When the marketing becomes the product

Developing the product relationship into a membership based marketing business model

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Media Industry

everyday life

Social + Utilities + stuff
PART 1: Digital is Changing

PART 2: Understanding Context

PART 3: The relationship model

PART 4: Affecting marketing
PART 1: Digital is Changing
THE LENS OF OLDER TECHNOLOGIES

“Emerging technologies are often viewed through the lens of patterns of use and interpretation of older technologies at least initially.”

- C.Dunbar-Hester
THE DIGITAL SHIFT

Digital didn’t change anything, but everything digital changed...”
AVAILABILITY

The missing link between something being a tool and something changing our behavior is its availability.

"A revolution doesn’t happen when society adopts new tools, it happens when society adopts new behaviors”
- Clay Shirky, Us Now

Pushing Shirky a bit, we could say that technology is tools, but services are behaviors. And that tools only become valuable services as they are made available within the context where the person naturally adopts them.

- That in order for people to adopt something within their everyday life, it has to be designed based on human and contextual abilities, not just to fit into technological or informational frameworks.

- Or, that publishing stuff only gives people new tools, but if we make sure the stuff becomes available to the point of becoming invisible it will change peoples behaviors in the situation surrounding the product – and that is the interesting shift when marketing stops demanding exclusive attention and starts becoming valuable (which means shareable).
MEDIA IS CHANGING

Media has been stuck for some time, but the scalability of the online advertising real estate, and the enormous market has kept the ball rolling. Not sensing that the drive for traffic and the drive for more ad space lessened the editorial product and made the media brands invisible.
IGNORING INNOVATION FOR 13 YEARS!

During the last thirteen years of online publishing there has been a tremendous development in online content. Readers of digital newspapers and magazines have gone from text and hyperlinks, to videos and multimedia shows, from published content to participatory content. But for some reason publishers haven’t granted the advertisers the same investment in innovation as the readers have been given. Marketers having their opportunities and products almost frozen during the last decade.

Is there no competitive landscape amongst publishers when it comes to winning advertisers, no need to invest in innovative solutions? Or is it a lack of interest and ambition from advertisers, media buyers and companies? Or all of the above?
AT A COST TO OUR BRAND

“We’ve been to identical, bought cheap traffic at a cost to our brand for too many years.”

- Kristin Skogen Lund, CEO, Aftenposten
NO VIABLE BUSINESS MODEL

“That’s why the newspaper industry is worth about $60 billion offline but only $3 billion online — they only have about 5% of the pricing power that they did when there was only a finite amount of space in for printing ads.”

– Scott Karp, Publishing 2.0
THE INESCAPABLE CONCLUSION

“The inescapable conclusion is that anyone who thinks advertising is the key to sustainable online businesses in any field other than search should think again.”

- John Naughton
DIGITAL IS NOT A DESTINATION
DIGITAL IS NOT A SILO

If digital is not a silo, but a set of cooperative platforms, then it is all about using a collection of activities to send and ignite conversations between and on other platforms. Not forcing everything onto ONE campaign site but creating a range of activities each based on different platforms best abilities.

The future of advertising is not MORE display advertising, it is utilizing the mechanics and dynamics of the online conversation in order to create buzz, attention and interest on arenas where we are not interrupting conversations, but contagiously igniting them.
OPERATING SYSTEMS

“One of the great untold stories is just how much Facebook and Twitter are growing off-site. Facebook announced they reach 60 million through Facebook Connect. Meanwhile nearly half of Twitter’s activity takes place away from Twitter.com - they reported.

Both platforms are quietly becoming a social operating systems for the web, not just their own sites.”

- Steve Rubel’s summary of the Le Web conference
WHERE IS YOUR MARKETING FOCUSED?

AND WHY?

Only 20% of peoples’ “connected” activity is “traditional”.

- Meaning destination web, as in web pages, portals etc.

- Microsoft

IMAGE BY _TOPHEE_ ON FLICKR.COM
THE HUMAN BIAS

The human brain is a complex set of neurons. Being exposed to something new, we always try to understand it as something we already know.

- In order to stay in control (we know this already)
- In order to preserve energy (no need to invest time in understanding it)
IT’S NOT ABOUT HAVING ACCESS TO PEOPLE.
IT’S ABOUT ADDING VALUE TO AN IMPORTANT PART OF THEIR LIFE.
BEHAVIORALLY AVAILABLE

We need to understand the following: **Even if people are technologically available, it doesn’t mean they are behaviorally available.**

And as marketing moves from the battle of stories (in media) to everyday life, marketing turns from thinking about shortsighted attention strategies to long-term relationship building.
DIGITAL AND REAL LIFE

We wouldn’t find ourselves interrupting a telephone conversation, so why do we find it natural to interrupt an online conversation?

“Hi, sorry to interrupt your conversation. Our system just picked up that you were talking about Nokia, would you be interested in purchasing our newest model?”
INSIDE THE EXPERIENCE

Old advertising is all about creating the right anticipation, making sure the participant has the best possible precondition outside the experience, coloring both the usage and the reflection.

New advertising is about the experience, creating it, participating in it, adding additional experiences to enforce and diversify the brand. New Marketing is all about the experience itself.

A Brand is our personal reflection of an experience influenced by our anticipation.
VALUE IN EVERYDAY LIFE MARKETING

As we are moving from the Attention Web to an Everyday Life, where technology and communication are integrated parts, providing additional deliberate value becomes increasingly important in companies marketing initiatives - as opposed to attention, interest and interruption.

The new marketing landscape is about earning ownership of the experiences where your products are used and brands are shaped.

And losing on these arenas has far greater consequences than loosing out in a standard format banner ad space.
PART 2: Understanding Context
PRODUCT RELATIONSHIP

Products have always been important in peoples lives. Most of the stuff we own and talk about is stuff we have purchased. There is a deep and profound relationship between people and a lot of their stuff.

IMAGE BY LOVING EARTH ON FLICKR.COM
PRODUCT RELATIONSHIP vs. MARKETING RELATIONSHIP

There are two negatives here, the first one is that **marketing is set on creating its own relationship**, ignoring the really valuable one already in place between people and products. The other is the traditional communications landscape, which is **increasing this distance** between the marketing relationship and the product relationship.

IMAGE BY SLURV ON FLICKR.COM
IMAGE BY SPANAUT ON FLICKR.COM
PRODUCTS ARE WORTHLESS

To understand this we need to accept that **products are worthless.** And only become valuable as they are **introduced to a situation** where they are relevant.

That brands aren’t product providers, but **value providers**, something they have always been.

Marketing has only spent its time **distracting** our focus from this and done its most to become unwanted.
PEOPLE ARE MORE VALUABLE OWNING AND USING YOUR PRODUCT THAN THINKING ABOUT BUYING IT.

Limiting marketing to just the “process” of purchasing, limits your time with people to an extremel small part of their universe.

And as more and more products are becoming inherently similar, the unique offering of one business has to come through unique experiences offered through its marketing, rather than the product alone.

The question is: Where can we grow our most important customers? This is the single most important future role of the connected platforms.
FUNDAMENTAL ABILITY TO AD VALUE

“As technology becomes invisible, the opportunity for companies to connect with participants arises from the understanding of its fundamental ability to add value to situations in a person’s life.”

“The purpose of a business is to create a customer.”

- Peter Drucker

This invites companies to think of themselves as value providers, not product providers, to understand that customers are created through members, not features.

And that extending customer value comes from within the situation where we are already creating value, not artificial product line extensions introducing foreign situations to the customers.
INVALUABLE

Becoming invaluable in situations where the product is important.

Adding deliberate value to the context of the product experience, becoming an integral and expected part of it.

As participants worlds fragment across a range of platforms, arenas, channels and screens, companies are met with an opportunity to build behind bigger ideas.

This means both the opportunity to move the marketing from messaging, to content to context. But also to explore the Brand Situation. Where the brand fits into the lives of their participants, and facilitates the situation relevant to the product, in order to create value and become invaluable.
THE MARKETING EXTENDS ON THE PRODUCT VALUE

Context is not a constant (context = the situation where a product is used and creates value), it is as fluid and adaptable as ideas, technology, life and everything.

A most brilliant comment by Adrian Ho on my last post got me thinking about this, and that I've been looking at the whole context-thing way too narrowly:

"I'd add to this the thought that advertising can explain context, while digital services and design can create context. Advertising helps you think differently about a product, digital services and design can change how you use it."

- Adrian Ho, Zeus Jones

Help products and brands do and mean more by discovering their post digital potential outside what they are already doing.

What Mike Walsh probably would call: creating a new and temporary state of monopoly.
THE PURPLE COW
Which is what Seth Godin has been saying all along.

Build something worth remarking about.
BAKED IN

“If you want to understand the future of marketing, advertising and product design, start here. Baked In provides essential insights from two of the hottest minds in marketing today.”

- Chris Anderson author of Free and Long Tail
WHEN THE MARKETING BECOMES THE PRODUCT

As technology immerses into our daily life and disappears, value based marketing becomes available through new behaviors, inside situations where it is meaningful and useful.

This turns marketing into the experience surrounding the product — and in some instances becomes the experience people connect to and build relationships with. The marketing becomes the product, and the product becomes the marketing.

PRODUCTS BECOME INVITATIONS TO A DIRECT RELATIONSHIP BETWEEN THE PARTICIPANT AND THE MARKETING.

PEOPLE BECOME MEMBERS - NOT CUSTOMERS.

THE MARKETING BECOMES THE PRODUCT AND THE PRODUCT BECOMES THE MARKETING.
THE MARKETING ECLIPSED THE PRODUCT

A successful ARG advertising the film Rottenetter proved more successful than the film itself.
PART 3: The relationship model
IT’S NOT A DISTRIBUTION NETWORK FOR CONTENT OR PEOPLE

Just because our awareness of the channels have increased doesn’t mean we can ditch the story – the core of our brand (if I am understanding the views of some people in the video correctly). Technology / distribution is still just tools, being brought to life through the essence of our story.
THOUSANDS OF HOURS

I mean, people spend maybe ten or twenty hours with one of my books. **They spend thousands of hours in a gaming universe, and moving through it with a level of awareness and expectation for novelty that people used to approach, say, James Joyce.**

- Douglas Rushkoff
  http://is.gd/8ntnH

Douglas Rushkoff ads yet another voice to the notion that connected and participatory platforms are your best arenas for growing premium participants and customers.
WHERE WOULD YOU GROW YOUR MOST IMPORTANT RELATIONSHIPS?

“People will watch a TV program once, maybe twice, but they will play chess a hundred or maybe a thousand times.”

- Kevin Slavin Area/Code

IT WAS A GAME DONE TO PROMOTE A TELEVISION SHOW. WHAT WAS INTERESTING ABOUT IT WAS THAT THE SUCCESS OF THE GAME ECLIPSED THE SUCCESS OF THAT IT WAS DESIGNED TO PROMOTE.

- KATI LONDON OF AREA/CODE
RELATIONSHIP

Online is a relationship platform, not a direct sales platform. It might be an easy platform to measure, but creating the illusion that most products can be sold through a display ad is at its very least misleading.

As the New York Times writes; more and more business models are focusing on subscriptions rather than single sales.

And as more and more products are becoming inherently similar, the unique offering of one business has to come through unique experiences offered through its marketing, rather than the product alone.

The question is: Where can we grow our most important customers? This is the single most important future role of the connected platforms.

SOURCE: HTTP://VIMEO.COM/82013097?HD=1
LOOKING AT LIFE
AS ONE BIG SUBSCRIPTION

EVERYWHERE you look these days, businesses are selling subscriptions. Cable television, Internet and cellphone services are sold that way. So are business software, office printing and car rentals like Zipcars.

... Marketers like them for good reason: Convince someone to take a subscription, and the revenue flows in for months to come.

- http://is.gd/8nos8
EVERY SUBSCRIPTION NEEDS AN INCENTIVE

If people aren’t enjoying our content there is no incentive to keep subscribing. Every membership needs valuable content.
EXTENDING ON
THE PRODUCT RELATIONSHIP

On board content and web service solution by NSB (Norwegian State Railways)
PART 4:
Affecting marketing
MARKETING IS A PROCESS, NOT AN EVENT

Seth Godin’s comment is not exclusive for Social Media - it runs through most marketing initiatives connected with the digital landscape.

“The reason social media is so difficult for most organizations it’s a process, not an event.”

Seth Godin
- http://is.gd/8npyH

IMAGES BY SANSUMBRELLA ON FLICKR.COM
LONGEVITY

There is a need for long term marketing initiatives; digital concepts and ideas need to carry the longevity of product relationships.
THROUGH SERVICES

Branding is as much about designing services and experiences - where the brand builds its values through activities - as it is about designing iconography and surfaces where the brand presents itself.
UNIQUE EXPERIENCES

And as more and more products are becoming inherently similar, the unique offering of one business has to come through unique experiences offered through its marketing, rather than the product alone.
MEASURING MARKETING

When the marketing becomes the value provider in the company/participant relationship, it needs to define its idea, value proposition, revenue stream and how this is going to be measured. Not merely how much attention and use it has generated from being available.
THE MARKETING BUSINESS MODEL

Digital services can’t be measured by downloads, clicks, use or other advertising-type measures.

Marketing integrated with the product needs to be measured by its ability to create value in and business from the relationship with the participant.

Marketing needs to be measured by its own business model.
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