winners" Sponsors wanted to give them money to give awards. The CEO and President spent many lunches and dinners trying to find suitable winners.

MAANZ doesn't do awards like this, although on a number of occasions some PR organisations have been willing to "sponsor" the consideration of an award to someone or some company they are aware of.

After advising the New Zealand association that we had never heard of the person concerned but that we thought we knew the institute that he was heading and that we could find no reference to this referred to International Marketer of the Year we began to wonder if we shouldn't all become International Marketers of the Year. Perhaps for a goodly sum we should be prepared to form an association and "award paying guests with any number of awards. This should make us very rich and then perhaps we would indeed become Marketers of the year.

Sorry to sound factious but we really wonder why some folk don't trust some marketers.

Brian Monger

## Quotations

Half the failures of this world in life arise from pulling in one's horse as he is leaping. - *Julius and Augustus Hare Guesses at Truth*

The most radical, powerful act ever undertaken by any human being remains the act of committing oneself, beyond reservation, to a worthy personal mission. - *Christopher Childs*

If all men pulled in one direction, the world would topple over. - *Yiddish proverb*

The right man comes at the right time. - *Italian proverb*

An acre of performance is worth a whole world of promise. - *W. D. Howells*

Fall seven times, stand up eight. - *Japanese Proverb*

Anything that we can do to help foster the intellect and spirit and emotional growth of our fellow human beings, that is our job. ..Life is for service. - *Fred Rogers*  
Television personality and parenting specialist

Creative ideas flourish best in a shop which preserves some spirit of fun. Nobody is in business for fun, but that does not mean there cannot be fun in business. - *Leo Burnett*

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## From The Media

### Want Drivers to Know About Your New Car?

Offer to Park their current car for Free

In the US, GMC is offering free valet parking at shopping centers in eight cities (including Los Angeles, Miami, Phoenix, San Francisco, Orlando and Tampa, Sacramento, and San Diego) to promote its Acadia crossover.

From March 1 to mid April, about 100,000 cars will be given tickets for free valet parking courtesy of AdverTickets, a media company specializing in out-of-home advertising and promotional programs.

GMC wanted to reach people when they are out in the market, when they're out conducting their own business, and introduce them to the car.

The planning process, which took six months, included scouting upscale locations that cater to GMC's target segment, securing relationships with existing parking services and assuring capacity was sufficient for the project. More than 3 million full-color parking tickets will be distributed to drivers to push the launch of the car at other locations in order to reach GMC's target market nationwide.

*Ad Age*

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### How to Implement SMS Marketing Strategies

Technology now enables marketers to send SMS broadcasts to hundreds and thousands of customers cost effectively with the click of a button. But as with all marketing and communication tools it is important to plan strategically so that you achieve the best results.

The short message service (SMS) revolution has highlighted the need more than ever for simple and effective messages (100 words or less) – calls to action that customers can read quickly on their mobile phone screens and respond to.

Research shows that SMS marketing is especially powerful with the young adult market (generation y) – who have more time and disposable income than ever before and to which the use of mobile phones for listening to music, surfing the web, downloading the news and sports headlines is now a part of daily life. This demographic have their mobile phones with them 24 hours, 7 days a week and often respond to SMS more than they do with emails.

There are a number of ways SMS broadcasts can be incorporated into marketing strategies, such as to communicate with customers about special deals or offers or inform stakeholders of an imminent event – a launch or remaining tickets for a sports event or concert on tonight!

SMS messages are also a great vehicle for loyalty programs as you can send your customers an SMS to notify them of a special initiative rather than an email or incur the costs of a print run.

SMS marketing strategies can enhance customer relationship activities such as receiving free newsletters, pictures, ring tones, bonus points and coupons after joining a customer program.

For customer relationship management, companies are more than ever offering SMS as an option for clients to use to download information from the internet, receive notifications when credits are running out on their pre-paid mobile accounts and even to remind them of overdue bill payments.

To be most effective organisations need to be diligent in capturing mobile phone numbers – most marketers have had this information in their databases for years but it has been under utilised.

Perhaps the best aspect to SMS marketing strategies is their inexpensive cost to run – for a little outlay, the returns can be great. It allows access to your contacts at any time – phoning around is simply too time consuming and email is frequently ignored, especially as spam takes over people's inboxes.

According to the GSM Association, users send more than 10 billion SMS messages each month. This makes SMS the most popular mobile data application. In 2002, 580.2 million mobile messaging users sent 430.8 billion messages 1[1].  
*Kathryn Van Kuyk*

Kathryn Van Kuyk is the Communications Manager for ArcSend. MAANZ members can receive free download of the content management software.

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## Frills Add Substance for Virgin

Virgin Blue's shift from its no-frills ideology is proving a winner with the airline forecasting a 60 per cent jump in full-year annual profit to \$180 million.

However Virgin Blue chief executive Brett Godfrey has hinted it may again target the lower-spending end of the market through the creation of a dedicated low-cost division to battle the Qantas-owned Jetstar and, potentially, the Singapore Airways owned Tiger Airways.

Mr. Godfrey made the comments after the release of the company's results for the six months to December 31. Virgin Blue's revenue increased only 16.7 per cent to \$1.12 billion in the period but its earnings rose much more — up 80.9 per cent to \$124.3 million compared with the same period a year earlier.

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## New Zealand Travel Café

Sponsored by Tourism New Zealand and Air New Zealand, the New Zealand Travel Café opened in Tokyo's Roppongi district three months ago. The café serves New Zealand burgers, beer and wine in an up market setting. Kiwi music plays in the background, a small shop sells NZ products and visitors can browse travel guides and brochures.

Travel Café, which operates 20 themed cafés across Japan, also runs a branch in cooperation with the Philippine tourist board. The Philippine Travel Café serves 'images of Philippine leisure resorts and tasty Filipino cuisine'.  
[www.travelcafe.co.jp](http://www.travelcafe.co.jp)

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## Technology Allows Two-Way Conversation

### Heineken Skypecasts Concert

Agency: Qi-Ideas

Heineken is known for its innovative approach to marketing and like many brands it's active in the area of music. That activity includes sponsorship of music events and venues and it's always looking for new ways to get in touch with its target audience.

Internet telephony brand Skype introduced Skypecasting in August 2006, a new feature that allows up to 100 consumers to be in direct contact at any one time. On Sept. 8 Heineken became the first to host a live concert broadcast via Skype throughout the world. Dutch band Johan broadcast an exclusive acoustic gig to an audience who had won their right to participate via a contest on Heineken's website.

The great advantage of the Skypecast is that unlike a webcast, it's possible to have a two-way interaction with listeners asking questions and applauding.

Heineken generated a host of free public relations placements from the global media first as well as garnering early learning about a new medium that could become an important channel in the future.

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## Local TV Advertising Made affordable

While internet and mobile advertising are gaining ground, television remains a powerful marketing tool, its one that's usually out of reach of many small businesses. Los Angeles-based Spot Runner offers a solution, by making it fast, easy and affordable for local businesses to advertise on television.

The entire process is online and automated: customers pick from a wide range of ready-made videos that are tailor-made to their industry. After selecting an ad, the business customizes voice-over text and on-screen information, and tells Spot Runner how much it would like to spend on air time and which markets the ad should run in. Complete campaigns, including production and airtime, start at USD 1,500 and can be up and running within weeks.

Spot Runner also operates a franchise advertising program that lets franchisees select commercials from a library of ad templates, and customize them with their own information, content and images. [www.spotrunner.com](http://www.spotrunner.com)  
[www.springwise.com/weekly/2007-03-08.htm#spotrunner](http://www.springwise.com/weekly/2007-03-08.htm#spotrunner)

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## High Cholesterol? Try a Big Mac with fries

The US documentary Super Size Me that attacked the nutritional standards of the McDonald's food chain, may have seriously overstated the damaging consequences of a fast food-heavy diet according to Fredrik Nystrom, an associate professor at Sweden's Lipkoning University. Nystrom conducted an experiment using 8 healthy students trying to reproduce the experience of Morgan Spurlock, who lived for a month on a McDonald's diet.

Spurlock's 2004 film shocked filmgoers around the world by showing his weight balloon by 13 per cent while his cholesterol profile and liver health deteriorated dangerously. He reported mood swings, depression and loss of libido.

However the Nystrom's experiment, applying more scientific laboratory conditions has found their subjects did not suffer depression and on average their cholesterol profiles actually improved.

Like Spurlock, some of the subjects suffered signs of possible liver damage during the first two weeks of their burger-heavy diet but, unlike him, they generally saw any damage level off or reduce as their bodies apparently adjusted to their new low-exercise, high-calorie regime. The surprising finding that there was an improvement in the proportion of "good cholesterol" in subjects' blood meant that fast food "cannot really be called junk food," Dr Nystrom said

Film maker Spurlock has refused to comment on the Swedish results.

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## Wikipedia foes set up 'right site'

The online reference site Wikipedia has a new foe: evangelical Christians.

A competitive website founded by US religious activists aims to counter what they claim is "liberal bias" on Wikipedia, the open encyclopedia that has become one of the most popular sites on the web. The founders of Conservapedia say their site offers a "much-needed alternative" to Wikipedia, which they say is "increasingly anti-Christian and anti-American".

Although entries on Wikipedia are open for anyone to edit, conservative campaigners say they are unable to make changes because of inherent bias by its global team of volunteer editors. Instead they have chosen to build a clone that they hope will promote Christian values.

Conservapedia was created last November as a project for home-schooled children

*Guardian*

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## Did You Know?

More than 80 percent of Australia's adult population gambles, which is the highest rate on the planet. Australia has the 53rd largest population in the world, but the highest number of gaming machines - this staggeringly, is one fifth of the world's supply.

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## Tear Down Silos

### Planners Need Better Sense of Digital Landscape

Unilever USA's director of media and entertainment, Babs Rangaiah says planners need to tear down the silos if you want to create truly meaningful work in the digital space.

Rangaiah the director of media and entertainment at Unilever USA, said "planners have got to have a better sense of the entire media landscape," in a keynote address yesterday at the Ad Age's first Digital Marketing Conference

Campaigns like one for Dove Cream Oil, which asked users to create an ad that would air during the Academy Awards, require teamwork and a "single-minded focus," he said.

Mr. Rangaiah also argued that marketers have to live digitally: If you've never sold something on eBay, don't subscribe to RSS or write a blog, how are you to know how to market in these vehicles? Unilever is loaded with MBAs from top schools, yet it still administers digital IQ tests "to make sure people understand the space," he said.

Marketers need to remind consumers that advertising underwrites much of their most prized content, he said. "We've got to do a better job of letting people know that. Kids don't understand the business model."

Mr. Rangaiah also described a shift within Unilever. He said the company started to think about things differently when it launched Dove Cool Moisture in early 2005 through a promotion on NBC's "The Apprentice." But the use of online reached a tipping point in October 2005, when ABC put its shows on iTunes and broadband penetration reached 55%. "We're still a company built around sight, sound and motion," and never thought banner ads were as effective as TV, he said.

### Dove webisodes

The team behind Dove felt the brand's female target demographic spent a lot of time online but weren't watching video because none of it appealed to them. So the brand called on filmmaker Penny Marshall to direct a series of webisodes starring Felicity Huffman of "Desperate Housewives." "We are going to treat this like we'd treat a huge TV campaign," Mr. Rangaiah said.

He also encouraged marketers to be more imaginative. "Don't be stifled by ideas just because they couldn't be done in the past," he said.

*Ad Age*

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## Good Ideas

While indoor exercise bike rides through pre-recorded video landscapes are nothing new, Connect18 has added a twist: immersion learning. Not only is this a fabulous example of multitasking, but combining exercise and education makes them both more enjoyable. Connect18 Group Tours offers the opportunity for a team of riders on stationary bikes to learn Spanish, for instance, while cycling through rural Mexico. Or to virtually tour the California Wine Country while learning about the region's whites and reds. Certified instructors help motivate and encourage interaction among the group, and the scenery goes by more quickly or slowly based on the instructor's pace.

While Connect18 has yet to expand its reach beyond San Francisco and surrounding areas, the potential market for this revolutionary fitness and learning concept stretches across the map. And the potential to expand on this idea may be even greater. Not only is the variety of subject matter for courses nearly limitless, but workouts could be adapted to all manner of fitness equipment, including treadmills, rowing machines, stair climbers, elliptical trainers and cross-country ski simulators. An obvious enhancement (and business opportunity) would be individual DVD tours that could be done in front of home television screens.

A focus on learning and skills is something trendwatching.com has identified as a major trend, grounded in a shift in consumer values: "In economies that increasingly depend on creative thinking and acting, well-known status symbols tied to owning and consuming goods and services will find worthy competition from status skills."

www.connect18.com Contact: John Ford, john@connect18.com

[www.springwise.com](http://www.springwise.com)

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## Housing Pressure Bites Poor in Australia

Research undertaken by Swinburne University for the Australian Housing and Urban Research Institute last year, and released recently, found that 27 per cent of people who spent 40 per cent or more of their income on rent had reported that their families had sometimes gone without meals.

The institute surveyed 1735 renters and 407 home purchasers across Victoria, NSW and Queensland, and asked what impact the housing affordability problem was having on their ability to pay for basic items such as bills, food and health care.

It found that as people spent a higher percentage of income on rent or home repayments, the impacts were more severe. The most common effect reported by those spending 40 per cent or more of income on rent was that they were sometimes unable to heat or cool their homes. Almost 60 per cent of this group made those reports.

According to the National Centre for Social and Economic Modeling, 1.2 million Australians — or 15 per cent of Australians — are in "housing stress". About 613,000 of those people, or 52 per cent, are renters.

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## Good Idea

An ice cream van for grown-ups.

Scoop, which appeared at The Old Truman Brewery as part of their 'Sunday UpMarket' sessions last autumn, will be visiting England's festivals and weddings this summer. All dolled up with somewhere to go, Scoop sells frozen delights from a glam pink and black van covered in blackboard paint (perfect for doodling).

Scoop Girls in sassy uniforms sell ice cream in flavours like Criterion Ice's Brown Bread, Vintage Marmalade and Turkish Delight, served in small, glossy black Chinese take out boxes. The brand's fun and sexy design touches should come as no surprise, since Scoop is the brainchild of Adam Ellis, Design Director at London agency Coley Porter Bell. Adam came up with the idea as part of the agency's internal Blue Sky competition which awards two weeks holiday and GBP 2,000 for the winner to explore a new creative endeavour. (Which is a great business idea in itself!) His idea was to rekindle the magic and excitement associated with childhood memories of ice-cream vans on a hot day. Sounds good to us. One to quickly set up in other urban areas, just in time for the northern hemisphere's summer?

[www.springwise.com](http://www.springwise.com)

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## Good Idea

Due to launch in the UK in a few months, Blyk aims to change the way the mobile telecoms industry works. The company describes itself as a pan-European free mobile operator for young people, funded by advertising. Free and advertising being the key words here.

Blyk will operate as an MVNO or mobile virtual network operator, meaning it will buy wireless services from an existing operator and resell them under the Blyk brand. Or, in this case, give them away. While several mobile players are dabbling in free minutes or free digital content for users willing to view ads (see: Xero Mobile, Amp'd and Virgin Mobile's Sugar Mama), Blyk intends to take a different approach. The service will be entirely free, and targeted to a fairly narrow age group: 16-24 year olds.

When they sign up for Blyk, users need to fill out a detailed questionnaire that includes questions about their interests. Which potentially makes things very interesting for both advertisers and users. Advertisers can market to very specific groups, and users are more likely to be engaged by advertising if it's highly relevant to them. Ads on Blyk will also be more integrated into the service than merely displaying texts and images; exact details on how that will work aren't yet available.

The business model is similar to free daily newspapers or most of the internet's content: consumers offer some attention in return for free goods and services: a trend that has been dubbed free love by trendwatching.com. And advertising on a medium that users have with them every waking hour makes sense, especially if it can be targeted to a very narrow audience. As spending on marketing and advertising over wireless networks is expected to increase sharply over the next few years, this is one to watch! It doesn't hurt that Blyk's CEO and co-founder is Pekka Ala-Pietilä, formerly a long-time president of Nokia. ;-)

<http://about.blyk.com>

[www.springwise.com/weekly/2007-03-08.htm#spotrunner](http://www.springwise.com/weekly/2007-03-08.htm#spotrunner)

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## Social Networks Connect Frequent Flyers

All major airlines use frequent flyer programs to stimulate customer loyalty and generate additional revenues through third-party offerings. However, KLM is the first airline worldwide to create a customer-centric online community. The airline has launched passenger-driven communities that connect people doing business in China and Africa: KLM Club China and KLM Club Africa. A degree of exclusivity is guaranteed, since participation is by invitation only.

The aim is to enable and streamline contacts that would otherwise be made while waiting to board an aircraft, or over breakfast in business class. Membership offers access to a network of likeminded entrepreneurs doing business in the same up-and-coming markets. The clubs also gives members access to business and information services provided by partners. For example, a dedicated phone line gives details for translation agencies, legal bodies, hotels, conference locations, route descriptions, etc.

KLM will launch more clubs based on customer demand. Think Club India or Club Russia, or themes that aren't related to specific destinations, but to sports or lifestyle. Flying Blue Golf Club is KLM's first effort in that direction. If an airline can do it, what's stopping your company from helping your most-valued customers unite?

[www.clubchina.klm.com](http://www.clubchina.klm.com)

[www.klmclubafrica.com](http://www.klmclubafrica.com)

[www.fbgolfclub.com](http://www.fbgolfclub.com)

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## An Cell Phone Address book with the Lot

Austrian Herold, which publishes the country's white and yellow pages, claims to offer a worldwide first. Customers can purchase Austria's entire phone directory and plug it into their cellphone. At first glance, this may seem somewhat outmoded. Why use an offline solution when almost every modern phone has internet access? Well, looking up phone numbers through a smartphone's browser has two major drawbacks: it can be very slow and very expensive, since telecom providers in many countries still charge outlandish fees for data transfer.

And Herold's mobile phone book has a very useful feature: if a user receives a call from someone who isn't in their personal contact list, Herold will automatically find and display the caller's name. (So-called 'calling name delivery' is offered by telecom providers in some countries, but often doesn't work if a call takes place between different providers.)

Herold Mobile is currently only available for smartphones that run on Symbian or Windows Mobile. The digital phone book costs EUR 29.90, including monthly updates, and the directory currently lists over 4 million residential and business phone numbers. Admittedly, this particular concept is easiest to accomplish in countries with small populations—Austria has just 8.2 million inhabitants. Placed in a wider context: while satisfying consumers' infolust is usually equated with being online, sometimes it makes sense to take the information offline.

[www.herold.at](http://www.herold.at)

[www.springwise.com](http://www.springwise.com)

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intervention in oil and gas projects will not, executives' responses indicate, have any effect on national economic conditions or the prospects for respondents' industries.

[www.mckinseyquarterly.com](http://www.mckinseyquarterly.com)

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## Hangers On in Advertising

3.5 billion wire hangers are tossed into landfills every year, and that's just in the United States. While the hangers are light, inexpensive and sturdy, they're not exactly bio-degradable. Hanger Network has developed an alternative: a dry cleaner's hanger made entirely from recycled paper. EcoHangers are sturdy and cheap. And because they're paper, they can be completely covered in full-colour advertising.

Everybody wins: Hanger Network creates a media network of up to 3.5 billion in-home 'views', and advertisers gain valuable entry into consumers' bedrooms for less than the price of a stamp. Dry cleaners get free hangers (wire hangers are about USD 0.08 each), and consumers no longer have to struggle with awkward tangles of wires. And on top of it all, it's an earth-friendlier solution. What's not to love? ;-)

Hanger Network has a distribution deal with Cleaner's Supply ('America's largest direct supplier of dry cleaning products') and currently has network capacity of over 50 million hangers per week. The company just raised USD 8 million in venture capital, which will allow it to expand from the New York area to the rest of the US. One to partner with and quickly set up in other countries!

[www.hangernetwork.com](http://www.hangernetwork.com)

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## Set up an online shop in 5 minutes

French company Zlio lets anyone set up an online shop in 5 minutes. Shop owners don't actually need to have anything to sell. They don't have to worry about stock or shipping, either, since orders are fulfilled by large online retailers like Amazon.com, eBay and Buy.com. This leaves Zlio shopkeepers free to focus on curation (selecting an appealing array of products) and promotion.

Zlio was founded in France in November 2005 as a recommendation service, letting users recommend favourite products to their friends and family in exchange for small commissions. Which is comparable to other social affiliate schemes like FavoriteThingz and MyPickList.com, which were featured in trendwatching.com's briefing on Generation Cash.

In September 2006, Zlio switched gears and moved to its current model, which makes opening an online shop as easy as setting up a blog. How it works: a user signs up, picks a shop name and design template, and then selects the products he or she would like to sell. Users can currently choose from 75 merchants in France and 25 in the US. Since that includes giants like Amazon.com, users have millions of products to choose from. The business model is simple: when customers buy products from a Zlio shop, commission is split between Zlio and the shopkeeper. French shopkeepers are also rewarded for clicks through to merchants, with the US to follow.

Zlio facilitates micro-shops for every niche interest imaginable, catering to consumers interested in subjects as diverse as Woody Allen, above ground swimming pools, Dora the Explorer, sudoku, sushi making and Isaac Asimov. (Related consumer trend: nouveau niche.) While Zlio shops are easily integrated with a minipreneur's own website or blog, some of the most popular shops don't have any other type of web presence and are promoted solely by word of mouth or Google AdWords. Keyword marketing is of course a natural fit, since it can be targeted as narrowly as Zlio shops.

Following the September 2006 relaunch, over 35,000 shops have been created in France alone. Since Zlio just launched in the US last week and will be adding the UK soon, now's the time for English-speaking minipreneurs to seize the best shop names and get started.

Website: <http://www.zlio.com> Contact: help.zlio.com

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## Book Review

### The Halo Effect and the Eight Other Business Delusions That Deceive Managers,

By Phil Rosenzweig

Hardcover, 256pp.

ISBN: 9780743291255

Publisher: Free Press 2007

Phil Rosenzweig's book is good. It gets stuck into some of the most popular business books of recent years, including such bestsellers as In Search of Excellence. His proposition is that many of the neat principles these books put about are based on some misguided thinking and (usually) flimsy research.

When a book promises the keys to business success, Rosenzweig advises the reader to adopt a healthy dose of skepticism while reading them. "Some of the biggest business blockbusters of recent years contain not one or two, but several delusions," he writes. "He suggests that they operate mainly at the level of storytelling. Like a modern grown up version of a fairy storey or fable.. They offer the sort of inspiration that readers find comforting, but they're based on shaky thinking."

Rosenzweig, is a professor at IMD in Lausanne, Switzerland, where he works with companies on issues of strategy and organisation.

Most management books, he says, focus on the question, "What leads to high performance?" But he asks a different question: "Why is it so hard to understand high performance?" To get at the answer, The Halo Effect focuses on nine "delusions" that Rosenzweig claims wrongly influence business thinking -- including one for which the book is named, the halo effect. A company's performance creates a halo, either good or bad, that influences the way the firm is perceived, he notes. When a company is performing well -- sales are brisk, the stock is rising -- people are quick to conclude that the firm has visionary leaders, a superb strategy and a corporate culture that brings out the best in employees. When performance goes down, the company's leaders are suddenly seen as arrogant, their strategy is perceived to be too risky and the corporate culture is stifling.

"In fact, many things we commonly claim drive company performance are simply attributes based on prior performance," Rosenzweig writes.

Rosenzweig says managers he says may be intrigued by the appealing concept of hedgehogs and foxes used in the 2001 hit *Good to Great: Why Some Companies Make the Leap ... and Others Don't*. The book makes the case that, among other things, successful companies are like hedgehogs: They have a narrow focus and go after it with incredible discipline. Fox-like companies, in contrast, are less successful because they scatter their attention and energy and are prone to changing direction. Rosenzweig suggests that all that talk of foxes and hedgehogs is just nonsense because the books didn't address why some "good" companies went on to greatness while other "good" companies didn't.

Rosenzweig states that if you start by selecting companies based on outcome, and then gather data retrospectively as well as doing interviews with the "successful" and believing articles from the business press, you are going to come up with a very biased view. It is unlikely you will discover what led some companies to become great. You'll mainly catch the glow from the Halo Effect," he writes.

Rosenzweig doesn't just knock the writers of these books, he also offers some suggestions but they are not provided in simplistic terms or catchy phrases. For starters, he says, managers need to understand that success is relative, not absolute. A company's performance can get better and fall behind at the same time when viewed in the context of the larger marketplace. "Competitors imitate and advantages erode," he says. "Even good business decisions sometimes turn out badly -- which doesn't mean they were mistakes or blunders. The practices that work at one company won't have quite the same effect at another."

For the most part, he suggests, the identification of long-term success is a delusion based on selection after the fact," Rosenzweig says. Even companies that have been held up as examples of what to do right don't necessarily have winning track records in the long run.

**Rosenzweig lists five things that managers should be aware of:**

1. Good strategies involve risk and no strategy is foolproof.
2. Execution also is uncertain. What works well for one company may not be effective for another company.
3. Chance plays a greater role in success than managers may want to admit.
4. Bad outcomes don't always mean that managers made mistakes. Likewise, favourable outcomes don't necessarily mean that the managers made brilliant decisions.
5. Finally, Rosenzweig says that "when the die is cast, the best managers act as if chance is irrelevant. Persistence and tenacity are everything."

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## Events /MAANZ Endorsed Events

**e-Marketing & Search Engine Optimization Expo and Conference.**

**CeBIT Australia: May 1-3, 2007**

Darling Harbour, Sydney

***Your Customer is Changing. Are YOU?***

3 days that will change the way you do business at Australasia's Leading Business Technology event.

**Discover** emerging trends

**Learn** the latest technology solutions

**Meet** the experts!

CeBIT Australia 2007 is hosting specialist Conferences and Forums in e-Finance, **e-Marketing**, VoIP & IP Comms, Open Source and e-Government as well as a 3 day exhibition.



Suppose you could incorporate a few simple, yet highly effective ideas into your selling process and substantially increase your bottom line?

Successful salespeople have a knack for making people feel important. They understand the value of building trust and rapport early on in the selling process. For you see, it really doesn't matter how knowledgeable you are about your product line or how many closing techniques you have mastered, unless you earn your prospect's trust and confidence you're not going to make the sale period.

Once you have established trust and rapport with your prospect, you actually have the hard part behind you and can anticipate making the sale. While there's no system that will work 100 percent of the time with every prospect, fortunately there are fundamentals you can use that will help you build trust and rapport quickly.

### **Gain the Competitive Edge**

Whether you like it or not, people form impressions about you based on such factors as appearance and attitude. When it comes to building trust and rapport, there is nothing more important than making a favourable first impression.

It's important to remember that in most cases, your prospect's first impression of you will be made over the phone or from a voice message you leave.

Here are some suggestions to help you create a favourable first impression:

1. Show up on time and be well prepared.
2. Maintain a well-groomed appearance and dress appropriately for your market.
3. Be upbeat and personable without becoming overly familiar.

### **Adjust to Your Prospect's Temperament Style**

Research indicates people are born into one of four primary temperament styles: Aggressive, Expressive, Passive or Analytical.

Each of these four primary temperament styles requires a unique approach and selling strategy. For example, if you're selling to the impatient, aggressive style, they want a short warm up and expect a quick, bottom line presentation. While at the other extreme, the cautious, analytical style requires a longer warm up period and is interested in every detail.

Each of these four behavioural styles can be easily identified by observing their body language patterns. Once you learn how to identify each of the styles, you'll be able to close more sales in less time by adjusting to your prospect's preferred buying style.

### **Understand Body Language**

Body language is a mixture of movement, posture and tone of voice. Research indicates that in a face-to-face conversation, more than 70 percent of our communication is nonverbal.

Our body language reveals our deepest feelings and hidden thoughts to total strangers. In addition, nonverbal communication has a much greater impact and reliability than the spoken word. Therefore, if your prospect's words are incongruent with his or her body language gestures, you would be wise to rely on the body language as a more accurate reflection of their true feelings.

Be mindful of your own body language gestures and remember to keep them positive by unfolding your arms, uncrossing your legs and smiling frequently.

Create harmony by "matching and mirroring" your prospect's body language gestures. Matching and mirroring is an unconscious body language mimicry by which one person tells another they are in agreement.

The next time you are at a social event, notice how many people are subconsciously matching one another. Likewise, when people disagree, they subconsciously mismatch their body language gestures.

An effective way to begin matching your prospect is to subtly nod your head in agreement whenever your prospect nods his or her head, or cross your legs when they cross their legs etc.

By understanding the meaning behind your prospect's body language, you will minimise perceived sales pressure and know when it's appropriate to close the sale.

#### Use Active Listening Skills

Successful salespeople take notes, listen attentively and avoid the temptation to interrupt, criticise or argue with their prospects. It's a good idea to occasionally repeat your prospect's words verbatim. By occasionally restating your prospect's key words or phrases you not only clarify communication, but also build rapport.

During the first fifteen minutes or so of the appointment, you should listen more than you talk. Keep your attention focused on what your prospect is saying and avoid the temptation to interrupt or dominate the conversation. The quickest way to destroy trust and rapport is to interrupt another person. If you do interrupt, minimise the damage by apologising and asking them to please continue.

#### Establish Your Credentials

It's important for you to establish your credentials as an expert in your industry early on during your initial appointment. Hand out your business card and or company brochure, then mention two or three reasons why you like working in your industry and for your company.

Make sure your marketing materials look professional and are kept up-to-date. If you conduct appointments in your office, I recommend you display your awards and certificates of accomplishment.

#### Look for Common Ground

Before you begin your sales presentation or demonstration, you must first "warm up" your prospect and make them feel comfortable. A great way to establish common ground during the warm up is to discuss the weather, sports or a local news story.

If you're meeting your prospect in his or home or office, look at personal items on display such as pictures or awards. People enjoy talking about their hobbies and past accomplishments. For example, if you notice a picture of your prospect holding a big fish in his or her arms, ask them about it and watch them beam with pride.

In today's highly competitive marketplace, your prospects have many options and are looking for a salesperson that they know they can trust to work in their best interest.

Salespeople who fail to put an emphasis on developing trust and rapport actually do a disservice to their customers and in effect, leave the backdoor open to their competition. In addition to generating new sales, developing strong relationships will keep competitors at arms length and your business on the books!

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with building the brand? We discuss the current status of ROMI and how it meshes with branding objectives in an interview with Guy R. Powell, founder of DemandROMI, a provider of Marketing ROI consulting and training services to help companies deliver increased sales, profit and share from their marketing dollars.

Q. Measuring ROMI has been near the top of the agenda for marketing professionals for four or five years now, yet it's still somewhat foreign to many organizations.

A. That's true. CEOs can demand accountability from production and IT departments, but they don't know what they are getting for their marketing spending. In a recent IDC survey, only two out of 90 companies had overall marketing ROI measurements. Although the survey found that 66 percent of respondents said measuring the return on their marketing investment is important or very important, 59 percent reported being dissatisfied with their company's ability to measure the results of their marketing initiatives. While of course some companies have achieved real competitive advantage with ROMI metrics, others lag behind. It still represents a major challenge to measure each marketing activity to maximize sales and minimize costs, to know exactly how effective your marketing spending is.

Q. How did we get to such an untenable situation?

A. Marketers have not been accustomed, and more importantly trained, to view marketing initiatives in terms of ROI. Even those who do see the benefit don't know where to start. Their view is that ROMI is okay in theory, but they are uncomfortable in putting processes and procedures in place to measure it. And they get little in the way of support from the rest of the organization. But it's a mistake to sit on your hands. Anyone involved in sales, advertising or marketing functions can count on the fact that CEOs want greater accountability. With greater accountability, marketers can justify their budgets, protect them during bad times and expand them during good. More importantly those marketers that can prove their results earn more and I believe advance faster or stay in their jobs longer. If they can't prove their worth, the CEO will simply look elsewhere for someone who can.

Q. With the demand for marketing executives to deliver bigger profits from the same or only slightly growing budgets, where should a marketer begin?

A. The first step is to decide that ROMI is an organizational priority. Once that is done, the rest is easy. Begin by determining a vision of where the organization can be in the short, medium and long-term. With this vision, you can take the first steps to making certain that early success can be leveraged for ongoing and continuous improvement.

Then understand the fundamentals of ROMI and identify key metrics and analytics specific to your business. Determine what types of data are required, including data quality, frequency and granularity. Then determine the type of modeling that can effectively use your knowledge of the market and the available data to accurately reflect the impact of marketing on sales. Use the results to re-allocate resources and spend for optimal short and long-term effect. Monitor the results, act, learn more and iterate. In the best of all worlds, use the new-found analytics to support both tactical and strategic decision-making to drive increasing share growth. A great symphony is about playing the right notes at the right time at the right volume. Marketing is no different. Marketers must put the right programs in place at the right time at the right spend level to deliver exceptional results.

Q. How would you give a Chief Marketing Officer (CMO) a "Readers Digest Version" of the value of ROMI and how best to introduce metrics to the organization?

A. ROMI is a framework that incorporates marketing strategy and tactics with measurements and financial outcomes. With it, he or she can understand how to adjust strategies and tactics to increase profits. I would also say that creating this framework requires time, resources and commitment—from the "C" level on down. The marketing department can start today, understanding the levers in the marketplace. Then before a marketing campaign begins, the CMO should

define the success of the campaign. Is the campaign aimed at lead generation, acquisition or retention of customers or incremental brand awareness and consideration? When the intent of an initiative is clear, adding metrics to measure its success is easier—but remember, ROMI metrics are measures that help you make better decisions in the marketplace and can be easily translated into results that CEOs care about.

Q. Do the left-brain activities of modeling and metrics make CMOs less relevant?

A. Only if the CMO isn't aligned with the CEO's agenda. On the contrary, by employing smart metrics, a savvy CMO can transform the performance of the company, and thus, make the marketing function the heart of an organization. He can properly communicate to his internal customers in a language they understand—the right brain. The consistent cuts from marketing budgets, reorganizations of marketing departments and turnover of CMOs make it clear—too many times, there's a disconnect between the CEO's view of the organization's needs and its marketing initiatives. To prevent this situation CMOs must be accountable for results. Without this accountability, CMOs will continue to be at the short end of the stick.

Q. How do you see the interface of the CMO with the other "C" level executives?

A. Marketers do a great job at understanding and communicating in the language of their external customers, but they have forgotten or neglected their internal customers – the CEO, CFO and other C-level executives. To put it bluntly, CMOs must learn to speak financial language. Principals want metrics plain and simple. Marketers are in a precarious position if they talk about value delivered in the eyes of the company's customers without relating it back to tangible financial results. They must be able to translate their actions in how they believe it will drive real sales and profit dollars—and this is key—they must acknowledge that the alignment of marketing strategy with business strategy is recognition of the importance of the marketing function to overall business success.

Q. In addition to looking at sales revenues generated by their marketing functions, corporations are tracking the more subtle markers of market perception and brand awareness. How does ROMI fit in with branding?

A. In two ways: first, in terms of measuring the cost of delivering improved brand perception at least cost and risk. Second, in terms of determining how brand perceptions increase your ability to sell more in the marketplace. Improved brand equity in the marketplace allows increased short and long-term revenue, increased loyalty and retention, higher prices and even higher advocacy between customers.

Consumers' attitudes toward brands can give us significant indicators of marketing success. Although it's not as easy to measure as revenue or market share, brand value can be measured.

The CMO should establish long-term brand objectives to make sure marketing efforts are consistent with those objectives. Corporations can measure their marketing effectiveness to make certain they are achieving their brand and revenue goals.

Q. Even those on the ROMI bandwagon might doubt its applications to brand advertising campaigns.

A. I wouldn't agree with that statement. At the tactical level, ROMI makes certain that marketers are spending their money wisely in context of their marketing mix. At the strategic level, consumers make decisions based on many factors including their perception of the brand. ROMI in its broadest sense makes certain that marketers spend the proper mix between tactical execution and strategic brand perception to improve the overall results in the short and long-term.

Of course, as a champion of ROMI, I believe that we always make better brand decisions using correct marketing ROI information. Some measures of ROI that are applicable to branding include incremental share generated, change in awareness of your brand, change in intent to buy, and customer retention. At the highest level it includes an improved desire on the part of your customers to advocate your brand to their peers.

Q. How do you see branding in terms of ROMI?

A. Branding initiatives are intended as part of an overall integrated marketing program that (we hope) in the short and long term stimulates sales. They are typically thought of in terms of the top of the purchase funnel. Branding programs can be thought of as driving incremental category and brand awareness, consideration and preference. Direct marketing is thought of as driving purchase intent and purchase although depending on your category, these lines may be blurred. Marketers must try to identify the measurable outcomes of branding activities and correlate them with expected financial benefits. Successful branding campaigns build positive awareness and consideration at the top of the purchase funnel. Expressing those results in financials is where ROMI takes over. If it costs \$1million to deliver a one percent increase in brand consideration, then I now have a financial relationship that is meaningful to the rest of the organization. Even better, if I can now correlate that one percent incremental brand consideration to increased purchase intent and purchase in the lower levels of the purchase funnel—then I now have a nearly complete picture of how branding can drive incremental revenue, share and profit.

Q. Where do you start with brand building ROMI “101”?

A. A good place to start would be a thorough evaluation of where you are now at all levels of the purchase funnel. Build a baseline of your brand awareness, consideration and preference in the eyes of each of your consumer segments. Next, map specific metrics to your organization’s specific branding challenges and selling process. When you’re planning new campaigns or marketing initiatives, develop specific metrics to define the success of your efforts—carefully identify the business goals, and then devise a strategic marketing plan including the metrics that support the overall goals.

Q. Is the question of long-term brand building effectiveness related to the quality of creative advertising?

A. There are a lot of components to building long-term brand value—everything that is done in the marketplace including advertising, the creative concept, the channel, the competitive environment, the product and brand feature set, and customer satisfaction to name a few. At the highest level where ROMI fits in is in its ability to provide a method to measure the effectiveness of each of these components individually and in context of all the others. It helps marketers to make certain they are planning and executing properly in the face of dynamics in the marketplace. Great creative is a very powerful weapon and one of the strongest methods to drive increasing revenue, share and long-term brand value. Certainly the example of the AFLAC duck is one of those creative successes that agencies can hang their hats on.

Q. Last words?

A. Marketing ROI is about getting better insight and perspective into what works and what doesn’t. With the right metrics in place and the right tools in place to use them, marketers can make great music to meet and exceed the goals of the corporation. If corporations are going to hold marketing accountable for delivering bottom-line results, everyone must be on board with a commitment to the right metrics and measurements. Organizations who can achieve this can experience a payoff through increased sales, higher retention and more cost-effective media spending.

Go. Make great music !



Developing a good marketing and branding strategy may be even more important to commodity-based organisations than those with highly differentiated consumer brands. Tighter margins for most commodities means that the premiums obtained from high-end differentiated products can result in substantial increases to overall profitability.

Branding is possible where differentiation is possible. Understanding the true nature of your customers and stakeholders is vital for defining and implementing a branding strategy. In the animal feeds industry, organisations will often attest that their product is technically superior; that this is based upon their commitment to innovation and so on. The scope for developing a strong brand is limited if the company adopts a blinkered perspective. If its concern with branding is simply an effort to increase its own sales, and all the focus is upon the products it makes, then it is hard to believe that the end result could possibly be a strong brand that wins over the heart and minds of stakeholders.

Instead, the starting point must be not only the customer, but also all other stakeholders. Their concerns and interests must be paramount in order to develop enduring, deep relationships with the provider (i.e., the seller). Buyers and stakeholders quite rightly focus upon products not solutions.

### **Successfully Branding the Commodity**

As there has been proliferation of consumer marketing and branding over recent decades, it makes sense that when branding a commodity you adopt the successful strategies used by the consumer marketing industry. The three points below are simple lessons for successful branding:

Follow the ideas of the consumer marketer: Implement the same approach as consumer marketing and identify customer segments that are willing to pay an increased price or premium for the added value they will gain.

Define a strategy for brand differentiation: Identify products that create significant and differentiating value to buyers. Do not rely on one aspect, but package the product to create a barrier for competitors and make it more difficult for the customer to substitute.

Implement strategies to support the additional value added: Support the extra offerings with the necessary business systems including decision support tools, targeted communications, and the tracking and learning capabilities needed to ensure premiums are justified on a long term basis.

Branding should not be an add-on. The brand lies at the very heart of the organisation and determines corporate actions. Therefore the organisation needs to understand and communicate, internally and externally, the essence of its brand. The most successful brands are those that focus not solely on the tangible value but also the intangible value perceived by the customer.

The rewards for embracing and developing a strong, successful brand are high—and not just for the brand owner but for all stakeholders. The price of failure is commoditisation and price wars that ironically fail to serve the interests of either buyer or seller.

### **Understand the Essence of Your Brand,**

Any marketing initiative you undertake will be most successful if it builds from your existing brand strengths. To achieve this it is essential to really understand the essence of your brand.

To illustrate the point, let's look at some famous examples:

Sometimes the essence of the brand lies in the product itself...

The Mars brand is about chocolate, and energy. From Mars bars to Mars ice-cream bars was a small step to take. The new product was true to the essence of the brand. (And it is also an effective way of boosting sales during hot summer months, when chocolate sales are slow). Looked at the other way, would you ever have a Mars fruit bar? Of course not, it would fail as a product and weaken the brand, because consumers know Mars as 'chocolate, and energy'.

For other brands the essence lies not in the product, but in the function...

BIC is a French brand that is probably best known for its cheap disposable pens. They could have extended their brand into premium pens, but they understood that the essence of their brand was 'quality, affordability & disposability'. They successfully leapt from disposable pens to disposable razors, because consumers trusted BIC to produce a good quality, value for money disposable product, whatever the product. Their attempt at a BIC perfume was not successful. This brand is built on function.

Sometimes the essence of a brand is its very human personality...

With the Virgin brand, the personality of the brand is a reflection of its founder, Richard Branson. In this case the brand is 'anti-establishment, innovative, a consumer champion'. This is reflected in Branson's business strategy: he moves the brand into any category that he feels he can shake-up and offer better value to consumers. This might be airlines, condoms, music, mobile phones or mortgages. The essence of the brand remains the same, and remains highly motivating to its target audience.

These are just a few examples of strong, well managed brands that have successfully created new sources of revenue for their business - based on a clear understanding of the brand essence.

The keys to their success (and the key to your success!):

- Understand the essence of your brand
- Deliver it consistently across existing products and services
- Ensure new products and services live up to your brand essence

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