The Ecology of Modern Marketing

A discussion paper exploring how the Supply Chain and Emerging Marketing work dynamically together to support commercial sustainability

The purpose of this note is to share ideas about the evolving linkages between:

- **Business to Business marketing – the chain that prepares goods ready to sell**
- **Business to Consumer marketing – reaching the one who eventually pays**
- **Consumer to Community marketing – the sharing of experience, and advocacy[1]**
- **The various links that make the integrated and dynamic marketing process successful**

The people who may want to read and contribute/challenge are:
- Senior marketers
- Applications developers
- Leading edge thinkers
- Company strategists
- Scenario planners

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[1] In this context concentrating on 'word of mouth' but using a mobile device to grow sales or usage

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Preamble

In order to keep the story simple, the discussion describes the flow of materials from primary production to final Consumer and follows the creation and delivery of tangible products from the final producer to their point of sale. The Consumer should be sufficiently impressed to act as an advocate for the product or service, extolling its virtues to the on-line Community which that user is part of.

The real picture is highly complicated with many layers of competition and supply. There is competition between suppliers of similar goods and services. There is indirect competition for spend between suppliers of different goods and services e.g. to have a holiday or buy a suite of furniture.

Taking as an example buying a chocolate bar for someone else; a simplified supply chain involves several **Business to Business** transactions. The start point is the cocoa farmer who is part of the cocoa growers' co-operative who manage the beans through warehousing[2], shipping and storage to reach the processor. Each link is a Business to Business transaction.

Having created the chocolate bar[3], the manufacturer passes the product to a primary Distributor which supplies several intermediate Distributors (including merchandising companies) to get the product on to shelves in the store (each store is a **Business** in its own right). The chocolate bar is then bought by the Consumer – **Business to Consumer** marketing.

The Consumer, having bought the chocolate bar gives it to someone else (e.g. their dejected friend) who is so pleased to feel good again that they recommend chocolate to others within their sphere of influence (their Community) who act on the recommendation and buy more bars of chocolate – **Consumer to Community** marketing.

The discussion here is confined to:
* The final link in the production chain, defined as the **Business**
* The outlet, defined as the **Distributor** – and a <u>Business</u> in its own right, acting as the second party in what is defined as *Business to Business Marketing* (B to B). The expression '**Distributor'** is used to avoid ambiguity.
* The **Consumer**, is the person who puts money into the system and is the second party in *Business to Consumer Marketing* (B to C)
* The Consumer is a part of a **Community** which is the second party to *Consumer to Community Marketing* (C to C)

The journey is kept at a surface level although there are many points where the activities, disciplines and linkages can be explored in more depth.

In examining modern marketing, one of the forces to consider is the emergence of a whole new series of demographics, determined by on-line communities using mobile communication and what these communities relate to; no longer can we rely on where someone lives, their status or their earning power. These new *Communities* are be linked by common interest and increasingly easily communicate whilst on the move, sharing experiences that fuel their particular passion.

The reverse is also true, that a member of a Community who is dissatisfied by a product or service will readily share these views with others in the Community and, in extreme circumstances, this instant and uncensored communication can offer serious risk to an organisation's reputation.

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[2] Ignoring: fermenting, grading, intermediary storage and conching etc
[3] Which includes other supply chains: sugar, milk, biscuit, peanuts etc

The premise of this note is that modern technology is beginning to threaten the established ways of doing things by facilitating immediate and uncensored feedback. It creates significant opportunities for those with a positive mind-set who readily respond to their Consumers' needs and will penalise those who strive to maintain a comfortable status quo.

This note explores a journey that considers how we might begin to create a more cohesive and dynamic route to market. Each part of the journey supports and develops the other points on the journey. It does not set out to draw firm conclusions; simply to provide a framework that supports further discussion about how an integrated marketing programme may be used to better serve society, Business and investors

Any journey will start with the destination in mind, and this note discusses in order:
Part 1. The end-point – mobile communications (Consumer to Community)   **- C to C Marketing**
Part 2. The start-point – adding value to raw materials (Business to Distributor)   **- B to B Marketing**
Part 3. The middle-ground – Consumer marketing (Distributor to Consumer)   **- B to C Marketing**
Part 4. The complete journey
Part 5. The emerging market drivers,
Part 6. Agility with thoughts about the future.
Part 7. Drawing the elements together with some comments

An additional consideration that is developed is how this integrated marketing framework has extended Marketing's classic 4 Ps, to support the emerging technology and provide ways to deliver additional benefits from the uncensored immediacy the communicated Consumer.

The journey is very difficult to express through words alone because of the number of links in the chain. To convey the message there are a number of flow diagrams which are easy to skip yet form the core of the argument. These flow diagrams need to be carefully explored to follow the journey closely

As this note was being prepared a few disparate thoughts emerged; rather than spoil the flow, these are included as appendices

The Emerging Market Ecology

Steve Mullins, Director of Ascot Associates Ltd. December 2010

Part 1 – The <u>End-point</u> – Mobile Communications or: C to C Marketing (Consumer to Community)

<u>1.1   Introduction</u>

This paper is written for people involved in the strategic marketing and Business planning within their organisations. It explores how marketing is evolving from Business driven through Consumer driven to build on the rapidly escalating use of mobile marketing and its associated applications. It takes the established marketing journey one step further.

<u>1.2.   Mobile Communications – the current end-point of the journey</u>

Business to Business [B to B] Marketing addresses strategy and needs. Business to Consumer [B to C] Marketing addresses responsiveness, tactics and wants. ***Consumer to Community [C to C] Marketing*** builds on the different communities that every user of Facebook, Twitter, LinkedIn and the other social networks that people develop for themselves – each is a parallel universe, often with diverse interests.

People naturally want to communicate and are keen to express a view – hence the star ratings to any new app wherever a score might be applied [see iPhone ratings for example]. C to C Marketing engages communities with the benefits that products or services offer to their own social network where every member has common interests, and wants to evaluate and share the experience of that good or service. What these communities have in common is that they address human needs in new and interesting ways.

Used well mobile apps can significantly strengthen the Consumer interface and bring different functions within a company together (e.g. Marketing and the Company Secretariat?); used in a clumsy fashion there is the risk of undermining carefully built brand strength and corporate integrity. A poor specification, or lack of Business experience by developers, can lead to generic solutions, solutions designed to win awards, or 'kitchen sink' solutions with everything included – just in case something might be useful.

<u>1.3   What is C to C Marketing?</u>

Consumer to Community Marketing deals with Consumers sharing their experiences with their personal communities in order to more closely bond, increase acceptance or seek to influence others they are in regular contact with, and who often constitute a significant part of their social circle. It supports the commercial development of various apps for mobile communications, access to services and on-line usage; this growing communication channel is increasingly important in promoting goods and services into the various on-line communities.
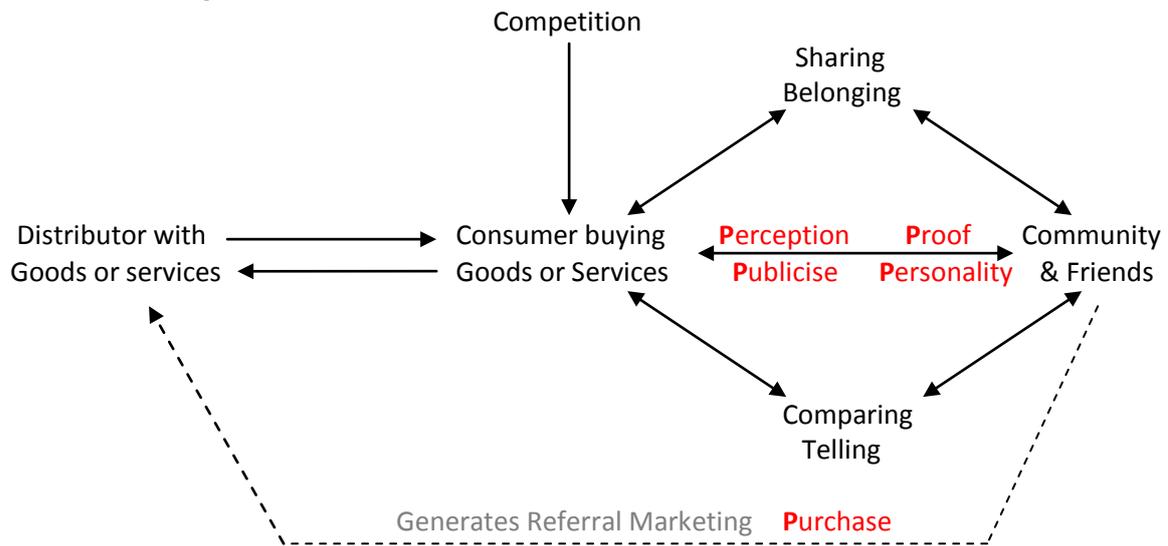
C to C Marketing introduces three new considerations into the *Marketing Mix* these are:
- Proof – that the goods or services perform to expectation and do not under-deliver on their promise
- Publicise – to others that they meet a need and do that well
- Purchase – additional sales on the strength of advocacy

There are as many virtual worlds as there are social networkers – each inhabiting a 'parallel universe' which overlaps and interplays with other universes. The flow of opinion and information is extremely fast, very pervasive and extremely influential – there is no stronger marketing medium than word of mouth, which can be very supportive or very damaging; rarely is it neutral or descriptive.

Yet the management of C to C Marketing, even that of some significant organisations, is generally quite badly done; just click onto the opinions that people post about any new app and if it gets above three stars out of five it's a rarity. For many organisations, there is a steep learning curve to get best impact from the emerging markets.

Fig 1.1. C to C Marketing

Competition

Sharing
Belonging

Distributor with → Consumer buying   **Perception   Proof**   Community
Goods or services ← Goods or Services **Publicise   Personality** & Friends

Comparing
Telling

Generates Referral Marketing   **Purchase**

1.4   Some of the pitfalls of C to C Marketing

In the main, an organisation will commission one or two apps but with little appreciation of their power to influence, or sufficiently thought through as to their deployment by the end-user. This is normal where only one or two are created in a year and there has been no opportunity to build experience.

The difficulty may be compounded by developers who understand technology but not Business and work for people who understand Business but not the pervasiveness of technology. The risk is that a new solution will provide either a rebranded generic, something designed to win an award or a 'kitchen sink' approach where everything is thrown at the opportunity, in the hope that some of it may be relevant.

Neither approach is appropriate to a user with a very short attention span, who demands information that is specific and to the point, and if it takes an extra key stroke can very rapidly lose interest – to then report negatively and widely.

This potential combination of lack of experience of apps by Business and the lack of experience of Business by developers is tantamount to the 'blind leading the blind', which in the happiest of circumstances might lead to a welcoming outcome but is more likely to blunder over a cliff.

Please see also:
Section 6.6. The use of external providers
Appendix 2. Using an outside agency to crystallise an objective

Part 2 – The Start-point – Adding Value to Raw Materials or: B to B Marketing (**Business** to **Business**) – <u>Note:</u> The Distributor is the second Business

<u>2.1   The Extended Marketing Journey – start point</u>

In Business to Business marketing, the benefits delivered are based on need (strategic, long-term and company focused) and essentially commercial: to increase volume, improve margins or save expenditure.

This is the original marketing framework and gave rise to the four Ps – Product, Price, Position and Place. These have been the mainstay of marketing for many years. Putting the four Ps into a contextual relationship develops a model which largely ignores: Research (drives Planning), Research & Development (drives Purpose) and overlooks Payment.

The more complete Business to Business model includes three phases which link together to provide an idealised overview of the marketing process and extend the traditional 4Ps of marketing into seven:

Phase 1   **P**lanning with **P**urpose – research into trend and emerging needs in order to **P**lan product evolution and hopefully spot new opportunities; **P**urpose translates those needs into benefits – people buy things for what they do, not for what they are

Phase 2   **P**roduct & **P**rice with **P**ayment – a particular specification is constructed which is sold somewhere between the most expensive the market will bear and cost-to-make plus a margin. Price may be adjusted according to competitive activity and margins adjusted by product modification as needs evolve and experience grows. Payment may be by several means from in-kind to cash to credit amongst many.

Phase 3   **P**osition with **P**lace – the identification of the ideal target Business (the Distributor) and making the goods or services available, with the provision of a means for that Distributor to influence how the product or service is made or delivered to them.

The three phases link together into a basic marketing dynamic where the necessary support activities (Research, R&D, PR & KAM[4]) ensure there is forward motion directed to a specific goal

Fig 2.1. B to B Marketing

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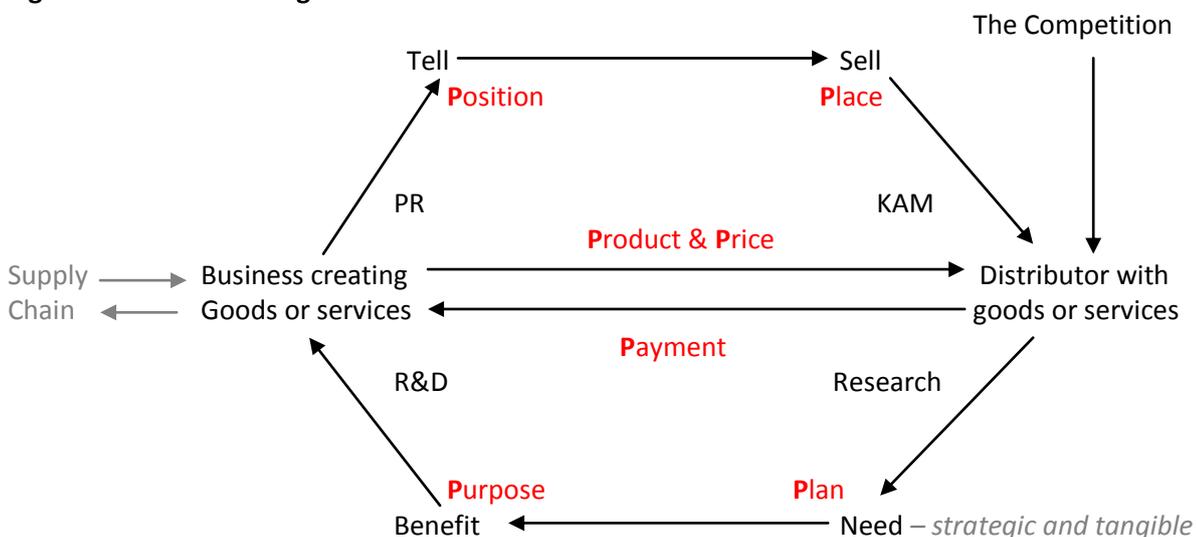
[4] Key Account Management

Part 3 – The Middle-Point – Getting Goods or Services from the Distributor to the Consumer: or B to C Marketing (The Distributor is a Business in its own right)

3.1   The Extended Marketing Journey – the middle section

Consumer marketing has essentially the same dynamic as Business to Business Marketing but with different metrics. For example the benefits delivered no longer have to meet a strategic or Business need they may sell to whim, fashion or trend – the strategic need may be replaced by a tactical *want* and the enticement is no longer increased profitability but perhaps enjoyment, greater social acceptance or the reassurance that the item bought would enhance the individual's standing in their particular Community.

Positioning also changes and there are several ways to identify the Consumer; one example being *Family Lifestyle Demographics* which identifies 20 different groups of people from 'Golf Clubs & Volvos' through 'Trinkets & Treasures' to 'Pubs, Pools & Bingo'. Another is *Sagacity Lifestyle* which includes: Dependent, Pre-family, Family and Late. Definitions and classifications have mushroomed to examine the way in which the message is delivered, to whom and even time of day all now play a part, but generally based on habit, status or circumstance.

Often enough though, much of the B to C Marketing is by a Distributor or agent providing goods or services from a variety of sources [and includes 'badge engineering' – part of the downfall of UK production[5]]. These goods and services often have a short life-cycle and demand a high degree of responsiveness. This responsiveness is the foundation of C to C Marketing but needs to step up a gear to become more reactive and more able to meet the Consumers' immediate desires.

Fig 3.1. B to C Marketing   The Competition/Trend
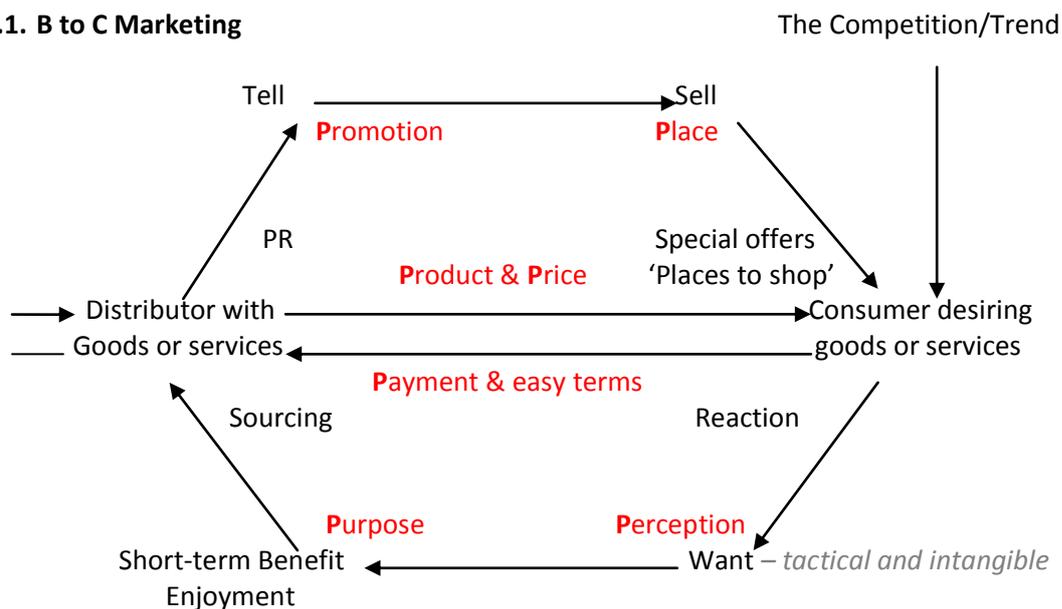
This ability to manage multiple sources of supply on the one hand and being highly reactive to widening Consumer demographics on the other hand is an increasingly important element in the management and dynamics of the longer supply chain

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[5] Which includes designer ranges

Part 4 – Describing the Complete Journey: B to B to C to C Marketing

The linkages that will be developed to create a more complete picture are:
- Business to Business (Distributor) linked to the Consumer to provide links one and two (Part 1)
- Business (Distributor)to Consumer linked to Community to provide links two and three (Part 3)
- Business to Business (Distributor) to Consumer to Community to describe the complete journey (Part 2)

4.1   Linking Business to Business with the Consumer:

The links explored here are: the Business that creates goods or services to meet market needs which are used to supply the Distributor which sells those goods and services to the Consumer who shares their experience with others in their personal Community.

A secondary marketing cycle now emerges where the Business creating the goods or services gets to better understand the final Consumers' wants and aspirations. With this understanding, the supplying company can work more closely with the Distributor to a common objective (usually to increase sales or margin).

Marketing's Ps are now extended by the addition of:
- Promotion – continual lobbying by the Distributor of the Consumer Groups extolling the benefits and pleasures of the various goods and services
- Perception – what the Consumer actually thinks about the goods and services, having sampled them

The primary Business may now seize the opportunity to directly influence the Consumer to generate marketing 'push' which not only improves sales but also supports the Distributor. This activity also provides the opportunity for a second (genuine) USP: one USP for the Distributor (often volume, margin or price based) and one for the Consumer (often experience, confidence or status based). A closer understanding of the Consumer's expectations helps the Business to provide better benefits and experiences appropriate to the moment, and so influence the Distributor to stock their product in preference to competitive offerings.

Fig 4.1. B to B to C Marketing
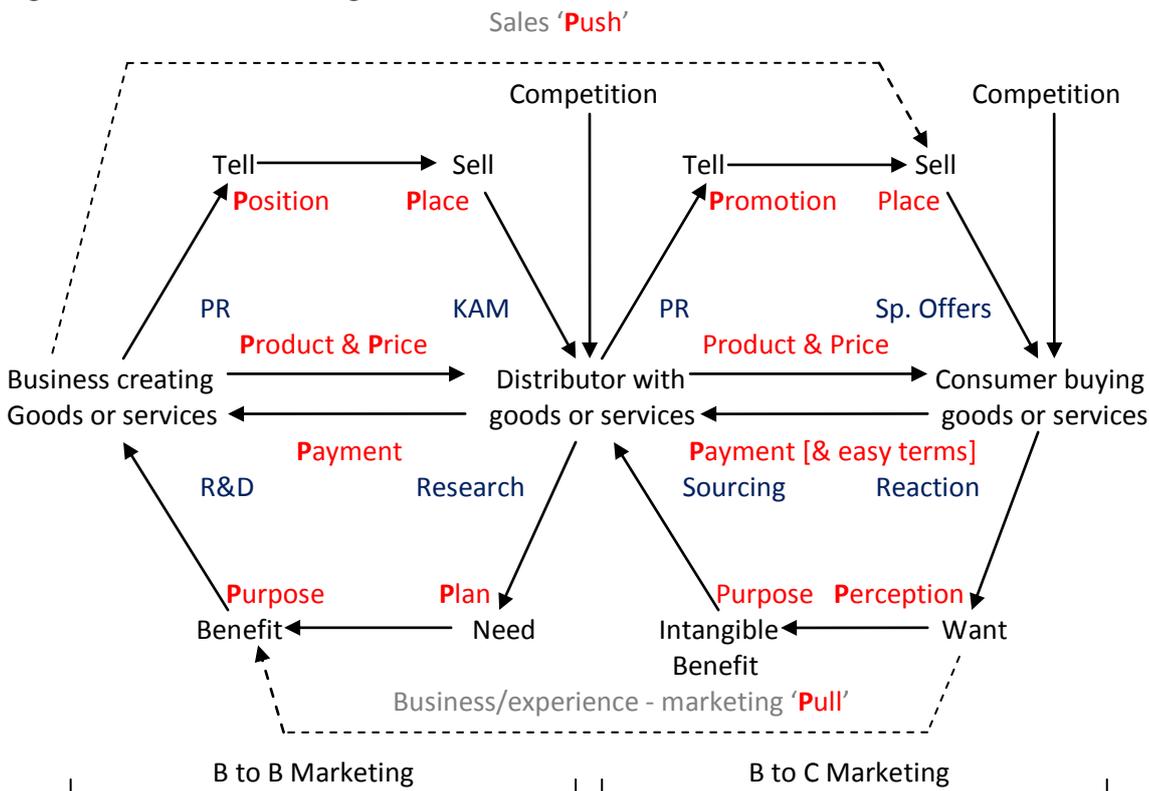
The third step that is now emerging is *C to C Marketing* where the Consumer is actively influencing their own specific Community through mobile technology.

Just as above, the Consumer has needs and wants but is now a part of an interlinked social Community of their own making – whether by means of *Facebook*, *Twitter, LinkedIn* or any other site designed to bring people together with common interests. And those interests can be varied and different, whether it's pipe smokers, beard growers or people who just want to 'have a go' at a corporate.

Each individual has their own particular need which will be a shade different from others in their Community but with enough common ground to be of interest; so if person A gets a buzz from product X they may well want to share that experience with person B who could well compare product X with product Y, either favourably or unfavourably. This new found ability for secondary recommendation is *mobile word of mouth* that is becoming increasingly powerful as a marketing tool and extends the supply chain described above.

This extension introduces three more of marketing's Ps:
- Proof – that the goods or services perform to expectation and do not under-deliver on their promise
- Publicise – to others that they meet a need and do that well
- Purchase – additional sales on the strength of advocacy

Fig. 4.2 B to C to C Marketing – extending the chain
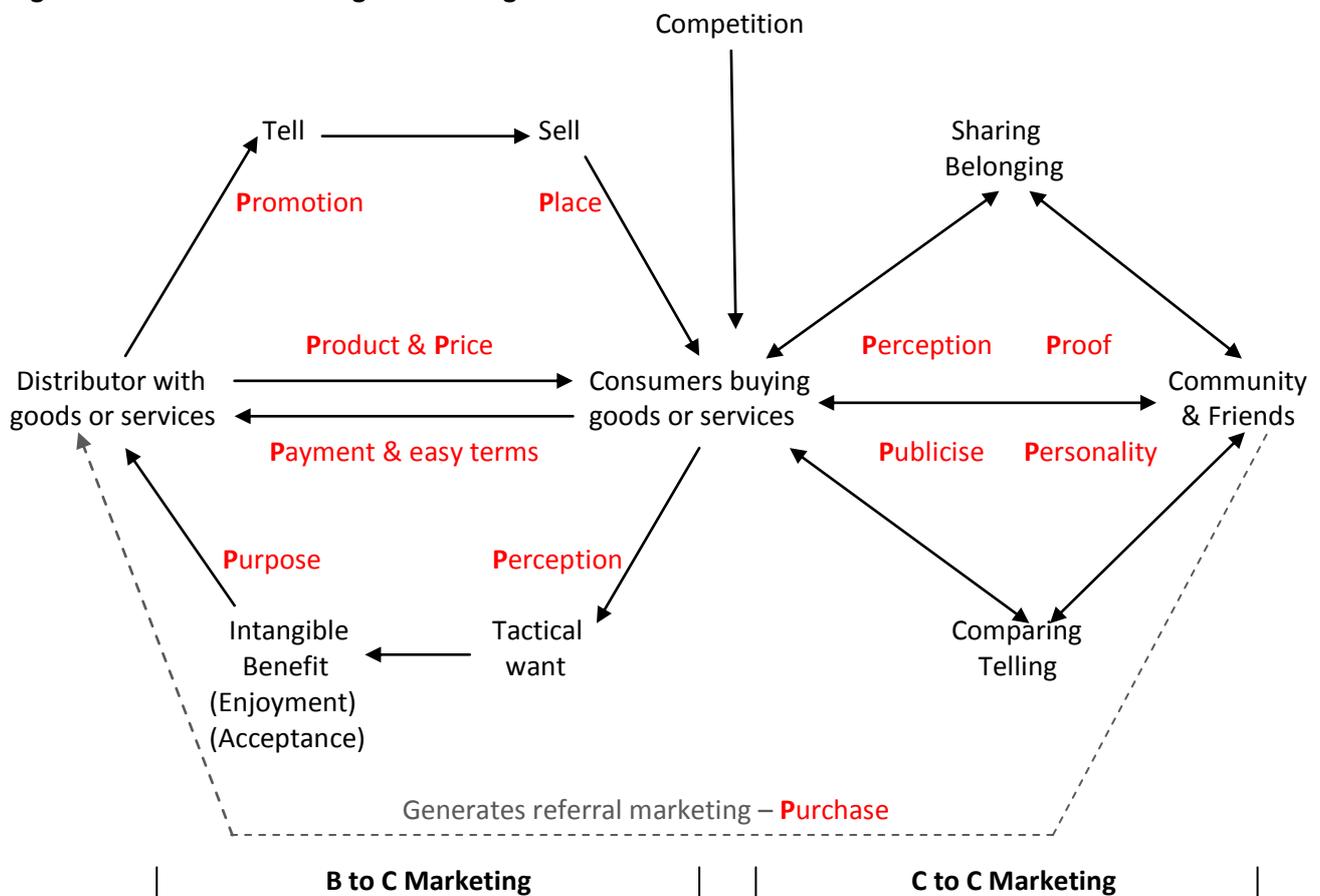
Understanding this relationship and developing suitable analyses (see section 5.3) supports the Distributor in being better able to relate to the Consumer and so can respond appropriately. The impact is to develop a lasing relationship in a world where loyalty is becoming in increasingly short supply.

Fig. 4.3 Summarising the Marketing Journey

Competition   Competition

Integrity

Create sales '**P**ush'

Tell → Sell   Tell → Sell   Sharing Belonging

Position   **P**lace   **P**romotion   **P**lace

Product & **P**rice   **P**roduct & **P**rice   **P**erception   **P**roof

Business creating Goods & services   Distributor with goods & services   Consumers buying goods & services   Community & Friends

Payment   **P**ayment [& easy terms]   **P**ublicise   **P**ersonality

Purpose   **P**lan   **P**urpose   **P**erception

Tangible Benefit   ←   Strategic need   Intangible Benefit (Enjoyment)   ←   Tactical want   Comparing Telling

(Acceptance)

Generates marketing '**P**ull'

Generates Referral Marketing – **P**urchase

Innovation

B to B Marketing	B to C Marketing	C to C Marketing

# Part 5 – Further Considerations about the Emerging Market Drivers

5.1   The New Freedoms

Additional drivers develop from the growing freedoms and opportunities of today's emerging mobile culture which include: the freedom to communicate from anywhere to almost anyone, the opportunity to be seen and to be noticed, the ability to influence peers and be influenced by others through a variety of communication channels that largely reject censorship

Four of the additional drivers (mentioned noted above) are:
- Proof – a product or service must do what it promises, there is little scope for under-delivery because a weak offering will be spotted very rapidly and the Distributor's marketing, PR campaign and brand franchise risk being rapidly eroded
- Perception – what an individual, or group of individuals, thinks about a product or service. Sometimes with enough passion to communicate that perception to others who might have an interest or to the world at large
- Publicise – immediacy, the sensation of using a product or service. The Distributor has no time to build on, retrench or redress the broadcast comments, and the Business even less opportunity
- Purchase – positive criticism encourages additional sales, especially if the person commenting is influential in that particular on-line Community

Fig. 5.1 The Additional Drivers – Proof, Perception, Publicity and Purchase
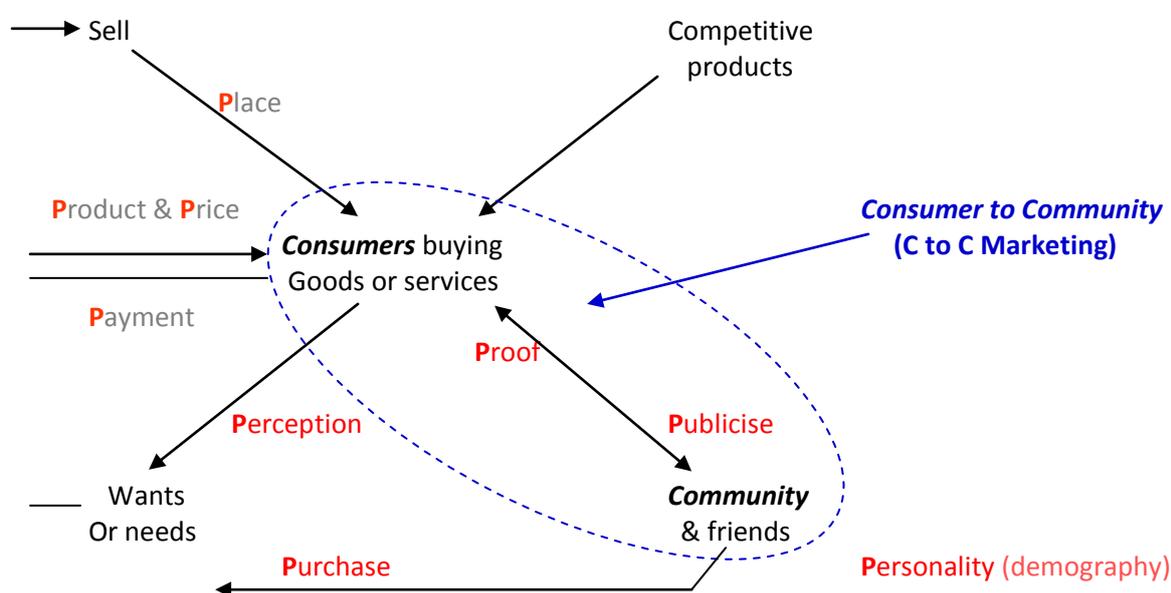
5.2   Referral Marketing

The dialogue within each Community between those having bought, and those who are undecided can make a significant difference to sales volumes whether for goods or for services. As an example, Vince Golder of Goldnet Referral Marketing estimates that by 2012 some 70% of services will be bought by referral and not by conventional sales and lobbying techniques. However, that is not to say conventional techniques should be abandoned – please see appendix 3

It is crucially important for organisations today to embrace this rapidly expanding mobile market by the positive use of apps in this social dialogue. There are a limited number of companies which have the experience of creating apps that meet Consumer expectations and strengthen brand relationships by linking knowledge of Business, Consumer interests & routine with technical expertise

Consumers never ask for a product or a modification; they simply flag a problem. Research sets out to turn the problem into an opportunity that the aware provider may solve with an enhancement or a new product. The use of apps is a new route to unearth a great many unsuspected opportunities.

The main research disciplines are:
- *Marketing research* – what Consumers and prospective Consumers think of products or services and changes to make to meet their emerging expectations
- *Market research* – where new opportunities might be found in the current pool of Consumers and what they are, or other markets appropriate to existing goods and services
- *Consumer research* – exploring the evolving trends and growing expectations to be able to respond appropriately and positively
- *Competitor research* – what (additional) needs are being fulfilled by the competition and what needs to be done to be more competitive

To these we can now add:
- ***Marketability research*** – how Consumers compare products directly with competition, picked up from mobile postings and used to determine how to respond specifically in a given arena
- ***Marketplace research*** – what's going on in the other social communities (markets) and is there a case for entry (e.g. closeness of current product specification or potential volume to support a new development)

This now all comes together in a cohesive whole that supports and drives the integrated strategic marketing programme that is the hallmark of an outstanding company i.e.

Fig. 5.2 Integrating the Extended Research into the new model
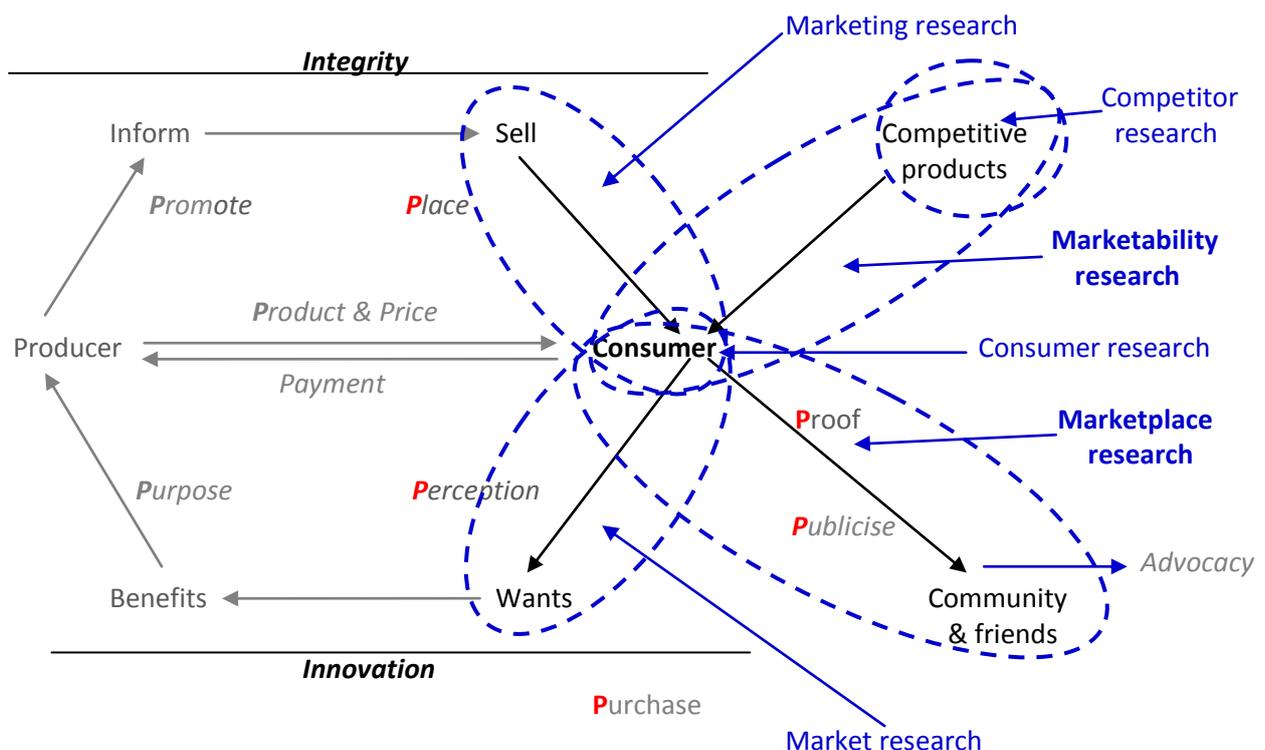
The application of this research applies in three settings:
- Understanding the communications that promote goods and services peer to peer
- Providing the detail and justification to support responsiveness and product change on the part of the Business or the Distributor, and
- Driving an organisation further up the search engine rankings to encourage direct sales

Part 6 – Integration Across the Organisation

In addition to understanding the marketing journey and working with clients to ensure each step is directed to a clear unequivocal corporate goal, soundly taken and resonates with the market; there are a number of internal spin-offs from a well integrated marketing programme.

6.1   Drawing the Organisation Closer Together – with emerging technology

Mobile marketing technology (apps) applied in a considered, sensitive and Consumer-centred way has the capability to draw the various departments within an organisation together to work more synergistically to ensure shareholder requirements, Consumer expectation and sustainability continue to be positively promoted and properly managed.

Fig. 6.1 Drawing the Organisation Closer Together
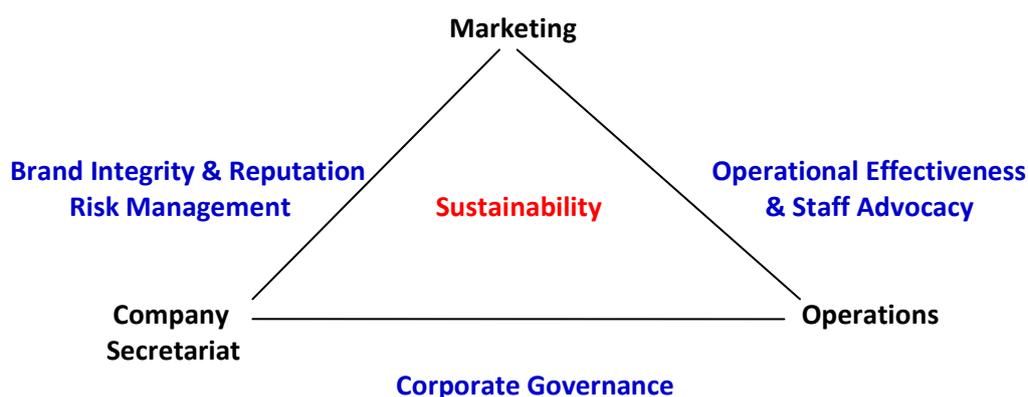
6.2   Operational Effectiveness – and staff advocacy

Many companies overlook the fact that some of their strongest advocates are their own staff who work with the products and services, sometimes for more time than they spend with their families. They can be justifiably proud of what they produce – yet rarely are they given the opportunity to demonstrate that pride or commitment. The suitable use of apps can be very beneficial in both stimulating the staff and in gaining first hand experience of how the product or service is used in reality, to then build on that experience to specify and create ever better benefits and channels of communication with staff and with Consumers.

For the very brave, there is the opportunity to gain honest and immediate feedback about how well the products are performing in the market, or even how well the management is performing in the workplace! Apparently Kodak has a unit set up to specifically look out for the use of their name in social networks.

6.3   Brand Integrity – and reputation risk management

How much money has been spent on developing the brand franchise – a proven means to support premium pricing, promote sales and build integrity with the Consumer? The brand leader is reported to sell for 7% above the mean price and the brand second sells for 3% below the mean – everything else lags somewhere behind.

In these days where copying is so easy, any activity must be directed to build the integrity and acceptability of the brand – as for many companies this is the only evident differentiator. The brand's strength is ultimately determined by the Consumer, not the company or its PR department[6] – however hard they try to influence public sentiment!

The clumsy development of apps in the mobile Community can so easily undermine this treasured brand position. The creation and development of apps should be left to those with the experience of creating technical Business solutions that are Consumer-centred, objective and specific. Doing so creates a positive brand-bridge between the Consumer and the provider of goods and services.

6.4   Corporate Governance – and shareholder value

The brand is so easily undermined by poor attention to satisfying Consumers' expectations yet has a very significant role in the balance sheet. The Company Secretariat has responsibility for good governance including the protection of the brand. Emerging information, new instruments and best practice could readily be provided to Consumers in order to deliver that extra bit of information to perhaps keep share values high when, for example, they are under media pressure determined to create a story.

6.5   Innovation

The individual on-line communities know their needs, problems and aspirations better than anyone else, so it makes sense to support two-way dialogue not only to identify opportunities but also to gain the input of the various on-line communities to strengthen the offering to the market.

There are many people with good ideas and experience beyond the company walls that they will often make available for free to the modern organisation that is shedding (at last) the Not Invented Here (NIH) syndrome that has plagued development for decades.

This is a step-up to the entrepreneurial approach to be managed through the following stages:
- The entrepreneur listens to what's going on in the market, studies the stories and identifies the gaps that can be filled profitably. – *Listening*
- The emerging product still has to establish and make a recognisable presence, so the activity changes to a two-way discussion to maximise penetration. – *Discussing/Conversing*
- The final step, after investing in mass production, is to actively develop brand awareness, often managed through the aggressive delivery of a positive 'strap-line' which is a form of *telling* the Consumer what is good for them. This activity now needs a return path in order to actively *listen* and *respond*, which for some long-established companies can be a significant hurdle

The goal has to be to climb this ladder with openness, awareness and flexibility built into the fabric of the organisation. This approach supports the continual evolution of existing products, the invention of new ones and continued advocacy by the virtual communities that use them.

The use of apps and other social media 'gateways' can actively promote development to keep the products absolutely fresh, appropriate and ahead of the competition – all that is needed is a positive mindset. At the extremes: the established smokestack type companies will have to take a huge leap and there will be significant resistance. For emerging companies, where change is the daily routine, the challenge is to remain properly focused and commercially driven to provide a significant challenge to the slow moving established organisations.

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[6] In the longer term PR and spin normally serve to weaken the brand, yet we will probably see it used on an increasing scale as the slower companies try to compete with their more technologically aware rivals.

"The problem with experience is that it comes just slightly too late to be of any practical use"

External support usually comes into an organisation too late and often as a tactical rescue for something that shouldn't have happened in the first place. Brought in at the right (earlier) time an external provider is usually cheaper than a rescue and more supportive of a focused result.

As noted above there are many traps and tricks that can either grow traction with the market or undermine the brand and corporate credibility. Additionally, the majority of people in authority have been with an organisation or market sector for many years and have entrenched ways of doing things.

Core to any successful project is the establishment of a clear strategy which is directed to how the organisation satisfies its Consumers. As the mobile market becomes more pervasive and structured the strategic focus must be re-visited more frequently. The company's anchor-point is its Mission Statement which provides guidance and direction through the corporate objective which advises strategy.

A good external provider will not only develop strategy but also challenge, clarify and support the Objective and Mission in ways that can be difficult for established staff.

If strategy is constructed without the experience and knowledge of what is available outside the organisation as well as what is available from within the organisation the objective may be set far below the available horizon. Properly and objectively developed it can also direct change if needed as well as give increased confidence in the overall company direction

The capable outsider can enter the arena from a position of 'supreme ignorance' to challenge the Business objective to ensure it is realistic and achievable within the technology. This clarified objective will be translated into a specification that will be tested and handed over.

Basic questions can be asked without compromising internal authority or personal status to get to fundamentals to support and lead the evolution of a fitter and more responsive organisation.

The strength of an outsider is to link their specialist experience with the organisational management's deep understanding of the company and its markets; together, they make pretty much an unstoppable force. In the longer-term, the external provider will work with the organisation to build their understanding and skills whilst developing a mutual understanding to ensure they do not leave a lingering dependency.

For the external provider there is the excitement and challenge of ever more interesting projects as the client company gets to better relate to its communities and becomes more ambitious in its objectives.

Steve Mullins

14th November 2010

Appendices – some further thoughts

Appendix 1 – still surfing (the net), or setting out to sea?

<u>Social media</u>

For decades we have 'surfed the net' – played in the shallows. Social media are now taking us deeper into uncharted waters which we need to navigate. Mobile technology provides one navigation tool, and Mobile Marketing develops the profitable 'trade routes'.

<u>Redefining the demographics</u>

Social media change the ways we interact – the disadvantaged young person now has the same access to immediate contact, diversion and communication as has the company director. Mobile Marketing combines flexibility with new demographics to address these converging needs.

Mobile Marketing is based on universal human requirements and personal aspirations. For example, the need to participate, which is one of several universal human needs, can be met in a number of ways by mobile technology. Some examples include:
1. Social networking
2. Freely to join or leave virtual groups
3. Give information
4. Share information
5. Develop shared information
6. Interact and organise

The traditional approach uses demographics based on people who are static or have regular routines. For example segmentation based on ACORN[7] profiles uses neighbourhood data and an assumption that to define a neighbourhood defines an individual.

The new demographics address this need to participate and more closely identify the type of person to approach. They also define the structure of the application itself. Traditional demographics provide supplementary information to better engage the target user.

<u>The new trade routes</u>

Mobile Marketing may be classified into three groups:
1. Direct (one-off) marketing:
    *   Immediate information e.g. the nearest garage
    *   Financial or knowledge transactions to: buy, sell or provide data
2. Referral marketing:
    *   One user advocates a product or service to many
    *   Group 'membership' which comes through a specific application e.g. an on-line game
3. Influential marketing:
    *   People want to belong to one [or several] societies or virtual groups – anywhere in the world
    *   People compare experiences with others
    *   People and groups deliberately change perceptions – X Factor winners, national elections

The understanding of how these trade routes link with the new demographics will open fascinating and exciting opportunities; relatively speaking we are, today, little further forward than Columbus was when he set sail for America.

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[7] A Classification Of Residential Neighbourhoods – based on the UK census

Appendix 2   An Outside Agency can Transform a DULL Objective

- **D**evolved – no one individual has direct responsibility (often a committee, the worst of all worlds)
- **U**nfocused – no one clear goal, lots of aims (impossible to judge success; or failure)
- **Li**mited in scope – unsure of what might be achieved in practice so a reversion to minimalist thinking from a silo-driven mentality (afraid to step beyond a safe comfort zone)
- **L**oose – poorly written and ambiguous (to evade responsibility for a result)

Often the acronym SMART is used for setting an objective; an equally useful acronym is PRAM which turns the DULL objective upside-down

- **P**recise – One clear objective [overcomes Loose]
- **R**ealiseable – There is sufficient scope in the wider market to support the desired result [overcomes Limited]
- **A**chievable – There are the specific resources and skills available internally to meet the goal [overcomes Unfocused]
- **M**onitorable – There are the particular tools in place to measure and monitor progress by each participant at all stages in the programme [overcomes Devolved]

As the experience of the outside provider diffuses into the people in the organisation, their confidence will grow, so will their ability to take on increasing responsibility for the development role – <u>a good outsider will ensure there is no lingering dependency</u> because, if they've done the job right, the client will have lined up a more interesting and challenging follow-on i.e.

Appendix 3   Thoughts about Integration and the Bigger Picture

There is a marketing requirement to reach out to people and get their engagement, but it is not enough to provide a suitable app to support the sales growth or company strategy – relying on word of mouth because it's cheaper. The app should be part of a bigger Business picture and not a substitute for sales and marketing.

Typically the bigger picture would include the traditional marketing channels which are well described elsewhere; here we consider some of the other available emerging channels as part of the wider integrated marketing strategy. The list below is far from exhaustive but begins to scratch the surface of the complexity that can be integrated into a commercially worthwhile programme – not simply linked in a technical spider's web that pleases only the specialist developer.

The use of a **blog site** as an anchor, where current information can be posted and links with other sites/people; established with the right degree of expertise and support this tool can be used to drive the search engine rankings, promote conversations and lead people to the apps and other marketing tools that will help develop and sustain sales whilst promoting brand integrity.

The development of a vigorous **microblogging** presence by actively posting <u>relevant</u> texts with flags to the blogsite and apps – again driving up search engine traffic. The joy of the microblog e.g. Twitter, lies in its simplicity, yet it is this simplicity that might lead to banal or ambiguous messages being posted that dumb-down the product and insult the Consumer instead of elevating both.

Posting **multimedia**, or the route of access to multimedia, is a powerful way to get engagement; not only in providing information [e.g. cooking sessions for a food company] but also signposting the apps and links that will draw others into the conversation – to the benefit of the product and brand.

Gaining in usage and popularity is **social bookmarking** where users aggregate knowledge, opinions and questions, but can be taken further into voting, extended discussions and product tagging. Used well and integrated into the overall sales and marketing strategy, the use of these technologies can help the astute, forward-looking Business to progress faster and more profitably than its slower competitors whilst exceeding shareholder expectations and ensuring sustainability into the future. Used in a cavalier, patronising or simplistic fashion the likely outcome is just the opposite.

Appendix 4   A Move Away from Debt-Driven Economics?

Traditional economics has been centred on manufacture where stock and part-finished materials are needed throughout the process to keep a flow of goods emerging from the factory – many of the components have to be bought before they can be integrated into a finished product. Much manufacturing energy is spent in 'lean manufacture', 'just-in-time', inventory reduction etc. This dependence on debt has driven the banking sector and the way economics is managed.

In many significant economies manufacture is no longer the driving force, communication is playing an increasingly significant role in the way societies in those countries is evolving. For example in London the congestion charge can be paid by mobile phone as one enters the zone. The Oyster card is pre-paid (much like insurance or a postage stamp)

Does this open the door for a much wider 'current account' driven economy, or even a credit-based economy?