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Okay, all fine and good to understand the basic concept of vision. But there is a big difference between being an organisation with a vision statement and becoming an actual, truly visionary firm. The difference lies in implementing an alignment to know and use an organization's core values, to reinforce its purpose, and to stimulate continued progress towards its aspirations.

The founders of most great organisations usually did not have a vision statement when they started out. They usually began with a set of strong personal core values and a relentless drive for progress and had—most important—a remarkable ability to translate these into concrete mechanisms.

What really sets them apart was the ability of its leadership over the years to create mechanisms that bring these principles to life and translate them into action and to keep them front of mind

Brian Monger

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## Quotations

The lips of wisdom are closed except to the ears of understanding.

You miss 100% of the shots you don't take. - Wayne Gretzky

The great enemy of truth is very often not the lie---deliberate, contrived and dishonest---but the myth-persistent, persuasive and unrealistic.....we enjoy the comfort of opinion without the discomfort of thought.- John F. Kennedy.

"The floggings will continue till morale improves!"

Don't spend your time trying to "fit in" when you were born to "stand out".

All tyranny needs to gain a foothold is for people of good conscience to remain silent. -- Thomas Jefferson

The consumer makes the label - then the designer makes the badge. - Fred Page

A company's primary responsibility is to serve its customers. Profit is not the primary goal, but rather an essential condition for the company's continued existence.- Peter Drucker

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## From the Media

### Google acquires Slide to boost social media capability

According to TechCrunch, Google agreed to pay US\$182 million to acquire Slide plus US\$46 million extra in employee retention bonuses, bringing the total investment up to \$228 million.

In 2007 Slide was the largest Facebook app supporter with big hits including Top Friends and SuperPoke.

The digital industry assumes Slide will help Google boost its current business direction towards stronger social media capability. Despite pulling the plug on social networking service Google Wave last week, the company is still rumoured to be working on social media platform Google Me.

## Google to begin selling keyword ads for brands in europe

Google will begin allowing advertisers to purchase keyword ads in most of Europe, following a decision from the European Court of Justice earlier this year that said the practice did not violate trademark laws, The New York Times reported.

Brands including luxury goods firm LVMH had complained that any retailer could bid on keywords for trademarks like "Louis Vuitton" that would show up when a user searches on Google for their products. However, the European Court disagreed, and its decision takes effect on Sept. 14.

## Mobile and the emerging markets

The 2008 milestone that saw mobile Web access exceed desktop computer based access for the first time was hugely significant internationally. Now, mobile subscribers exceed 4 billion. This is particularly notable in a large number of emerging market economies where the adoption of hand held devices for communication has vastly surpassed the adoption of other technologies.

## Roy Morgan – Australian consumer confidence virtually unchanged at 124.2

Consumer Confidence is virtually unchanged at 124.2 (up 0.1 points) according to the weekly Roy Morgan Consumer Confidence Rating conducted on the weekend of July 31/ August 1, 2010. Weekly Consumer Confidence is 8.0pts higher than a year ago, August 1/2, 2009 (116.2).

In the long-term, 45% (up 4%) of Australians expect Australia to have 'good times' economically over the next five years compared to 11% (down 1%) that expect 'bad times' economically.

Now 41% (unchanged) of Australians expect their family to be 'better off financially' this time next year compared to 15% (unchanged) that expect their family to be 'worse off.'

In terms of the economy as a whole 40% (down 1%) say that Australia as a whole will have 'good times' financially during the next 12 months compared to 17% (down 1%) that say we'll have 'bad times' financially in the next 12 months.

<http://www.roymorgan.com.au/>

## Australian business confidence falls to 14-month low

Australian business confidence slipped in July to the lowest level in more than a year, adding to signs higher interest rates are eroding domestic demand and driving the local dollar down by the most in almost two weeks.

The confidence index halved from June to 2 points, according to a National Australia Bank Ltd. survey of more than 400 companies between July 26 and July 30, and released in Sydney today.

Business sentiment has waned for a fifth straight month, particularly among companies not tied to the mining boom, underscoring the two-speed nature of the nation's economy where retail sales, dwelling construction and lending have weakened. Central bank Governor Glenn Stevens kept the benchmark rate unchanged last week for a third month, on the weakest inflation in three years, after boosting borrowing costs six times between October and May.

"The prospects for domestic demand in the second half of 2010 have weakened significantly," said Alan Oster, chief economist at National Australia in Melbourne. Slower economic growth "will need to be watched and in this environment inflation in the September quarter is unlikely to provide a 'November trigger'" for an interest rate increase, he said.

### **ABC launches brand campaign**

The ABC network is rolling out its first ever brand campaign which positions the network as a contemporary multi-media company.

The "Enter" campaign, created by Moon Communications, will go live tomorrow with TV, outdoor and online executions. "The ads portray the ABC as a much wider brand - incorporating four TV channels, as well as numerous radio stations, online offerings and ABC shops - which is contemporary and accessible." Nielsen.

### **Google, Verizon outline internet policy proposal**

Google CEO Eric Schmidt and Verizon CEO Ivan Seidenberg have laid out a "joint policy proposal" that would provide guidelines for how information and Internet traffic should be handled over wireless and wireline networks.

Google published the terms of the Google-Verizon agreement in a blog post titled "A Joint Policy for an Open Internet."

Their plan, which does not treat wireless and wireline networks equally and has been accused of having a "giant, enormous, science-fiction-quality" loophole, includes seven key elements, detailed in the slideshow below:

### **Australians trade up to premium drinks**

Australian consumers are trading up to more expensive beverages, but overall consumption remains flat.

The shift has followed a steady stream of premium product launches over the past five years.

The report revealed that average per capita spending on beverages, defined as beer, spirits, wine, milk, coffee and cordial, rose from \$918 in 2005 to \$1028 in 2008 and \$1066 last year.

But, per capita consumption is down from an average 449 litres in 2005 to 432 in 2008, rising slightly to 434 last year.

The data in the report covers sales in supermarkets, convenience stores, liquor stores, hotels and clubs. It estimated that the beverage market turned over \$22.7 billion last year, up 5.6% from \$21.5 billion in 2008.

In terms of volume, coffee and tea account for the largest portion of sales, with 33.5%. Alcoholic beverages is next at 19.6%, followed by soft drinks (16.8%), milk (15.1%), juice (5.8%), cordial (4.5%), natural still water (2.9%) and so-called "new-age" beverages (1.8%).

New-age beverages included water with added vitamins and energy drinks such as Red Bull. Nielsen said products launched over the past four years generated total sales of \$4 billion.

Nielsen

## Unilever follows you home via GPS

In a high-tech twist on promotional prizes, Unilever's Omo detergent will hide GPS devices in 50 two-pound boxes for Brazilian consumers to buy and take home. The campaign seeks to boost sales of a new stain-fighting version of Omo. It also has elicited privacy concerns from online readers.

The tracking devices are activated when shoppers lift the boxes from the supermarket shelf, and Omo's agency Bullet – who came up with the innovative promotion – can then track buyers to their doorstep. Each "winner" will be given a pocket-size video camera and invited to an all-expenses-paid day of Unilever-sponsored family fun.

The fifty boxes are spread around Brazil in 35 cities and according to Fernando Figueiredo, Bullet's president, "the nearest team can reach the shopper's home "within hours or days," and if they're really close by, "they may get to your house as soon as you do." If a box is tracked to an apartment building, the device enables the team to go floor by floor in search of the unwitting consumer.

A dedicated website, [experimentealgonovo.com.br](http://experimentealgonovo.com.br) (Portuguese for "try something new") launches in August and will post photos of the winners, their locations, (approximately), and video of the Bullet-Omo teams in pursuit – arriving at unsuspecting consumer's doors.

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

## Demand for marketing executives remains flat

Demand for marketing executives remained almost flat during July, outperforming four other professional markets.

The E.L Index, a monthly analysis of employment trends among the finance, IT, management, marketing and engineering sectors, revealed that job ads for marketing executives fell by just 1%.

## Inspirations Paint & Colour launches campaign

Specialist paint store chain Inspirations Paint & Colour has launched a \$10,000 consumer promotion called 'Colour Your World'. The campaign has been created by Smart to encourage consumers to join the Inspirations Facebook page. Inspirations will also run a campaign on [realestate.com.au](http://realestate.com.au) with animated ads to support the promotion. The Facebook activity is part of wider TV, radio and print activity.

## GlaxoSmithKline launch iPhone app

GlaxoSmithKline has launched an iPhone app for its Children's Panadol brand. The app developed by the Device Digital division of MIA International, targets new mothers by providing a "dosage calculator", which provides information on the correct dosage of Children's Panadol depending on a child's weight and age. The app also has a selection of soothing songs to calm babies, as well as a "Breastfeeding Tracker" which allows mothers to track when they have been breastfeeding their child. The concept behind the app was thought up by Ogilvy & Mather.

## Yahoo Opens Global Media Contest

Yahoo has confirmed launching a global review of its media chores and said the primary incumbents have been invited to participate.

WPP Group's Mindshare handles traditional duties, while digital chores are with sibling shop Neo@Ogilvy. A Yahoo representative said both shops have been asked to defend, but the process is at the start and no contenders have been selected.

Yahoo spent about \$35 million last year in domestic media, per Nielsen, and its annual global outlay likely tops \$100 million.

Adweek

## JB Hi-Fi reports good result

Electronics retailer JB Hi-Fi Ltd has reported a 26 per cent increase in full-year profit, and says it expects to grow sales by 17 per cent in the current year.

JB Hi-Fi reported net profit in 2009/10 of \$118.7 million, up from \$94.438 million in 2008/09.

"The company expects sales in FY11 to be circa \$3.2 billion, a 17 per cent increase on the prior financial year."

The company said sales growth had been lifted by computers, telecommunications, accessories and audio visual goods.

Inside Retailing Online

## Eftpos sales slip in NZ

The value of transactions using electronic cards in retail industries in New Zealand fell a seasonably adjusted 0.1 per cent in July from June, mainly due to a 3.1 per cent fall in fuel sales.

Figures from Statistics New Zealand (SNZ) on Tuesday show that when vehicle-related industries were excluded, the value of core retail transactions using electronic cards rose a seasonally adjusted 0.7 per cent last month.

The actual value of transactions in the core retail series last month was 4.5 per cent higher than in July 2009.

Trends for the value of transactions in the total and retail series had both been flat since early 2010, SNZ said.

## Visa offers shoppers a virtual mall

Visa is joining the race to make online shopping more interactive, fun and engaging with a free tool, Rightcliq, which the credit card giant is pitching as a social ecommerce service. The app enables users' personal information and payment card information to be auto-filled and stored on its secure servers and on merchant checkout forms.

Registered members can create and share wish lists in a 'Wishspace' that also tracks purchase history and delivery, solicits feedback from friends via email or Facebook, and displays specials from merchants such as 1-800-Flowers. It's being aimed squarely at two key demographics: shopping enthusiasts and trendsetters.

Visa research indicates that those two groups comprise 20% of online shoppers, accounting for 26% of spending with an average of ten monthly purchases.

Brandweek.

## Brand Oz detrimental for B2B?

Tourism advertising and branding of Australia is negatively impacting those exporting technology and innovation, reported Kimon Lycos of Mihell and Lycos, a firm specialising in B2B transactions.

Lycos conducted 50 interviews with Australian CEOs of mid to small businesses, attempting to understand how companies believe they can be more competitive when exporting and commercialising technology for global markets.

An overwhelming response from the survey was the continual positioning of Australia as the joker in the pack said Lycos. 89% were dissatisfied with the high profile advertising campaigns such as Paul Hogan's "Throw a shrimp on the barbie", then the "Where the bloody hell are you?" campaign and now the song and dance, "There's nothing like Australia."

73% found difficulties in establishing business in the United States due to American subordinates/employees considering Australian managers and suppliers as inferior. "  
[www.marketingmag.com.au](http://www.marketingmag.com.au)

## Marketers convene at blogger annual convention

The "mommy market" is nothing new, but if the growth of the online network of women-run blogs known as BlogHer is any indication, the best way for marketers to tap into it is most certainly changing.

BlogHer is made up of 2,500 blogs reaching 20 million-plus unique visitors per month. And each year for a couple of days, more and more marketers meet these mummies and women offline as well. The organization's convention, held this year at the Hilton New York Aug. 6-7, featured upward of 2,400 registered attendees and more than 100 sponsors (from small companies to Fortune 500 brands'), a record for the conference, now in its sixth year.

"[The BlogHer woman] wants to know what's happening," said Gina Garrubbo, exec VP-strategic alliances at BlogHer. "[Marketers] have to give her greater value, they have to be authentic, and they have to listen to her. If the brand brings something of value to this woman, she will love that brand and advocate for that brand -- in her words, in her way."

BlogHer helps solve the mystery of how marketers will manage to spend money on social media despite showing relatively little interest in ads on Facebook or MySpace and the numerous free opportunities available everywhere.  
[adage.com](http://adage.com)

## DJs announces store expansion

David Jones has agreed to enter into a new 20-year lease in relation to its Toowong store in south west Brisbane.

The deal follows a commitment by centre management to upgrade the centre with a focus to remix the existing specialty tenants towards a stronger fashion mix.

The David Jones store will be fully refurbished and its "sell space" will increase by more than 20 per cent.  
Inside Retailing Online

## Optus arm guilty of deceptive conduct

A phone card company owned by Optus misled its customers by stating a specified rate per minute would apply to all calls, the Federal Court has found.

The specified call rate of 1896 minutes of talk time at half a cent per minute could only be achieved through one uninterrupted, continuous call.

The Federal Court found that phone card sellers Prepaid Services (PPS) and Boost had engaged in misleading conduct and made false claims in regard to the value, price and benefits of their phone cards.

ACCC chairman Graeme Samuel said the telecommunications industry had been under scrutiny by the ACCC for some time and the court's decision was a further wake-up call.

## Australia third most creative country

The YoungGuns Top 10 ranking of the most awarded countries in the past decade has been decided, with Australia coming in at third.

The 'YoungGuns Top 10 Awarded Countries' recognises locations around the world that have the most awarded creative talent in the 10 years since YoungGuns was founded. The United States came out on top, as its previous winnings included four YoungGuns of the Year, two Agency of the Year and three Student YoungGuns of the Year. Second place went to New Zealand.

[www.marketingmag.com.au](http://www.marketingmag.com.au)

## Jimmy Choo on the market

The owners of Jimmy Choo shoe brand and retail chain are weighing up a potential sale putting a price tag of up to \$500 million (\$A869.11 million) on the firm, reports say. The brand has 100 shops in 32 countries, including Australia, and has branched into accessories such as handbags and eyewear. The business has reportedly prospered despite the global recession.

Inside Retailing Online

## Online WOM influences auto sales in China

The amount of electronic word of mouth generated by auto brands in China often correlates with their overall sales, a study has revealed.

R3, the consultancy, and CIC, the WOM tracking specialist, analysed data from 2,500 sites and forums focused on this sector in 2009, yielding 133m items of feedback.

Information for 42 leading models was then consolidated, with the volume of web chatter about these vehicles rising steadily throughout the year, peaking during March to May - and from August to September.

The number of negative remarks did not climb above 500,000 in any given month, while the quantity of favourable posts surpassed 1m for ten months of the year, reaching 1.5m on three occasions.

When compared with purchase figures provided by the China Association of Automobile Manufacturers, R3 and CIC discovered a "medium correlation between total buzz and car sales for 2009."

This was particularly noticeable for foreign firms and luxury marques costing at least 200,000 yuan (\$30k; €22k; £18k), although some variation did exist.

"While marketers should listen closely to negative sentiment happening around their brand they need to focus on engaging netizens which can both encourage and amplify positive IWOM," the study said.  
R3; Warc

## AANA's discussion on ethics

Australian Association of National Advertisers (AANA) has released a discussion paper around its Code of Ethics review, which aims to promote dialogue with stakeholders and encourage input to the review.

The discussion paper aims to stimulate debate around the objectives and structure of the Code of Ethics, as well as about topics such as privacy, body image, portrayal of people, taste and decency and the substantiation of claims in advertising.

The closing date for submission is Friday 10 September, while the final report and a revised Code of Ethics will be available to the ANNA by the end of the year.

## Big brands boost spending on Facebook

Many major advertisers have substantially increased their expenditure on Facebook this year, reflecting the surge in popularity that has been enjoyed by the social network.

According to Sheryl Sandberg, the company's chief operating officer, the outlay of several key clients has expanded at least ten times over during the last 12 months, and often doubled this rate of growth.

Prices may rise as the site enhances its "value" to marketers, having leapfrogged Yahoo in terms of the number of display ads served the US, leading the sector on a share of 16% in Q1 2010, according to comScore.

Facebook estimates that around 50% of its members log in every day,

Coca-Cola, has proven keen to leverage the opportunities provided by the social network to connect with customers, both through paid-for and free activities. "You can't ignore the reach that's there, but it's also the true engagement that we have," Michael Donnelly, Coca-Cola's director of global interactive marketing, said.

Warc

## Thana Marketing - Solar panel campaign deception

Two solar panel systems retailers have amended their marketing campaigns after the Australian Competition and Complaints Commission (ACCC) raised concerns that representations in their adverts were likely to mislead or deceive consumers.

Queensland Solar Systems (QSS) and State Solar Services (SSS) acknowledged that it was likely that they had contravened the Trade Practices Act 1974, as they had claimed:

- that consumers could 'wipe out' household electricity bills by installing a 1.5kw solar panel system
- that the solar systems were available at heavily discounted prices, when they had never sold the systems at higher prices or recommended retail prices advertised, and

- that the discounts were only available during limited sale periods, when the systems were always available at discount prices.

Furthermore both retailers did not make it clear that the discounts were only available to those eligible for the Federal Government financial incentives in the form of Renewable Energy Certificates.

ACCC chairman, Graeme Samuel, said that in the future, the ACCC may use its enforcement power to issue substantiation notices, which require businesses to substantiate their claims and to produce supporting documentation.

### Android beats iPhone in sales

NPD says that in the first three months of 2010, Android captured 28% of the smartphone market, while Apple's iPhone grabbed only 21%.

Google's army of Android phones managed to pass the iPhone in market share in the U.S. for the first time last quarter. NPD analyst Ross Rubin attributed the strong sales to Verizon's buy-one-get-one deals. Android phones have been discounted heavily as well.

### New counterfeit gambit: knock off cheaper brands

The knock-off artists aren't going away. Instead, they're just lowering their sights. The New York Times reports that now, counterfeit brands are on the rise for such items as \$295 Kooba bags and \$140 Ugg boots instead of \$2800 Louis Vuitton handbags.

Counterfeiters are turning to the lower-priced merchandise, says The Times, because they "are easy to sell on the Internet, can be priced higher than obvious fakes, and avoid the aggressive programs by the big luxury brands to protect their labels."

One of the advantages of selling such goods is that the illicit merchants can "price the counterfeits close to retail prices." Whereas a retail shopper knows that a very expensive luxury item can't be the real thing if it is selling for a ridiculously low price, the more modestly priced items are harder to spot. For example, a \$295 Kooba bag might be available from an Internet seller for \$190. That price is close enough to make a consumer think it might be the legitimate item -- but it is probably a fake, because the price is too deeply discounted.

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

### Social networking audience grows in China

The social networking audience has grown by almost a fifth in China during the last year. According to the China Internet Network Information Center, a government agency, the country's online population now stands at 420m people, an uptick of 36m since the start of 2010.

Some 98.1% of this group have access to broadband services and a further 66% log on to the web using a mobile phone, with the typical consumer spending 19.8 hours surfing the net each week.

More specifically, CNNIC revealed that the number of visitors received by social networks like Kaixin001 and Renren climbed 19.6% year-on-year, to 210m, in July 2010.

Estimates from Analysys International, the research firm, suggest this total will expand to 510m in 2011, when portals in the category are set to deliver revenues of 979m yuan (\$145m; €110m; £91m).

Warc

## Young consumers keen to spend in China

Young consumers in China are "unbelievably optimistic" about their future prospects, a trend which has resulted in a spending boom among the demographic.

Analysis from the China Market Research Group suggests this emerging generation of shoppers are a driving force behind the current surge in expenditure in the country.

"Younger Chinese are unbelievably optimistic. That's why what you see is a secretary earning \$600 (£376; €454) or \$700 dollars a month – they're the ones buying thousand dollar Gucci bags."

This compares starkly to the habits of older consumers, who typically attempt to retain around half of their income. Ongoing polls of 10,000 adults in 15 cities throughout China have revealed a variety of broader findings.

For example, women are often playing the lead role when it comes to making big-ticket purchases, and regularly command the highest salary in a household. This has led to a heightened emphasis on issues such as food safety, following on from the scandal related to the sale of tainted baby milk.

The quality of products is subject to equal scrutiny, with luxury items, and particularly those made by foreign manufacturers, gaining ground as a consequence.

Spending is also rapidly accelerating in rural regions and lower-tier cities, to the benefit of white goods and other offerings included in the government's stimulus package.

Warc

## Mobile web gains ground in Australia

The mobile internet is gaining in popularity in Australia, a trend encouraged by the heightened uptake of devices such as Apple's iPhone and Research in Motion's BlackBerry.

Initiative, the media agency, surveyed 1,072 smartphone owners in the 18–54 year old demographic to gain an insight into their current habits and preferences.

Overall, it found that data tools, including email, accounted for 51% of total mobile activity, falling to 39% for voice calls, 6% for gaming and a combined 4% for the various further functions available.

More broadly, 51% of the panel viewed online content (excluding email) several times a day, as did 19% on a daily basis, and 30% with a lesser degree of frequency.

The typical participant surfed the mobile web for 27 minutes a day, and consumers across all age groups were displaying a rising enthusiasm for this pastime.

Warc

## Social apponomics to transform online retail

Online retail is likely to be transformed by the rise of "social apponomics", with companies such as Amazon, Apple and Netflix currently at the heart of this movement.

Booz & Co, the consultancy, argued that digital retail is entering a "new evolutionary stage" as Web 2.0 portals and mobile applications reshape corporate and consumer behaviour.

"The main value drivers for ecommerce are shifting from the direct monetisation of online traffic to customer life-cycle management," the study argued.

Facebook, the iPhone and other similar products will enjoy a central role in this process, and must be employed alongside high-quality service, bespoke offers and ad campaigns, and intuitive systems that build trust.

"If you are a company seeking to engage customers, the question is not how to beat Facebook, but how to make use of Facebook as a lead generation engine, a sales channel, or a marketing and PR tool," Booz & Co. said.

"The same is true for YouTube, or Apple's iTunes or app store platform." Using Net Promoter Scores- which subtract the number of "detractors" with unfavourable views about a brand from its "advocates" -Zappos was found to be the most respected web retailer, on 90%.

It came in ahead of Apple on 77%, Amazon on 74%, Costco on 53% and Target some way further back on 44%.

More broadly, Amazon was cited by the report as an example of the major impact new players can have in the contemporary retail sector.

Amazon only launched in 1995, its annual revenues of \$25bn exceed that of Barnes & Noble by 379%, and stand at a minimum of 20% of the sales secured by Tesco, Royal Ahold, Metro and Carrefour.

Its success has been premised on providing a "personalised customer experience", a sophisticated CRM technology, individual recommendations, cross-selling and "customised bundles".

The addition of consumer reviews and a marketplace integrating third-party sellers, its Prime membership scheme and applications for the iPhone, BlackBerry and its own Kindle ereader have cemented this position.

Amazon also purchased ecommerce pioneer Zappos last year in a deal worth in excess of \$1bn, but has allowed the organisation to retain its unique approach.

More than 500 staff at Zappos, including its chief executive, are active on Twitter, with YouTube and various official blogs all encouraging the spread of word of mouth.

Elsewhere, Netflix, the internet movie rental specialist, has attracted over 10 million subscribers and delivers around \$1.3bn in revenues after stealing a march on established rivals like Blockbuster.

Its transparent personalised recommendations, utilising the preferences of its audience, easy-to-use interface and popular forum for film fans have all engendered considerable levels of loyalty.

## Consumers expect reduced prices in Australia

The widespread use of discounting promotions in the last year has "trained" shoppers in Australia to expect reduced prices, posing substantial challenges for retailers in the economic recovery.

According to the Discount Retailing Study from TNS, the research firm, some 65% of adults in the country believe they will always be able to pick up goods on special offer.

Chris Kirby, the director of retail and shopper research at TNS, argued many customers will now "only accept" items available at a low cost.

The report found that 97% of Australians with web access look to learn about potential purchases online as part of the decision-making process.

As the internet penetration rate in Australia stands at 85%, TNS suggested this shift had led to the advent of a new generation of "prosumers."

Web discounters like Catch of the Day have also enhanced their position in the technology and household sectors, as the convenience and cost benefits of the net attracts greater numbers of customers.

Warc

## Marketing budgets set to rise in UK

More than 75% of marketers in the UK plan to either maintain or increase their expenditure levels during the second half of this year.

The Marketing Society, worked with the Royal Mail, to survey over 100 of its members, all of which are senior client-side executives.

Some 33% of respondents predicted budgets would expand in the closing six months of 2010, and 54% expected to follow the same pattern of investment as at present.

By contrast, only 13% of participants forecast a decline in communications support during this period.

Warc

## The Body Shop stops traffic in Toronto

The Body Shop stopped traffic in Toronto recently to help raise awareness of its global Stop Sex Trafficking of Children and Young People campaign, now in its second year.

Protesters carried picket signs with anti-trafficking messages and invited consumers to sign a petition encouraging the Canadian government to implement strict anti-trafficking legislation, and dedicate more

Wall projections encouraged passersby to sign an online petition at TheBodyShop.com. Over 771,000 signatures have been collected on the Canadian section of the site so far.

## Hermès Creates Chinese Brand

Hermès has revealed that it is creating a bespoke brand specifically for China's wealthy consumers.

Launching in September, the Shang Xia brand (literally, "up and down" in English), will remain "completely separate" from the main Hermès line to avoid customer confusion, reports the Financial Times.

Considered the world's second-largest market for luxury goods after Japan, Hermès' move to create a distinct brand for China comes as other luxury brands are expanding in the market by opening more stores. Burberry, for instance, has committed to a 66 new stores in China.

Chanel and Prada recently launched special products in connection with Shanghai's World Expo, including a Chanel handbag shaped like a Chinese food takeaway carton.

Levi Strauss, is also launching a Chinese brand this year.

### **Nokia Siemens buys Motorola operations**

Nokia Siemens Networks says it will acquire the majority of Motorola's wireless operations in a \$US1.2 billion (\$A1.39 billion) deal. The deal was expected to be completed by the end of 2010. Nokia Siemens Networks, a joint venture between Finland's Nokia Corp and Siemens AG of Germany, said the deal would improve its profitability and "have significant upside potential".

### **Designer diapers?**

Diapers have gotten at least their share of technological attention in recent years, what with ergonomic designs to foster tots' movement and thinner "performance" models likened to iPods.

With the launch of a limited-edition denim-style version of Huggies Little Movers diapers in May, for example, Kimberly-Clark Corp. -- at least for a month or two -- has recouped just about all the market share it lost in prior months during the heavily supported launch of Pampers Dry Max, which rival Procter & Gamble Co. billed as its biggest diaper innovation in a quarter century.

For its part, P&G is countering with a limited-edition fashion offering of its own this month, a series of 11 diaper styles from designer Cynthia Rowley called "Pampers by Cynthia Rowley Collection," available exclusively at Target and Target.com.

### **Hewlett-Packard partners with China's communist youth league**

HP's 'Creating a Better Life' program in China turned the young village officials into IT ambassadors in rural villages.

The CY league organizes a government program in which da xue cun guan, or university student village officials (USVOs), are hired to put their education to use in developing rural China. The government launched the program in 2006.

About 70,000 USVOs, sometimes called "village cadres," are serving around the country, mostly in smaller towns and villages that are still mysterious, unexplored markets for multinationals like HP, which tapped into the USVO network to reach and learn about these small communities. A big advantage for HP--the first marketer to work with the USVO network--is that recent university graduates are tech-savvy and familiar with brands like HP.

"That HP chose to work with USVOs was very smart. Only through these corporate-driven efforts can the countryside really be served," said Wang Ying, a director at the Chinese Academy of Social Sciences.

The HP USVO "Creating a Better Life" contest, announced in December 2009, encouraged USVOs to submit plans on how IT can help their respective villages. The U.S. company received over 1,000 submissions and whittled the entries down to 100. Almost 59,000 USVOs and village residents cast online votes to name 30 finalists.

## HP awarded 23 grants

In late June, the 30 finalists gathered at HP's China headquarters in Beijing to compete for 23 grants for equipment and training to carry out the proposals outlined in their contest submissions. The judging panel included HP executives, Communist Youth League officials and IT development experts.

## Rural China is still a mystery for many marketers

As the only foreign marketer to partner with the Communist Youth League's USVO program, HP sees the campaign as a unique solution to the challenges of marketing to China's still-undeveloped small towns and villages. In these areas, retail centers are mom-and-pop stores, not hypermarkets, and distribution often depends on motorbikes more than trucks.

## Virgin plans new magazine as iPad app if advertisers sign up

Virgin is planning to extend its brand into consumer magazines with the launch of a new title, Maverick, which will be available as an app for the iPad, iPhone and eventually, Android.

Virgin's billionaire founder Richard Branson has brought in his 28-year-old daughter Holly to work as the family's ambassador for the magazine, and she is leading the push to sign up a handful of select premium advertisers to work as "brand partners" on the project. Ms. Branson finished medical school but left her residency two years ago to join the family business.

By launching an app-only title, Virgin is freed up to exploit the creative potential of the medium without the costs of an existing print title to maintain.

A launch is planned for October, but the project is still at an early stage and will only go ahead once enough premium brands have signed up. Maverick will aim to encapsulate the spirit of the Virgin brand by focusing on entrepreneurial endeavours and highlighting new creative, business, travel and technology ideas, targeting an upscale international audience.

Virgin believes it has identified a market that is underserved and overpriced, and that it can provide a groundbreaking product for the iPad and mobile phones. An executive close to the project predicted, "More than eight million people will own iPads by the end of the year. It's the fastest-selling gadget ever and it's the most exciting thing to happen to the magazine market in a long time, but no one has yet got it right."

AdAge.com

## IPA report says ads that win awards are 11 times more effective

British Advertising Group Says Study of VW, Budweiser, Cadbury and Others Argues for Quality Over Cost

Marketers are doing everything they can to keep costs down, including tactics such as charging agencies to pitch for their business, or demanding a signing-on fee from the winning agency.

But by putting all the emphasis on cost and procurement, are marketers reducing their chances of creating -- and supporting with media spending -- campaigns that really work and will drive business growth in the long term? A study carried out by the U.K.'s Institute of Practitioners in Advertising claims to prove a direct link between creativity and effectiveness that it's touting as a good argument for quality over cost.



## Ads and Events

### International Trade In The Next Decade

3<sup>rd</sup> August, 31<sup>st</sup> August

RACV Club, Bourke Street, 501 Bourke Street, Melbourne VIC 3000

A special series of unique breakfast information sessions aim to cover critical topics, which are vital for any Australian business involved in importing or exporting.

<http://www.internationaltradeevents.com.au/>

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### Price it Right

30 – 31 August

Sydney

With the competitive business environment and constantly evolving products and service choices, it is more important than ever to reassess your pricing strategies and reconnect with your customer spending mode.

**Price it Right** 2010 forum entails forward-looking pricing strategies and approaches that are critical to success from price planning to price execution. This forum will enhance the delegates' knowledge and insights into post GFC value based pricing, price and revenue optimisation, price forecasting and control as well as sustainable and emerging pricing best practices.

### Key topics

- Value-based Pricing Strategies
- Sustainable Lifecycle pricing
- Emerging Pricing Strategies

### Key features

- Setting the price right to the right market segment for your products and services after changed customer expectation demands
- Reassessing emerging development in value-based pricing strategies to further strengthen brand values without over discounting or over pricing
- Tailoring agile and flexible pricing strategies to meet the ever changing market expectations and demands
- Maximising revenue through effective price management with optimal price control and strong market intelligence
- Implementing lifecycle pricing to enhance your products/ services price performance sustainability

<http://www.marcusevans.com/marcusevans-conferences-event-details.asp?EventID=16724&SectorID=1>

\* All **MAANZ** members are entitled to a discount of 10% when registering with **Ms. Esther**. Please contact **Ms. Esther** for details and quote **EN-MAANZ** during registration. \*

For further details and brochures, please contact:

## Ms. Esther Wong

Tel No: +603 2723 6736

Fax No: +612 9223 2352

Email add: [estherw@marcusevanski.com](mailto:estherw@marcusevanski.com)

## InnoPak 2010 : New Era of Packaging

16 – 17 September 2010

Melbourne

The Australian market clearly recognises the importance of labelling and packaging. Although labelling and packaging covers a broad area, it is evident that the initial stages of New Product Development drives the marketing and directly impacts the supply chain. There is an increasing need to narrow the gap between NPD and supply chain.

Packaging today not only has to be multi-functional by meeting the design requirements but now, with the added pressure towards sustainable packaging, it has to be environmentally friendly in the effort to reduce our carbon footprint. This event will provide you with a sound understanding of how and why product innovation for labelling and packaging is the crux of your business and how to strategically tap into your consumer market, successfully engage them, and as a result increase your profits.

### Key topics

- **Overcoming** international trade barriers and working proactively with other geographic areas
- **Mastering** the recycling process - How to get on top of recycling within your business
- **Creating** added value for demanding consumers by multifunctional packaging
- **Assessing** emerging trends for packaging and labelling technology
- **Designing** for green and grow: The new era of sustainable packaging

### Key features

- **Maximising** the use of recyclable materials and components to effectively reduce your carbon footprint
- **Successfully** implement the 'less is more' concept in labelling and packaging for maximum consumer engagement
- **Addressing** the constant pressure of striking a balance in increasing profits whilst delivering cost effective 'value added' greener packaging
- **Highlighting** the key factors of sustainable packaging to increase consumer brand loyalty for increased profits
- **Assessing** commercial viability by weighing out the cost issue of creating green labelling and packaging products over traditional methods

<http://www.marcusevans.com/marcusevans-conferences-event-details.asp?EventID=16684&SectorID=39>

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# Marketing Extr@

Newsletter of The Marketing Association  
of Australia and New Zealand

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Fax No: +612 9223 2352

Email add: [estherw@marcusevanski.com](mailto:estherw@marcusevanski.com)

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## SEO/SEM, Mobile, Social Media & Analytics

Tuesday, August 24th, 2010

133 Queensbridge Street, Southbank

Visit [www.bwired.com.au/seminar](http://www.bwired.com.au/seminar)

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14/09/2010 - 16/09/2010

## Shop Design & RetailTec - Russia

*ZAO Expocentr*

14 Krasnopresnenskaya

Moscow

Russia

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## Website Strategy For the Tourism Industry

Tuesday, September 21st, 2010

133 Queensbridge Street, Southbank

Visit [www.bwired.com.au/seminar](http://www.bwired.com.au/seminar)

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## The CMO Summit 2010

27-29 September 2010

Sheraton Mirage Resort and Spa, Gold Coast, Queensland, Australia

In an increasingly global and fragmented marketplace there is intense competition that resulted from growing consumer demand for value-added differentiation. Fast-paced technology evolution combined with pressure from boards and shareholders to deliver measurable marketing ROI makes today Chief Marketing Officers need to be well equipped for success in this increasingly complex environment. CMOs must reconfigure the role of marketing in their enterprises as a means to unlock latent organic growth potential.

Meanwhile, breakthroughs in creative and innovative marketing mediums are challenging the traditional pillars of promotion and offering novel ways to reach consumers and win loyal customers. Today more than ever, it is vital that CMOs partner with leading organizations who can offer a wealth of expertise that will truly differentiate the brands they represent, increase their market share and ultimately insure marketing's positive impact on the bottom line.

The **CMO Summit 2010** offers the perfect setting for key decision makers from leading companies in Australia and New Zealand to come together bringing their expertise on a larger scale. Over three days, delegates will meet and interact with each other through a number of business one-to-one meetings and many networking activities. In



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of Australia and New Zealand

addition, delegates will attend the strategic summit sessions led by some of the most prominent Marketing thinkers and practitioners.

For more information please go to: [www.cmoanzsummit.com](http://www.cmoanzsummit.com)

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## **Interactive Marketing**

7<sup>th</sup> to 8<sup>th</sup> October, Melbourne

11<sup>th</sup> to 12<sup>th</sup> October, Sydney

Back in the dark ages, when television was analogue and social networking was done in coffee shops (or bars, for the late nighters), marketing had a whole lot more to do with making a sale and less to do with a personal touch. Blame LinkedIn and Facebook, but right now, to make the sale, you have to make conversation all the way through the deal

With the boom of online social networking, the global market is getting closer to home. As the world expands, a complete understanding of how online media works has never been more vital. Team members and management alike must understand not only the outcomes that are desired on their end, but also what is expected from the evermore well informed consumer.

Over the course of Tonkin's Interactive Marketing seminar, the focus will be split between user centered design/usability testing and integrating social media into your business model, with units designed to

[www.tonkinincorporation.com/images/Capricornia/HUM16.PDF](http://www.tonkinincorporation.com/images/Capricornia/HUM16.PDF)

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13/10/2010 - 15/10/2010

## **International Retail Design Conference**

*Westin Harbour Castle*

1 Harbour Square

Toronto, ON

Canada

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22ND – 23RD November 2010

## **Web Content Management Masterclass**

Optimizing web content performance, usability, functionality and accessibility to improve your web content ROI

[http://www.marcusevansassets.com/doc/pdfs/Ep\\_17059.pdf](http://www.marcusevansassets.com/doc/pdfs/Ep_17059.pdf)

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## **Tonkin's Marketing & Sales Metrics**

**29 September, Brisbane**

**30 September, Sydney**

**6 October, Melbourne**

**8 October, Perth**

Knowing which elements of your marketing, communication or sales activity are generating a profit is a fundamental objective for any business.



That's the view of Stanford's Jeffrey Pfeffer, a much respected professor of organizational behaviour at the Graduate School of Business. He writes:

"My perspective is that organizations — which have laid off millions, which have workplaces filled with disengaged and dissatisfied employees, and which regularly, even in partnerships, cast people aside — can (and do) take care of themselves. My point of view is quite consistent with the popular idea of employees as free agents and the evidence on the ever-weakening bonds between people and their employers."

He believes that people only get ahead by developing Machiavellian-like political skill to obtain power — just doing a good job is not enough. And don't expect the unselfish support of "colleagues" too much. They'll stab you in the back if it suits them, as he relates in a story about a Stanford co-worker.

In the end, "You need to take care of yourself — and do so by whatever means necessary."

## Technological advances marketers can't live without

Bob Liodice

Inventions have changed the face of advertising consistently throughout history and will continue to do so, as technology evolves at an ever-increasing rate. The creation of new forms of media, from radio to TV and the internet have caused the industry to create new strategies and tools to help brands find their own optimal media mix. This week, as the ANA hosts its inaugural Digital and Social Media Conference, we take a look at 10 technological advances that marketers of today and tomorrow cannot ignore.

**Hulu** - Because of internet video's low distribution costs and built-in sharing capabilities, brands have been eager to produce the next viral hit. (Hulu.com)

**Social media** - Advertisers always sought a way to track the elusive "word-of-mouth" phenomenon that affected their brands so heavily. Social media brought the conversations that consumers were having online, giving marketers the chance to monitor, further and contribute to them in real-time. Nielsen found that while 14% of people trust ads, 78% of people trust consumer recommendations. The conversation for marketers turned from the one-way nature of traditional media to a two-way dialogue that could not be ignored. Social media has shifted the conversation so forcefully that consumers have an unprecedented level of control over brands, rapidly turning themselves into a brand's best advertisers.

**SEO - Search Engine Optimization**- Search engine optimization is one of the most important and cost-effective ways to attract customers on the internet. Research has found that almost two-thirds of the time, people look only at the first page of their search results. They rarely make it beyond the first 10, and virtually never beyond the initial 30 results. When it comes to ecommerce transactions, more than half originate from a search listing, proving the importance of being "found." SEO is a way to ensure that those consumers using the web to search for a product or service easily find it, resulting in a more targeted lead for the advertiser and easier search process for the consumer.

**Interest-Based Advertising (Behavioural Targeting)** - Behavioural targeting allows ads to be more relevant, valuable and thus persuasive to the consumer. This has given the marketing industry an unprecedented level of precision. This comes with a level of caution, however, as consumers are wary of being watched on the web. As such, the largest media and marketing trade associations have released self-regulatory principles to protect consumer privacy in ad-supported interactive media. The principles require advertisers and websites to clearly inform consumers about data-collection practices and enable them to exercise control over that information.

**Online video: video on demand** - The arrival of video on demand and sites like Hulu and YouTube signalled a huge change in the industry. People started looking to the web for entertainment, and advertisers redirected dollars to take advantage of the growing world of online video. Because of internet video's low distribution costs and built-in sharing capabilities, brands have been eager to produce the next viral hit. Viral videos have shown potential to turn ordinary people into brand ambassadors as the clip gets instantly forwarded to friends and family. Internet broadcasting also has provided another online venue for measurable and targeted advertising in the form of attached text and pre-roll ads.

**Mobile** - This platform is seeing a meteoric rise thanks to the proliferation of cell phones, smart phones and tablet computers.

**Measuring actions vs. Impressions** - Online ads originally mimicked those in traditional media, where marketers paid for the amount of exposure gained. Since the cost-per-click model has emerged, advertisers have been taking advantage of the internet's ability to measure user action, something impression-based pricing cannot match. Those using action-based systems like Google AdWords, Yahoo! Search Marketing and Microsoft AdCenter, and sites like Facebook, pay based only on how many people engage an ad with a click. Marketers can now see a clearer picture of ROI; consumers who interact with ads tend to be more valuable.

**Interactive TV** - As DVRs made their way into consumers' lives, many industry pundits mourned the end of the 30-second spot and wondered how advertisers would fare now that people could skip through their commercials. The answer was not just to formulate ads that worked in fast-forward, but to introduce interactive TV ads that worked within and in tandem with regular programming. Companies such as BrightLine iTV formed to bring the interactivity of the web to TV, and Canoe Ventures brought the first clickable ad to "receive more info" to the airwaves just last month. This area is one to watch, as consumers accept, and eventually seek, interactivity in all aspects of their lives.

**Brand-specific commercial ratings** - More than \$70 billion is spent each year on TV advertising. With such a large amount of funds devoted to commercials, the industry began calling for a better way to assess whether they were getting their money's worth. Where, on one hand, the digital realm was providing precise statistics on an ad's effectiveness, TV ratings were still based on the average of all commercials airing with a program. In 2007 the ANA began calling for ratings that were specific to each commercial. The industry is now starting to see a potential pathway, as a test conducted by Nielsen shows that the move toward brand-specific commercial ratings is clear.

**Mobile advertising and payments** - According to eMarketer, the mobile advertising industry is expected to be worth more than \$1.56 billion by 2013. This burgeoning platform is seeing a meteoric rise thanks to the proliferation of cell phones, smartphones and tablet computers. Apple's iPhone and iPad specifically have brought the mobile arena to the forefront, as consumers increasingly look to their phones to aid in more aspects of their lives. While the internet can tell advertisers what sites consumers visit and for how long, the iAd platform gives a detailed picture of their potential customers' everyday lives. Additionally, mobile payments allow marketers to make appeals for instant buys, and dole out coupons and other rewards.

**Marketing-mix modelling** - Marketing-mix modelling provided researchers and analysts the opportunity to think more precisely about integrated marketing. Technologists found ways to create highly productive media-decision models by weaving together analyses of consumer sensitivity to a company (or brand's) media platforms. This tool gave media planners the opportunity to increase the effectiveness of an integrated marketing plan while reducing overall costs. Modelling has become more difficult with newer forms of media; the management process for conceptualizing integrated media plans remains the same. This is expected to improve as marketers and agencies better assess consumer sensitivity to digital media platforms.

**AD-ID** - Since 1970, advertisers, agencies and TV networks used the ISCI commercial coding system to identify TV commercials. To help bring a higher level of accuracy to the coding process and consistency to advertisement identification, as well as enable the industry for digital convergence, a new identification system was created. Developed by the 4As and the ANA, Ad-ID came into the marketplace in 2003 as a digital identifying code for advertisements. It has since been dubbed the "UPC code of the advertising industry." Ad-ID helped transform the marketing industry for the digital revolution.

Bob Liodice is president-CEO of the US Association of National Advertisers. This is the seventh in a series of 10 columns being published in celebration of the ANA's 100th anniversary.

## Internet marketing lessons

Learning from mistakes is great. Do you know what's even better? Learning from someone else's mistakes. These are seven Internet marketing lessons I learned from trial and error. I hope you enjoy them and can apply them to your business.

### Lesson #1: Not All Your Visitors Are Ready to Buy

When I started using the Internet to promote my companies, I wanted to sell every visitor as hard as I could. I considered myself a pretty good marketer, but I wasn't as successful selling online as I was selling in person or over the phone.

I finally understood why. People use the Internet to RESEARCH much more than they use it to BUY stuff. Pay attention to this because this is extremely important: 99% of your visitors aren't ready to buy.

Does this mean that you should disregard them and focus on the other 1% only? Absolutely not! You need to do two things:

1. Help them do their research (it's OK if you tip the scale a little bit toward your own product, but be as objective as possible and tell people what their options are).
2. Ask people for their contact information (so you can slowly earn their trust and market to them). If they leave your site without leaving their contact information, they're gone forever.

A great way to accomplish the two goals mentioned above is to put together a buyer's guide and give it away in exchange for an email address (and possibly a phone number if you want fewer, more qualified leads). If you're an interior designer, it'd be a good idea to write a white paper on how to choose the ideal interior designer.

### Lesson #2: The Ultimate Question

A few years ago I read a book that helped me measure the true degree of customer's satisfaction. The book is called "The Ultimate Question" and the question is, "How likely are you to recommend our services to your friends or colleagues?" Now we ask this same question to all our clients on a regular basis.

### Lesson #3: Don't Say You're the Best; Prove It

I'm ashamed to admit that my first website (the one I put together when I was 16) said all over the place, "we're the best", "no other company is remotely as good as we are". Obviously, this doesn't work. Don't make claims; let your customers make them for you. Use testimonials on your website.

### Lesson #4: Help Your Blog Convert

If you have a blog (and you should), people are finding your articles on Google on a daily basis. Most of these people don't know you and unless you ask them to do something for you, they'll just read your information and go away.

What can you do about this? Let's go back to the interior designer example. Let's say you wrote a blog post called "How to choose the colours of your furniture" and someone finds it on Google. What you should do is to include a call to action at the end of the post along the lines of, "Do You Need Help Figuring Out the Colours of Your Furniture? Call Me Now at xxx-xxx-xxxx for a 30-Minute Free Consultation. No Strings Attached." My tests show that about 17% of the people will call you or email you if the call to action is relevant to your blog post.

### **Lesson #5: Physical Giveaways Work Much Better than Digital Ones**

You've heard it before: to get your visitors' contact information, offer them a report, white paper or a video. Although this works amazingly well, there's something that pulls 2-3 times more opt-ins: physical giveaways. It could be a magazine, a DVD, a CD or a small gift. If this is something that your profit margins allow, by all means go for it.

### **Lesson #6: Get Free Money for Google AdWords**

If you want to give Pay per Click a shot, don't just go to Google AdWords and open an account. Look for one of their partners instead so you can start with some money in your account. Every day there are new coupon codes in the market and the old ones expire pretty fast, so use this link to find valid coupon codes for Google AdWords.

### **Lesson #7: Don't Give Up Too Soon**

I see this every day. Someone gives email marketing a try for about two weeks. It doesn't work, so he moves on to Search Engine Optimization. It doesn't work either, so he tries Social Media Marketing. Two weeks later he stops that too... So many entrepreneurs give up way too soon!

Marketing takes time because very few people are ready to buy your product the first time they come across your marketing message. You need to constantly remind them that you exist and can help them. They're going to buy your product whenever they're ready; not when you tell them to.

Also, don't forget the multiplying factor in marketing. When you help people and do an outstanding job, they tell their friends. Their friend will probably call you when they need what you sell, but they might not be ready to buy it now.

The bottom line is: commit to something and work your butt off to make it succeed. If something doesn't work after a year, try something else. But, giving up and going after the "last marketing tactic" if something doesn't pay off in a week or two doesn't make a lot of sense.

Zeke Camusio

Learn How to Use Online Marketing to Skyrocket Your Sales with this FREE Report:

<http://www.theoutsourcingcompany.com/search-engine-optimization.html>

### **How to win customers over -- When they've already been won**

Michael Hess

So, you won over the customer and got the sale. Good enough, right? I guess so... Or, you could win the customer twice in the same sale.

Winning a customer twice means doing or providing something she doesn't expect, even after she thought the transaction was complete. It doesn't have to be anything big, complicated, crazy, or expensive. In fact it's often in the little things:

**Make the packaging count** — You can throw in some styrofoam peanuts and toss the packing list on top, like most companies do. The order will get there and the customer will be fine with it. But package it nicely, in a clean box — with something other than the peanuts (that everyone hates) — with the paperwork neatly printed and folded (bonus points for having someone write “thank you” on the packing list), the box neatly taped and labelled, and your TLC will not go unnoticed.

**“Mega-personalize”** every interaction — If your computer (or just good memory) tells you the customer has purchased from you before, say “Great to hear from you again, Mr. Smith!” If you know what they ordered before, say “Did you want this one in blue, like last time?” If you know the customer is wasting money on express shipping, say “You know, it will get there in two days by regular ground anyway, and you’ll save \$20.” Bonus points for recognizing birthdays. Powerful, affordable software puts great customer relationship management within reach of almost any company.

**Go above and beyond in solving a problem** — If a customer is really unhappy with something and wants to return it for a refund, you give them their money back without a hassle. That is fine baseline performance. Bonus point if you don’t let your published return policy get in the way. Two bonus points if you refund original shipping, five points if you take care of shipping both ways, and up to a jillion points if you do something to show you care, or to make up for the customer’s time and trouble. Maybe an unusually nice discount on a future order, a note from the boss, or even a gift. Of course you have to judge what, if anything, is appropriate relative to the problem and the money involved, but there is always something you can do. And often enough, that unhappy person will turn back into a loyal, word-spreading customer.

**A little “smile-maker” surprise** — I buy all of the filters for my house (fridge, air, water, etc.) from [www.filtersolution.com](http://www.filtersolution.com). Every time I get a shipment, there’s a little pad of sticky notes in there, and on the first page is a handwritten note from the president, thanking me by name for my repeat business. Filters are a commodity — I can get them anywhere, maybe even cheaper — but I will never buy them anywhere else, because that tiny but personal extra touch has locked me in. And there’s a marketing bonus for Filter Solution: Those sticky notes with their logo on them are all over my office.

In my business career I’ve heard people say things like “Stop when the customer says yes,” and — I love this one — “Once the customer is satisfied, if you exceed expectations, you’re wasting resources.” Perhaps there is some empirical, B-school argument to be made for that; many good companies achieve great success and fortune without doing anything more than what the customer expects. And one hundred percent satisfaction is nothing to sneeze at. But I don’t get excited until the needle hits 110 or 120 percent. I want customers to be thrilled, not just happy — whether they are buying, returning, inquiring, or in any other way interacting with us. And there is (almost) nothing we won’t do to make it happen.

I often use the term “purchase affirmation” to describe that feeling you get when a product, service, or company is even better than you expected. It makes you so happy to have done business with that company, and it makes you want to tell others. In some ways it’s like the difference between being liked and being loved. Both are good, one is extra-good.

Where do you and your business stand on going the extra mile? Do you think a satisfactory transaction and happy customer are enough (it’s OK if you do, really), or do you do things to encourage extraordinary transactions and ecstatic customers? Do tell!

Michael Hess is founder and CEO of Skooba Design, and also serves as an advisor to other entrepreneurs.

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

## How to test your decision-making instincts

Andrew Campbell and Jo Whitehead

Executives should trust their gut instincts—but only when four tests are met.

One of the most important questions facing leaders is when they should trust their gut instincts—an issue explored in a dialogue between Nobel laureate Daniel Kahneman and psychologist Gary Klein titled “Strategic decisions: When can you trust your gut?” published by McKinsey Quarterly in March 2010.

Our gut intuition accesses our accumulated experiences in a synthesized way, so that we can form judgments and take action without any logical, conscious consideration. Think about how we react when we inadvertently drive across the centre line in a road or see a car start to pull out of a side turn unexpectedly. Our bodies are jolted alert, and we turn the steering wheel well before we have had time to think about what the appropriate reaction should be.

The brain appears to work in a similar way when we make more leisurely decisions. In fact, the latest findings in decision neuroscience suggest that our judgments are initiated by the unconscious weighing of emotional tags associated with our memories rather than by the conscious weighing of rational pros and cons: we start to feel something—often even before we are conscious of having thought anything. As a highly cerebral academic colleague recently commented, “I can’t see a logical flaw in what you are saying, but it gives me a queasy feeling in my stomach.”

Given the powerful influence of positive and negative emotions on our unconscious, it is tempting to argue that leaders should never trust their gut: they should make decisions based solely on objective, logical analysis. But this advice overlooks the fact that we can’t get away from the influence of our gut instincts. They influence the way we frame a situation. They influence the options we choose to analyze. They cause us to consult some people and pay less attention to others. They encourage us to collect more data in one area but not in another. They influence the amount of time and effort we put into decisions. In other words, they infiltrate our decision making even when we are trying to be analytical and rational.

This means that to protect decisions against bias, we first need to know when we can trust our gut feelings, confident that they are drawing on appropriate experiences and emotions. There are four tests.

**The familiarity test:** Have we frequently experienced identical or similar situations?

Familiarity is important because our subconscious works on pattern recognition. If we have plenty of appropriate memories to scan, our judgment is likely to be sound; chess masters can make good chess moves in as few as six seconds. “

The way to judge appropriate familiarity is by examining the main uncertainties in a situation—do we have sufficient experience to make sound judgments about them?

**Gary Klein’s premortem technique**, a way of identifying why a project could fail, helps surface these uncertainties. But we can also just develop a list of uncertainties and assess whether we have sufficient experience to judge them well.

**The feedback test:** Did we get reliable feedback in past situations?

Previous experience is useful to us only if we learned the right lessons. At the time we make a decision, our brains tag it with a positive emotion—recording it as a good judgment.

**The measured-emotions test:** Are the emotions we have experienced in similar or related situations measured?

All memories come with emotional tags, but some are more highly charged than others. If a situation brings to mind highly charged emotions, these can unbalance our judgment.

**The independence test:** Are we likely to be influenced by any inappropriate personal interests or attachments?

If we are trying to decide between two office locations for an organization, one of which is much more personally convenient, we should be cautious. Our subconscious will have more positive emotional tags for the more convenient location. It is for this reason that it is standard practice to ask board members with personal interests in a particular decision to leave the meeting or to refrain from voting.

Andrew Campbell and Jo Whitehead are directors of London's Ashridge Strategic Management Centre and coauthors, together with Sydney Finkelstein, of *Think Again: Why Good Leaders Make Bad Decisions and How to Keep It From Happening to You* (Harvard Business School Press, 2009).

## Governance

### The 4 P's of Governance

Governance is the set of business processes to support your vision with relevant targets, skills, metrics and guidelines. Governance provides a framework to prove social media value. Governance can be summarized as the 4 Ps. Planning, Policy, Preparation & Protocol.

**1. Planning** - This is the hard part. This is figuring out how you want to leverage social media. Ideally, your company will have identified areas where social media can help your business achieve existing goals. The impacted business groups will be aligned in how they will use social media to communicate and interact with customers, vendors or employees. Planning is agreeing who takes the lead in your social media initiative and understanding the roles of impacted business groups. Planning is setting a timeline for how you will move forward with your social media strategy.

**2. Policy** - This is the critical part. This is setting the company guidelines for what can or cannot be said via social media. Policy is working across different business units, including legal and HR, to understand concerns about social communication and defining the parameters within which employees can be 'social'. This is taking into account your corporate culture and expanding upon existing employee code of conduct guidelines - or not.

**3. Preparation** - This is the nitty gritty part. This is determining what kinds of social media platforms your company will use and determining if your company has sufficient resources to manage a social media initiative. This is establishing your presence on the relevant social platforms (i.e., blogs, wikis, Twitter, LinkedIn, YouTube, Slideshare, etc.). This is educating your employees on your policy and how your company will leverage social media and the various platforms. Perhaps this is enabled via interactive training, online handbooks or a webinar. This is making sure your employees know where to go if they have questions. Preparation is confirming how you will measure success and selecting the tools needed to capture necessary metrics.

**4. Protocol** - This is the ongoing, every day part. Protocol incorporates bits of planning, policy and preparation to ensure that guidelines are followed and that employees are engaging for the purpose intended. Protocol will look at the ongoing measures of success and use the data collected to determine if plans need to be adjusted. Protocol is how your social media team will communicate and address progress, hurdles or problems.

If you can keep these 4 Ps in mind as you initiate and implement your social media initiative(s) you will have the foundation for a successful social adventure. Many forays into social media have mixed results, but often this is do to lack of planning and management of the effort. While an ad hoc approach is great for gaining familiarity with the communication style and platforms, it does not enable you to set goals and prove that you have achieved them.

Your company uses some form of governance for its existing marketing, sales, product development or R&D projects, shouldn't social media be held to the same standards?

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

## Nielsen: This isn't your grandfather's baby boomer

Nielsen is once again trying to challenge one of the industry's oldest chestnuts -- that consumers over 50 aren't worth the expense to target. The measurement-and-data giant is out to prove that it is advertisers' continued focus on younger customers that's out of date, thanks to a massive and aging population of baby boomers as well as changes in consumers' lifestyle sparked by new technology.

Nielsen is in for a tough battle. Any number of parties have complained over the decades about marketers' obsession with youth. Consumers over AARP age often have more money saved and can spend more on items other than food and groceries, but marketers maintain that reaching younger consumers, particularly those between the ages of 18 and 49, is more important.

The logic?

That group usually hasn't committed to a favourite toothpaste or window cleaner, while older folks have -- and won't have their minds changed by a TV-ad blitz.

Nielsen wants to change those perceptions and it's got numbers on its side. Its researchers believe consumers over the next decade will have fewer children, leading to smaller households and fewer young consumers to lure. A rough economy will lead to those smaller young families spending less, and smaller salaries for younger generations known today as "Generation Y" and "Millenials." Indeed, as the baby-boom generation retires and grows old, America is likely to have a larger older population and a much slower-growing young one, suggested Doug Anderson, Nielsen's senior VP-research and thought leadership.

"There will be a huge number of people over the age of 65, 75, and 85 over the coming decade. We've never had a population this big this old before," he said. "This is not something that demographers and anthropologists have tons of models sitting around that they can talk about. We as a species have never had this many older people before. It's new ground."

Most times senior citizens are still seen in ads selling life insurance or denture cream, yet the older person in the U.S. in the next decade is likely to be anything but helpless and in the market for more than just financial help and medications.

According to Nielsen, baby boomers in 2010 account for approximately 38.5% of all dollars spent on consumer package-goods such as diapers, toothpaste and laundry detergent. They account for 40% of customers paying for wireless services and 41% of customers paying for Apple personal computers. And while brand alliances are often thought to be established when a consumer is in his or her 20s, changing technology has unleashed a steady spate of new devices and gadgets that are new to all consumers.

With older folks having salted money away and younger consumers expected to find income shrinking over the next decade, "targeting older consumers makes sense because you might be reaching more of your consumers" with the pitch, said Pat McDonough, Nielsen's senior VP-planning and policy analysis.

These aging boomers could also establish new behaviours, said Nielsen's Mr. Anderson. Boomers are accustomed to advertisers meeting their demands, and have always been so, he suggested. As such, they may be less brand loyal than the elderly of the past. This generation also drinks more heavily than previous post-retirement consumers. "Alcohol is a bigger part of their lives," he said. "They aren't going to just stop."

To be sure, there are business dynamics in place that make the pursuit of a generation of consumers previously thought useless to marketers more crucial than in eras past. TV advertising was founded on reaching the demographic of consumers between the ages of 18 and 49, yet the median age of viewers of prime-time broadcast TV is nearing 51 -- two years above that age range. To maintain relevance to advertisers, the big networks need to find a way to establish the relevance of older consumers if they want to continue to draw the marketers that support TV so heavily.

AdAge

## Why baby boomers can't be put in one box

Jerry Shereshevsky

It seems like the American marketing community is poised on the brink of an astounding discovery: the value of the post-war baby boom market! With the upcoming (and much anticipated) Tom Brokaw special, "Tom Brokaw Reports: Boomer\$," it seems like everyone is trying to jump on this particular wagon. On March 1, Advertising Age published a fun piece by Judann Pollack called "The 15 Biggest Baby Boomer Brands" in which Pollack attempts to lay out the iconic products and their ad campaigns of her generation. This is precisely why marketing to boomers is in such a state of disarray. Folks are trying to take 20 pounds and shove it into a five-pound bag.

Boomers are a very diverse group, with a 20-year age span dividing the youngest from the oldest. A friend of mine, age 50, recently attended his college reunion, where he met fraternity brothers with 2-year-old children and 2-year-old grandchildren -- and this from precisely the same age cohort. Now contemplate the differences between those graduating from high school in 1964 and those graduating in 1984.

In her article, Pollack is right in identifying Levi's as an iconic brand for a part of this generation -- the earliest one-third, to be generous. But the latter two-thirds were more swayed by Jordache and the flood of "designer jeans" that almost washed Levi's away.

Pollack's Harley Davidson image was associated with the 1969 film "Easy Rider." I was 24 when it came out, but the younger boomers, perhaps half of them, were younger than 12 and probably not even allowed by their parents to see the movie. Harley was also having a desperate time back then, even with product placement in the film. It wasn't until the 1980s when its business fully recovered. This can be accounted for by the majority of boomers who were working and could begin to afford the luxury of an American-made motorcycle.

Ditto for the inclusion of Volkswagen. Remember, these ads were done in the mid-1960s. Few boomers had enough money to buy a new car, even a new VW. This was a product for their older siblings and parents. The boomers made their auto impact in the late 1970s and 1980s when they began turning to the Japanese and turned Detroit completely upside down.

More hits and misses

The Slinky? This was a "Silent Generation" favourite. And while it had continued success (and still does), a more emblematic boomer toy would perhaps have been Cabbage Patch Kids, introduced in 1978. The brand's incredible

run-up in price (was it the first toy that went so ballistic as to create its own black market?) is reflective of the size and impact of boomer demand.

I would love to call The Beatles the iconic band of boomers, but their impact began almost before boomers could really afford to buy all their records, and has continued long afterward. As a very old boomer, I turned off to rock after the initial success of The Beatles, and so ignored the huge impact of The Who, the Bee Gees and even Donna Summer.

Pollack also nailed it with Pepsi. Alan Pottasch and Phil Dusenberry (and an incredible team at BBDO) took Pepsi from "Twice as much for a nickel too" all the way through "The Choice of a New Generation" and eventually "The Pepsi Generation." Talk about a pre-emptive strike.

How about Absolut? When my daughters were in lower school, they and their friends were mesmerized by this campaign and collected every ad from every issue of New York magazine. They were barely 8, no less 21. I'm afraid the choice of the boomers was not vodka but many things more illegal.

"Saturday Night Live" demonstrated cross-generational appeal, continuing, somewhat, even until today. And, debuting in 1975, it was there for the entire boomer generation that could, by this time, all stay up past 11:30 p.m. (especially because of the products alluded to above).

Too many eyeballs, too little cohesion

Facebook is a real reach. Growing by 175% off a base close to zero means little. Pac-Man, Asteroids and the world of Atari and the Commodore 64 are much more core to the maturation of the boom with technology.

The bottom line here is that you cannot and should not try to encompass the boom with a snapshot from the 1960s. The late 1970s are closer to the truth (what will I do with my "Saturday Night Fever" white suit, especially since no one I know can possibly fit into it?), and of that I am not especially proud.

Marketers that try to capture the zeitgeist of a cohort the size of the post-war boom make a huge error: Too many eyeballs, too little cohesion. Instead, they should focus on the very distinct subsets -- all large enough to merit their attention. The late parents, the early retirees, the grandparents (one out of three households, by the by) and the I'm-going-out-kicking-and-screaming groups are more addressable with meaning. Lester Wunderman said it best: "Junk mail is a letter addressed to me on the outside and someone else on the inside."

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## Brand building, beyond marketing

Consumers are becoming more suspicious of traditional branding. Here are five steps to regain their trust. Nicholas Ind and Majken Schultz

Not so long ago, brands were in the limelight. They were seemingly powerful, and virtuous. Any inconvenient truths were hidden by glossy packaging and one-way, big-bang marketing campaigns. Now, as organizations become ever more transparent, people can see behind the marketing facade and are questioning what they are told. Trust in brands has diminished and consumers are more likely to view brands cynically, and to feel uncomfortable with brands' desire to control. This has created a challenge for many brand owners, because they are ill equipped to cope with greater openness. But the most innovative companies are recognizing the way perceptions are changing, and are adapting their branding strategies accordingly — in some cases, reinventing them entirely.

In the past, it was marketing departments that burnished the products the company produced and made them appealing to customers. But marketers are increasingly turning away from traditional advertising and focusing on

direct communications with consumers. (See “The Promise of Private-label Media,” by Matthew Egol, Leslie H. Moeller, and Christopher Vollmer, s+b, Summer 2009.) More broadly, many enlightened organizations are moving branding entirely away from communications and toward connecting strategy, culture, and a wider stakeholder involvement. They recognize that branding is a process that is too important to be left just to the marketing or communications department. These organizations have understood that brand building (even if the terminology of branding is not used) is a participative process involving the whole organization and is the responsibility of all employees. The Netherlands-based finance group Rabobank, for example, which operates in 48 countries and has nearly 60,000 people servicing 9.5 million customers, communicates through traditional media, but it also recognizes that its strength is rooted in its closeness to customers, that its brand is built primarily in the everyday contacts that people inside the bank have with members. It is in this continuous dialogue between customers and employees — both online and offline — that the company’s brand is always evolving. Even the company’s visitor policy for its new headquarters reflects this ideal: Anyone who is accredited by the bank is allowed to wander freely throughout the building.

Similarly, the Danish toy company Lego Group, which we have spent many years researching, has recognized that its brand is not created by the marketing department, but instead by the larger organization in its interactions with customers and other stakeholders who have become part of its community. Like many other organizations, Lego built its business through a controlled approach to intellectual property. It conducted market research to understand how its customers thought about it, developed innovative products based on the information it derived, and created marketing communications campaigns to build the brand. However, as computer games grew in popularity, the company feverishly tried to adapt to new trends and opportunities in the marketplace. The result was that the brand became increasingly irrelevant, as people lost track of what it stood for and confused employees struggled to deliver a trusted Lego experience.

The revitalization of the Lego brand was not a master stroke by the marketing department, but the result of a close dialogue with key stakeholders spearheaded by a new CEO, Jørgen Vig Knudstorp, who took office in 2004. He realized that customers, who were using and adapting — and in some cases infringing upon — the Lego Group’s intellectual property, were not threatening the brand, but were actually redefining it. (See “The Promise (and Perils) of Open Collaboration,” by Andrea Gabor, s+b, Autumn 2009.) One of the secrets of Lego’s ability to engage its stakeholders with the brand is that it took advantage of the small opportunities that emerged along the way: from giving consumers the “right to hack,” to inviting small groups of passionate consumers to headquarters to work with the designers on new ideas, to the new CEO accepting the invitation to talk to the brand community on their turf. Many of these small openings have later had significant implications. By opening itself up to an active involvement with these enthusiasts, the company has been able to tap into a rich vein of innovative thinking and has been able to once again make the brand relevant.

### A new role for branding

The Lego Group is an interesting example of open innovation, but it is more than that. It indicates a significant shift in the way we think about brands and points to a future that will be radically different — one in which brand building will involve all stakeholders, and where managers will have to give up the idea of control over a brand and accept instead a fluid, uncertain world where a brand evolves in dialogue with others. This in turn will require both openness and trust.

Although we might argue that the very essence of brands is about trust — in the sense that consumers should be able to trust the promise that a brand name makes — in reality trust has often been missing. Organizations have trusted neither their customers nor their employees. As Francis Fukuyama notes in his book *Trust: The Social Virtues and the Creation of Prosperity* (Free Press, 1995), the “assumption that trust does not exist in the system” contributes significantly to the high cost of doing business in certain business sectors and societies. When there is a want of trust, organizations spend much time and effort watching and monitoring what people do. Brand delivery is

jeopardized by the constraints placed on employees, who respond to the lack of trust either by finding ways around rules and procedures or by telling managers what they want to hear.

A similar situation exists with regard to consumers. Rather than being open and participative with consumers, many organizations assume that the people buying their products and services can't be trusted. Not surprisingly, this is reciprocated. The market research firm Young & Rubicam found that the percentage of brands that consumers consider trustworthy plunged from 52 percent in 1997 to 22 percent in 2008. (See "The Trouble with Brands," by John Gerzema and Ed Lebar, s+b, Summer 2009.)

How, then, can trust be engendered? Trust has to be earned over time through the experience of promises delivered, which means less of a focus on telling people about how great your brand is and more on building relevant content. This requires openness. Some businesses already do this. Patagonia Inc., the outdoor sportswear brand, trusts its employees and its customers, because it understands that all stakeholders are wedded to the vision of the brand, and it encourages them to take part in an open dialogue about the organization. Rob BonDurant, Patagonia's VP of marketing and communications, says that honesty is what built the Patagonia brand both with employees and customers. He argues that the culture of honesty helps to tear down silos internally and to connect the brand with its customers. Another example is the Dutch insurance company Interpolis, which decided that instead of asking customers to provide receipts and questioning their claims, it would trust them. Former Interpolis executive board chairman Piet van Schijndel (now a member of the board of directors of Rabobank) said in a speech that the company "had to let go of the old-fashioned concept of an organization built on mistrust and rules. Instead, we started focusing on trust between people; between ourselves and our customers and between the management and the staff." The result was not only greater operational efficiency, but also a decline in the number of claims.

We would suggest that brand executives, instead of relying so much on the rhetoric of persuasion, should instead work to trust those around them and become active participants in nurturing brand dialogue by fostering brand communities and sharing the knowledge gleaned from these encounters inside the organization. The 2009 Spanish, European, and World soccer club champion, FC Barcelona, practices this approach. The club, which is owned by its 170,000 members, encourages interaction. Chief Executive Joan Oliver Fontanet says that who runs the club and how the team plays is determined in a dialogue with members. The club's slogan, *més que un club* ("more than a club"), recognizes this strong sense of community and involvement. This approach moves brand building beyond marketing, and integrates it into the very fabric of the organization and how it connects with the outside world. If branding can be re-branded, so that it comes to be seen as both substantive and trustworthy, it will help to better connect organizations with customers and other stakeholders.

As the shift from a marketing communications-driven approach to brand building toward an organization-wide, participative approach gathers pace, managers will have to become aware of some new imperatives — but also some new dilemmas and challenges.

**1. Content not communication.** It is what you produce and how you deliver it that matters if you want to build a relationship with customers. Advertising is sexy, PR is influential, and design is uplifting; but it is the substance of what you do that matters most. As media fragments and services become more dominant, the way companies interact with people and the products and services they deliver will increasingly influence consumers' perceptions of brands.

**2. Mind your language.** Be aware that the language of branding is a turnoff inside many organizations, and that the hyperbole of marketing communications is increasingly ineffectual. Now that we are all creators through Facebook and YouTube and blogs, we better understand the language of persuasion. Increasingly, we can also see through organizational facades to the reality, so more transparency is required.

**3. Let go.** The brand is not something that can be controlled by managers. It is employees and increasingly customers who self-manage brands. Managers and writers have long been seduced by the idea that marketing plans can be developed and implemented in a vacuum, but the reality of our socially mediated world is that brands are created by a diverse group of people.

**4. Open up.** There is a greater requirement to make the brand open to the influence of others. In the future, the required expertise of a brand manager will be to listen, to absorb, and to share. Traditionally this receptivity to the outside world has been derived from market research, but the movement toward co-creation has led to the direct involvement of consumers in defining products and services and the way brands are delivered. The most important mental shift here is to stop seeing users as an object and to start seeing them as a source of creativity and value creation.

**5. Just do it.** As Nike's famous slogan implies, accept that there will be successes and failures. Learn from open source practices, and experiment. The emergence of new approaches to branding doesn't require organizations to change their whole modus operandi. The point is to try things; to experiment with openness and to find out how the culture and strategy of your organization can best engage with customers.

## Opportunities and Dilemmas

The world of brands is changing fast. Whereas in the past brand managers lived in a structured and seemingly predictable world, they now have to cope with a loss of power, a requirement to be continually adaptive, and the need to trust others. This brand new world is one of freedom, yet managers have to confront a number of challenges: greater transparency increases the volume of stakeholder interactions, co-creativity provides input but also resistance from the conservatism of many brand enthusiasts, and more dialogue can undermine the coherence of the brand.

There are no easy solutions to these challenges, but we should pay attention to Joan Oliver Fontanel's argument that brand building (perhaps like soccer) is an art that requires intuition and a willingness to adapt to ever-changing circumstances. That is much easier when you have a clear idea of what your brand stands for, and when you have a certain style of play. Then you can encourage experimentation and discovery within a framework as the brand moves from one state of uncertainty to another. This new freedom has the potential to inject dynamism into brands, so that they become continuously innovative and create real value.

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## 10 Tips for social networking your way to a job

Jay Hofmeister

Desperate times can lead you to show how desperate really are to land that job. But no matter how tough a time you've been having—dwindling savings, unemployment running out, bills overdue—that's the last impression you want to give a prospective employer.

Job hunting is like dating. People are attracted to confidence and turned off by the hard-up. So how can you seem self-assured while looking for work and land that job as the market heats up?

Keep in mind these dos and don'ts.

## DO

Remember that the more you have going on, the less desperate you will feel. So keep your pipeline full. Have a job search plan to follow. Set a goal of meeting five new people a week, whether it's for coffee, lunch or an informational interview.

Follow up with the people you've met—and when you call or email, make sure to have a noteworthy topic to discuss. Stay on top of industry and company news easily with Google Alerts—go to the alerts tab in Google and set it up to send you relevant company information. When you see something interesting, forward it along with a comment. Also another way to reach out is to invite the person to connect on linkedin.com

Once you get an interview, be prepared to be asked about your down time. Don't let the question faze you. Practice your response at home if it helps. Explain how productive you've been. Discuss what you've learned. "I've been strategically aligning myself with contacts that would give me access to organizations XYZ, ABC, and DEF." "I've been keeping on top of the industry, and based on my research on your organization, here's why I could add tremendous value to your team."

Leverage a positive response. If, after a first interview you're told you are a strong candidate, don't act overjoyed—or to take the opportunity for granted. Follow up on the other resumes you have sent out, and send out emails to contacts and employers. Explain that you would like to make sure you've explored all your options before you wrap up your job search. Employers hate losing out on a good candidate.

## DON'T

Call daily to follow up on a resume or an interview. Just like in relationships, that reeks of desperation.

Act non-committal or over confident—it will come back to haunt you. Any follow up conversations should be pleasant and your enthusiasm to join their organization should be transparent.

Don't tell an employer that you took to time to find yourself, and that's why you have been out of work so long. You will come off as lazy and not serious about your career.

Don't try to engage a recruiter to help get you feedback at a company you already interviewed with. A recruiter only receives a commission for a candidate that has not already applied to a company.

When working with a recruiter, don't contact the hiring manager directly. Always let the recruiter do the follow up.

Jay Hofmeister, co-founder of The Resume Bay and co-author of *Sharpening the Axe*, has taken the pain out of the job-hunting process for hundreds of job seekers, from entry to executive level. He invites you to go to <http://www.theresumebay.com> for a resume that's guaranteed to get you an interview in 30 days as well as coaching that will help you ace the job interview.

## What is HTML5?

HTML5 is the next version of HTML (HyperText Markup Language) which is the core mark-up language of pages on the World Wide Web.

The web has changed a lot in the last 13 years since HTML4 became a standard back in 1997 - the year Dolly the sheep was cloned and Titanic hit the movies. The rise of web applications (like Gmail and Google Docs) and the increasing use of rich media on the web has highlighted the gaping holes in the current specification to meet the need of modern day web sites and web applications.

The HTML5 specification was started by the Web Hypertext Application Technology Working Group (WHATWG) in June 2004 under the name Web Applications 1.0. It was later adopted by the World Wide Web Consortium (W3C) in 2007 as the starting point of the work of the new HTML working group with Ian Hickson of Google, Inc. as the editor in charge of the HTML5 specification.

Currently in Working Draft stage, the specification is expected to reach the Candidate Recommendation stage during 2012 and finally become a W3C Recommendation in the year 2022 or later. This timeline has not stopped browser vendors from implementing many of the relatively stable sections of the specification in the latest version of their browsers.

## What's New in HTML5?

Many of the enhancements to HTML5 won't be visible to the end-user but to the developer it opens up a whole new world.

Many new tags have been added (like <nav>, <footer>, <article> etc.) that will allow a developer to mark up the page in a more semantic manner which in turn will allow search engines and screen readers to understand the context of the information better.

Multimedia functionality has also been added with the addition of the <video> and <audio> tags that will allow websites to play video and audio without requiring the user to have Flash or other plug-ins installed. Web forms have also received some love with the addition of more types (like email, telephone number etc.) and attributes.

Not only does HTML5 specify new markup, but it also adds a whole bunch of exciting scripting APIs. These new APIs provide functionality that enable developers to build feature rich and fast web applications previously only experienced in desktop applications.

## Better internal communications

Effective communications is the "life's blood" of an organization. Organizations that are highly successful have strong communications. One of the first signs that an organization is struggling is that communications have broken down. The following guidelines are very basic in nature, but comprise the basics for ensuring strong ongoing, internal communications.

1. Have all employees provide weekly written status reports to their supervisors  
Include what tasks were done last week, what tasks are planned next week, any pending issues and date the report. These reports may seem a tedious task, but they're precious in ensuring that the employee and their supervisor have mutual understanding of what is going on, and the reports come in very handy for planning purposes. They also make otherwise harried employees stand back and reflect on what they're doing.

2. Hold monthly meetings with all employees together  
Review the overall condition of the organization and review recent successes. Consider conducting "in service" training where employees take turns describing their roles to the rest of the staff. For clarity, focus and morale, be

sure to use agendas and ensure follow-up minutes. Consider bringing in a customer to tell their story of how the organization helped them. These meetings go a long way toward building a feeling of teamwork among staff.

3. Hold weekly or biweekly meetings with all employees together if the organization is small (e.g., under 10 people); otherwise, with all managers together

Have these meetings even if there is not a specific problem to solve -- just make them shorter. (Holding meetings only when there are problems to solve cultivates a crisis-oriented environment where managers believe their only job is to solve problems.) Use these meetings for each person to briefly give an overview of what they are doing that week. Facilitate the meetings to support exchange of ideas and questions. Again, for clarity, focus and morale, be sure to use agendas, take minutes and ensure follow-up minutes. Have each person bring their calendar to ensure scheduling of future meetings accommodates each person's calendar.

4. Have supervisors meet with their direct reports in one-on-one meetings every month

This ultimately produces more efficient time management and supervision. Review overall status of work activities, hear how it's going with both the supervisor and the employee, exchange feedback and questions about current products and services, and discuss career planning, etc. Consider these meetings as interim meetings between the more formal, yearly performance review meetings.

## Developing trust

Trust is a belief that you can depend on each other to achieve a common purpose.

More comprehensively trust defined as the willingness of a party (trustor) to be vulnerable to the actions of another party (trustee) based on the expectation that the trustee will perform an action important to the trustor, regardless of the trustor's ability to monitor or control the trustee.

People sense how you feel about them. If you want to change their attitudes toward you, change the negative attitudes you have toward them." Building relationships requires the building of trust. Trust is the expectancy of people that they can rely on your word. It is built through integrity and consistency in relationships.

## Effective Listening: The Bottom Line of Trust

If you actually listen well people will trust you. "You cannot establish trust if you cannot listen. A conversation is a relationship. Both speaker and listener play a part, each influencing the other. Instead of being a passive recipient, the listener has as much to do in shaping the conversation as the speaker

## Working with Cultural Differences

Cultural differences play a key role in the creation of trust, since trust is built in different ways, and means different things in different cultures

## Empathy

Empathy is valued currency. It allows us to create bonds of trust, it gives us insights into what others may be feeling or thinking; it helps us understand how or why others are reacting to situations, it sharpens our "people acumen" and informs our decisions.

Empathy is also particularly critical to leadership development in this age of young, independent, highly marketable and mobile workers.

## Trust-based Working Relationships

Trust has an important link with your organizational success. Trust elevates levels of commitment and sustains effort and performance without the need for management controls and close monitoring. Trust between a manager and an employee is based on the trustor's perception of the trustee ability, benevolence, and integrity.

## Trust as a Source of Competitive Advantage

Trust-based working relationships are an important source of your sustainable competitive advantage because trust is valuable, rare, imperfectly imitable, and often non-substitutable. The level of trust a corporate leader is able to garner from his/her employees is contingent upon the employee's perceptions of the leader's ability, benevolence, and integrity. A study that was conducted to determine whether trust could be a source of competitive advantage showed that trust is significantly related to sales, profits, and turnover. More broadly, the study concluded that "the ability of a general manager to earn higher trust from her or his employees likely creates a competitive advantage for a firm over its rivals.

## Understanding the Brand

A brand is a distinguishing name and/or symbol intended to identify a product or producer.

Some people distinguish the psychological aspect of a brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the brand experience. The psychological aspect, sometimes referred to as the brand image, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product (goods and services).

People engaged in branding seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a product has certain qualities or characteristics that make it special or unique. A brand is therefore one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace. The art of creating and maintaining a brand is called **brand management**.

Orientation of the whole organisation towards its brand is called **integrated marketing**.

**Brands represent the sum of all valuable qualities of a product to the consumer.** There are many intangibles involved in business, intangibles left wholly from the income statement and balance sheet which determine how a business is perceived. The learned skill of a knowledge worker, the type of metal working, the type of stitch: all may be without an 'accounting cost' but for those who truly know the product, for it is these people the company should wish to find and keep, the difference is incomparable.

A brand which is widely known in the marketplace acquires **brand recognition**. When brand recognition builds up to a point where a brand enjoys a critical mass of positive sentiment in the marketplace, it is said to have achieved brand franchise. One goal in brand recognition is the identification of a brand without the name of the company present.

Consumers may look on branding as an important value added aspect of products, as it often serves to denote a certain attractive quality or characteristic (see also brand promise). From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding (such as a generic, or a store-branded product), people may often select the more expensive branded product on the basis of the quality of the brand or the reputation of the brand owner.

## Brand names

The brand name is quite often used interchangeably within "brand", although it is more correctly used to specifically denote written or spoken linguistic elements of any product. In this context a "brand name" constitutes a type of trademark, if the brand name exclusively identifies the brand owner as the commercial source of products or services. A brand owner may seek to protect proprietary rights in relation to a brand name through trademark registration.

Brand names will fall into one of three spectrums of use - Descriptive, Associative or Freestanding.

**Descriptive brand names** assist in describing the distinguishable selling point(s) of the product to the customer.

**Associative brand names** provide the customer with an associated word for what the product promises to do or be.

**Freestanding brand names** have no links or ties to either descriptions or associations of use.

Most products have some kind of brand identity, from common table salt to designer jeans. A **brandnomer** is a brand name that has colloquially become a generic term for a product eg Band-Aid or Kleenex, which are often used to describe any kind of adhesive bandage or any kind of facial tissue respectively.

## Brand identity

A product identity, or brand image are typically the attributes one associates with a brand, how the brand owner wants the consumer to perceive the brand - and by extension the branded company, organisation, or specific product. The brand owner will seek to bridge the gap between the brand image and the brand identity. Effective brand names build a connection between the brand personality as it is perceived by the target market/segment/audience and the actual product.

The brand name should be conceptually on target with the product (what the organisation stands for). Furthermore, the brand name should be on target with the brands target market (segment profile)

Typically, sustainable brand names are easy to remember, transcend fashion trends and have positive perception/notations. Brand identity is fundamental to consumer recognition and symbolises the brand's differentiation from competitors.

**Brand identity** is what the owner wants to communicate to its potential consumers. However, over time, a products brand identity may evolve, gaining new attributes from the consumers perspective. Therefore, brand associations become handy to check the consumer's perception of the brand.

Brand identity needs to focus on authentic qualities - real characteristics of the value and brand promise being provided and sustained by organisational and/or product characteristics.

**Brand parity** - Brand parity is the perception of the customers that all brands are equivalent.

## Branding approaches

### Organisation name

Often, especially in the organisational/B2B/industrial sectors, it is just the company's name which is promoted (leading to one of the most powerful statements of "branding"; the saying, before the company's downgrading, "No one ever got fired for buying IBM").

In this case a very strong brand name (or company name) is made the vehicle for a range of products (for example, Mercedes-Benz or Black & Decker) or even a range of subsidiary brands (such as Cadbury Dairy Milk, Cadbury Flake).

## Individual branding

Each brand has a separate name (such as Seven-Up, or Nivea), which may even compete against other brands from the same company (for example, Persil, Omo, and Surf are all owned by Unilever).

## Attitude branding and Iconic brands

Attitude branding is the choice to represent a larger feeling, which is not necessarily connected with the product or consumption of the product at all. Marketing labelled as attitude branding include that of Nike, Starbucks, The Body Shop, and Apple.

In her 2000 book *No Logo*, Naomi Klein describes attitude branding as a "**fetish strategy**".

"A great brand raises the bar - it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness, or the affirmation that the cup of coffee you're drinking really matters." - Howard Schultz (president, CEO, and chairman of Starbucks)

Iconic brands are defined as having aspects that contribute to consumer's self-expression and personal identity. Brands whose value to consumers comes primarily from having identity value comes are said to be "identity brands". Some of these brands have such a strong identity that they become more or less "cultural icons" which makes them iconic brands. Examples of iconic brands are: Apple, Nike and Harley Davidson. Many iconic brands include almost ritual-like behaviour when buying and consuming the products.

## There are four key elements to creating iconic brands:

**"Necessary conditions"** - The performance of the product must at least be ok preferably with a reputation of having good quality.

**"Myth-making"** - A meaningful story-telling fabricated by cultural "insiders". These must be seen as legitimate and respected by consumers for stories to be accepted.

**"Cultural contradictions"** - Some kind of mismatch between prevailing ideology and emergent undercurrents in society. In other words a difference with the way consumers are and how they some times wish they were.

**"The cultural brand management process"** - Actively engaging in the myth-making process making sure the brand maintains its position as an icon.

## No-brand" branding

A number of companies have successfully pursued "No-Brand" strategies, examples include the Japanese company Muji, which means "No label" in English (literally, "No brand quality goods"). Although there is a distinct Muji brand, Muji products are not branded. This no-brand strategy means that little is spent on advertisement or classical marketing and Muji's success is attributed to the word-of-mouth, a simple shopping experience and the anti-brand movement.

No brand" branding is actually branding as the brand is made conspicuous through its absence.

## Derived brands

In this case the supplier of a key component, used by a number of suppliers of the end-product, may wish to guarantee its own position by promoting that component as a brand in its own right. The most frequently quoted example is Intel, which secures its position in the [PC](#) market with the slogan "Intel Inside".

## Brand extension

The existing strong brand name can be used as a vehicle for new or modified products; for example, many fashion and designer companies extended brands into fragrances, shoes and accessories, home textile, home decor, luggage, (sun-) glasses, furniture, hotels, etc.

Mars extended its brand to ice cream, Caterpillar to shoes and watches,

There is a difference between brand extension and line extension. When Coca-Cola launched "Diet Coke" and "Cherry Coke" they stayed within the originating product category: non-alcoholic carbonated beverages. Procter & Gamble did likewise extending its strong lines (such as Fairy Soap) into neighbouring products (Fairy Liquid and Fairy Automatic) within the same category, dish washing detergents.

## Multi-brands

Alternatively, in a market that is fragmented amongst a number of brands a supplier can choose deliberately to launch totally new brands in apparent competition with its own existing strong brand (and often with identical product characteristics); simply to soak up some of the share of the market which will in any case go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give a greater overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one). In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.

Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the consumer's perception of what business the company is in or diluting higher quality products.

Procter & Gamble is a leading exponent of this philosophy, running as many as ten detergent brands in the market. This also increases the total number of "facings" it receives on supermarket shelves. Sara Lee, on the other hand, uses it to keep the very different parts of the business separate — from Sara Lee cakes through Kiwi polishes to L'Eggs pantyhose.

**Cannibalisation** is a particular problem of a "multibrand" approach, in which the new brand takes business away from an established one which the organisation also owns. This may be acceptable (indeed to be expected) if there is a net gain overall. Alternatively, it may be the price the organisation is willing to pay for shifting its position in the market; the new product being one stage in this process.

**Private labels** - With the emergence of strong retailers, private label brands, also called own brands, or store brands, also emerged as a major factor in the marketplace. Where the retailer has a particularly strong identity (such as Marks & Spencer in the UK clothing sector) this "own brand" may be able to compete against even the strongest brand leaders, and may outperform those products that are not otherwise strongly branded.

**Brand equity** - Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name. And, at the root of these marketing effects is consumers' knowledge. In other words, consumers' knowledge about a brand makes manufacturers/advertisers respond differently or adopt appropriately adept measures for the marketing of the brand.

The study of brand equity is increasingly popular as some marketing researchers have concluded that brands are one of the most valuable assets that a company has. Brand equity is one of the factors which can increase the financial value of a brand to the brand owner, although not the only one.

**Brand architecture** - Brand architecture is the structure of brands within an organisational entity. It is the way in which the brands within a company's portfolio are related to, and differentiated from, one another. The architecture should define the different leagues of branding within the organisation; how the corporate brand and sub-brands relate to and support each other; and how the sub-brands reflect or reinforce the core purpose of the corporate brand to which they belong.

Brand architecture may be defined as an integrated process of brand building through establishing brand relationships among branding options in the competitive environment. The brand architecture of an organization at any time is, in large measure, a legacy of past management decisions as well as the competitive realities it faces in the marketplace.

**Brand aversion** - Brand aversion is the opposite of brand loyalty. It is when a consumer experiences distrust or a disliking of products from a particular brand based on past experiences with that brand

**Brand community**- Brand community is a community formed on the basis of attachment to a product. It is based on a connection between brand, individual identity and culture. Among the concepts developed to explain the behaviour of consumers, the concept of a brand community focuses on the connections between consumers. A brand community can be defined as an enduring self-selected group of actors sharing a system of values, standards and representations (a culture) and recognising bonds of membership with each other and with the whole.

**Brand Engagement** - A term loosely used to describe the process of forming an attachment (emotional and rational) between a person and a brand. It comprises one aspect of brand management. What makes the topic complex is that brand engagement is partly created by institutions and organisations, but is equally created by the perceptions, attitudes, beliefs and behaviours of those with whom these institutions and organisations are communicating or engaging with.

## History of Brands

The word "brand" is derived from the Old Norse brandr, meaning "to burn." It refers to the practice of producers burning their mark (or brand) onto their products.

Although connected with the history of trademarks and including earlier examples which could be deemed "protobrands" (such as the marketing puns of the "Vesuvium" wine jars found at Pompeii), and with inn signs (eg the Tabard Inn of Chaucer's tales), generally brands in the field of mass-marketing originated in the 19th century with the advent of packaged goods.

Industrialisation moved the production of many household items, such as soap, from local communities to centralised factories. When shipping their items, the factories would literally brand or paint their logo or insignia on the barrels used, extending the meaning of "brand" to that of trademark.

Bass & Company, the British brewery, claims their red triangle brand was the world's first trademark. Lyle's Golden Syrup makes a similar claim, having been named as Britain's oldest brand, with its green and gold packaging having remained almost unchanged since 1885.

Factories established during the Industrial Revolution, generating mass-produced goods and needed to sell their products to a wider market, to a customer base familiar only with local goods.

It quickly became apparent that a generic package of soap had difficulty competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product. Campbell soup, Coca-Cola, Juicy Fruit gum, Aunt Jemima, and Quaker Oats were among the first products to be 'branded', in an effort to increase the consumer's familiarity with their products.

Around 1900, James Walter Thompson published a house ad explaining trademark advertising. This was an early commercial explanation of what we now know as branding. Companies soon adopted slogans, mascots, and jingles which began to appear on radio and early television.

By the 1940s, manufacturers began to recognise the way in which consumers were developing relationships with their brands in a social/psychological/anthropological sense.

From there, manufacturers quickly learned to build their brand's identity and personality (see brand identity and brand personality), such as youthfulness, fun or luxury. This began the practice we now know as "branding" today, where the consumers buy "the brand" instead of the product. This trend continued to the 1980s, and is now quantified in concepts such as brand value and brand equity. Naomi Klein has described this development as "brand equity mania".

## Brand blunders

Brand blunder refers to the goof ups associated with the branding of a product, especially a new product in a new market. There could be many reasons for such slips. For example, the lack of understanding of the language, culture, consumer attitude etc.

There are numerous examples of brand blunders in the marketing history; there are also numerous urban legends surrounding brand blunders, where there is little evidence of an actual blunder.

## Cases

**Honda:** In 2001, Honda intended to release an automobile known as the Fit in Asian markets as the Honda Fitta on the European market. However, in Swedish and Norwegian, fitta is a crude reference to female genitalia, and the vehicle was rebranded Honda Jazz.

**McDonald's:** In January 2005, McDonald's published banners proclaiming Double cheeseburger? I'd Hit It. In this obvious blunder, the copywriters mistook the strictly sexual slang expression for a term of general appraisal.

**KFC/Kentucky Fried Chicken:** An advertising campaign in China attempting to translate the slogan Finger lickin' good! into Chinese failed miserably, proclaiming Eat your fingers off.

## Urban legends

Urban legends about brand blunders are popular, because they use familiar urban legend motifs such as the incompetent corporation or the ignorant foreigner. Often the reality is far less dramatic, and the stories, which are even retold in marketing textbooks, are rarely backed up by researched data about sales.

**Electrolux:** Scandinavian vacuum manufacturer Electrolux sold products successfully in the United Kingdom using the slogan "Nothing sucks like an Electrolux". The slang disparagement "sucks" is an example of Americanism, so many Americans think this is an example of such a blunder. The slogan persists among minicomputer geeks as "Nothing sucks like a VAX", punning on the other UK vacuum brand Vax.

