The MARKETING ASSOCIATION of AUSTRALIA & NEW ZEALAND

Marketing Extr@

Newsletter of The Marketing Association of Australia and New Zealand

Contents

Editorial

Marketing and the Price of Petrol

Remember when a litre of petrol rose to over a dollar, people recoiled in horror and customers pulled their wallets in. The same thing happened when it crossed $1.20. Now the move past $1.50

In the face of voter angst, Governments will fiddle at the edges, promising to cut a few cents a litre from the price by reducing taxes, but the reality is that the price of fuel in Australia and in the rest of the world will continue to rise, driven by falling world production (comparitively) reserves (arguable) and a rapidly growing middle class in China and India who want to drive cars and enjoy the riches of their growing economies plus petrol subsidies in some developing countries.   Still by many international standards, Australian petrol is cheap.

What will that mean for consumers and marketers?

Fuel costs will rise from a fairly small proportion of weekly household expenditure – particularly with new tax cuts about to arrive.

Buyers out in the suburbs, who drive 500km a week in a four cylinder car are going to be spending perhaps an extra $2000 - $3000 a year on fuel. They will drive a bit less for a while – until wage rises make them feel a bit better. Six cylinder engines will be traded in for (comparatively expensive non discounted) four cylinder engine cars to save perhaps a $1,000 dollars pa (and the cheaper second hand six cylinder cars will be so cheap as to offset the extra few thousand spent on petrol) Buyers will worry and be more conservative with shopping and perhaps online shopping will rise a bit.

The flow-on for marketing will be significant – even pizza prices will rise or no more free pizza delivery, and that’s the very least of it;. Food prices will jump as the cost of getting fertilizer to the crop, running the tractor and carting the produce to the factory then add on costs for the manufacturer and then onto the supermarket.

Plastics for packaging, made from petroleum will rise. Plastic bottle prices will rise. The cost of paper will rise due to increased production and transport costs

As the oil price continues to rise, cost focused and low price focused firms and brands will cut output (like the airlines which cut out some routes). The pressure on public transport will multiply.

And if that makes you miserable – wait until the sting in the tail of being carbon responsible and saving the planet starts to hit soon

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Quotations

In differentiation, not in uniformity, lies the path of progress. - *Louis Dembitz Brandeis*,

"No man is capable of self-improvement if he sees no other model but himself." --*Conrado I. Generoso*

"Always be eager to learn, no matter how successful you might already be. In the Millionaires' Club, we sometimes invite a billionaire to come talk to us. He says, 'You're doing okay, but come on. How about if you really poured it on!'" - *Jim Rohn*

The majority of new ideas are not unusual; what is unusual is the experience of having new ideas. - *Anonymous*

Insofar as it represents a genuine reconciliation of differences, a consensus is a fine thing; insofar as it represents the concealment of differences, it is a miscarriage of democratic procedure. I think we Americans tend to put too high a price on unanimity ... as if there were something dangerous and illegitimate about honest differences of opinion honestly expressed by honest men. - *J. William Fulbright*

"No one can teach you that which they have not done. Beware of who you choose to learn from." - *Tom Hopkins*

"Leadership is practiced not so much in words as in attitude and in actions." - *Harold S. Geneen*

Imagination rules the world. - *Napoleon Bonaparte*

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From the Media

Great Ideas - Solar power provides telephone connection for women in Uganda

Mobile phones are connecting people around the globe like never before, but the simple fact remains that they don't work without electricity. In Uganda, which has one of the lowest levels of electricity in Africa, Motorola has launched an initiative to provide solar recharging stations that can be run by local, entrepreneurial women.

Launched last year, Motorola's Motopower project has brought 55 solar-powered kiosks to Uganda that offer free mobile phone charging to local consumers. Each kiosk is charged by a 55-watt inverted solar panel and can charge up to 20 phones at a time. The women who run the kiosks, meanwhile, are also equipped to sell handsets and operator SIM cards and to provide repair services. For local people without their own phones, the kiosks effectively function as a local "phone booth" for making occasional calls as well.

The initiative was designed to empower entrepreneurial women by providing them with the foundations to manage their own sustainable businesses. As part of a start-up package, each entrepreneur is given four Motorola handsets and a business skills training course.
Website: www.motorola.com/responsibility
www.springwise.com

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Coles will take five years to fix

New Coles head Ian McLeod believes it may take five years to achieve sustainable growth at the ailing supermarket business. He was reported to be horrified by what he is seeing, observing poor operating standards, display, cleanliness, the infrastructure, range and availability."

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Telstra wants to be like eBay

Telstra is making an attempt to topple a global internet giant and become the country's leading online auction provider.

The company, frustrated by eBay's dominance of the local market, has begun a rival auction service under its Trading Post brand in an attempt to lure buyers and sellers to a local operator.
The service mimics eBay's approach of allowing individuals to buy and sell goods online at low cost — by avoiding traditional shop-based retailers — but with slightly lower fees than its giant US competitor.

Bruce Akhurst, chief executive of Telstra's Sensis media division, said the auction service would complement the classifieds-based selling service already provided by the print and online editions of Trading Post.

"We're very confident that Australians know us, they trust us, (and because) we have a comprehensive service that has more features, more choice, more flexibility than elsewhere, we think we're on a match winner here," he said.

The biggest advantage of the Trading Post auction service compared with eBay is for people who sell online, rather than for the majority who buy. While eBay charges between 30¢ and $5 to list an item on the website, depending on the reserve price, Trading Post will allow all users to submit listings at no cost until October. Even then, sellers will be allowed to list at least 50 items a month at no cost before they are charged.

Sellers are also likely to be encouraged that Trading Post allows a variety of payment methods — cheque, money order or electronic bank deposits — whereas eBay will ban its sellers from accepting electronic deposits from next month. Virtually all eBay transactions will have to be paid for using PayPal, an eBay-owned service that improves the security of online trading but charges additional transaction fees to sellers.

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Chief Marketing Officer Council to launch new chapter in Africa

The CMO global network of senior marketing executives, has announced the launch of CMO Council -- Africa, to be based in Cape Town, South Africa and led by BizCommunity.com, which has more than 260,000 content subscribers in the region. The new African chapter launches as world attention begins to focus on South Africa as the host country for the FIFA World Cup 2010, and the country's growing role as catalyst for economic growth on the continent. The CMO Council now has regional groups operating in North America, Europe, Asia Pacific, and the Middle East.

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Online advertising in Europe surges 40% to €11 billion in 2007

To download a pdf of this release with charts please go to:
www.greenfieldscommunications.co.uk/releases/08/080602_IAB_ADEX.pdf

The Interactive Advertising Bureau Europe (IAB Europe) has just released the findings of its annual advertising expenditure survey for the year ending December 2007. Compiled by IAB Europe and then processed and analysed by PricewaterhouseCoopers (PwC), this report is the definitive guide to the size and value of the European online advertising industry. With some analysts predicting that advertising on traditional media may be impacted by an economic slowdown*, the research shows that online advertising continues to grow apace, experiencing an average growth rate of 40% year-on-year across the 16 countries covered in the report.

In 2007 the European online advertising market was worth €11.2 billion, up four billion euros from €7.2 billion in 2006. With a like-for-like growth rate of 40%, the European online advertising market shows

signs of closing the gap on the US which grew 26% to a market value of €14.5 billion in the same period. (Chart 1)
See pdf for chart

Two thirds (65% or €7.3 billion) of European online ad budgets were spent in the big three markets of the UK, Germany and France. However some of the smaller markets in our report enjoyed very high growth rates – Greece at 91%, Spain at 55% and Slovenia at 49%.
“10 before 10”

The report also reveals the share that online advertising has of the total advertising spend in key markets (Chart 2). Alain Heureux, President of IAB Europe says “We are well on the way to achieving the “10 before 10”- that is 10 European countries where online advertising accounts for at least 10% of overall ad spend by the year 2010. At the end of 2007 Denmark, Germany, Netherlands, Norway, Poland Sweden and the UK had all reached this milestone.”
See pdf for chart

What’s an Internet user worth to an advertiser?
IAB Europe/PwC have created a measure ‘Spend per user’ to illustrate the value of one Internet user to an advertiser in the different markets. With the European average at €80.6, Norwegian advertisers spent the most at €133.2 per person, followed by the UK at €120.8 and Denmark at €109.5 in 2007 (Chart 3). In the US advertisers spent €91.9 per person in 2007. The more mature the market, the higher the value placed on the Internet user by the advertisers.
See pdf for chart

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The big category spenders

Industry category data has been included in the report for the first time and reveals that the sectors investing the most in online advertising in 2007 were Entertainment & Leisure, Telecoms and Finance & Insurance. In particular, advertisers from the Entertainment & Leisure sector, which spends the most money at present, have taken advantage of the interactive and social media formats on the web to promote their products.

Alain Heureux, President of IAB Europe concludes “Despite a slowdown in advertising spend on some traditional media, the rise of online advertising in Europe continues unabated. Not only is the growth coming from some of the smaller markets which are seeing significant increases in their market value, but also from the more mature countries as firms move their advertising budgets online for the first time.”

Nicki Lynas, Senior Manager at PWC said "The development of the more mature markets in Europe is a sign that they are seeing increasing amounts of investment from a wider range of advertisers than ever before."

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Definition: Greater Fool Theory

The investing strategy that assumes it is wise to buy a stock that is not worth its current price. The assumption is that somebody will buy it from you later for an even greater price.

Definition: Goal Setting Theory

The basic theory behind goal setting is that human behaviour is galvanized and governed by goals and ambition. Nowadays, goal setting theory has become a subject of vast interest, not only for those studying organisational psychology, but for anyone seeking to increase productivity, enhance performance and reach for greater heights...

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Advertising Standards

A TV ad featuring a boy who pushes his sister has been banned for violence but a billboard suggesting a celebrity model "loves men's sexual organs" has been given the tick of approval.
The Advertising Standards Bureau has been condemned as out of touch in the wake of the two rulings.

On May 19, the bureau dismissed a complaint about a billboard spruiking Cockatoo Ridge wine and featuring a photo of model and actress Erin McNaught next to the slogan "She loves a Cockatoo".

McNaught, a former Miss Universe contestant, has previously revealed she was disappointed by the ad.

The bureau found the Barossa winery's billboard carried a clear double entendre and on a misogynistic reading "clearly suggests" the Neighbours actress "loves men's sexual organs".
But it decided the billboard "erred on the side of humour" and dismissed a public complaint that the ad was "crass, vulgar ... and cheapens and demeans women".

On the same day, the bureau decided to ban a TV ad for the Trading Post paper because it shows a four-year-old boy pushing his sister. The boy pushes his sister, a door, the kitchen table, his father's leg and throws the family cat before his father finds a solution by buying a swing set.

The bureau acted on several public complaints that the ad was too violent, including one from a parent who said it had prompted copycat behaviour. "My son who is 2 1/2has seen this ad; since then he has done nothing but push people," the unnamed complainant said.

The bureau ruled "the actions of the boy were of a violent nature" and "could inflict harm on the victim". The verdict also noted the depiction of the cat flying through the air was "an unnecessary and unacceptable portrayal of cruelty to animals".

Sensis, which owns the Trading Post, and maintained the ad "depicts a humorous family interaction", said it would stop showing the ad in its current format pending an appeal.

The decisions follow the controversial banning in 2006 of a Bank of SA ad, showing a person in a rabbit suit being tripped over, because of a complaint of animal cruelty.

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Book Review - Outsmart the MBA Clones

Dan Herman - Outsmart the MBA Clones: An Alternative Guide to Competitive Strategy, Marketing and Branding (Paramount Market Publishing).

This book reveals the secret of immensely successful firms that are adored by their customers and yet are not imitated by their competition. This enviable status, which I term an "Unfair Advantage," gives firms their own private monopolies.

In the book, Herman claims that MBA programs, despite their apparent diversity, produce executives who think and act in a similar and predictable manner. This undermines the competitiveness of their firms, and provides a strategic advantage to those who recognize these biases and think differently.

The book provides an alternative set of new concepts and a toolkit called “Advantagizing” unlike anything taught in MBA schools. It includes a wide range of innovative methods such as the Opportunity Scan, the What's Next? Process, the Marketing Hits Formula, the principles of Electrifying Marketing, Short term Brands, Brand Drama, and more. The ambitious promise of this highly practical book is to help managers create strategies that will not only succeed, but will also not be copied by the competition, resulting in a private monopoly.

Here are a couple of early comments about the book:

Steve Yastrow, author of We: The Ideal Customer Relationship said:
“Outsmart the MBA Clones is filled with powerful insights, appearing one after the other, that will have you thinking, ‘Hey, I never thought of it that way’. Herman challenges long-held beliefs about strategy, competitive advantage, marketing, customer segmentation, differentiation and branding, to name only a few.”

Ray Podder of Grow, a premier brand consulting firm based in California, had this to say:

“The only thing scarier than your competition already reading this book is how they may be applying it in the market that could have been yours.”

A wealth of information about the book is available at: www.outsmart-mba-clones.com.
The book is available from Amazon.com: http://www.amazon.com/Outsmart-MBA-Clones-Alternative-Competitive/dp/0978660285/ref=sr_1_1?ie=UTF8&s=books&qid=1196489655&sr=8-1

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Carbon emissions – who cares?

Face it - hundreds and hundreds of millions of consumers, from the poor to the somewhat rich to the truly rich, don't really care that much about the environment. Either because they don't have the luxury of fretting over carbon emissions while trying to survive, or because they are too addicted to living large, from SUVs to McMansions to jetsetting around the globe. Take cars: the only thing that seems to (somewhat) influence the prosperous eco-unwilling is high fuel prices. But even then:

* In 2007, US sales of small SUVs totalled 301,625 year-to-date through November, an increase of 22.7% vs the year-ago period, according to AutoData.

* BMW saw its 2007 profits up by 9%, in part because of higher sales of its popular X5 SUV.
* In 2007, 341,798 SUVs were sold in China, up 49.1 percent compared to the 229,182 SUVs sold in 2006. And in the first two months of 2008, sales of sport utility vehicles in China were up 38 percent, while sales of luxury cars climbed 30 percent compared with the corresponding period a year ago.

* In Australia, sales of new SUVs jumped 4.6% in October 2007 compared to September 2007.

Last but not least, many consumers are deeply sceptical about large corporations claiming to go green, as very few firms are seen as honest to begin with. However, as stated before, a large enough eco-conscious audience now exists to make it worthwhile for brands to join the ECO-ICONIC fray. Just seek out the eco-minded middle classes around the world and you will be off to a good start. For the next 12 months, at least

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New Zealand consumer confidence continues to plunge to a new record low 85.6 (down 7.1 pts in two weeks)

NZ Roy Morgan Consumer Confidence Rating is at a record low 85.6 points - down 7.1 points in 2 weeks, down 40.7 points since December 2007 and 21.0 points below the 2008 average of 108.6.

51% (up 2% since early May) of New Zealanders say they are financially worse off than a year ago and only 28% (unchanged) say they are better off financially now than at the same time last year.

A record high 48% (up 4%) of New Zealanders say now is a 'bad time' to buy major household items and 34% (down 4%) say 'now is a good time to buy' major household items.

http://www.roymorgan.com/news/polls/2008/758/

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PDM and Telstra announce groundbreaking 3D content and technology initiative

Announcing an Australian first in 3D plasma installations, Australia's leading provider of Out-Of-Home Digital media, PDM and Telstra will join to showcase groundbreaking video content using emerging 3D technology.

In an Australian first, viewers will be able to engage with powerful 3D content without having to wear polarising glasses. PDM's in-house creative studio will design purpose-built information, advertising, product information and brand messages for Telstra to demonstrate the power of this technology to the market. The flat-panel displays will demonstrate Telstra's 'break-through' world-class technology, services and media capabilities as well as PDM's advanced 3D content production capabilities.

Julie Frikken, PDM Creative Director says, "Marking yet another first for PDM, 3D TV will position both firms at the forefront of media technology in Australia. 3D TV will fundamentally change the rules and scope for advertisers communicating messages to the marketplace."

She continues: "PDM's studio can now create 3D imagery from existing 2D Telstra visual content or we can create 3D content from scratch using sophisticated software products. Imagine your product or brand spinning, jumping and literally reaching out to your audience. This technology lends itself to incredible new customer experiences – we're excited about the possibilities. "

Telstra Enterprise and Government's Executive Director - Marketing, Planning & Operations, Randy Lynch says, "Telstra is always on the lookout for innovative ways to capture the imagination of our customers. Working closely with PDM, Telstra will be the first company in Australia to utilise this creative solution."

www.primedigitalmedia.com

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Great ideas - 400 magazines on your computer for one fixed, monthly rate

French magazine distributor and kiosk retailer Relay now offers eco-minded consumers a way to receive issues of up to 400 magazines on their computers for one fixed, monthly rate.
Through a partnership with the World Wildlife Fund (WWF), Relay's fixed-price program—Eco forfait—lets consumers receive unlimited magazines of their choice (not including adult ones) for a price of EUR 17.90 per month. Subscribers begin by downloading Relay's special Delivery reader software. The magazines they choose are then automatically delivered to their computers in full multimedia format, complete with sound, video, games, wallpapers, integrated search engine and interactive links. Average download times are between 40 seconds and 4 minutes per magazine, Relay says. Consumers can then access and read their magazines anytime they want, online or off, and set up a digital library, add notes or create special issues. Content can be printed, or it can be transferred via a compatible USB key for perusal on any other Windows device, regardless of whether it has the Delivery software.

By receiving magazines digitally rather than in paper format, consumers help save the water, paper and energy associated with producing and transporting paper-based publications. In addition, EUR 1 of the subscription fee goes to the WWF each month to replenish and protect the forests of New Caledonia, which have been reduced to a mere 1 percent of their original area due to fires and other devastation.

Digital content delivery has long been held up as one of the most promising aspects of the computer age for eliminating paper and helping the environment. Will eco-consumers be willing to read magazines in digital format? Only time will tell. In the meantime, one to watch!)
Website: www.relay.fr

www.springwise.com

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Get motivated

Need more self motivation?

What is Motivation?
Motivation is about choosing to do what you'd rather not do. Its not hard being motivated about what you want to do is it?

How to get Motivated
The trick isn't simply to get motivated, but to get motivated to do the things that will make you more successful. You need to get focused (and stay focused) on what needs to get done. Here are some tips – Print them out and refer to them regularly:

Don't focus on the bits that demotivate you – focus on how you can get some benefits out to of the process or the results.

Take it on in small steps, and you can get started down the road to positive change. Every big task is a series of smaller tasks. Thing of a bunch of ants working away at something big

Have a list. Write it out and refer to it. You will be part of the way to managing what needs to get done and getting it done. Prioritise what is important.

Focus on One Goal at a time. Often you may have too much going on at once - trying to do too much. And it saps my energy and motivation. It's probably the most common mistake that people make: they try to take on too much, try to accomplish too many goals at once. You cannot maintain energy and focus (the two most important things in accomplishing a goal) if you are trying to do two or more goals at once.
.
Find some inspiration or promise yourself a reward to aim for

Get excited. Get yourself excited about a goal. If the goal has no possibility of excitement – why is it a goal at all?

Post your goal. Print out your goal in big words. Make your goal just a few words long,

Commit publicly. None of us likes to look bad in front of others. We will go the extra mile to do something we've said publicly. Commit to giving progress updates to everyone every week or so.

Think about it all the time . If you think about your goal all the time, it is much more likely to become true.

Get support. It's hard to accomplish something alone.

Realize that there's an ebb and flow. Motivation is not a constant thing that is always there for you. It comes and goes, and comes and goes again, like the tide.

Stick with it. Whatever you do, don't give up. There are two basics of success – Starting and finishing.

Start small. Really small. If you are having a hard time getting started, it may be because you're thinking too big.

Build on small successes.

Think about the benefits, not the difficulties. One common problem is that we think about how hard something is. Instead of thinking about how hard something is, think about what you will get out of it.

Squash negative thoughts; replace them with positive ones.

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Retail growth to slow

Citi Smith Barney analyst Craig Woolford expects retail growth to halve over the next two years, moderating from unsustainably high levels. He expects growth of 3%-5% for 2008 and 2009, compared with 7.3% in 2007. The combination of higher interest rates and increased cost of living is constraining growth. However, low unemployment combined with solid household income growth will ensure retail sales grow at a moderate level, rather than enter a recession.

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Great ideas - Eventscapes

Eventscape's Kapsel is a multisensory functional space that can be set up anywhere in a busy office or elsewhere to create an oasis of relaxation and calm. Based on a lightweight tubular frame, the space can be skinned in any material, with no restrictions on size or form. Full-colour graphics, light, sound and even scent can also be included, creating a completely immersive space that can recharge and refocus employees during brainstorming sessions, for example. The whole design can later be knocked down and reskinned, reused and recycled to create a whole new environment. Custom solutions are also available for medical, retail and hospitality applications.

The Kapsel design won a gold medal in the booth category at IIDEX/NeoCon Canada 2007, a major design exposition that took place last September in Toronto. As we've discussed before, there are opportunities galore for pop-up spaces like these, going far beyond corporate brainstorming into the realm of being spaces, brand scapes, tryvertising booths and beyond. For more on the opportunities, see our sister-site's briefing on being spaces & brand spaces. Then let your imagination go wild!
Website: www.kapsel.ca
www.springwise.com

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Electrolux moves into Second Life new product development

Electrolux has developed a programme to solicit ideas for making virtual life easier. This scheme – the Electrolux Innovation Grant Program in Second Life – is based on the company's real-life programmes, where company researchers are sent into consumer homes to study them and work out what new products Electrolux could develop to improve their lives.
The first grant-winning proposals created by this new team are:

1. InfoFez: a special hat that you can wear. When you are wearing it, it whispers relevant information to you about the location you're standing in. You will only see each fact one time, unless you reset your InfoFez. (This is designed to solve the "Notecard" problem; notecards are a primary mode of information distribution in Second Life and can be disruptive.)

2. The Teleport Cabin: a cabin that provides you with a brief, carefully-selected and compelling list of destination themes (i.e, "Art"). The user pushes a button within the cabin that says "Art" (there are a handful of other macro-categories) and is instantly transported to a random venue in the category. (This is designed to solve the arrival/search problem for new users in Second Life, who are often at a loss for where to find the most compelling in-world content.)

3. The Box Template: Second Life content creators need to create boxes for their virtual goods when stocked in a virtual merchant's store. This currently involves the complexity and cost of working with imagery and programming scripts that originate outside of SL. The Box Template can be quickly, easily, cheaply and attractively configured by a Second Life entrepreneur.

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Bad news bears thinking about

Everyone knows (or should know about having a crisis management plan. But what about something a little less critical – but none the less important? Bad news.

Bad news is something that happens which will impact on the organisation and how it is viewed.

Here are some principles to follow in planning how to handle bad news.
1. Assume that if you know, others will also soon know.
* Always work on the principle that bad news travels faster than good news.
* Make an assessment of who is likely to know, when is the earliest they are likely to learn - and plan to give the bad news before that time.

2. Determine to tell the truth - not a version of it.
* There is no substitute for telling the truth.
* It doesn't mean that you have to give every detail. For example if a senior employee has been dismissed for improper behaviour, it is preferable to give that as the reason - rather than to say he/she is

pursing other avenues. But, having been truthful about the reason, it does not mean you have to go into the detail (unless there are mitigating circumstances!).
* Resist every attempt from management to try and take short-cuts or give a version that suits some internal agendas. And beware of legal interference - the court of public opinion can be very damaging to organisations that attempt to use legal reasons for not telling the truth. This is often a certain means of turning an issue into a crisis

3**. Gather information, facts and opinions.**
* While it's important to get the news out quickly it's equally important to take the time to find out whether there has been any 'history' around the issue and what's been communicated to whom in the past.
* It's also vital to know who has opinions and perspectives on the issue and who is most likely to say 'I told you so'.

4. Do your messaging.
* Determine what you are going to say. Then document it and test it within your own organisation. Play the devil's advocate and try to pick holes in your messaging.

5. Work out who has to be told and when.
* If you are a listed company chances are there will be a focus on the ASX disclosure requirements.
* The ASX will be one of several audiences which needs to know. The challenge is to draw up a plan that ensures that all audiences are told virtually simultaneously.

6. Proact don't be caught reacting.
* On the principle that bad news travels fast - and that media, the investment market and others always relish it when an organisation is 'caught out', always try and pre-empt the news.
* In Australia, the most classic recent example of that was when box-mogul Richard Pratt let the media know he was pleading guilty to ACCC allegations about price-fixing - in advance of the final hearing. This re-emptive approach gave him a degree of control within the process.

7. Don't hide or run for cover.
* Don't resort to an announcement by email - and then say that no-one is available for further comment. The email, media statement or notice board message should be just the starting point - it's only the announcement.
* Bad news needs to be fronted by a spokesperson who puts a human face on it. Adopt the old adage of 'attack is the best means of defence'. You might be surprised how well bad news can be contained, and accepted, when a confident human face is attached to it.

All organisations face bad news from time-to-time; those that suffer the least from it are those that respond and handle it in a manner that is open, confident and truthful. The aim in handling bad news is to do so in a way that protects, and in some instances, enhances your corporate reputation.

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Adidas teams up with Hellboy

Adidas Originals has partnered with Universal Pictures and Dark Horse Comics to mark the upcoming release of Hellboy 2: The Golden Army with a pair of limited edition sneakers.

The shoes, a Stan Smith Mid and Forum Mid, feature colours and design touches inspired by the film and comic series. The kicks are reportedly due out in small quantity sometime in July, sure to draw the attention of that most feared of hybrids -- the Sneaker Head Comic Nerd.

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Creative stuff to look at

Honda: Difficult is Worth Doing
Honda's live skydive goes off without a hitch.

http://creativity-online.com/work/view?seed=e2458565

Saphir: Buffalo
This shoe polish keeps leather young
http://creativity-online.com/work/view?seed=69ba0e61

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Six Apart, Technorati, and Compete all Challenge Google

Innovative ad networks are moving to loosen Google's domination of the blogger-ad market.
But, as every blogger knows, monetizing your blog is a challenge. In April, Six Apart announced a new set of advertising tools for bloggers that look especially promising.

Their idea is to give more bloggers an option to Google AdSense. Bloggers using Six Apart's ad network will be able to choose which campaigns they run on their site.
Other firms building alternative blog ad networks include Federated Media, BlogAds and Technorati.

A few years ago, it seemed like AdSense held out some promise. Like many small-time bloggers, I happily cashed my first $100 check from Google rather quickly (several months) after adding AdSense to one of my personal blogs. Not too much longer, maybe five months this time, the second $100 check arrived.

Over this period, that particular blog started taking off, relatively speaking, from an initial 10-20 visits a day, to 40-50, and some days, well over 100. Yet, my ad revenue plummeted. It's now been a year and, if you can bear to, look over these paltry figures from my AdSense account:
Visits Clicks CTR* CPM Revenue
15,737 76 0.48 $1.39 $21.87

With a *click-through-rate of less than one half of one percent, it may take another four years for that next check from Google to arrive.

It's that frustration that is driving bloggers not only to check out the alternative ad networks, but also to take advantage of a wave of new services, widgets, and gadgets. Many of these attempt to leverage Web 2.0 distribution strategies, i.e., placing a button or dynamic field into your blog or social networking site in order to cross-promote products and build new audiences. One of many that data-heads like me enjoy is the embedded link offered by Technorati of the real-time searches on its site. It's one way to help your readers keep tabs on the topics surging through the blogosphere.

Another is the usage data service, Compete.com, which provides "fast and easy usage data on various sites… particularly good for comparing sites," in the words of one of my industry insider friends. He's right. I compared three of the sites mentioned in this post –Six Apart, Technorati, and BlogAds — and the results seemed more robust than what's available from the disappointing Alexa; and quite competitive with anything at Google Analytics.
industry.bnet.com

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The marketing traveller - Lost luggage

According to Britain's The Independent newspaper, an estimated 20 million bags are lost by airlines each year. Figures from the Association of European Airlines reveals that an average of 16.6 bags per 1000 passengers were "delayed".

One of the worst offenders was British Airways with 26.5 bags per 1000 passengers delayed – and that was before the T5 fiasco.

You don't have to be a mathematician to work out that on a jumbo-load of 350 people eight or nine of them will have their bags go astray.

In Australia, aviation experts estimate that one in 200 passengers experiences baggage problems, while in the US the rate is one in 150.

Last year Australian insurance firms processed 15,000 claims for lost, stolen or damaged items.
Often it is not the fault of airlines alone. The task of getting luggage on and off planes is shared by airlines, airport operators and baggage-handling agents.
If your bag is mislaid it can cost those responsible more to find and return it than the fare you paid. So what is going wrong? Experts point to five main problems:

* More people are flying, putting increased pressure on already-creaking baggage-handling systems.
* Increased security screening at the world's leading airports.
* An upsurge in "transfer" traffic at huge airports where a passenger might arrive at one terminal but depart from another – sometimes kilometres apart.
* With increased restrictions on carry-on luggage, the volume of luggage being checked in, screened, sorted and loaded into the plane's hold has soared – adding to the risk of bags going astray.
* The constant upgrading of automated systems can only achieve so much. Baggage-handling will always be at the mercy of human error and the inevitable theft (by behind-the-scenes staff themselves or passengers nicking off with someone else's bags).

Regardless of the reason, nothing is more likely to send stress levels soaring than to arrive in Tahiti only to find your neatly-packed holiday gear has been winging its way to Timbuktu.
While there are procedures to follow if your suitcase goes absent without leave, travellers can minimise the risk of their belongings going astray. They should:

* Book direct flights as much as possible, as the risk of bags not making it on to the plane rises with connecting flights;
* Remove all old stickers so that they don't get confused with those for a new flight;
* Check in early to allow suitcases to be properly tagged, screened, sorted and despatched to the correct flight. Late check-ins increase the risk of luggage not making it on to a flight;
* Ensure luggage stands out from the crowd (use brightly coloured ribbons, patches, labels) and is not just another set of black bags;
* Put name and home and away addresses on the outside and the inside of each bag being checked in;
* Pack valuables such as cameras in a carry-on bag;
* Take out comprehensive travel insurance to cover all aspects of baggage being lost, damaged or stolen.

If your luggage does go missing, you will need to take the following action:

* Inform the airline carrier's staff and the lost luggage desk of your loss, making sure you have kept your baggage receipts.
* Complete any documentation produced by the airline or their agents and make sure you keep a copy in a safe place.
* Ask the airline concerned for an immediate cash payment so that you can buy emergency items such as toiletries. However, don't expect it to be over-generous.
* If you want to claim compensation from the airline or its agents for the inconvenience of having lost your bags, you will have to complete further documentation. Check the deadline for making such a claim.
* Check your travel insurance policy to see if any losses are covered and, if they are, inform the insurance company immediately.
Sunday Mail (QLD)

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Roy Morgan football data

Football is the sport most watched on Australian TV - including 4.2 million women
Many more Australians watch "football" on TV than cricket, tennis or golf, according to the latest Roy Morgan Single Source data.

In total 58% (68% of men and 49% of women) of Australians - representing 9.8 million people (5.6 million men & 4.2 million women) aged 14 and over - watch a "code" of football on TV "always" or "occasionally". AFL is watched on TV by 41% of all Australians - 48% of men and 34% of women; NRL by 25% - 33% of men and 18% of women, Rugby Union by 10% (14% of men and 6% of women) and A-League "Soccer" by8% (12% of men and 4% of women).

In comparison, 47% (58% of men and 36% of women) of Australians watch Cricket "always" or "occasionally" on TV; while Tennis is watched by 33% of all people and is the only major sport watched on TV by equal numbers of men and women (33% for each).
Full details: http://www.roymorgan.com/news/polls/2008/747/

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DIY Handbags

Launched in Connecticut earlier this year, Elemental Threads (eThreads) gives consumers more than 60,000 ways to design their own custom-made handbags. The process begins when a customer chooses from among eight available handbag styles, including pouches, clutches and totes. They then select from among dozens of limited-quantity fabrics, previewing the look of their bag with each choice. Next they pick coordinating zippers, linings, and hardware, and the design is complete. All bags are then handcrafted by Emily, the company's founder, and delivered to the customer's door. Pricing ranges from USD 14 for a small pouch to USD 75 for a large tote bag. Both domestic and international shipping is available.

eThreads is the brainchild of longtime seamstress and MBA student Emily. Necklaces, belts and notebooks are also on the way. Another one to emulate in the category of your choice!
Website: www.elementalthreads.com
Contact: contact@elementalthreads.com
www.springwise.com

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Book review - Steal these ideas! Marketing secrets that will make you a star

By Steve Cone, Bloomberg Press, New York, Sept 2005.
Steve Cone has 30 years experience working at and with many notable firms, including American Express and Apple. He is currently managing director and head of advertising and brand management at Citigroup Global Wealth Management.

“In less than 200 pages, Mr Cone provides a crash course on the art and science of marketing. He imagines his audience as aspiring marketing stars, but even those of us who are not can benefit from his ‘secrets’. His book is a busy executive’s dream: well organised, easy to read and packed with lucid opinions and lively examples. It includes bullet-point summaries and pithy checklists. He doesn’t merely offer advice but unabashedly tells us what to do. He gets away with this because of his advertising pedigree than because of the logic of the case he makes.” Richard F Zannino, COO of Dow Jones & Co.

“Peppered with practical lessons and engaging anecdotes. All in all, there are plenty of ideas here worth stealing,” The Wall Street Journal

“In a clear and succinct fashion, Cone states what people need to do to have a great marketing campaign.” Q’Dwyer’s PR Services

"Practical advice for marketers of any size business and insights that can be used every single day," Harvard Business School Club of New York
"It does more than provide tips. It also tells what's wrong with marketing today." Chief Marketer

Included in the book is a review of what Cone regards as the great marketing campaigns of the past. He also gives his opinion of what people need to do today to create marketing campaigns.
Among the principles Cone adheres to is that simply stated the job of the marketer is to excite potential buyers and get them to pay attention to the messages. He believes marketers are increasingly failing in creating excitement. And he claims that they are doing an even worse job in creating a compelling call to action.

He is also a strong advocate of every company having a brief 'unique selling proposition' - a brief mission statement or tag line that simply explains what the proposition is.

Two of his favourites are: FedEx - "When it absolutely, positively has to get there overnight" and BMW - "The Ultimate Driving Machine".

"Steal These Ideas! Marketing Secrets That Will Make You a Star" is available in Australia from Borders - www.borders.com.au

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USA, UK & NZ newspapers transforming rather than disappearing with growth in "online" media

Roy Morgan International data shows the "online" reach of some newspaper Internet sites provides reach in their "home" market and also attract readers from other countries around the world.

Main Findings

* In the USA, broadsheets like the New York Times (+78%), Washington Post (+56%) and USA Today (+54%) have the largest increased reach due to their "online" presence.
* United Kingdom newspapers the Guardian (+70%) and Times (+35%) are far ahead of the competition in the UK with the extra readers attracted to their "online" sites.
* The leading "online" presence in New Zealand is New Zealand's leading daily, the New Zealand Herald, which has only a 19% increase in readership through its "online" site, nzherald.co.nz, which attracts nearly 250,000 visitors daily.

Full details: http://www.roymorgan.com/news/press-releases/2008/741/

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Australian bookseller announces new loyalty scheme

Australian booksellers, Angus & Robertson, has launched a customer loyalty programme. Members will earn one point for every dollar they spend in-store. When they reach 100 points, members are

automatically rewarded with a Aus$5 gift voucher. The programme also gives customers the chance to win a range of instant prizes and to be entered into prize draws. The system uses Visible Results' thermal imaging technology, which can change messages and images on the Graphicard's rewritable face each time the card is used. The card displays the number of points needed for the next reward, as well as the promotion of new releases and special offers.
TheWiseMarketer.com.

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Great ideas - Free podcast books

Podiobooks.com has actually been around for a few years already, having launched in 2005, and it now lays claim to more than 41,000 members. Users of the site receive episodes or chapters of any book on a schedule of their choosing, and can then listen to them on their computer, transfer the DRM-free audio files to their MP3 player or burn them to CD or other media—all free of charge. A combination of advertising and listener donations supports the service, which passes on 75 percent of all donated funds to authors. Since the 2005 publication of Scott Sigler's "EarthCore," which the company says was the world's first podcast-only novel, Podiobooks.com has grown to include 3,913 episodes of 184 titles available for download. All books are distributed with the express permission of the authors, many of whom participate in the interests of marketing and exposure.

Early reports of the book's demise were greatly exaggerated, as has been amply proven by the success of the Harry Potter series, among others. But with new media and devices like Amazon's Kindle, the question now is what other forms it might assume. Music has already become available in a variety of formats; now it's books' turn. There's no arguing with choice!
Website: www.podiobooks.com
www.springwise.com

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Coke launches clothing line made from plastic bottles

Coke is attempting to turn a negative into a positive. Saddled with complaints from environmentalists that its plastic bottles are clogging up landfills, the cola giant has come up with a unique solution: turning recycled bottles into "Drink 2 Wear" apparel.

This week, T-shirts that read, "Make your plastic fantastic" and "Rehash your trash" will appear at nearly 400 Wal-Mart stores as well as at Walmart.com. The shirts are retailing for about $7.50.

"These fun T-shirts merge trend with consciousness, reminding shoppers that small steps like recycling a few bottles can go a long way towards helping preserve our environment," said Stuart Kronauge, vp-marketing at Coca-Cola North America, in a statement. "If the 200 million Wal-Mart shoppers in the U.S. purchase these shirts, they will help us reuse and divert more than 700 million bottles from the waste stream."

TV, radio and print ads from Wal-Mart's agency, the Martin Agency, Richmond, Va., tout the availability of T-shirts.

Coke also recently introduced a line of rPet merchandise that includes T-shirts, tote bags, caps, purses and notebooks made from plastic bottles.

"It's a great use of recycled materials," said Ted Wright, managing partner of Fizz, a word of mouth beverage marketing company in Atlanta. "It's a lot of fun for Coca-Cola to extend their brand and provide interesting thought leadership when it comes to green."

Coke is far from alone in terms of debuting "green" products. Last year, there were 328 new environmentally-friendly products launched, per the Mintel Global New Products Database. This was up 200% from the year prior. In 2002, only five "green" products were unveiled.

Mintel, Chicago, also found nearly 200 million Americans are now actively purchasing green products.

Coke's overall goal is to recycle or reuse 100% of the bottles and cans in the U.S. marketplace. It claims to have spent $60 million on recycling programs. The Atlanta-based company has also reduced the amount of plastic used for Dasani bottles by 30%. Twenty-ounce contour bottles plastic usage was reduced by 5%.

"You're never going to get real 'Greenies' to love Coca-Cola for a number of reasons," said Wright. "But, for the other 99.9% of the population, we'd like to see the brands we care about taking the right position in doing what they can for the environment."

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Good ideas- Virtual projected people are a safety idea

South-Korean product designer Hanyoung Lee has come up with a safety device that could make traffic lights obsolete, or at least improve their effectiveness. His so-called Virtual Wall is designed for busy city streets. Instead of showing a red light when it's time for pedestrians to cross the street, Lee's Wall projects a curtain-like, two-dimensional image of giant people crossing the street. The real pedestrians walk behind their virtual counterparts.

Lee's design—which hasn't made it off the drawing board yet—works thanks to a stack of laser projectors installed in poles on opposites sides of the street. Digital renderings of the Wall can be found on Yanko Design, and while there's no word on an actual prototype, the device would likely cost more than traditional traffic lights. Thus, any city thinking of commissioning a Virtual Wall might consider flashing advertising messages over the heads of the virtual pedestrians in order to help offset the system's cost. Another potential issue might be how to activate the Wall so as not to startle motorists approaching an intersection.

We generally don't feature concepts that haven't yet made it to market, but this one seems to present a host of business opportunities, as well as great PR potential for the first cities that implement it. Besides halting traffic at intersections, the projected images could be used to direct crowds at large events or form temporary virtual fences to warn motorists that road construction crews are working nearby. And how about smart deer crossing walls, that can both detect and project oncoming deer?

Website: www.yankodesign.com/index.php/2008/04/21/cant-cross-a-virtual-wall
www.springwise.com

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Customer experiences still being mismanaged

Despite the fact that building customer loyalty through a better customer experience is high on most firms' agenda, many are failing to clearly understand customer expectations and therefore deliver what is needed and wanted, according to Strativity Group's latest Customer Experience Management Global Benchmark study.

Although the study indicates that 80% of the executives strongly agree that customer strategies are more important to firms' success than ever before, many firms fail to design and deliver those strategies and, as such, lose out on customer commitment and loyalty.

Key findings
The study examined various organisations' customer experience cycle, from customer experience definition to customer-centric organisational alignment, as well as their mechanism to respond to customer feedback. Noteworthy findings from the report include:

* Only 43.9% (up from 40.0% in 2006) believed that their firms deserve their customers' loyalty;

* 42.6% said that their firms' products and services are not worth the price they charge (down from 44.0% in 2006);
*
* 56% said that their firms have differentiated and beneficial products and services (up from 49.5% in 2006);
*
* 43.7% said their firms will take any customer that is willing to pay (up from 38.3% in 2006);
*
* Only 34.8% indicated that their company has a dedicated customer experience management role;
*
* Only 27.2% of the respondents said that the definition of the customer experience is well-defined and communicated in their firms;
*
* Only 28.8% said that employees have the tools and authority to solve customer problems (down from 34.0% in 2006);
*
* Only 23.9% agreed that their employees are well versed in how to delight customers.
Gap observed

MoreInfo:
http://www.strativity.com
www.thewisemarketer.com

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Great ideas - Nike talks and walks the trash

Back in 2006, Nike generated copious amounts of street cred with techies when it partnered with Apple and released its Nike + iPod Sport Kit, which allows gadget-loving runners to synch their iPods via a special sensor placed inside their Nike shoes.

Now, the US athletic shoe manufacturer seems determined to win over green-minded customers, too. In January, Nike introduced the Air Jordan XX3, which uses eco-friendly materials. Then in February Nike went a step further with Trash Talk. From the sole to the shoelaces, this shoe is produced not only from ‘environmentally preferred’ materials but also recycled waste, with much of the latter coming from Nike’s own production facilities—scraps that would otherwise have been discarded.

Trash Talk is the brainchild of Nike celebrity endorser Steve Nash.The All-Star guard for the NBA’s Phoenix Suns is a committed green-living advocate. And a retail price of USD 100 aptly illustrates how a company can turn garbage to gold. That’s a lesson which should be well taken by beleaguered manufacturers in the US and other developed nations. As these manufacturers look for ways to compete with lower-cost producers in Asia, they might find the secret to reinventing themselves is stacked up in the trash bins of their own factories. Yet another way for brands to rack up those greenie points ;-)
Website www.nike.com
How valuable is word of mouth?
Some ideas from the Harvard Business Review article by V. Kumar, J. Andrew Petersen, Robert P. Leone
Your most valuable customers are those who buy the most, right? Not necessarily. According to Kumar, Petersen, and Leone, your most valuable customers are those whose word of mouth brings in the most profitable new customers, regardless of how much they themselves buy.
What accounts for this counterintuitive phenomenon? High-purchasing customers who say they'll recommend your firm to others often don't bother.
How can your company encourage customers to make profitable referrals? The authors' technique enables you to segment customers into four types: those who buy a lot but are poor marketers for your firm; those who don't buy much but are strong marketers; those who both buy and market well; and those who do neither well. Armed with that data, you can tailor your marketing efforts more precisely to boost each customer's total value to your firm.

Kumar, Petersen, and Leone recommend this process for improving your marketing ROI:

Calculate Each Customer's Lifetime Value
A customer's lifetime value (CLV) is an estimate of how much that customer would spend on your company's offerings if he continued purchasing at the current rate for some designated future period, minus the cost of marketing to him.

Calculate Each Customer's Referral Value

Each existing customer's referral value (CRV) includes an estimate of the lifetime value of any type-one referrals--people who would not have become customers if they had not been referred. In calculating CRV, you also must include the value of type-two referrals--people who would have become customers anyway, without the original customer's referral. The value of a type-two referral is the savings in the cost of acquiring the new customer, since no direct marketing effort was needed to get him.

Segment Customers Based On CLV and CRV
Since a high customer lifetime value doesn't necessarily predict high referral value, segment customers based on how they measure up on both forms of value. Champions, who are both excellent buyers and marketers; Affluents, who buy a lot but don't market well; Advocates, who don't buy a lot but are strong marketers; and Misers, who neither buy much nor market well.
Target Your Marketing Strategies by Segment
Your Champions are already producing maximum value; here's how to boost total value for the other segments:

* Purchase the full-length Harvard Business Review article here.
www.hbsp.harvard.edu/hbsp/index.jsp

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Great ideas - Marketing parking spots

Parkingspots.com connects those who have parking spots to rent out with those who need them on a monthly basis. Launched earlier this year, the Toronto-based company gives spot holders a way to list their off-street spots, along with the price they want to charge. Powered by Google Maps, spot seekers, meanwhile, can see what's available and choose one based on location and price. Exact addresses are kept confidential until a match is made. Once that happens, renters and owners negotiate directly to set a final price and arrange for payment; commercial transactions are handled through PayPal. The service is free for both renters and owners with just one or two spots to rent; commercial lot owners with more than two spots at a single location must pay a one-time listing fee equivalent to roughly a month's rent.

Parkingspots.com currently serves a limited number of cities in North America, but judging by the rapid spread of this concept already, expansion can't be far away. One to bring to a concrete jungle near you!
Website: www.parkingspots.com
www.springwise.com

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What's the breakdown of searches online?

You probably already know that Google has 64% of the market share. Yahoo follows behind with 22%. What you may not know though, is which industry is the most often searched online. HitWise has our answer — nearly half (44%) of the visitors to Health and Medical sites come from a search engine query.

Following closely behind is Travel (32.5%), Shopping and Classifieds (25.5%), News and Media (20.9%), Entertainment (20.8%), and Business & Finance (17%). Despite the fact that Business & Finance is the runt of the pack, it nevertheless represents the fastest growing category in search engine traffic; year over year traffic in this category grew a whopping 30.6%, while Health & Medical (the top-searched category) grew a paltry 5.8%.

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Free Seth Godin material

A fan of Seth Godin? Get some free materials here:

Sliced bread - http://www.youtube.com/watch?v=m4Ch2z5ftwQ
TED - http://www.ted.com/index.php/talks/view/id/28
All marketers are liars - http://video.google.com/videoplay?docid=-6909078385965257294

He also has a free book available for download. "IdeaVirus" - a guide to successful idea selling.
http://www.ideavirus.com/
Download - http://www.sethgodin.com/ideavirus/01-getit.html

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Virtual attitude

Virtual world teen brand Habbo has launched its latest Global Youth Survey conducted across 31 countries and covering 58,000 teens between 11 and 18. Key findings include:

· 76% of teens globally use the internet to Instant Message friends
· Overall, Instant Messaging is the most popular communication tool in most of the countries.
· Though 72% of teens still hold email accounts, the majority of communication with peers is no longer conducted over email.

· Perhaps surprisingly social networks appear as relatively low online priorities for young people, as 40% of teens do not view social networks as an important part of their online experience on a global basis.

· In countries where social networks are considered popular, they have become a regular communication channel between friends.

· Teens are also very conscious of what brands they associate with. For example, boys favour Nike, Adidas and Billabong as their favourite clothing brands; whereas girls prefer Hennes and Mauritz, Nike and Roxy.

· Celebrity culture influences teens.
· Teens are now regularly using their mobile handsets as entertainment devices.

· In the 2006 survey, only 38% of teens used their handset to listen to music; now 71% of teenagers are using their mobiles as a portable mp3 player.

· Text messages are still the most used phone function, with 88% of teens regularly communicating via SMS.

· The survey shows that teens are also using entertainment applications much more than they were in 2006.
· 70% of teens are now using their mobile to take photos and videos, an 11% increase on 2006.
· 64% now play games on their mobile compared to 51% in 2006.
· Over a quarter of teens also use their mobile to surf the net, email and send an instant message.

The survey reveals **five core teen personality types/youth profiles**. Each type represents about a fifth of the total respondents but the quantities of each one differs significantly according to region:

Achievers: Are ambitious, strong minded and materialistic. They value material success and whilst having lots of friends do not consider other people's feelings as much as other segments.

Rebels: Value getting lots of experience in life and enjoy a fast-paced lifestyle. Like Achievers they want to become rich and famous, but they are not willing to compromise on having fun in order to achieve this goal.

Traditionals: Value having an ordinary life and see themselves as honest, polite and obedient. They are keen to help others but are less ambitious and pleasure seeking compared to other segments.

Creatives: Share many of the same positive traits as Traditionals, but with a focus on creativity. They place value in getting a good education and being influential in life, but they are also active, social and have an interest in travelling.

Loners: Are more introverted and less likely than other segments to identify with any specific personality traits. They rarely see themselves as active or self-assured, but are more open minded in their attitudes compared to Traditionals or Achievers.

Emmi Kuusikko, Director of User and Market Insight at Sulake (Habbo), who conducted the survey comments: "The survey shows how important brands are to teenagers and how they build their identity through brands. In addition, the consumption patterns of teenagers are affected by a number of trends and most say they are worried about climate change and the environment."
www.**habbo**x.com/site//content/blogcategory

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Study confirms a lack of win-back strategies

More than half of consumers surveyed by RightNow Technologies and StollzNow Research said they had stopped buying from a company due to poor customer service, and a large number felt that the company didn't even know it had lost their business.

More worryingly, only half of the firms surveyed that were aware of such losses of customers and sales had attempted to win that business back, the survey found.

Impact on profits
The survey of over 1,000 consumers in Australia and New Zealand examined customer experience problems in the telecommunications, utility, insurance, online retail, internet service provider (ISP), travel and hospitality, and finance markets, and concluded that a poor customer experience directly affects a company's bottom line profits.

Despite the high cost of customer acquisition (compared to customer retention), firms appear to be content with a certain amount of customer churn based on poor customer experiences. Two-thirds of respondents in Australia and New Zealand said they had experienced poor customer service at some time during their relationship with firms.

Best and worst sectors
The telecommunications industry was the worst offender with 62% of respondents indicating they had experienced poor service. Next were ISPs with 52%, followed by finance (46%), travel and hospitality (31%), online retail (30%), and insurance and utilities (28%).
A high proportion of respondents (65%) indicated that they had stopped doing business with a telecommunications provider due to poor customer service, and 44% believed their provider hadn't realised they were no longer a customer. The travel and hospitality industry appears to suffer mostly from customer visibility problems, as 78% indicated that once they'd boycotted a company in this sector, the company was unaware of the lost business. This lack of insight may also account for the 90% of travel and hospitality firms that did not attempt to win customers back.

The unhappy churn problem
According to Brett Waters, vice president for Asia Pacific South at RightNow Technologies, "Consumers are much more attuned to what is and what isn't acceptable behaviour when they interact with organisations, and they are increasingly prepared to remove their business because of poor experiences."

The survey also investigated consumer opinions about experiences when shopping online.

Consumers were asked what they found to be the most frustrating aspects of the experience, and areas for improvement included transparency about delivery charges before reaching the check-out, as well as better information about products, and the ability to ask questions during the purchasing process.
http://www.rightnow.com
www.thewisemarketer.com

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Great ideas - Free notebooks for students

The Shadow Notebook is a five-subject notebook that gets cobranded with participating colleges and universities across the US and distributed by the school at the start of each semester. The university's logo appears on the cover, and pages of school-related maps and information get included within. Thirteen four-colour, full-page advertisements, meanwhile, act as subject dividers in each notebook, giving advertisers the means to engage students while they are a captive audience in the learning

environment. Students, naturally, carry the notebooks with them throughout the day over the course of the semester, which from the advertiser's perspective amounts to 96 impressions over a four-month period, ABS says. So far, about 700,000 notebooks have been distributed to college students at campuses nationwide.
Website: www.absnotebooks.com
www.springwise.com

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Did you know?

The recorded music industry has changed phenomenally in the past five years. In 2003, there were around 30 legal download services available; now there are more than 500, enabling consumers to access more than 6 million songs online.
IBISWorld Australia Newsletter - May 2008

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Pitfalls in Planning

Dwight D. Eisenhower perhaps said it best: "Plans are nothing, planning is everything." While your strategic planning activities will result in a document, the document itself matters less than the process of collecting and analysing input, and thoughtful discussion and debate. Even at that, examples of failed strategic planning efforts abound. Strategic planning does not provide perfection, nor does it provide instant miracles. However, if expectations concerning the possibilities and limitations of strategic planning are accurately framed and communicated, great value can be had. With this said, there are plenty of paths to bad planning! Some of the more serious pitfalls to be avoided are presented below.

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The Pitfalls of Strategic Planning

Pitfalls in Getting Started
1. Top management's assumption that it can delegate the planning function to a "planner."
2. Rejecting planning, i.e., deciding to just "go through the motions," because there has been success without it or because previous planning efforts have been viewed as unsuccessful.
3. Assuming that planning is not feasible because of "political" factors or the uncertainties inherent in a future not carved in stone.
4. Assuming that an organisation simply cannot develop effective long-range planning appropriate to its resources and needs.

Pitfalls in Thinking About Planning
5. Ignoring the fact that planning is as much a personal, "political" matter as it is a rational process.
6. Ignoring the fact that planning should be a learning process for everyone.
7. Assuming that planning is easy.

8. Assuming that the organisation's comprehensive planning is entirely separate from the ongoing management process.
9. Assuming that effective total planning can be done piecemeal.

Pitfalls of Doing Planning
10. Assuming that the future will be just like the past, rather than thinking through future alternatives and making the tough choices.
11. Developing such a reverence for numbers that there is no room for intuition or value judgments.
12. Seeking precision of numbers throughout the planning effort and making this the central focus of accountability during the planning process.
13. Conspiring in one way or another to do long-range planning every once in a while and to forget it between planning cycles.
14. Automatically assuming that older methods should be discarded in favour of newer techniques.
15. Developing a rigid structure and process for planning that smother possibilities for flexibility and simplicity.
16. Automatically assuming that equal weight should be given to all elements of planning.

Pitfalls in Using Plans
17. Assuming that plans once made are in the nature of blueprints and should be followed rigorously.
18. Approaching the planning task, and using the results, on the assumption that it is possible to eliminate uncertainty in the future.
19. Assuming that planning must meet some single test of rationality.
20. Assuming that planning is an interesting and useful exercise but that, snicker-snicker, resulting plans should not be taken seriously.
21. Assuming that because plans result in current decisions, it is only the short-run that counts.

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Increase sales by paraphrasing your customer's words

The customer is only sure that you have been listening when you paraphrase what the prospect has said and feed it back in your own words. This is where the rubber meets the road in effective listening. This is where you demonstrate in no uncertain terms to the prospect that your listening has been real and sincere. This is where you show the prospect that you were paying complete attention to what he or she was saying. Paraphrasing is how you prove it.

Question for clarification
When the prospect has finished explaining his or her situation to you, and you have paused, and then questioned for clarification, you paraphrase the prospects primary thoughts and concerns, and feed them back to him or her in your own words.

Use the right words
For example, you might say, "Let me make sure I understand exactly what you are saying. It sounds to me like you are concerned about two things more than anything else, and that in the past you have had a couple of experiences that have made you very careful in approaching a decision of this kind."

Feed it back accurately

You then go on to feed back to the prospect exactly what he or she has told you, pausing and questioning for clarification as you go, until the customer says words to the effect of, "Yes, that's it! You've got it exactly."

Earn the right to sell
Only when you and the customer completed a thorough "examination" and have mutually agreed on the "diagnosis" you are in a position to begin talking to the customer about your product or service. In general terms, this means that you can not pull out your brochures and price lists and begin telling the customer how your product or service can solve his problems or achieve his goals until about seventy percent of the way through the sales conversation. Until then, you have not yet earned the right. Until then, you don't even know enough to begin an intelligent presentation without embarrassing yourself.

Be a good listener
The more and better you listen, the more and better people will like you, trust you and want to do business with you. The more they will want to get involved with you as a person and the more popular you will be with them. Excellent listeners are welcome everywhere, in every walk of life, and they eventually and ultimately arrive at the top of their fields.

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Key marketing questions

When you know the answers to these key marketing questions, you can create effective marketing mixes and marketing communications.

Who is the possible market?
What do they want?
What are the key situational factors? Segment and target

Who do I want to reach? - Target
Describe detailed characteristics of your ideal prospect. Be very specific.
Once you clearly define the characteristics your ideal prospect you can develop a powerful sales message appealing directly to their unique interests and needs. Prospects are more likely to respond when they feel you are talking directly to them about their individual needs.

What action do I want to generate?
Decide in advance what action you are trying to stimulate. Do you want to get inquiries for your product or service? Do you want to produce sales directly from your promotion? Or do you want to build a list of qualified prospects willing to receive frequent offers from you?
You can develop an effective promotion in a short time when you have a clear understanding of the action you are trying to generate.

What is my competitive advantage?
Identify why prospects should do business with you instead of with a competitor selling a similar product or service. For example, do you provide faster results, easier procedures, personal attention or a better guarantee? If you cannot think of a reason - create one. Add something to your business you are not already doing.

Your competitive advantage can be responsible for fifty percent or more of your sales. Make sure you have one - and don't lose it. Keep checking on your competition and make any changes necessary to keep your competitive advantage.

How will I prove my claims?
Don't expect prospects to believe what you say. Make sure you provide proof of any claim you make. For example, collect and use testimonials from satisfied customers. Provide research data supporting your claims. Get endorsements from experts your prospects are likely to recognize.

How will I create urgency?
Most prospects do not respond the first time they see your promotion. Instead, they delay making any response - then often forget about you.

You can convert many of these procrastinators into buyers by giving them a compelling reason to respond immediately. For example, give them a special price if they order now - or include a valuable bonus if they order by a specific deadline.

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Better customer service

Get the Service You Want From eCommerce Organisations
Purchasing products online can be one of the most frustrating situations consumers encounter these days. Why? Because technology has eliminated the human factor. When you walk through virtual doors of an e-commerce organisation, you aren't greeted with a smile and a handshake. When you want to ask a question or register a complaint, it's almost impossible to get a direct response or to talk to a live person.

Consumer frustration-and the resulting complaints-are finally having an impact.
Too many e-commerce organisations underestimate the importance of e-service-speed, price, and technology built around service-and too many consumers underestimate the power they have to demand good service. That's not to say, however, that there aren't e-commerce organisations doing business today that have made service a priority. Amazon.com is one of them. Its customers cannot only place their orders 24 hours a day, seven days a week, they can get recommendations on books and music, sign up for personal notification services, and get an almost immediate response to their requests.

Landsend.com is another organisation that focuses on e-service. Customers know they can use the organisation's toll-free phone number 24 hours a day, seven days a week, 364 days a year (except for Christmas Day) and talk to a real person. The organisation responds to more than 141,000 e-mail inquiries every year, and its 300-phone-line call centre gives it the ability to answer some 50,000 calls a day.

Unfortunately, amazon.com and landsend.com are unique in their commitment to e-service. Thousands of e-commerce organisations are doing business throughout the world with very little regard for their customers-other than their desire to separate those customers from their money. How can you get them to make service a priority? What can you do to get a satisfactory resolution when you have a complaint? Who can you turn to for help? Here are a few suggestions:

Complain. If the organisation has an on-line customer response system, use it. If it provides a toll-free customer service number, call it. If neither is available, send a letter to the organisation's president, clearly stating the problem, requesting specific action, and setting a deadline for that action.

Escalate your complaint. If you don't get satisfaction for your problem by attempting to deal with the organisation, there are other steps you can take. Register your complaint with the government Consumer Affairs Dept. You also can register complaints with other groups, such as ecomplaints.com, an online consumer complaint site for the airline industry, and with organisations that oversee the operation of organisations in specific industries.

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Writing a real executive summary

There is a lot of nonsense written on how to write an executive summary - usually by academics who have never been executives.

The key rule is that an ES needs to be as short as possible while conveying the most very most important information. It is not an academic abstract or a synopsis of the whole piece of work.

It needs to be short - because most executives don't want to read much. An executive spends most of his or her time talking to others.

Give them your carefully researched and well crafted report/proposal etc and you are likely to hear something like "Can you tell me what it is about in a couple of sentences?"

That is what an ES does.

Here is exactly how to write an executive summary that does the business:

1 Paragraph

Sentence 1 - Define the project (problem, need or goal)

Sentence 2. Describe the key method (i.e. we carried out a Survey of 345 of X in November)

Sentence 3. Describe the key outcome/finding.

Sentence 4 Describe the proposed key solution

Sentence 5. Describe the expected benefit/loss

That's it. If you cannot do it in a few sentences, it is probably because:

* You don't understand how to do an Executive Summary (well that excuse is now gone)
* You don't know how to write something in a few words.

* You cannot write these things in a few short words because you don't have a full understanding of your project.

Remember -

* If it is too long it won't get read.
* If it doesn't hit the key spots of required information it is a waste of time

If you really, really need to write more than a paragraph add a slightly longer version on the next page and call it something like the Synopsis. (No more than a page and a half.

Dr. Brian Monger

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Wise Marketer finds out how consumers want to receive marketing messages...

Interestingly, when The Wise Marketer conducted online polls into consumers' receptiveness to both web site and television advertising techniques, "intrusive web adverts" (e.g. ads that force the user to click on them to move on) were found to cause an 88% defection rate, where users close or navigate away from the web site immediately. This rate drops significantly for "passive adverts" such as banners and 'advertorial' text.

Television advertisers are having a rough time, too. The common television advertising practice of increasing the volume during ad breaks may have originally been intended to keep the adverts audible when viewers left the viewing area temporarily, but for those who remain seated in front of the television the volume of the adverts renders any personal thought or sociable conversation almost impossible. It is interesting to note that 9% always press the mute button during ad breaks, and almost twice as many said they 'usually mute' during ad breaks. This adds up to more than one-quarter of the population that will seldom hear an advert. Add to that another 27% who 'sometimes' mute the ads, bringing the potential lost audience to well over 50%.
www.wisemarketer.com

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CMO Council Marketing Outlook 2008

According to the Marketing Outlook 2008 report sponsored by the CMO Council, Deloitte Consulting LLP and Marketo, many marketers say they are frustrated and stymied by organisation cultures, senior management mindset and insufficient budgets. The executive summary and full report are available for download.
http://www.cmocouncil.org/resources/form_mo_execsummary.asp

More than 800 senior marketers across all global regions responded to the CMO Council audit, which looked at a wide range of planned investments, organisational changes, process improvements and performance indicators. According to the report, 37.6 percent of respondents say annual budgets will not change in 2008, while 33.1 percent expect to increase spend by up to five percent, and almost 10 percent say their budgets will grow between six and 10 percent. Only 7.6 percent expect to see budget increases greater than 11 percent. Last year, the majority of global marketers (52.6 percent) had budgets that equaled less than four percent of revenue and 35.4 percent said their spend was between four and 10 percent of revenue.

Key findings reveal:
* Improved accountability of the marketing organisation and using customer data and analytics for better targeting and effectiveness were the two top accomplishments in 2007. This was followed closely by adding new internal resources, capabilities and skill sets.
* While some 79 percent believe marketing is making significant or reasonable progress in improving the perceived value of the function, 21 percent of marketers are either still trying to gain traction or are stalled and losing credibility in their organisations.
* Quantifying and measuring the value of marketing programs and investments remains the top challenge in the year ahead, report some 53 percent of survey respondents. Other key priorities include growing customer knowledge, insight and conversations, as well as upgrading the efficiency and effectiveness of marketing groups.

* Important organisational and operational changes planned for 2008 included adding new competencies and capabilities, improving accountability of the marketing organisation, deploying content and web site management solutions, and implementing marketing ROI and/or resource allocation capabilities. This focus on organisational improvement is not surprising considering that 50 percent of CMOs are hired to fix broken marketing organisations, reports the CMO Council.

Given the strong focus on organisational effectiveness, those surveyed for the Marketing Outlook report identified key areas of system and solution spend to automate processes, optimize lead generation, and improve measurement. The top six areas of planned investment include:
* Email campaign management
* Customer relationship management (CRM)
* Marketing performance measurement dashboards
* Customer intelligence and solutions
* Search engine marketing (SEM)
* Sales and marketing integration tools

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Great ideas - Textbook rental

BookRenter.com is yet another example of a web start-up leaping into a nightmarish logistics problem to make life easier for its customers. The US venture has amassed a multi-million-volume library of new or near-new textbooks, which it rents out to students at college campuses throughout the country. Rental periods range from one to four months, and the savings for students can reach 75 percent of a book's retail price. Adopting the increasingly popular 'Netflix model', BookRenter offers students convenient delivery options and lets them return books by UPS at no charge. Rental terms can be extended as needed, and students can also decide to buy a book if they'd like to keep it.

Of course, BookRenter must compete with established campus retailers, as well as new ventures that are offering free textbooks sponsored by advertisers (see trendwatching.com's free love briefing for more on that). Even so, BookRenter appeals to consumers who are happy to rent instead of own, choosing flexibility and savings over ownership. As the company grows, it could also easily add downloadable or online texts to its offerings, and could incorporate web 2.0 features to keep students engaged throughout the academic year. Students might be encouraged to upload their notes about particular titles, for instance, and include comments about their classes. We've featured new-style rental services for everything from baby clothes to sports cars. Opportunity? Spot the industry or product that other entrepreneurs have overlooked!
Website: www.bookrenter.com
www.springwise.com

Events and Adverts

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:: speakers ::

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Steve Simpson, Chief Creative Director & Partners, **Goodby Silverstein & Partners (USA)**

Harold Mitchell AO, Chairman, **Mitchell & Partners**

Siimon Reynolds, Co-Founder, **The Photon Group**

Gerrard Smith, Marketing Director, **Pepsi**

Bill Obermeier, Managing Director Brand Advertising & Sponsorship, **Telstra**

Graham Christie, Consumer Marketing Manager, **Vodafone**

Jon Bradshaw, Director of Marketing, **Virgin Mobile**

Letitia Hayes, Experiential Marketing Manager, **Sony**

Karim Temsamani, General Manager, **Google**

Jack Matthews, CEO, **Fairfax Digital**

Tony Faure, CEO, **Ninemsn**

Rohan Lund, CEO, **Yahoo 7**

Ian Stewart, Senior Vice President, **MTV (Asia)**

Gary Hays, Head of Virtual Worlds, **Project Factory**

Ed Smith, CCO, **News Digital Media**

David Whittle, Managing Director, Mark

Rob Belgiovane, Executive Creative Director, BWM

Piers Hogarth-Scott, CEO, Yooster

John Du Vernet, Head of Special Projects, Naked

:: themes ::

Engage or enrage

Advertising in new worlds

What marketers want and how they want it

The Digital Leaders forum

Unleashing the power of brand experience

Monetising social media

Integration, challenge, solution, results

Getting WOM in the mix

Partnerships for success

The mobile marketing advantage

Y speaks, Y we participate
Continual brand repositioning
The power of emotional branding
Redefining consumer engagement models
New Business Models for a Digital World
Get the advantage and avoid the rhetoric to the **questions you have not considered and the answers you need to have.**

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Articles

The Best Kept Secret of Successful Differentiation

Dan Herman, PhD

Successful differentiation

A successful differentiation is not imitated by your competitors, even though it brings you unmistakable success with consumers. It seems impossible? Not quite so. I am about to reveal to you the unexpectedly simple and wonderful secret of successful differentiation: you must think beyond the core benefits of your product category. Think: Off-Core Differentiation.

“Core Benefits” are the benefits that the consumer already expects to receive from a product like yours. This is the list of “what’s important to the consumer” in your product or service category. “Core Benefits” are more than the essential product benefits. The core benefits of today’s cellular phones include much more than the possibility of conducting a conversation while you’re in motion. Everything that the consumer has already come to expect from the product is included in the core benefits. These are the benefits that all of your competitors offer, because they compose the essence of the product and it is impossible to compete in the market without them.

That is precisely the reason why if you really invest your efforts and are truly brilliant and make a major break-through in improving core benefits - do you know what will happen? They’ll imitate you as fast as possible. That’s what will happen. You must understand: in that case, your competitors can’t allow themselves not to imitate you. You’d do exactly the same thing.

Many firms have learned this the hard way. Volvo, for example, created its brand around a central core benefit: safety. They did everything humanly possible! They invested limitlessly! And they succeeded! They especially succeeded in convincing their competitors that it is very important to invest in safety. Today, no one will tell you (except for a few out-of-date marketers) that safety is Volvo’s differentiation.

In order to create a differentiation that won't be imitated, you have to think beyond the core benefits that are (already or even just in potential) considered important in your market. Think about "what's important to the consumer" in other product or service categories that you can be the first (or better yet: the only) one to supply in yours. It works time after time. The firms that have succeeded in maintaining their differentiation over the years and weren't imitated even though they were making tremendous profits are those that innovated in qualities beyond the core benefits of their market. The farther you look, the more successful you can become.

What are they waiting for?

Let's look at some examples of off-core differentiation.

Swatch decided to treat the watch face and band as a design area. What does this have to do with the core benefit of a watch? Exactly! So no one has imitated them. Not really.

Grey Goose vodka is the only vodka produced in France. This differentiation is so way-out of the core benefits of the vodka industry! No vodka connoisseur in his right mind would imitate that.

What about The Body Shop? There's no place for another cosmetics chain that actively fights against animal experiments, for the environment and for the needy wherever they are. No one even thinks about imitating them.

The mob and the mobile

Sometimes an off-core differentiation can become eventually a core benefit. This happened to Nokia. It happens when the differentiation is not really off-core but is actually based on a deep insight into the direction that the market is going and of consumers' future needs. Nokia took the global market with a seemingly off-core strategy. While Motorola was busy developing better and better mobile phones, Nokia predicted that mobile phones were going to be a popular product. When people will start carrying their cellphone around with them as they go about their everyday life, it will become an apparel item, a fashion statement. And thus the idea that helped turn Nokia into the world leader was born – the idea of the exchangeable panels that let you match the phone to your clothes. It didn't seem like a core benefit of the category back then. Totally not connected to what a mobile phone is supposed to do.

But when the technology of most mobile phone manufacturers became similar, they began to compete over design. Samsung, Sony Ericsson and yes, even Motorola, started to beat Nokia, using its own weapon. As I am writing, Nokia's share of the market is still double that of Motorola's (do you realize what a lead Nokia was able to open?). But Nokia has lost its differentiation.

You may say that only a few firms have become leaders by means of an off-core differentiation. Let's not argue what is "many" and what is "a few". By the way, most firms never become leaders, nor need they become. However, if you are in a competitive market and trying to make a living, an off-core strategy is the best chance you have to give a group of consumers a good reason to devotedly prefer you and even create a private monopoly for you.

Open a window

I'm not trying to argue that differentiation within the core benefits is a bad idea, if you can do it. It opens a window of opportunity for you, until they start to imitate you. For a man like Michael Dell, that was enough to become a billionaire. Dell changed the way in which personal computers are sold. Michael Dell understood that from the moment that personal computers became standardized (thanks to the IBM clones on the one hand and to the foresight of Microsoft in the 1980's, on the other hand) – people would buy them over the phone and later, over the internet. Dell also understood that since personal computer components are standardized anyway, you can put them together to suit each user's needs. That wasn't an Off-Core Differentiation. Dell simply saw where the trends are leading to. Today, everyone sells computers this way, but the period of time in which he had this shining differentiation made him one of the richest people on the planet.

Dr. Dan Herman, a globally renowned strategy consultant, an author and a lecturer, is the author of "Outsmart the MBA Clones: The Alternative Guide to Competitive Strategy, Marketing, and Branding" (www.outsmart-mba-clones.com.)

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Employee Empowerment.

Employee empowerment is a two sided coin. For employees to be empowered the management leadership must want and believe that employee empowerment makes good business sense and employees must act. Let us be clear about one thing immediately, employee empowerment does not mean that management no longer has the responsibility to lead the organisation and is not responsible for performance. If anything the opposite is true. Stronger leadership and accountability is demanded in an organisation that seeks to empower employees. This starts with the executive leadership, through all management levels and includes front line supervisors. It is only when the entire organisation is willing to work as a team that the real benefits of employee empowerment are realized.

For an organisation to practice and foster employee empowerment the management must trust and communicate with employees. Employee communication is one of the strongest signs of employee empowerment. Honest and repeated communication from elements of the strategic plan, key performance indicators, financial performance, down to daily decision making.

If an organisation has not be actively cultivating employee empowerment, it may take considerable time and effort before employees start to respond. Often the first efforts and communications are met with employee derision and mockery. Those who are only interested in trying the latest management fad will give up when met with this response. A good rule of thumb for communications to employees is to enumerate what management considers adequate and then multiple by a factor of ten. When considering employee understanding and acceptance of decisions consider how long it takes for the management team to discuss and then make a decision. Allow several multiples of this time for employees to think about the issue.

For management wanting employee empowerment the evidence will not come across the board with wide spread acceptance. A small number will accept the invitation to become more involved, say 3-5 per cent. The rest will be watching every move to see what happens. Every communication, decision and action by management will be viewed as either supporting a move to employee empowerment or not. Probably nothing demonstrates the commitment or lack of commitment to employee empowerment more than promotions and selection for leadership positions. Employees know those that attempt to "shine up while dumping down".

For an organisation to enjoy the returns from employee empowerment the leadership must diligently work to create the work environment where it is obvious to all that employee empowerment is desired, wanted and cultivated. Management's responsibility is to create the environment for employee empowerment.

When organisational leadership has started to take actions to encourage employee empowerment it is then up to the employees to decided if they wish to take advantage of the opportunity or not. It is not unusual for only a small minority to accept the challenge initially. Also it is very likely that some fraction will never respond. It is the large middle group that must be convinced to practice employee empowerment.

It is our conviction that most organisations have exactly the level of employee empowerment the management wants. This is demonstrated by the amount of communications, level of training provided employees, opportunities for personal growth, the solicitation and implementation of ideas, the recognition and reward system, promotion and advancement criteria, and uncountable little signals from management that demonstrate whether employees are valued or not.

When Six Sigma is deployed in an organisation employees have numerous opportunities to demonstrate that they are empowered. Unless there is employee motivation to accept and act on the opportunities little will change.

Employee empowerment is evidenced by working with a six sigma project team to understand the changes coming out of the project. Being a participant using improvements found by others is a form of empowerment.

Employee can demonstrate empowerment by suggesting areas or processes that might be candidates for a six sigma project. Part of employee empowerment is the recognition by management that often people who most know of pressing needs for improvement are those who have to work in the process.

Employee empowerment can take the form of being asked to bring expert knowledge to six sigma projects. Even if not a full time member of the project team the fact that competence and first hand experience are valued and an employee is willing to help demonstrates a level of empowerment.

The employee can volunteer to serve on a project team as a Green Belt. This usually means that the employee has some subject matter expertise in the process scoped for a project. By completing the Green Belt training the employees will learn the Fundamental Improvement tools and will learn how to use the Define Measure Analyse Improve and Control steps as part of problem solving. With this additional skill sets the empowerment of the employee is increased, they are able to work more effectively and efficiently in solving problems and providing potential solutions.

Employees can make it know that they would like to become Black Belts. This form of employee empowerment assumes that the employee has the necessary skills and ability to complete the Black Belt training. Usually this means a college level education with comfort in mathematics and if not some statistical understanding a willingness to learn.

One of the strongest signs from employees is when they take the lead to advance their skills and knowledge with education and training either provided by the organisation or out side the organisation.

Management has the obligation to create the environment that fosters employee empowerment, employees have the duty to accept the opportunity and demonstrate they are willing and capable.

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Creative Marketing Ideas

Here are some creative ideas that can get you in the front door of your next hard to get important prospect.

Send a digital message
How about investing in a cheap prepaid phone or even a cheap USB key. Send it to your prospect in a gift box, by courier, with a note to check the messages.

Beforehand, leave a really good message that you've written and practiced to entice your prospect. Whatever you do, don't talk in a monotone, droning on about your product or service. You've got a captive audience for about 30 seconds. Make the best use of your time. Offer something or provide an incentive to call you right away. Make sure you've pre-programmed your number into the phone's memory.

Be available to answer the call that day. The last thing you want is for your important prospect to get a busy signal or, worse, your voicemail.

Send a gift
Do some research on your prospect. Find out his/her likes, dislikes, hobbies, and interests. For example, let's suppose she's a tennis player. Buy a case of tennis balls and wrap the box in shipping paper. Make sure to place a business card inside, along with a greeting card

Call in advance to find out if she is in the office. Don't do this if she's on vacation, out of town, or off sick. If you don't get a call back that day, follow up the very next morning.

Perhaps a lovely box of chocolates with a note indicating that you would like an opportunity to meet. No obligation.

No free lunches?
Send your prospect a boxed lunch (you need to be conservative or know what they like and also what they don't eat) . I

Make arrangements with an appropriate caterer or restaurant and pay by credit card so you have a record. Drop off a handwritten note to accompany the meal. Always say why you're writing and include a call to action.

Go Nuts
Go to the grocery store and buy a variety of nuts. Pack them in a nice big gift bag with ribbon and decoration. Include a note card that says...
You're a tough nut to crack.
Include your contact information and why you can help him/her. Then have a courier deliver the gift bag.

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Loyalty track: What's loyalty, from the customer's point of view?

Consumers across the board have a wide and varied range of responses to terms such as "loyalty scheme", "frequent shopper card", and "customer club". Some see a loyalty programme as an opportunity to get something for nothing - for buying what they were going to buy anyway - while others see a loyalty programme as a devious way for a company to get them to buy things they don't really need or want. In all markets and with all programmes, there will be both enthusiasm and suspicion when a new loyalty programme or customer club makes its first appearance.
Of course the key to gaining consumer acceptance and rapid adoption of a programme (and therefore greater customer and data acquisition) is to understand what the consumer really wants from the company, and then to use the data collected from them to better understand how to fulfil those needs. No loyalty programme should ever force customers to buy things they don't want or need. Instead, the programme should be structured to simply find out what customers really want, when they want it, and how they want it provided.

What consumers really want to be offered...
But the loyalty program is only one method in the marketer's toolkit, and providing consumers with the kind of interactions they want is also vital to maintaining a healthy, trusting, and long-lived customer relationship. In The Wise Marketer's recent online poll entitled 'Consumer attitudes to marketing techniques', on a scale of 1 (enthusiastic) to 4 (hate), consumers were found to be enthusiastic about discounts and cash rebates (60.3%), followed by personalised direct mail (24.1%), loyalty programmes (17.2%), coupons and traditional media advertising (6.9%), and online ads and e-mails (3.4%).

However, the balance changed significantly when the positive scores (1s and 2s) were combined, with consumers widely preferring discounting or cash rebates (94.8%), loyalty programmes (84.4%), coupons and traditional media ads (55.2%), Personalised direct mail (55.1%), and online ads and e-mail (31.0%).

What really makes consumers loyal to a brand...
When asked "What do you believe is the biggest driver of true consumer loyalty to specific brands?", marketing executives from around the world reported that the top four drivers of true consumer-brand loyalty are:

1. Satisfaction (51%);
2. Emotion (32%);
3. Usefulness (12%);
4. Pricing (5%).

So, when it comes to building true consumer loyalty to a specific brand, rather than building loyalty to a retailer or supplier, the poll showed that there is very little that can beat good, old-fashioned satisfaction with the product or service. However, emotional bonds with the brand are catching up in terms of overall importance to brand loyalty, while the product or service's usefulness and pricing appear to have very little effect on most consumers' choice of preferred brand. Interestingly, despite giving the poll's respondents the opportunity to vote for 'other' drivers of brand loyalty, no major drivers other than the four shown above were forthcoming.

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Creating a Winning Strategy

A major determinant in a brands long-term success is a solid marketing strategy.

This article will help address how firms can craft a winning marketing strategy for any product.

There are six independent variables (keys) that help determine the most cost-effective strategies for any business. Before you jump to a "solution," it's a good idea to spend a few minutes to ensure that you have thoroughly analysed your situation and understand each of the variables as they relate to your company and its objectives situation. Think of it as a mini situation analysis.
If you do a careful job in this review, you'll minimize the chances that you will spend hours—and a chunk of your marketing budget—implementing a flawed strategy.

1. Objective
The most important planning step is to be clear about what it is you want to accomplish. Is your goal to generate qualified leads? If so, how many and in what timeframe, and what is the value of the leads? Do you want to position your company so that it will be top of mind when new prospects are ready to buy? If so, what is it that you want them to remember about you? What is the "trigger" that will evoke your company name? What is the timeframe? And how will you know if you've accomplished the objective?

Your objective is the starting point and foundation of your marketing strategy. Take the time to make sure that you are starting out on the right foot. Don't sell yourself short at the start: Invest the time necessary to clearly spell out exactly what you want to accomplish.
Key action point: As with any business objective, it is important to be clear. An objective should be specific and measurable, with a timeframe and unambiguous success determinants that won't change or become arbitrary in a few months.

2. Industry/Sector/Category
Be clear about your target audience and competitive set. Most likely you compete with other firms that market what you market, but you probably also compete with some not-in-kind solutions and perhaps a do-it-yourself or status-quo solution. The right promotion for reaching a customer with a not-in-kind incumbent may be quite different from the one you would use when there is a directly competitive solution.

Take the time to do a SWOT (strengths, weaknesses, opportunities, and threats) analysis for your industry and sector. It will help you see where opportunities for growth lie, as well as what areas you need to protect against.

As with your objective, make sure that you invest the time necessary to understand the environment into which you are about to launch a product.

Key action point: Focus your marketing plans on the narrowest possible industry segment. It is always more cost-effective to do a great job of marketing to a niche audience than a mediocre job of marketing to a broad one. If you have multiple industry sectors in your target audience, consider splitting them into narrower slices and marketing to each with the most appropriate approach. Your marketing success increases when you pursue a more specific audience.

3. Target Segment
Within your industry segment, it is important to understand your specific target audience. Who are the decision-makers? What are their most important needs and considerations? Where do they typically learn about brands and options in your category? Are they actively seeking product alternatives, or are they loyal to an incumbent? How frequently do they purchase?
Once you understand who you are selling to and what their wants and needs are, you can tailor your marketing efforts to appeal to this group. Again, taking the time to do the necessary research is vital. If you don't have the correct target audience in mind, rushing to market can cause numerous problems later.

4. Geography
Many firms attempt to serve clients across a broad geographical span, even when they have an ample pool of prospects in their immediate vicinity. It's almost always an advantage to concentrate your efforts (and budget) in a limited geography before expanding to a wider market. Such an approach lets you test and refine your strategy at lower cost and helps you better understand your customer base.

Moreover, some marketing approaches work better in certain areas than others. Having a strategy that is exactly right on average could produce one that is exactly wrong in most places.
Key action point: Focus. Don't try to be all things to all people; concentrate on a specific area with the mindset that you can expand later if the market forces dictate. Also, it is often easier to spot and correct early marketing mistakes when your efforts are aimed at a smaller geographic area. Consider that different people in different areas have different wants and needs, while you may have local resources in place that are superior to those in other areas. Make sure that expansion is dictated by available resources and knowledge, not by a desire to spread before you are ready.

5. Position on the Product Life Cycle
Be sensitive to where your product (or company) falls on the lifecycle continuum, so that you approach the marketing decision in a context that will be most relevant to your target audience.
A good starting point might be to use this portfolio-management matrix created by the Boston Consulting Group:

The horizontal axis is relative market share: This serves as a measure of strength in the market. The vertical axis is market growth rate—This provides a measure of market attractiveness.
The four quadrants delineate four types of products/businesses:

1. Stars are high-growth businesses or products competing in markets in which they are relatively strong compared with the competition. They often need heavy investment to sustain their growth. Eventually, their growth will slow and, assuming they maintain their relative market share, they become "cash cows."

2. Cash cows are low-growth businesses or products with a relatively high market share. These are mature, successful businesses with relatively little need for investment. They need to be managed for continued profit—so that they continue to generate the strong cash flows that the company needs for its "stars."

3. Problem Child/Question marks are businesses or products with low market share but operate in higher-growth markets. This suggests that they have potential but may require a substantial investment to grow market share at the expense of more powerful competitors. Management has to think hard about "question marks"—which ones should they invest in? Which ones should they allow to fail or shrink? (This quadrant is often referred to as "problem children."

4. Dogs, not surprisingly, refers to businesses or products that have low relative share in unattractive, low-growth markets. Dogs may generate enough cash to break even, but they are rarely, if ever, worth investing in.

Key action point: Determine which quadrant best describes your product. If you have more than one product, place each in its appropriate quadrant and promote them separately. This makes your efforts more targeted, more effective, and ultimately more cost-efficient.

6. Time and Expertise Available to Manage
Some marketing tools are inexpensive but can be extremely time-consuming to manage. Others can be outsourced or "put on autopilot" yet can be very expensive.

As you consider your needs, objectives, and budget, identify how much time and energy you have, how important the project is, and whether you have the necessary expertise to do a good job. If you spend a week learning the ropes before implementation, you want to be sure that the time investment generates a payoff for your company and that you feel confident the time invested provides the expertise you need.

Key action point: It is often a cost-effective strategy to use outside experts to plan and implement a marketing effort the first time, and perhaps the second time, while you watch over their shoulder. Doing so lets you learn from them, and you can take over later when the specific approach has proven successful. If the strategy is not a big winner, at least you won't have spent a lot of your time reading books, listening to seminars, and experimenting with an unfamiliar tool.

Lessons Learned
Take the time to invest the time and money necessary to create and develop a solid marketing strategy for your product. Think of the marketing strategy as the foundation, if the strategy isn't solid, it won't be able to support the product after launch. Be careful not to skimp on your strategy in a rush to get the product to market. Corners cut at the initial phases will come back to bite you later down the road. Doing your homework upfront will give your new product a serious advantage and the winning marketing strategy it will need to be a success!

This article was excerpted by Mack Collier from MarketingProfs How-To Guide "Your Template for Creating Cost-Effective Marketing Strategies," authored by Michael Goodman.

Michael A. Goodman is a marketing/management consultant and author of the book The Potato Chip Difference: How to apply leading edge marketing strategies to landing the job you want. For more information, visit PotatoChipDifference.com.

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What's the Role of Marketing?

Philp Kotler defined Marketing as "the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others."
Peter Drucker gave a broader definition. "Marketing is not only much broader than selling, it is not a specialized activity at all It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise."

In October 2007, the American Marketing Association Board of Directors adopted a new definition of marketing, as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

These definitions epitomize a lot of current thinking on marketing, concentrating on customers and "added value". What is meant by "added value" is often never explained, and despite all the customer centric descriptions of marketing, its overlaying purpose seems to be forgotten.

The purpose of marketing in any organisation or business is to produce sustainable profitable revenue and nothing else. For many, marketing is still seen as an art not a science where marketing performance cannot be measured in any meaningful way. While this view is demonstrably wrong, the view still persists. Marketing performance is measured by results and those results must include the measurable contribution of the marketing effort to the business objectives and the production of sustainable profitable revenue. The marketing organisation generates sustainable revenue by anticipating and satisfying customer demand profitably. This is best summed up in the CIM's 1976 definition of Marketing as "the management process that identifies, anticipates and satisfies customer requirements profitably".

The CIM article shows that many marketers are still fixated on trying to define what they do and hopefully, some way of measuring it to justify the business expenditure.
In any business, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are primarily interested in only two things, the generation of sustainable profitable revenue and the necessary investment required to obtain it. The CEO's task is to maximize sustainable profits, while minimizing the use of assets and investment, while the CFO's task is to manage the financial resources to support the objectives of the corporate business plan.

The prime objective of the Chief Marketing Officer (CMO), is to maximize sustainable profitable revenue, while minimizing the use of marketing costs and investment. The CMO has the responsibility for achieving the corporate marketing objectives within the budget. Provided that the CMO achieves or exceeds the objectives within the budget, the way that the marketing function is conducted need not be questioned. Only if the targets are not reached, or the budget is exceeded, will actions and investment need to be justified with quantified data by the CMO.
The overall responsibility of converting profitable revenue into profit is the responsibility of the CEO and CFO, but not of the CMO. However it is the responsibility of the CMO to ensure that the profitable revenue is sustainable for the continuation of the business, and this can only be done by anticipating and satisfying customer demand.

Any business organisation consists of three elements, customers, shareholders and staff. If the business is to be successful, then the satisfaction of all three elements must be kept in balance, so that no element has priority over another. Shareholders want a share of the profit in return for their investment. Staff must be rewarded, for without them no profits can be made. Customers must be satisfied or there will be no revenue for profit. If there is no profit there is no business, which fails the shareholders who

lose their investment, fails the staff who lose their jobs and ultimately fails the customer, who loses the source of product or service.
The emphasis of marketing needs to be changed. Customer satisfaction is not the purpose of marketing. The purpose of marketing must be the generation of profitable revenue, by the satisfaction of customers.

"Not for profit" businesses tend to think that the current definitions of marketing do not fit their organisations. However, a "not for profit" business cannot exist without being profitable, if only to allow for the necessary investment and development, without which any business will die. Similarly, the marketing functions in Government departments do not generate their revenue, which is provided by the taxpayer. But the marketing organisations should ensure that the taxpayer gets value for money and it is therefore responsible for ensuring customer satisfaction through effective quality control of the service to demonstrate and justify the return on the taxpayer's investment.

Marketing actions do not take place in a vacuum. Satisfying customers does not in itself make a profit. Customers can easily be satisfied by providing free goods and services, but without profitable revenue there will soon be no business. The generation of profitable revenue is the purpose of marketing and for that reason any definition of marketing that ignores profit is incomplete, for it ignores the purpose of the action.

Some may regard it as heresy to say it, but Kotler, Drucker and others in their definitions of marketing, got the emphasis wrong. The CIM's current definition contains all the necessary elements that define the marketing function, but the emphasis should be changed to include the purpose of marketing within the business organisation.

"Marketing" encompasses all those activities which generate sustainable profitable revenue by anticipating and satisfying customer demand.

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Political Marketing

If the US electoral process was a consumer product, it would be a dreary failure. It results in a citizenry that is cynical about politics, distrustful of candidates, and apathetic on voting day. No wonder we form stronger ties to the brands we love than the candidates we vote for.

So what do consumer marketers know that political strategists don't? Harvard Business School professor John Quelch answers this question in a recent post, How Political Marketing Can Learn From Consumer Marketing.

Quelch notes that successful consumer branding campaigns require easy access to the product (we make it difficult to vote), a variety of product to choose from (most elections present only 2 options) and consistency of message (flip-flopper is now part of the political lexicon).
The good news, says Quelch, is that this year's presidential run seems different.

Citizen interest in this year's primaries is high because there is no obvious winner and genuinely different candidates are competing on both sides. The Internet has greatly increased the opportunity for non-establishment, underfunded candidates to develop viable grass-roots campaigns. Voter questions and candidate answers in town meetings are now the standard. In other words, this year's election process so far seems more open and democratic than ever.

What else can political candidates learn from the consumer marketing world? And what can consumer firms take away from this year's presidential campaigns?
See also: Clinton vs. Obama: Who Better Engages 'Customers'?

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Creating Advertising That Sells

Advertising can really make a tremendous difference to your business. An advertisement can help generate an increase in cash flow, but it can also have a negative impact on your business. Frightening, but true. This is why advertising seems such a mystery for many small business owners.

So what are some of the rules for successful advertising?
Get the message right
Know who your ideal customer is
Make sure your advertisement is seen
Make sure it is seen often
Give your advertising time to work, and then refine it.
Get the message right

It is important to summarise the essence of your message in one or two sentences. This is often known as the 'elevator pitch'. In other words, if you were in an elevator with your ideal customer, what would you say to them to interest them in your business?

Know who your ideal customer is

Make sure your advertisement is seen
This is the essence of this chapter. We are getting bombarded with various advertising messages every day. According to leading Australian media agency Mitchell & Partners, Australians are subject to some 1,500 commercial advertisements from mainstream media every week. According to consumer research company Yankelovich, in the United States this figure is actually between 3,500 and 5,000 marketing messages per day. This may seem a lot but consider the advertising messages and logos we see at the ATM, at the supermarket check-out, through paid-for product placement on our favourite TV show and in sponsored SMS messages on our phones. By now it is probably evident how much your message has to stand out in order to get through to your audience.

Make sure your message is seen often
This means how many times people hear, see or read your advertisement. In marketing terms it is called 'frequency'. The more exposure your advertisement has to your ideal customer, the better your chances of them noticing it. Often this means using a variety of advertising media, such as newspapers and radio.

Give it time to work

A long-term commitment to advertising, let's say over a period of six months, is more likely to have an impact than a short, sharp burst. There are several reasons for this. It takes today's average busy person time to notice your advertisement. Secondly, a longer advertising cycle can help demonstrate longevity of your business, which can result in trust. Finally, it should allow you to refine your message and where you advertise, based on feedback.

Some business owners wait until their business is in trouble to advertise, then only do so for a short period of time. Then they blame their advertising for the state of the business! The reality is that advertising can work if you do it well and give it time.

Writing your advertisements
Let's consider some ways to write the best possible advertisement and communication piece for your business. We will start with the most important part of any communication – the headline.

Writing headlines
The headline can be the singularly most important element of any selling message whether written or spoken. The headline is where you should begin your conversation with a customer. It is the first thing you should state when recording a television commercial, or when meeting people at your trade show booth display. The purpose of a headline is to grab your customer's attention. Your headline should target your customer with laser-like accuracy. One way to do this is by addressing your audience. For example, if you want to reach car owners, put the words 'car owners' in the headline. It should immediately and clearly tell the reader the essence of what you are trying to say in the body of your advertisement. The headline should offer the reader a big benefit right upfront. Every headline or opening statement should appeal to the customer's self-interest. If possible, try to add some educational or informational content as well.

How many words should a headline be? When crafting a headline remember two key rules:

- Ensure the headline is clear and clearly displayed
- Ensure the key points are positive and personally beneficial to the target audience. You want them to feel as though the ad is written especially with them in mind.

Marketer Jay Abraham says the two most valuable words you can ever use in the headline are 'free' and 'new'. Other terms you could include are how to, now, announcing, introducing, it is here, just arrived, an important announcement, improvement, amazing, sensation, remarkable, revolutionary, startling, miracle or miraculous, magic, offer, quick, easy, simple, powerful, wanted, challenge, advice, the truth about, compare, bargain, hurry, and…last chance.

Always incorporate your unique buying reason into your headline. And make that reason as specific, desirable and advantageous to the customer as you possibly can. People are usually looking to gain advantage. We want results, benefits, pleasure or value. We want to avoid pain, dissatisfaction, frustration, mediocrity and unpleasantness. Avoid headlines that don't mean anything unless you read the whole ad. If you don't attract the audience's attention immediately with your headline, they are not likely to pay attention to the rest of what you have to say.
Be specific. Being specific right up front provides the reader or viewer with context. They can start to visualise the result, and they are likely to want to hear, see or read more. Headlines should contain words that make you want to find out more. They should also be specific. 'We'll help you make more money in

30 days' is appealing, but by presenting a solution to a specific problem: 'We'll help you pay the rent', you are more likely to reach your target audience.

Explain how your customer can save, gain, or accomplish something beneficial through the use of your product. How could it affect his or her mental, physical, financial, social, emotional or spiritual stimulation, satisfaction, well-being or security? In short, good headlines spotlight the greatest 'benefit' you are offering a customer. Or, if you take a deliberately negative approach, they point out how the reader can avoid, 'reduce' or 'eliminate' risks, worries, losses, mistakes, embarrassment, drudgery, or some other undesirable condition by using your product or service. Whatever product or service you are selling, always, when constructing your headline or opening statement, try to remember this: Your customer is not buying a product or a service, they are buying a result. Always focus your headlines on the benefit or specific result your customer will receive from purchasing your product.

Use 'You'. To create a powerful headline, your message must convey benefits the customer can expect to receive. Your headline or message should not talk about 'we' or 'our' product, service or company. Each and every possible benefit or result must be written or expressed with the beneficiary's direct interests in mind. When you read a newspaper, you scan headlines to identify stories of interest to you.

Headlines should appeal to the audience's self-interest by highlighting a benefit. Here are some of the basics:

Could it save them time? Make them money? Could it make them more beautiful? Or healthy? Will it give them more kilometres per litre? Or a whiter wash? What will it do for them?

Don't worry about the length. Fourteen-word headlines get almost as much readership as three-word headlines. It is more important to get your message across than worry about the length of the headline.

Put news into the headline. The news can be an improvement of an old product, the announcement of a new product, or a new way to use an old product. We are always on the lookout for something 'new'. Something that will benefit us.

Never use headlines that are tricky, confusing or incomplete in their message. You are competing with a lot of other headlines in a newspaper or magazine. Most people are busy and read too fast to figure out what you are trying to say. They are likely to move on.
Never use headlines that need readership of the rest of the advertisement to be understood. You are likely to lose readers at that point. Most people are too busy and read too quickly to be bothered to keep on reading to find out what you are trying to say.

For the body of your ad, try to write in 8, 10 or 12 point type. Most of your reading is done in newspaper-size print. You will usually find that oversized-type does not pay. Double your size and you double your cost. If your story is interesting, people should read it in their usual type. If it is not, they are unlikely to read it in any size type.
Don't use capitals. Most of our day-to-day reading is done in upper and lower case type. We are used to that. Reading capitals can take time to adjust. You may lose readers that way. Follow the natural and usual format.

Non-specific claims don't count. Give actual facts and figures where you can. To say something is: 'The best in the world' or 'Nearly 7,000 have been sold' or 'Great service' is unlikely to make an impression. People can't relate to non-specific claims and may lose respect for you for perceived exaggeration.

Factual and accurate statements such as: 'People from 38 countries have tested our product' or '6,586 have been sold' or 'You'll have it delivered in 4 hours or it is free' are more specific and therefore more likely to be believable. It is very important to remember whenever you are making any claims or statements (whether in headlines or elsewhere) that they are factually true and accurate. Here are some of the basics:

If you demonstrate your factual research by saying: 'Our product will last up to 37% longer than similar products', people will realise you have made comparisons and may be more likely to trust your offer. Remember you need to have evidence to back up these types of claims!

Prevention does not sell effectively. Cure does. Often we will wait for a problem to exist before we solve it, but as soon as a problem exists, we look for a solution. Focus on solutions.
Learn which headline most appeals to your target customers. You can dramatically improve the results of your ad by changing your headline. A headline can act as a flashing light with a person's name on it. You select what you read by headlines. So it is in ads. You must always measure what effect a change in headline has on your results.

Don't rely on your own judgement and experience in advertising – especially when it comes to headlines. Test everything you do with your specific audience. Your audience is likely to see the headline differently so, as with new products, prices and guarantees, test your headline with the target audience.

Writing effective letters and sales copy
Once you have constructed a compelling headline, you must structure the copy, or the body of your letter or ad. This is where you write a story describing your business in the way a customer will want to experience it.

So what is it that you are trying to say? If it is your Yellow Pages ad, you need to let the client know precisely why you are better than your competition. Tell them all the things you do that your competitors don't.

Tell them about your extra service, your guarantee, and your friendly staff. Be sure that the copy clearly communicates how and why your company is better for them. Always be specific and honest (keeping in mind your legal obligations). For example, don't say: 'We serve you better than anyone else.' That's not specific. You should say: 'We will provide an obligation-free quote', 'We will respond to your request within 24 hours' or 'We will deliver your goods within five working days or delivery is free.'

You should write your ad the way you speak. Don't make it cumbersome and wordy. Just write it like you say it. If it sounds too 'sales-like' it is less likely to appeal. You want to be clear, precise and customer friendly.
Use testimonials in your sales copy. This is a simple but powerful tool that can dramatically increase your response rate. Ask your current satisfied customers to say what they think about your product or service. Ask them to explain what their need was and how it has been met. For example, they might say: "Before I found Jane I had no idea about marketing my business. I ran ads but just wasn't getting the response I thought I would. But Jane showed me how to implement just a couple of simple changes, and my profits have tripled in two months – that's an extra $10,000! I'm really looking forward to using more of her strategies."

Provide an 1800 or 1300 number or a recorded message service. Some customers may be more likely to contact you if you provide a free mechanism for them to do so. Some customers prefer not to deal with anyone directly, so may also be more open to leaving their details on a recorded message.

Include coupons in your sales copy. A coupon customers can tear off or cut out and put in their pocket or purse can act as a prompt. Instead of a customer reading an ad and forgetting it as soon as they move on to the next, the coupon can act as a reminder to purchase.
Make a timed offer. This is important and should be considered as part of all your letters and ads. Just like the coupon it gives a 'call to action' but a deadline can be more effective because, generally, people don't like to miss out. A deadline can be a very effective tool for increasing an ad's response rate, and it can also help you keep a control of budget. It may be difficult to plan your budget if you are still providing a discount from an ad you ran two years earlier.
Make it a limited supply. Again it forces the reader to 'act now.' This works in the same way as the timed offer because there is a chance that you will miss out if you don't do something about it right away. And this is another way of managing the financial impacts of your campaign. Just make sure there is enough supply to satisfy reasonable demand.

Use trial offers. This can be a very powerful tool. We don't like to feel at risk, particularly when buying something new. For low-cost products such as food, beverages and high-repeat sale items, a free sample can be very encouraging. For larger items, a free trial or an inspection period might be preferred.

Slogans
A slogan is your Unique Buying Reason (UBR) in action. Slogans should be an extension of your UBR and not be in conflict with it. Slogans can also change over time as a business develops. Below are some guidelines to assist in the development of a slogan for your business.

1. Decide on your objective. Is it to:
Build company awareness?
Create customer loyalty?
Create controversy?
Establish credibility?
Re-position the business?

2. Develop a list of key words and phrases that are aligned to your objective. For example, if you were looking to develop a slogan around credibility and experience, you may choose words and phrases like:

30 years in business
Strong, stable management
Reputation
Proven
Track record
Prestige.

Consider where the slogan will be used. This can help determine how long it should be, whether it needs a logo to accompany it, choices of colour and even style of writing. If you are going to use it across different mediums, make sure it works well (some things that work on TV, don't translate on radio). Consider some of the following mediums:

Letterhead

Website
Business cards
Telephone messages
Retail packaging
Order forms
Advertising.

Be creative – remember, you need to stand out.

Seek legal advice to ensure your brand is protected and that you are in fact able to use it. You may need to register an internet domain name of your slogan to protect it online, for example.
Test your slogan before final implementation. Remember your customer may have a different perspective to you as the business owner. Make sure you test it with a sample group.
Some examples of slogans are listed below to inspire you:

We Try Harder – Avis
Just Do It – Nike
This Buds for You – Budweiser
When it absolutely, positively, has to be there in the morning – FedEx
It's The Real Thing – Coca Cola
Zoom, Zoom, Zoom – Mazda
The Spirit of Australia – Qantas.

Testing techniques
Testing alternative headlines, format and copy can keep your advertising fresh, while testing alternative media channels can help you identify the best method of reaching your audience. Try testing different:

• Ways of saying the same thing
Publications, radio time slots or channels
Mailing lists
Price points
Copy and headlines
Direct-mail pieces

Guarantees and offers.
If you are testing your advertising and have more than one advertisement running at the same time, it is vital that you are able to identify where a lead is originating. You can do this in different ways, including:
Using a coded coupon to help identify which ad it came from
Asking the customer where they heard/saw your ad

Using different contact points for each ad. You can count the number of responses generated by each ad. 1800 and 1300 phone numbers can work well in these situations. SMS responses can also be monitored in the same way email responses can.

You should keep a clear record of all results. Even if you don't use them now, you may find them useful next time you are planning an advertising campaign.
Test as many things as possible in the smallest possible arena before you risk a big part of your advertising budget on one expensive marketing approach to a large audience. Why guess what the

customer will like, or what price they are willing to pay, when the customer could be willing and even eager to tell you the answer?

The same approach for testing applies to all forms of advertising. Why run five 60-second TV commercials each day saying something only one way, when another presentation of the same message might attract more customers? If TV is part of your advertising approach, test whether showing your product or service in use makes a difference. Your 60-second ad at a given time is going to cost the same whether it is seen by 10 customers or 110 customers, so is it not worth your while to test it?

If you engage an advertising agency, you should ensure they understand your objectives loud and clear. Advertising that sells – that's the creative attitude business owners want, and if you are using an agency it is the attitude you should demand. In reality, most small business owners will not be using an advertising agency. However, you may need the services of a graphic design agency and a professional copywriter from time to time. Following are some ideas on how best to work with a design business or copywriter.

When to use a graphic designer

Any business that wants to differentiate itself in a highly competitive market, should consider employing the skills of an experienced designer. Consider this: you would not choose to fix your own teeth, you would see a dentist. Likewise, a business has a far greater chance of visual success and branding if they engage a designer, than trying to do this for themselves.

One of the main benefits is that a designer is a trained creative professional – providing visual designs to suit all kinds of commercial operations. For a small business, a graphic designer can provide an objective opinion. They should be able to analyse the visual needs of the business and provide a holistic solution. An experienced design company should provide a solution that suits a start-up operation – both in scope of the project and budget – and is capable of flexibility and evolution over a period of time.

The design should allow enough flexibility for a very small, single person entity to evolve into a multinational organisation if the case should be. A small business' need for visual representation can depend on who their target market is. A commercial printing supplier will need something very different to a fashion retailer. The fashion retailer will be more likely to rely on a visual, well-represented, branded environment for its customers than the printing supplier who may not service customers on its premises. This may start out as a simple logo, stationery requirements and a basic website, and grow over time to have added elements (signage, brochures, direct mail, etc). A professional designer should have the skills to take your project from start to finish. They should be able to deliver artwork that's ready for printing, or ready for use in multimedia applications, or on a website.

What makes a good brief?

When engaging a third party such as an advertising agency, graphic designer or copywriter, you should write a brief, or an outline of your expectations. A good brief is often a result of good preparation. Ask yourself:

What do I need?
What is my business plan/budget?
What are my business goals?
Who is my target market?
What are my expectations?
What is my timeline?
How will I measure the results?

Is my business serious? Quirky? Mass market? Niche?
Do I deal with other corporate clients, or do I have one-off customers with no particular loyalty?
Do I need to look slick? Rough? Intelligent? Handcrafted or elegant?
Do I have direct competitors to differentiate myself from?

You may provide a very structured brief following a standardised template, or you may prefer a verbal discussion, with the designer taking notes and asking questions. Every graphic designer will have a different slant on what is a ‘good’ brief. The basics, though, should include concise clear instructions, allowance for input and creativity from the designer, manageable timelines and budget, and a client willing to listen and work in a cumulative manner. Designers don’t have sole rights on having creative thoughts – often the best work results from a client–designer relationship that encourages discussion and input from both sides.

The elements that make up good design
Every graphic designer is likely to have a different opinion on this, just as every person has an individual idea of what is a ‘good’ colour, or what is a ‘good’ car to buy – it is a very subjective topic. However, there are some fundamental design principles that can be used to test a ‘good’ design:

Visual appeal
The design should be clear regardless of the complexity of the business. It may be colourful and chaotic, yet should still have an underlying sense of clarity and flow. It may have a witty or unique idea, or be confronting and anxious in some manner, but should make sense to the customer.

Legibility
Is your business appealing to the 15–25 age group where the funkier, edgier graphics, work best? Or is your business appealing to a broad market between the ages of 20–60+ where you don’t want to alienate anyone? What level of visual literacy does your audience have? The ability to have your message read, either in a literal sense or a non-verbal sense, is the prime motivation for design in the first place, so make sure it is legible.

Typography
A skilled designer deals with the placement of text, choice of font, scaling, proportion, readability and hierarchy of information. There is a myriad of typefaces available today. Some businesses will require a font with flexibility, one they can use for many years without becoming tired. Some will use a contemporary, funky font and update it within a few years. One of the important points to consider is whether you will need a PC version of the font. Designers for the most part use Postscript fonts on Apple Macintosh computers. It is possible to buy a TrueType version of most Postscript fonts, and this is an item that you should consider budgeting for so you can maintain consistency in the look and feel of all correspondence you produce.

Colour schemes
Research has demonstrated the psychological impact of colour. Getting it right for the client and the design is a crucial part. Try not to impose your own subjective opinions – while it is important that you like your brand and business look, it is more important your customer likes it. If you are paying a graphic designer, give them an opportunity to show you what works and why before you discount a particular shade. Sometimes budget restrictions can impact your options. An experienced designer should sort through this and come up with the right solution.

Logo design

It is important to ensure your standard logo design works in a variety of forms, whether a very small, black and white (mono) representation on an envelope or a full colour representation on the side of a building. A logo that's great in full colour, but does not work in a simple one colour version, is a logo of limited usage.

Functionality

This applies particularly to 3D items such as packaging, and also to websites. Does the finished design suit the brief and application it is intended for? Can you navigate the website in a logical manner?

Working with a design agency

Allocating a budget can be a difficult task. Not all design studios will charge the same amount. There are many levels of approach a studio can take to answer the same brief for the same client. So, how do you work out a formula? Some businesses will meet with three design studios and go through a folio presentation, assessment of needs, quotation submission, and make a decision based on the bottom line. Other businesses will ask for word-of-mouth recommendations from their colleagues, and will then engage a design studio based on their reputation. They may also ask for guidance from other businesses about what they paid for their identity, collateral, and so on, and base their budget on this. Most design studios will determine how long they think a project will take (based on the brief provided) and will apply an hourly rate. They might also add some fees to cover additional items such as materials, printing, and project management.

When allocating a budget, try to be realistic with your expectations. It is better to be up front, especially as a start-up business, and explain to the design studio that you only have a certain amount to spend, and to ask them what they can do for that amount. You can then add to it over time, as the business can afford to spend more.

Here is an example of what to include in a brief:

Business name:

Campaign name

Client contact:

Budget:

Product/service/brand name
What is the objective?

Ideal target market
What do they think about us now?

What do we want them to think about us?

How will we do this?

By saying what?

What allows us to say this? Research etc

Preferred media

Regulatory issues

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Distortions, Misconceptions, and Biases, in Strategy Creation

Strategic decisions are never simple to make, and they sometimes go wrong because of human shortcomings. Behavioural economics teaches us that a host of universal human biases, such as overoptimism about the likelihood of success, can affect strategic decisions. Such decisions are also vulnerable to what economists call the "principal-agent problem": when the incentives of certain employees are misaligned with the interests of their firms, they tend to look out for themselves in deceptive ways.

Most firms know about these pitfalls. Yet few realize that principal-agent problems often compound cognitive imperfections to form intertwined and harmful patterns of distortion and deception throughout the organisation. Two distinct approaches can help firms come to grips with these patterns. First, managers can become more aware of how biases can affect their own decision making and then endeavour to counter those biases. Second, firms can better avoid distortions and deceptions by reviewing the way they make decisions and embedding safeguards into their formal decision-making processes and corporate culture.

Distortions and deceptions
Errors in strategic decision making can arise from the cognitive biases we all have as human beings.1 These biases, which distort the way people collect and process information, can also arise from interactions in organisational settings, where judgment may be coloured by self-interest that leads employees to perpetrate more or less conscious deceptions.

Of all the documented cognitive distortions, overoptimism and loss aversion (the human tendency to experience losses more acutely than gains) are the most likely to lead people who make strategic decisions astray, because decisions with an element of risk—all strategic ones—have two essential components. The first is a judgment about the likelihood of a given outcome, the second a value or utility placed on it.

When judging the likelihood of potentially positive outcomes, human beings have an overwhelming tendency to be overoptimistic or overconfident: they think that the future will be great, especially for them. Almost all of us believe ourselves to be in the top 20 percent of the population when it comes to driving, pleasing a partner, or managing a business. In the making of strategic decisions, optimism not only generates unrealistic forecasts but also leads managers to underestimate future challenges more subtly—for instance, by ignoring the risk of a clash between corporate cultures after a merger.

When probabilities are based on repeated events and can therefore often be well defined, optimism is less of a factor. But loss aversion is still a concern. Research shows that if a 50–50 gamble could cost the gambler $1,000, most people, given an objective assessment of the odds, would demand an upside of $2,000 to $2,500.2 Overoptimism affects judgments of probability and tends to produce over-commitment. Loss aversion influences outcome preferences and leads to inaction and under-commitment. But the fact that overoptimism and loss aversion represent opposing tendencies doesn't mean that they always counteract each other.

Overoptimism and loss aversion, though opposing tendencies, don't always counteract each other

Loss aversion wouldn't have such a large effect on decisions made in times of uncertainty if people viewed each gamble not in isolation but as one of many taken during their own lives or the life of an organisation. But executives, like all of us, tend to evaluate every option as a change from a reference point—usually the status quo—not as one of many possibilities for gains and losses over time across the organisation. From the latter perspective, it makes sense to take more risks. Most of the phenomena commonly grouped under the label of risk aversion actually reflect loss aversion, for if we integrated most gambles into a broader set, we would end up risk neutral for all but the largest risks. This truth has important implications for strategic decision making.

The strategic decisions that firms make result from interactions among their executives: a manager proposes an investment, for example, and an executive committee reviews and evaluates it. In this kind of setting, a conflict of interest often arises between an "agent" (in this case, the manager) and the "principal" (the corporation) on whose behalf the agent acts.3 Such "agency problems," which occur when the agent's incentives aren't perfectly aligned with the principal's interests, can lead to more or less intentional deceptions—misleading information provided to others—that compound the problem of the agent's unintentional distortions. Recall the CEO who was grappling with the big merger decision: trusting the protégé (the head of the largest division) exposed the CEO to the risk that the merger's proponent was not only overoptimistic but also attempting to further his own career by exaggerating the deal's upside or underestimating its risks.

When firms evaluate strategic decisions, three conditions frequently create agency problems. One is the misalignment of time horizons between individuals and corporations. Several consumer goods firms, for example, have noted that brand managers who rotate quickly in and out of their jobs tend to favour initiatives (such as introducing new product variants) with a short-term payback. These managers' deception, intentional or not, is to advance only certain projects—those aligned with their interests. The development of radically new products or other important projects with longer payback times can rarely succeed without a senior sponsor who is likely to be around longer.

Another problem that can generate harmful deceptions is the differing risk profiles of individuals and organisations. This asymmetry between results based on action and inaction is called the "omission bias," and here it magnified the executive's loss aversion.

The final agency issue arises from the likelihood that a subordinate knows much more than a superior does about a given issue. Higher-ranking executives must therefore make judgments about not just the merits of a proposal but also their trust in the person advancing it. This is unavoidable and usually acceptable: after all, what more important decision do CEOs make than choosing their closest associates? The tendency, however, is to rely too much on signals based on a person's reputation when they are least likely to be predictive: novel, uncertain environments such as that of the multinational that went ahead with the megamerger. We call the tendency to place too much weight on a person's reputation—and thus increase the exposure to deception—the "champion bias."

We also have an element called "sunflower management": the inclination of people in organisations to align themselves with the leader's real or assumed viewpoint. In effect, misleading by suppressing what they really think about something.

Improving individual decisions
Knowing that human nature may lead decision making astray, wise executives can use this insight to fortify their judgment when they make important decisions. To do so, however, they must know which bias is most likely to affect the decision at hand.
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In general, the key to reducing overoptimism is to improve the learning environment by generating frequent, rapid, and unambiguous feedback. In the absence of such an environment—for instance, when firms face rare and unusual decisions, which, unfortunately, are the most important ones—there is a bias toward optimistic judgments of the odds. The size of a decision determines the appropriate degree of risk aversion. For major ones, a certain amount of it makes sense—nobody wants to bet the farm. For smaller ones, it doesn't, though it often prevails for reasons we'll soon explore. Firms should see minor decisions as part of a long-term, diversified (and thus risk-mitigating) strategy.

Firms don't always rationally factor risk into their decisions. In the large, infrequent ones (for instance, the industry-transforming merger that went horribly wrong) represented in the exhibit's upper-left quadrant there is a tendency to take an overly optimistic view. In essence, faulty judgments lead executives to take risks they would have avoided if they had had an accurate judgment of the odds. Since executives facing such a rare decision can't benefit from their own experience, they should learn from the experience of other firms by collecting case studies of similar decisions to provide a class of reference cases for comparison.

Conversely, excessive risk aversion is usually the dominant bias in the small but common decisions shown in the exhibit's lower-right quadrant: good learning environments temper optimism, and the human reluctance to bet—unless the potential gains are much bigger than the losses—comes to the fore. A key factor in such cases is the tendency of firms not to see individual projects within a stream or pool of similar undertakings. If firms did so, they would move closer to risk neutrality. Instead they tend to evaluate projects in isolation, which leads them to emphasize a single project's outcome and thus to fear the losses. A complicating factor, as we have already noted, is the possibility that the decision maker expects to be blamed if an investment fails and thus has a more risk-averse attitude than might be rational for a company, which can pool comparable investments into an attractive risk-mitigating portfolio. Senior executives sometimes fail to compensate for this bias, as they could by encouraging a higher degree of risk taking in minor decisions, which are often made in lower levels of the corporate hierarchy.

The remaining two cases in the exhibit are relatively unproblematic. In large, frequent decisions—for example, a private equity firm's deliberations about a new investment or the construction of a new plant using existing technology—a significant degree of risk aversion is sensible and the frequency of the endeavours offers ample learning opportunities. In small, rare decisions optimism and loss aversion may counteract each other, and by definition this class of decision is comparatively unimportant.

Better decision making

Organisations don't all suffer equally from distortions and deceptions; some are better at using tools and techniques to limit their impact and at creating a culture of constructive debate and healthy decision making. Corporate leaders can improve an organisation's decision-making ability by identifying the prevalent biases and using the relevant tools to shape a productive decision-making culture.

Identifying the problems

Corporate leaders should first consider which decisions are truly strategic, as well as when and where they are made. Applying process safeguards to key meetings in formal strategic-planning exercises is tempting but not necessarily appropriate. Often the real strategic decision making takes place in other forums, such as R&D committees or brand reviews.

After targeting the crucial decision-making processes, executives should examine them with two goals in mind: determining the company's exposure to human error and pinpointing the real problems. A decision-making safeguard that is useful in one setting could be counterproductive in another—say, because it reinforces a high level of risk aversion by enforcing hard targets for new projects. An objective analysis of past decisions can be a first step: does the company often make overoptimistic projections, for example?

Once firms undertake this diagnostic process, they can introduce tools that limit the risk of distortions and deceptions. One way of tempering optimism is to track the expectations of individuals against actual outcomes in order to examine the processes (such as sales forecasts) that underlie strategic decisions. Firms should review these processes if forecasts and results differ significantly. They can also provide feedback where necessary and show clearly that they remember forecasts, reward realism, and frown on overoptimism.

An objective analysis of past decisions can be a first step: for example, does the company make many overoptimistic projections?

A more resource-intensive way of avoiding overoptimistic decisions is to supplement an initial assessment with an independent second opinion. Many firms try to do so by assigning important decisions to committees—for instance, the investment committees of investment firms. If the members have the time and willingness to challenge proposals this approach is effective, but committees depend on the facts brought before them. Some private equity firms address that problem by systematically taking a fresh look: after a partner has supervised a company for a few years, a different partner evaluates it anew. A fresh pair of eyes with no emotional connections can sometimes see things that escape the notice of more knowledgeable colleagues.

Loss aversion, magnified by career-motivated self-censorship of "risky" proposals, has its roots in explicit and implicit organisational incentives. Lower-level managers typically encounter more but smaller risks, so organisations can embed a higher tolerance for them in certain systems—for instance, by using different criteria for the financial analysis of larger and smaller projects.

Financial incentives also can be used to counter distortions and related principal-agent problems. Many firms, for example, find that operating-unit managers tend to optimize short-term performance at the expense of long-term corporate health, partly because their compensation is tied to the former and partly because they might well have moved on by the time long-term decisions bear fruit. Some firms address this problem through "balanced scorecards" that take both dimensions into account. Others tie compensation to the performance of an executive's current and previous business units.

Another technique is to request that managers show more of their cards: some firms, for instance, demand that investment recommendations include alternatives, or "next-best" ideas. This approach is useful not only to calibrate the level of a manager's risk aversion but also to spot opportunities that a manager might otherwise consider insufficiently safe to present to senior management.

Finally, the radical way of counteracting the loss aversion of managers is to take risk out of their hands by creating internal venture funds for risky but worthwhile projects or by sheltering such projects in separate organisations, such as those IBM sets up to pursue "emerging business opportunities." The advantage is that norms can change much more easily in small groups than in firms.

Fostering a culture of debate

It is essential to realize that these tools are just tools. Their effectiveness ultimately depends on the quality of the resulting discussions, which can't be effective unless the organisation has a culture of reasonably open and objective debate.

Shaping such a culture starts at the top. One way to initiate a culture of constructive debate is for the CEO and the top team to reflect collectively on past decisions. A willingness to ask how they emerged—in effect, holding a conversation about conversations—shows that the company can learn from its mistakes.

Another prerequisite of good strategic decision making is the ability to "frame" conversations in order to ensure that the right questions get asked and answered. One key principle, for instance, is clearly distinguishing a discussion meant to reach a decision from one meant to align the team, to increase its commitment, or to support a project champion. This elementary but often overlooked distinction may also change the composition of the group that attends discussions intended to reach decisions.

Once it becomes clear that a meeting has been called to reach a decision, framing the discussion involves understanding the criteria for reaching it and knowing how far the range of options can be expanded, especially if the decision is important and unusual. Thus a well-framed debate includes a set of proposed criteria for making the decision and, when appropriate, an effort to demonstrate their relevance by providing examples and analogies. Some firms also set ground rules, such as the order in which participants voice their opinions or a ban on purely anecdotal arguments or on arguments that invoke a person's reputation rather than the facts.

Firms can't afford to ignore the human factor in the making of strategic decisions. They can greatly improve their chances of making good ones by becoming more aware of the way cognitive biases can mislead them, by reviewing their decision-making processes, and by establishing a culture of constructive debate.

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