

IAAPA Attractions **EXPO**

*E-Marketing Pods and blogs for
everyone!*

Tuesday, November 14, 2006
1:30 PM to 2:45 PM
Room # B404



E-MARKETING PODS AND BLOGS
FOR EVERYONE:
7 DOORS TO THE FUTURE

Kate Bristow
EVP, Director of Strategic Planning,
M & C Saatchi Los Angeles
IAAPA November 2006

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SOURCES FOR THIS STUDY

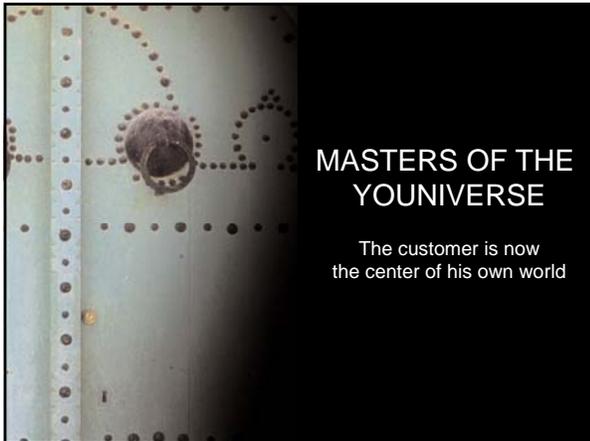
- Trendwatching.com
- Yahoo/OMD Internet Deprivation Study
- Chris Anderson "The Long Tail"
- CTIA
- M:Metrics
- Pew Internet and American Life project
- Forrester Research
- The Economist
- Business Week
- Wired
- Fast Company

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7 DOORS TO THE FUTURE

- Masters of the Youniverse
- Infolust
- Content-ed
- Customer-made
- Instant Gratification
- The Long Tail
- People Like Me

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MASTERS OF THE YOUNIVERSE

The customer is now the center of his own world

NEW CONSUMER IS IN CONTROL

- Creating their own playgrounds, their own comfort zones, their own universe
- Empowerment, connection, security, confidence, freedom, mobility, independence
- Ability to be different identities in cyberspace
- Use whatever tools they have to make companies deliver on their terms

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THE CELL PHONE IS THE NEW CAR

- Model and customization define the owner
- Replacement is frequent
- Choice is massive
- Branding and design are key
- Competition is global
- Anticipation of new models is enormous

The phone is on 24/7, and will become the portal of the future

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ONLINE OXYGEN

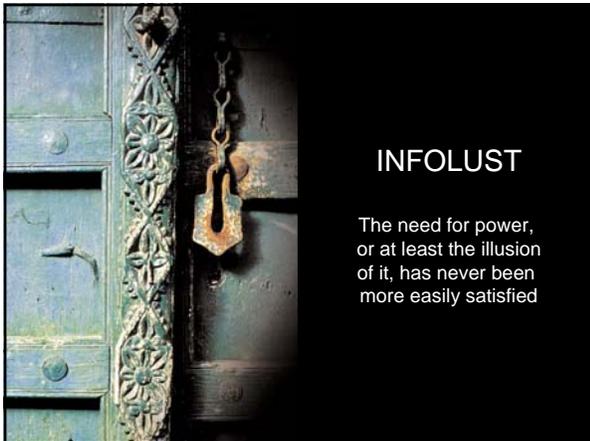
- People feel deprived, frustrated and disconnected when cut off from the online world
- Search engines are no 1 source of advice for 50% of young men
- Online consumers will check more than one website before purchasing
- Consumers expect to be able to personalize, customize and even co-create with you
- They get disappointed if brands do not appear to recognize the centrality of the consumer

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THE CHALLENGE

How can we make consumers that we understand they are the center of their universe?

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MINIMUM PERFORMANCE STANDARDS ARE BEING RELENTLESSLY PUSHED

Three key developments:

1. Even more transparency in the online world
2. Search and answers go mobile
3. Real world objects join the game

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1. ONLINE TRANSPARENCY



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ONLINE TRANSPARENCY

Consumers are obsessed with getting relevant information

- Micropublishing: consumers wanting daily/hourly information on niche topics (the Gizmodo blog gets more than 350,000 visitors a day)
- Mash-ups: Google Maps has unleashed a whole new layer of detailed info. From GawkerStalker to Proper Pi
- Pricenoia: 70,000 Amazon customers a month check the lowest price on ALL Amazon sites



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ONLINE TRANSPARENCY: TRAVEL EXAMPLES

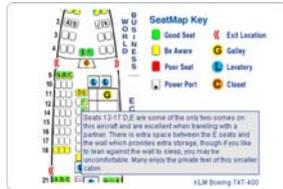
- Tripadvisor: 4 million reviews and opinions, covering 200,000+ hotels and 92,000+ restaurants in 23,000+ cities: now 196,000 photos
- 19 million unique monthly visitors worldwide



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ONLINE TRANSPARENCY: TRAVEL EXAMPLES

- SeatGuru.com offers detailed seat map graphics, in depth remarks and observations, a color-coded system and icons to denote amenities
- 15,000 users have sent in their findings so far



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2. GOING MOBILE



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GOING MOBILE

- There are now 192 million active handsets in the US, 90% of which can handle text
- 58% of subscribers use their phones for functions other than calls
- Penetration of mobile services in the US will hit 75% by 2010

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GOOGLE MOBILE

- Vodaphone will integrate Google's search capability into its Vodaphone live! Service
- SonyEricsson has made Google the standard search engine for all of their new internet-capable phones
- BenQ Mobile announced a deal to sell phones with preinstalled Google tool for local info searches

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EVERYTHING WILL GO MOBILE

- Sooner or later every info service will launch a mobile version, as high end mobile phones become more ubiquitous
- MobileSeatGuru has already been launched...



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3. REAL WORLD GETTING IN ON THE ACT

- Online consumers expect instant information which they do not get in the real world
- New ventures are using innovative 'barcode' technology to make real world objects like posters act more like the online world that people now inhabit

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CODES LINKED TO TEXT/SMS

- In sectors like real estate, the gap could not be bigger between the real and online worlds: any interaction with the property is non-existent
- Real estate agents in the Netherlands, Australia and UK are providing potential buyers with instant text info on their cellphones, based on unique SMS codes displayed on physical 'for rent' and 'for sale' signs



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ADVANCED CODES

- PaperClick can read alphanumeric or numeric characters, allowing for any group of letters or numbers to be linked to a web page



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SOME USES FOR PAPERCLICK

- Get an in-store coupon
- Buy tickets from a poster
- Sample a song direct from the CD cover
- Get directions and a coupon from a bus shelter
- Enter a competition without mailing or emailing
- Purchase items direct from the magazine
- Compare prices in a retail store
- Acquire real time pricing on airfares from your home city in a magazine ad

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OTHER CODES WORTH WATCHING

- ShotCodes: offline weblinks that visually represent domain names
(www.shotcode.com/data/movieforma)
- mCode: can be molded into any shape including company logos, contain consumer-centric info
- UpCodes: available in Finland, readers can interact with the newspaper, eg downloading video of the winning goals from a reported hockey game
- ColorCodes: used in Japan and Korea, appealing four-color codes allow mobile devices to instantly download digital content such as music, video and data
- Visual recognition codes like iScout and M&CSAATCHI

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TRAVEL SITES WORTH CHECKING

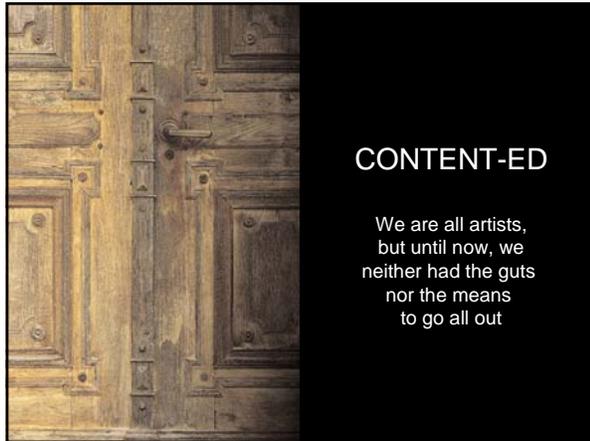


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THE CHALLENGE

What information do we have that consumers want easy and instant access to?

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CONSUMER-GENERATED CONTENT

- Everyone has creative urges
- The difference today is that technology exists to help everybody create, produce and participate
- It's being driven by iMac, camera phones, HP, Canon, Blogger, Sony's Noiseupthesuburbs.com....
- 57% of online teens are Content Creators, using software to create music, share photos and films, write blogs...

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I CREATE



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...AND I SHARE MY CREATIONS

- Photobucket was the most popular photo sharing site on the web by April 2006, with over 7.8 million unique visitors that month
- Redpaper.com allows users to buy and sell digital content
- Lulu.com allows users to publish their own CDs, DVDs and books
- Blurb.com allows you to publish your own large hardback books



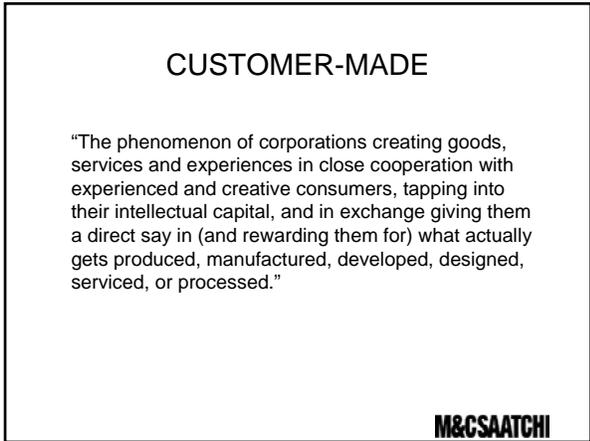
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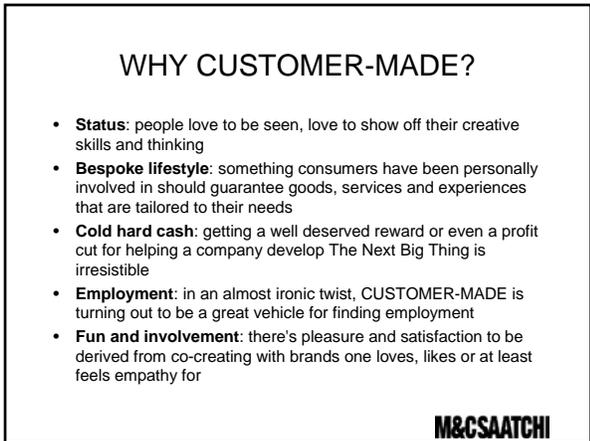
THE CHALLENGE

Are we brave enough to host an honest online community?

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WHAT IS NOT CUSTOMER-MADE?

- It's not plain feedback without an answer
- It's not Do-It-Yourself
- It's not customization or personalization
- All of these actions take place *after* companies have decided what the basics are, which products and services and experiences they're willing to hand over to consumers

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WHY NOW?

- Customers have been frustrated for years, trying to get companies to listen to their gripes and ideas
- Now being Masters of the Youniverse, and having the means to create content, these consumers can contribute in a meaningful way to the conversation
- These customers can become a Global Brain for brands, contributing insights from all over the planet

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SOME EXAMPLES: 1. DIY ADVERTISING

- Getting consumers to make their own ads
- Some brand loyalists will do it by themselves:
American Apparel



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2. PRODUCT DESIGN

- Smart companies are asking consumers to help them design products (usually those which already have a strong competence in design or product development)
- The Nokia Concept Lounge took place in summer 2005, inviting designers in the Benelux to share ideas and design the next new cool
- Not surprisingly, entries came from all over, with the winner being a Turkish designer called Tamer Nakisci



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3. IMPROVING THE EXPERIENCE

- Dutch supermarket chain Albert Heijn asked customers for detailed feedback on how to improve their stores, through websites, leaflets and billboards
- More than 55,000 customers took the bait, commenting on service, assortment and convenience levels in over 700 stores in The Netherlands
- 700 submitters of 'Golden Tips' (which are online for all to see) won one-minute shopping sprees, with individual stores committing to implement suggestions as soon as possible

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IMPROVING THE EXPERIENCE



Hang plastic magnifying glasses from displays so that elderly and visually impaired customers can read the product information

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4. GETTING INVOLVED

- The L-Word Fanisode competition called for co-creating an episode of the hit television show, assembling a full script, scene by scene



- The contest ran from January - March 2006, with the show's real (paid) writers outlining a scene and giving guidance, giving fans about a week per scene to submit offerings, peruse others people's submissions, and vote
- The grand prize winner got a script-writing session with L Word creator Ilene Chaiken and USD 2,000 credit at Saks Fifth Avenue

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GETTING INVOLVED



- Lewisham (South London) residents are encouraged to act as the eyes of Lewisham council
- They can download simple software from the website that enables them to take a photo of graffiti or anything that they want fixed and send it to the council
- The council load the photos into a worksheet, and progress is tracked on a daily basis

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5. GET YOUR WORK OUT THERE

- At LEGO's Lego Factory, children and other building enthusiasts visiting the site are invited to design models (using easy to use, free downloadable software) and take part in competitions for LEGO prizes
- A popular contest last year entitled winners to have their model mass produced and sold in Shop@Home, receiving a 5% royalty on each set sold
- Other good examples:
 - the world's first open-source beer, Danish Vores Øl ('Our Beer'), the recipe and brand being published under a Creative Commons license, meaning that anyone can use Vores Øl's recipe to brew the beer or to create a derivatives to Vores Øl's design and branding elements
 - Austrian manufacturer Frenkenburger recently asked customers to come up with new flavours for its all natural hemp milk drink, Trinkhanf: Frenkenburger will pay the winner one euro-cent per bottle sold

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6. JOINING THE CONVERSATION

2 examples of brands going beyond the 'feedback':

2TalkAboutHonda.com, an independent blog for customers to discuss their and where Honda employees join in the discussions



Flyertalk.com, a forum for business travelers, had so many posts on hotels that Starwood hired William Sanders, known as the Starwood Lurker to monitor the posts 8 hours a day (Since Nov 2002, William has posted over 11,000 replies, talking to some of Starwoods' most valuable customers)

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THE CHALLENGE

How do we empower our brand zealots to share their knowledge and experiences with those less experienced?

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THE 'GOOGLE' EFFECT

- Today's consumers expect answers to everything instantly, anywhere
- 45% of internet users (over 60 million Americans) use the internet to help them make big life-changing decisions, in areas such as relationships and illnesses
- They are increasingly demanding that the offline world acts like the online one, when it comes to giving them the information they want, when they want it

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HYPERTAGS

- British Hypertag specializes in poster advertising campaigns that talk directly to consumers' mobile phones, without the need for connecting to a wireless network (100 billboards currently)
- Hypertag currently focuses on two applications: the visitor attraction market and the outdoor advertising market, and has plans to develop more applications in the future



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ORANGE RESTAURANT

- The menu at Chicago based Orange restaurant is an actual 21 page full-color glossy, with the menu on the first pages
- The rest of the 'menezine' consists of editorials (written by the staff) and local ads, including recipes, interviews with the chefs, where to find exotic ingredients in Chicago, & where to go out in the hood
- A great conversation piece that adds to the story of the restaurant



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THRILLBOARDS

- Some companies have started putting temporary messages out there, offline or online, that actually means something to the customer, and makes you want to buy right away
- Ideally, you as a customer understands why the 'Thrillboard' is there to begin with, and what its specialized message is trying to get across

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2 EXAMPLES



The real world: Krispy Kreme's neon Hot Light sign

- Turns on during certain hours of the day and night, signaling to passers-by in-the-know that Krispy's 'Original Glazed Yeast-Raised Doughnuts' are fresh off the line right that moment

The online world: Amazon Gold box

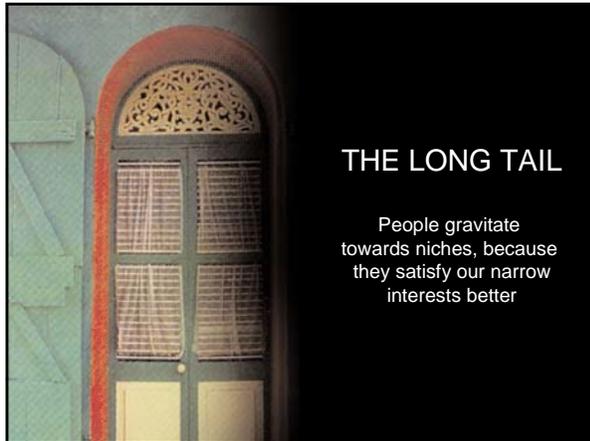
- In the top right-hand corner of any Amazon page, a twinkling 'Gold Box' awaits you, offering a number of tantalizing deals that are good for a limited time only
- Once you open the box, you have 60 minutes to decide whether or not you want to buy each item on offer, after which time it expires

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THE CHALLENGE

If curiosity has been piqued about our destination, how do we give them the next step immediately?

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THE LONG TAIL

People gravitate towards niches, because they satisfy our narrow interests better

‘THE LONG TAIL’

- Chris Anderson, editor at WIRED, has been studying the effect of the Long Tail for several years, and his book on the subject is about to be published
- Research shows that new technology has enabled niches to be satisfied better than at any time in history
- Instead of satisfying the masses with only ‘hits’, production techniques now exist that can satisfy small groups of people: one third of the books sold at Amazon are not available in offline book stores

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MASS DOES NOT EQUAL GREAT

- Consumers are savvy enough to realize that being popular does not always equal quality
- They are prepared to go further to get something that satisfies their particular desires, be that The White Company that only sells white household items to Oil And Vinegar
- Bed and breakfasts can cater exclusively to certain audiences: pet lovers, snowboarders, gay couples, seniors
- Restaurants can offer specific menus : organic, regional, vegan

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ONLINE NICHES

- The combination of online transparency of supply, prices, recommendations and opinions AND nearly one billion internet users means that segmented supply can meet fragmented demand
- Mandy May: offering just chick flick DVDs
- Online dating sites that cater to every conceivable niche group



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PRODUCTION FOR ONE

- Customisation has become the norm in many categories
- The consumer does not have to settle for what the masses want
- He or she can choose the color, the size, the logo, the accessories, the material, even the price....



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THE CHALLENGE

How can we personalize our brand?

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WHAT DO OTHER PEOPLE THINK?

- 50% of young men claim to turn to the internet for advice on personal issues, before their friends and families
- 30% of European online buyers have bought something as a result of an online review
- It is no longer enough to seek out opinions: they now have to be relevant opinions

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COLLABORATIVE FILTERING

- The ability to recommend other products has been around for a few years, pioneered by Amazon
- Now more sophisticated versions abound, where the consumer gets more involved in refining the filter process, as in pandora.com (build your own radio stations based on your music tastes) and findory.com (personalized news items)

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REVIEWER PROFILES

- Increasingly, review/opinion/recommendation websites are encouraging their reviewers to add personal profiles
- Epinions.com allow you to see the reviewers, giving you a better feel for how compatible they are with you...



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SOCIAL NETWORKS

- Sites like Tribe.net pursue a strategy in which social networking applications will ultimately act as a user's online agent
- People can be connected for transactions and social interactions, using what the applications know about a user's personality profile and the extent to which they want to interact with others who fit a certain profile
- Tribe.net believes that in that environment, "the network is the marketplace"



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COMMUNITY RECOMMENDATIONS

- When consumers rally around a specific topic, recommendations are instantly relevant, as long as they don't stray too far from the topic at hand
- Forrester estimates that 60% of online Europeans now connect with others in mutual interest or support groups
- A trend within this trend is to safeguard the exclusive and focused nature of these communities, to the point where some sites have ceilings on the maximum number of members, as well as stringent admission rules

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A SMALL WORLD



- An invitation-only online community designed for jet-setters who in many cases already have strong connections with one another
- 60,000 like-minded global citizens who share the same circle of friends, interests, and schedules, and who constantly exchange recommendations, reviews and suggestions on popular restaurants, hotels, night clubs, summer and winter resorts, parties, films etc. in over 60 major cities worldwide
- In thousands of similarly-defined communities, major purchasing decisions are made without interference of marketers

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THE CHALLENGE

Can we harness all the information and opinions that exist about our brand and become the "gatekeeper" ?

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A photograph of a dark, arched door with a keyhole. Above the door is a small sign with the number '119'. The door is set in a light-colored wall.

WHAT NEXT?

Take some chances,
Experiment,
Learn some lessons
And Try Again!



Having graduated from Oxford University with a MA in Philosophy Politics and Economics, Kate started her career in London, working at Saatchi and Saatchi. From 1987 until 1991, she worked for two highly acclaimed London creative agencies, before being lured back to Saatchi and Saatchi at the beginning of 1992 as Regional Business Director for Asia, and subsequently Director of Strategic Planning in the Singapore office. When the founders Maurice and Charles Saatchi left the agency in 1995, Kate followed them to their new start-up M&C Saatchi, becoming Director of Strategic Planning at M&C Saatchi Singapore.

M&C Saatchi went on to become the fastest growing agency in the history of advertising. Kate moved to M&C Saatchi Los Angeles in September 2003. The LA office has grown dramatically in the last 3 years, working with clients such as US Department of Commerce (US Tourism), Crystal Cruises, Ketel One, PETCO, The Getty Trust, City National Bank, Qantas, Beverly Hills and the San Diego Zoo.

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