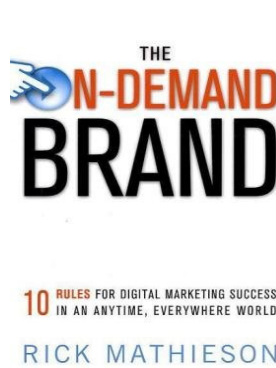


The On-Demand Brand

10 Rules for Digital Marketing Success in
an Anytime, Everywhere World

About the Author/s

Rick Mathieson is a leading voice on marketing in the digital age. Heralded as “a strategic marketing expert” by Harvard Business School’s Working Knowledge, his insights have been featured in ADWEEK, Advertising Age, Wired, Broadcasting & Cable, and on MSNBC, CBS Radio, and NPR. A regularly featured speaker at industry events, Mathieson also serves as vice president and creative direction for Creative i Advertising & Interactive Media, and is the author of Branding Unbound. He lives in the San Francisco Bay area.



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■ The Big Idea

Traditional ways of reaching the consumer are not working anymore. In The On-Demand Brand, Rick Mathieson demonstrates how to build awareness and demand for any offering by honing in on the right combination of digital channels and interaction for a brand. In addition, readers will discover:

- How Showtime, MasterCard, and NBC have literally redefined “viral video” with highly personalizable video content
- How Burger King, Coca-Cola, and Axe Deodorant have hit pay dirt with “advergames” – brand videogames that have directly and dramatically boosted sales of their products
- How Fanta, GE, Papa John’s, and Topps are leveraging the power of augmented reality – combining the virtual and physical worlds to create incredible branded experiences
- How GMC, Alaska Airlines, and Yahoo are using a new generation of “smart advertising” technologies to target consumers based on age, gender, geographic location, online activities, and past purchase behavior

FEATURES OF THE BOOK

Reading Time: 10-12 hours, 282 pages

The On-Demand Brand by Rick Mathieson provides readers with information on the right combination of digital channels and interaction to increase visibility for any brand in today's digital marketplace. With guidance from Mathieson, as well as commentary and executive interviews with leading digital media executives including Alex Bogusky, co-chairman of Crispin, Porter + Bogusky; Laura Klauberg, senior vice president, global media for Unilever; and Mike Benson, executive vice president of marketing for ABC Entertainment, The On-Demand Brand is full of insight for staying one step ahead of today's "on-demand" world. The book also includes hundreds of real-world examples from highly successful (and unsuccessful) digital media campaigns from big brands such as Burger King, Dove, Pizza Hut, BMW, Doritos, and more.

The On-Demand Brand is a valuable resource for marketers who are trying to navigate their way through the constantly-changing digital media landscape. By having a better understanding of the myriad channels for engaging with customers and taking advantage of all that digital media has to offer, brands can more effectively interact with the right audiences to create deeper connections and forge authentic brand loyalty.

INTRODUCTION

We live in an on-demand economy where information is literally at our fingertips 24 hours a day, 7 days a week. Long gone are the days when consumers sit idly by as advertisements are pushed to them through a single medium at a time. In this on-demand economy, content is no longer just about consumption, but also about creation, participation, collaboration, and exhibition. Technology has evolved the world of online media from "new media" to "now media" and has irreversibly transformed the way we work, learn, and interact. In this ever changing world of social networks, constant connectivity, and perpetually digital lifestyles, marketers are having a great deal of difficulty keeping up with this landscape. In The On-Demand Brand, Rick Mathieson

reveals 10 essential guidelines marketers should follow for building on-demand brand experiences. With insights based on Mathieson's experience as a strategic marketing consultant, as well as advice from executives of highly innovative brands, marketers will glean a better understanding of how to stay one step ahead and succeed in this on-demand economy.

RULE #1: INSIGHT COMES BEFORE INSPIRATION

On-Demand, Or Digital Du Jour?

Companies are sensing the urgency to jump on the social media bandwagon, yet they are not coming to the table with ideas that will move the needle for their own brands.

"Because it's cool and everyone is doing it," may be the impetus for wanting to create a digital strategy, but creating an effective on-demand campaign is about honing in on customer needs and not haphazardly creating a "me-too" strategy that emulates another company in another industry that is targeting another audience.

Mathieson points directly to the success around Dove's far-reaching "Campaign for Real Beauty." In this multimedia advertising campaign, Dove empowered women of all ages to embrace their inner beauty and debunk the widely abided-by beauty rules that the media has engrained in their heads. Using an incredibly smart and thoughtful campaign, Dove not only increased sales across the board, but won the loyalty of women around the world who gained respect for the brand. The snowball effect from this authentic campaign has garnered results that Klauberg's Unilever (Dove's parent company) could never have imagined. Here are some of the impressive statistics that Mathieson outlines:

- By 2010, education programs spawned from this campaign had touched the lives of five million people in 40 countries around the world.
- Market share for Dove's firming products grew from seven to 13 percent.
- Global sales for Dove products increased over ten percent in the first two years of the campaign.
- The advertisements won the prestigious television and cyber Grand Prix awards at the Cannes Lions International Advertising Festival.

The success achieved from this campaign is clearly unique and something that other companies can only dream of. However, the main lesson learned from the campaign is the way it used its knowledge about the customer to craft its message and spread across different technologies, and not the other way around.

Knowing the customer is the #1 rule that every marketer should tout as the first step in creating any kind of campaign. Procter & Gamble, a traditionally conservative company, took the Web 2.0 plunge and enlisted Google's help in getting to know its customers better. Turning to the "mommy bloggers" who have gained recognition as an incredibly powerful audience, P&G realized the incredible influence they were having on consumers

around the country. Popular mom blogs collectively attract more than 21 million moms, and their advice and product recommendations have an enormous impact on the overall economy. By looking deep inside the minds of these important customers, P&G was able to glean important information about what these women want, what they are looking for, and what they will buy.

Innovation is the name of the game when it comes to keeping up with this wired world. With virtual games, mobile phones, PCs, gaming consoles, and more, there are many different avenues for reaching consumers. Dubbed “multi-plat-fornification” by MTV president Van Toffler, the multiple channels for disseminating content are abundant but must be used wisely. It takes experimentation and risk-taking to determine what is the most successful campaign, but through thoughtful innovation and customer insight, the possibilities are endless.

RULE #2: DON'T REPURPOSE, REIMAGINE

The advent of YouTube and other video-sharing sites have made an enormous impact in the way that big brands connect with audiences. With the hopes that every video created goes “viral,” brands are putting the power in the consumers’ hands to help promote the product, the brand, or the idea. Although everyone has access to the same channels, the way in which they are taking advantage of these and differentiating themselves is dramatically different.

HBO recently achieved great success by creating a massive drama that simulated an apartment building setting in New York City. Called HBOVoyeur.com, the purpose of the campaign was to enable viewers to observe characters as they lived their “real” lives in the city. In addition to this site, HBO promoted the campaign on all the major social networks and, as a result, received 1.2 million hits to its site in just four weeks. What was amazing about this campaign is that it was not tied to any particular new show or broadcast, but rather served to reinforce the HBO brand as a leader in storytelling.

Burger King is another brand that has won accolades for its creativity and innovation in branding and advertising. Using the popularity of its Whopper sandwich, Burger King decided to boost brand loyalty in an unconventional way. Customers were secretly videotaped at cash registers while Burger King employees told them that the Whopper had become discontinued. Dubbed the “Whopper Freakout” due to some of the irate reactions from customers, Burger King managed to increase its customers’ undying loyalty to the sandwich, as well as raise its visibility to commemorate the Whopper’s fiftieth anniversary. A documentary comprised of video clips of these reactions were posted online at whopperfreakout.com and was played four million times. The campaign was such a huge success that Burger King followed it up with another extreme idea called “Whopper Virgins,” where they taped reactions from people in remote areas around the world who were able to taste the Whopper for the very first time.

What these immensely successful campaigns demonstrate is how the advertising world has been turned upside down. It is no longer just about compelling and evocative print ads, but about creating a holistic viewpoint of the brand and using multiple channels to convey messages. Whether using video, online or mobile apps, social networking, or traditional print, the most important thing in advertisement is to make sure it is original.

RULE #3: DON'T JUST JOIN THE CONVERSATION – SPARK IT

Brands are jumping on the social networking bandwagon and collecting thousands of “friends,” a.k.a. consumers, due in large part because that is what they think they need to do. Amassing an audience of loyal customers online is a great way to build brand equity, but without a clear cut strategy and rules of engagement, it can have the opposite effect.

There is a misconception that just because a consumer “friends” a brand on Facebook it is because he or she wants to join the online community and therefore be a recipient of online advertisements. This may be partly true, but the consumer holds the power and regards it as being “their space.” Mathieson references a study from research firm IDC that found only three percent of U.S. Internet users would be willing to let advertisers pitch products to their friends.

The key for brands on social networking sites is not just to be present, but to engage and give consumers a reason to remain engaged. Johnson & Johnson’s BabyCenter online community is a perfect example of engagement. According to Mathieson, BabyCenter reaches 78 percent of all online women who are pregnant or are mothers of children under 24 months in the U.S. That is a staggering figure and a true testament to the power of an online community. BabyCenter even takes it a step further by engaging with this community via mobile phones. It has created several mobile apps for its members, one of which is called “Booty Call” and has become very popular among women tracking their ovulation cycles to increase the chances of getting pregnant.

Social networking has the incredible power to boost a company’s brand equity and customer loyalty, but that is assuming that the brand is living up to its customers’ expectations. In this chapter, Mathieson details one instance where a Comcast customer took video of a technician who had fallen asleep on the couch while on duty. The customer posted the video on YouTube and it was quickly catapulted into Comcast’s worst PR nightmare, garnering 1.2 million views and plenty of customers who had experienced bad service from them as well. That kind of negative publicity can cause irreversible damage to a brand, so it is important that big businesses are aware of the benefits and potential drawbacks of social media engagement.

RULE #4: THERE'S NO BUSINESS WITHOUT SHOW BUSINESS

The world of advertising is closely enmeshed with pop culture and Hollywood bravado. With social media integrating the two more deeply and celebrities engaging with fans on Twitter, Facebook, and other networks, advertising campaigns are taking advantage of the reach of Hollywood to further their brands.

“Branded content” is highly recognized as an effective means of promoting a product or a company. Similar to the HBOVoyeur.com example, many networks and brands are creating their own forms of branded digital entertainment, either through promoted video clips, websites, or even music videos. Toyota has attempted to create an entire portal of branded entertainment for its Scion auto brand even though the site features content that has little to do with the car itself. It primarily contains short films, Japanese anime, TV shows, and appeals to a highly creative demographic, one that Toyota thinks would be interested in the Scion brand. Without overtly pitching the product, Toyota has successfully engaged an audience that its Scion Broadband channel appeals to, and as an eventual byproduct, has won over new and potential customers for its automobiles. Toyota took it beyond the “let’s create a video and hope it goes viral” train of thought and expanded the idea in a much more creative and engaging way.

Kevin Townsend, a branded entertainment expert and founder of agency Science + Fiction, states, “You can’t make a viral video; you can end up with one.” Everyone wants a viral video, but what makes it viral is something that can never be predicted. He did, however, offer four elements to increasing its chances:

1. Star quality: Enlist the help of a celebrity to bring visibility to the project
2. Pre-existing tie-in: Connect it to the brand or campaign
3. Cross-platform promotion: Use multiple channels
4. Community building: Engage your audience and enlist their help in promoting the idea

Mathieson urges brands to be thoughtful with this branded entertainment approach and remember that the output needs to be unique while still appealing to the demographic they are trying to reach. He poses the following questions for consideration:

- Why are we doing this?
- What is the objective?
- What measurable result are we pursuing?

Engagement is the most important factor in building a successful campaign and retaining the loyalty of new customers who converse in the dialogue.

RULE #5: WANT CONTROL? GIVE IT AWAY

With the advent of YouTube and its amazing popularity for uploading and viewing videos, it is no wonder that marketers have jumped at the idea of promoting user-generated content (UGC) campaigns. According to the Pew Internet and American Life Project, nearly ten percent of online Americans have uploaded video to the Internet via YouTube or other video-sharing sites. By giving the power to the consumer and letting them tell the story, brands can expand their reach and also get unique perspectives on how they are perceived by users.

The one issue with UGC is that brands must be comfortable relinquishing control of the message and realize that the outcome might not always be positive. When Chevrolet requested UGC videos from its Tahoe-driving customers for an SUV promotion, they did not expect the deluge of negative videos focusing on the car's poor mileage and detriment to the environment.

Whether UGC is merely a passing fad or a viable means of brand extension remains to be seen. What has always been a mainstay between the brand-customer relationship however, has been the use of personalized content. With the help of digital media, personalized content can be created and distributed much more easily. A great example of a successful personalized campaign is Seattle-based Jones Soda. In the world of fizzy beverages, Jones Soda is not typically the first or even fifth name that comes to mind, but thanks to some savvy engagement with customers, it has built a very loyal following. Giving users the opportunity to essentially create personalized bottles of soda from user-generated photographs has become its selling point. Mathieson quotes founder Peter van Stolk in an interview with Business Week as stating, "We allowed the labels to be discovered, and that gave consumers a sense of ownership. It makes it more relevant to them and provides an emotional connection."

RULE #6: IT'S GOOD TO PLAY GAMES WITH YOUR CUSTOMERS

In addition to branded entertainment, branded games are rising in popularity. Geared towards Generation Y, augmented reality games enable brands to offer their customers compelling reasons to engage, and the best games encourage them to stay. Tim Zuckert, CEO of Shift Control Media, found that, on average, consumers spend 12 minutes with branded games, which is much longer than they do with other forms of communication.

Games provide an even more highly interactive medium for customer immersion and offer the opportunity for repeat visits. If executed well, games also promote the brand without pushing the message so aggressively in one's face, and although games typically target a younger demographic of consumer, games can still reap benefits for groups of all ages.

Microsoft created a trivia challenge around its Microsoft Office product to teach users, in an interactive and fun way, what the new features and benefits of the product were. Mathieson states that more than 65,000 middle-aged office workers have already downloaded the game, and of those people, 47 percent have played it at least four times. More interestingly, nearly 25 percent forwarded it to a colleague and or friend.

From a word-of-mouth standpoint, games can have just as much of an impact on a brand as a viral video can. Once friends start telling friends about a “cool new game” they played, the effect can positively snowball and brands instantly get audience participation while building awareness.

When working with developers, it is crucial that the intended message of the game is established at the very beginning.

RULE #7: PRODUCTS ARE THE NEW SERVICES

Before the on-demand world of advertising, it used to be that a shoe was a shoe; it could make you run faster, jump higher, and be a better basketball player. At least that is what they tried to tell consumers. Now, products are the new services and a shoe evolves into an entire fitness regimen, a training program, and a personal motivator. For example, Nike+ running shoes have created a lot of buzz in the market since their debut in 2006. In addition to boasting all of the normal forms and functions of a Nike shoe, they also interact with an iPod Nano to monitor workouts and provide real-time stats on running times. There is an interactive site, www.nikeplus.com, that records this data and creates a virtual log of running times, distance, pace, and calories burned. Who needs a personal trainer anymore? The site also offers built-in networking functionality for users to pit times against other runners, offer motivation, and interact with those who share the love of the sport. Turning this product into a service has catapulted Nike+'s shoe sales dramatically, increasing its share of the running shoe marketplace from 48 to 61 percent in three years, according to Adweek.

This incredible success story represents the blurring of lines between products and services and also demonstrates the opportunity that any brand can have with a product. According to Mathieson, “Digital channels enable you to turn products into on-demand services that help consumers make the most of your product, reach their goals, entertain themselves, or connect with other like-minded customers.”

RULE #8: MOBILE IS WHERE IT'S AT

Everywhere you look, there is a mobile phone in someone's hand. Long gone are the days when people only had a phone for emergencies. They are now an integral part of our daily lives and have significantly impacted the way we communicate, learn, and share information. Mobile phones are not only ubiquitous but in many cases have even replaced the need to have a dedicated landline. Mobile phones enable people to be connected 24 hours a day, 7 days a week, 365 days a year. Because of this always-on access and accessibility to the customer, it is a natural advertising progression to take advantage of the mobile channel. It is a nascent push, but one that many brands are contemplating as the next step in their digital advertising strategies. Since it is a fairly new channel for brands and consumers alike, both parties are still figuring out the most effective (and rewarding) ways to emit and receive. Mathieson introduces a concept he calls "mBranding" – the use of the mobile medium to create differentiation, general sales, and build customer loyalty.

When looking at the industry data and taking into consideration the fact that more than 100 million Americans actively use text messaging, there is a burgeoning market for mBranding. In addition to text ads, interactive texting surveys, and frequent communication via text, another growing market for mobile phones is the "app" (applications) market. Most major brands now offer apps for smart phones that enable users to easily access information and communicate directly with the brand.

Starbucks has a popular mobile app that houses its loyalty program. Members can access their loyalty accounts via their phones, add money to their accounts, check their balances, etc. all from the palm of their hands. Starbucks is also testing an idea of having the mobile phone/app itself be the loyalty card whereby Starbucks cashiers merely have to scan the phone to deduct payment.

It is clearly a channel that is developing rapidly and the uses of mobile phone engagement is becoming more varied and creative.

RULE #9: ALWAYS KEEP SURPRISES IN-STORE

Social retailing is a term that is not widely recognized, but is a concept that is turning the shopping experience into an interactive and visual journey. Prada, an iconic high-end fashion brand, has mastered the social retailing angle by integrating technology, the user, and the shopping trip. As consumers walk around Prada's epicenter stores in New York and Los Angeles, the clothes they are holding, which have Radio Frequency Identification tags embedded in them, are scanned electronically and immediately displayed on users' mobile phones in the form of women modeling the clothes, designer sketches, and information about the cut and fabric. If that is not amazing enough, the dressing room mirror is even technologically advanced with interactive touch screen displays.

The true definition of social retailing takes the concept a step further and enables these customers to then take that information from the store, share it with friends in real-time, get advice on what looks best, and discuss other clothing options. Frank Doroff, senior executive vice president at Bloomingdale's states, "Essentially, social retailing really is nothing more than taking a lot of those features and activities that are happening online today and finding a way to move those into the physical environment."

Once brands amass consumer behavior and buying information about their customers, they can then be better suited to anticipate what the customer wants, needs, and will eventually purchase.

RULE #10: USE SMART ADS WISELY

Smart advertisements are ones that are created and customized to each specific visitor's interests, age, location, gender, etc. based on highly complex data-mining techniques. Also known as behavioral targeting, smart ads have attempted to reach new and existing customers through personalized outreach. Its downfall, however, is the incredibly low rate in which people click on these ads. Mathieson quotes comScore's findings that the click-through rate for banner advertising is 0.01 percent, but smart ads can take a much broader approach than just banner ads. Text messages, email promotions, and mobile campaigns are other ways in which brands can capitalize on smart ads.

There is a fine line, though, between customizing ad campaigns for each specific user and being too invasive in a customer's behavioral patterns. Facebook is known for its disastrous attempt at behavioral targeting with its Beacon program, which tied a customer's purchase history at external websites to its Facebook profile. Customers were outraged over the intrusion of privacy and Facebook CEO Mark Zuckerberg quickly pulled the program and apologized.

Although consumers like personalized recommendations to a certain extent, no one wants to feel as if he or she is being monitored and behaviorally tracked. Brands want to always ensure that their loyal customers still feel like they have the control because once that is compromised, it will take a lot of effort to get that level of trust back.

As Mathieson states, "we exist to service our customers, not the other way around." The concept of the on-demand brand gives the power to the people and ensures that they get the information however and whenever they want.

A thorough understanding of the brand/customer relationship in this digital era is essential for a company's connection with its audience and in ensuring that the relationship that is cultivated is not only long-lasting, but authentic.

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