

# SURVIVAL:

BLAST RADIUS

# A BRIEFING FOR MARKETING EXECUTIVES

## IS THE YOUTUBE- MYSPACE-DIGG SCENE GIVING YOU TROUBLE?

LET US HELP YOU  
ANSWER THAT  
QUESTION.

It's entirely possible that many of the marketing challenges ailing you today are secretly rooted in this new consumer environment.

Simply put, consumers are behaving differently. And these new behaviors are causing marketing executives to rethink how things are done.

We understand that the market may seem confounding—standard marketing tactics aren't delivering like they used to. But everything starts to make sense when you consider the specific changes to the market dynamics.

That's why we created this document, which does two things:

- 1) Defines the new dynamics
- 2) Tests your marketing strategy against this new context:  
9 Questions Every Marketing Executive Needs to Ask

We're Blast Radius and as a course of daily life we help companies figure out how to maneuver the market: how to be a survivor.



**DOES THE TERM  
DELICIOUS  
MEAN ANYTHING  
TO YOU?**

**IT MEANS CUSTOMERS ARE  
LISTENING TO EACH OTHER  
RATHER THAN YOU.**

# THE BRIEFING

Consumers are using online social networks to consult friends and family on everyday buying decisions.

Companies once ruled corporate information with a mighty pen. You may yearn for those days, many do. Campaigns were wordsmithed by your marketing team. Key messages were front and center, product strengths were cleverly hyped, and everything was packaged up just so. You orchestrated how and when information reached the market. The whole thing was beautiful in its containment.

Now the Internet has democratized and federated information.

Consumers freely share insight, data and personal opinions. They're chatting on discussion boards, authoring blogs and rating your products on consumer sites. They have feature ideas, product concepts, and clever critiques. They're using your products in unexpected ways. And they're telling the world about it.

But here's what's critical: the world is listening. The individual views of everyday people are consumed with zeal by the masses thanks to sites like YouTube, Digg and Del.icio.us. 63% of consumers do research online before they make buying decisions.<sup>1</sup> 68% of people say 'a person like me' is the most credible source of information.<sup>2</sup>

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Every product imaginable is being discussed online in some context, probably right at this moment. There are places for basketball fans to discuss the shoes they wear on the local courts. There are places for do-it-yourselfers to comment on every product they use to fashion their dream home. From electronics to stuffed animals, from the mundane to the adrenalin-driven: information abounds.

Of course people are not only using the web to engage en masse. They're using it to involve friends and family in everyday buying decisions. It takes no time at all to enclose a web link in an email and ask a trusted advisor to check it out. But consumers are also using instant messaging and social media sites like Facebook to involve friends and family in buying decisions. Maybe your official target market is only moderately web-savvy—but you need to ask

yourself: how web-savvy are their teens, adult kids, or friends at the office? Is your web strategy taking all of these people into close consideration?

Then there's the little matter of commoditization. It used to be that having an established brand and distribution channel really meant something. But the Internet lowered the barrier to entry to many markets and the product advancement race began. In attempt to stay competitive companies improved products, packing in new features. Next thing you knew, retailers introduced their own product lines in direct competition with manufacturers. Now consumers are faced with a flood of products, all of which seem quite the same.

Today the differences between your product and the next guy's might be far too subtle to communicate in an ad, and this is part of the reason ads just don't deliver leads like they used to. But it isn't the whole story.

The cost of gaining leads from print and TV ads is escalating because entertainment itself is taking new shape. Web sites like YouTube, MySpace, Second Life and Facebook have become mainstream sources of information and entertainment. People are getting the news, watching videos, playing games and socializing online—drawing them away from TV, newspapers and magazines and providing them with quiet refuge from the bombardment of traditional advertising.

And, perhaps even more importantly—traditional advertising is failing because today's consumers are disconnected from one-way forms of communication like TV and print. They're accustomed to interaction. They demand the right to respond and engage.

**So, with all that said, here's a snapshot of the new market dynamics:**

- Consumer voices are part of the ethos surrounding every brand
- People you don't know or understand are influencing your customers
- A flood of new product options makes it harder to differentiate
- Traditional advertising is on the decline as consumers flock online for information and entertainment
- Consumers are not paying attention to passive advertising

Traditional TV and print advertising is failing because consumers are flocking online for information and entertainment. YouTube, MySpace and Facebook are mainstream pastimes.



# WHAT IT MEANS

Now manufacturers of consumer goods are left with a puzzle: you must exist in a world where consumers demand more from you, but you must do this in a way that doesn't infuriate your channel. Tricky.

Yet it's possible.

It starts by re-evaluating how you see the web as it pertains to your business. The web is where things happen: a place to socialize, to debate, to discuss.

Rather than thinking about your marketing dollars primarily in terms of advertising spend, consider how to create something that actually engages people. Invite people to get involved and to be vocal—don't let that rattle you.

“eCommerce initiatives are important to consider, but are by no means the only way of leveraging relationships online.”

Forrester Research 2007<sup>1</sup>

The crucial insight is that traditional marketing tactics are delivering weaker results because they are out of step with consumers who want to interact. TV and print campaigns are blasting information at people who simply aren't paying attention anymore.

When a brand becomes a forum for sharing interests and passions, people get interested. Customers turn into fans, and fans turn into advocates who spread the good word, doing more for your brand than any ad ever could.

1. SOURCE: *Successful eCommerce Strategies of Manufacturers*, by Lisa Bradner and Sucharita Mulpuru, Forrester Research, March 6, 2007. 2. SOURCE: *Edelman Trust Barometer*, 2007.

## CONSUMERS ARE GETTING READY TO BUY<sup>1</sup>

Consumers say they visit manufacturers' web sites because they intend to buy (from the manufacturer or a third-party retailer).

When asked about their intent to purchase, consumers said they would purchase:

- 16% immediately
- 14% within the next 48 hours
- 18% within a week
- 21% within 30 days
- 27% are just researching
- 4% already bought the product

## MAKING IT WORK

### Jordan Brand

The Jordan Brand, a division of Nike Inc., drew on the inspiration from Michael Jordan's pre-dawn 'Breakfast Club' group training sessions to create the Jordan Breakfast Club—an interactive online training community for its consumers. The program embodied the raw energy and aspirational essence of the Jordan Brand and rewarded the brand's loyal consumer community by empowering their athletic ambitions.

### Dell

Dell is engaging consumers via Dell Ideastorm—an online community where consumers post ideas about new features to include in future Dell products. The company is incorporating the best ideas into its product plan.

### Ganz

Toy manufacturer, Ganz, found a way to make its business relevant to the 21<sup>st</sup> century consumer by introducing a web strategy that integrates with its product strategy. Now children have web versions of their favorite stuffed toys.



# 9 QUESTIONS EVERY MARKETING EXECUTIVE NEEDS TO ASK

SO HOW DOES YOUR STRATEGY MEASURE UP IN THIS NEW CLIMATE? HERE ARE 9 QUESTIONS THAT WILL DETERMINE IF YOUR MARKETING PROGRAM IS OUT OF STEP WITH THE NEW DYNAMICS:

## RATE YOUR STRATEGY

- 1 Point: Yes, this is undeniably true. My heart rate just increased.  
 5 Points: Somewhat true. I'm noticing signs of anxiety as I contemplate this.  
 10 Points: No, absolutely not. Whatever do you mean?

Points

1. Is your strategy for addressing online communities like Facebook and MySpace unclear (or nonexistent)?	
2. Are your acquisition costs escalating?	
3. Are your leads from TV and print ad campaigns declining? (Note: if you are unable to track leads from TV and print ads, very sorry—score 0 points)	
4. Has your rate for converting leads to sales stagnated? (Note: if you are unable to track your conversion rates—score 0 points)	
5. Are declining marketing results causing you to wonder if your brand is losing relevance?	
6. Are you finding it harder to create market messages that clearly differentiate your products from your competitors?	
7. Are you in a battle with your channel because they demand that you spend more than ever though they deliver less?	
8. Do your internal IT processes prevent you from making rapid changes to your web site and conducting frequent online campaigns?	
9. Could everyday advisors (family, friends, colleagues) be influencing your customers more than you know?	
	Total Points: _____

## WHAT THE RESULTS MEAN

- 67 to 90 Points: Well done. You've got the market well in hand.  
 50 to 66 Points: Seriously problematic. There are critical flaws in your strategy.  
 7 to 49 Points: Emergency. Your company is not in line with today's consumer.

# AN INVITATION: CUSTOMER EXPERIENCE DIAGNOSIS

**DID YOU SCORE  
LESS THAN  
67 POINTS ON  
THE 9 QUESTIONS?**

**IT'S TIME TO  
REASSESS YOUR  
MARKETING  
APPROACH.  
WE CAN HELP.**

Blast Radius is a strategic interactive agency focused on a new approach to marketing.

We believe that to get and keep attention, brands need to offer innovative experiences that enrich life and that make life easier.

**Call us now for a Customer Experience Diagnosis** and find out where you really stand. We'll deliver a preliminary strategy that builds a business case for innovation and creates a vision to take your online marketing efforts to the next level.

Blast Radius. Game-changing innovative customer experiences.

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