

Empowered Consumers and Marketing That Doesn't Get It

It's the age of empowered consumers, be they B2B or B2C, at least in Europe and the United States and (so figure, soon to come to a country near you, if it's not already there).

As obvious as this may sound, experience tells me that most companies don't get it. And that indictment applies to large and small companies alike. You'd think larger, multi-billion dollar corporations with hundreds of marketing experts and social scientists on staff would see the pattern, but they don't. Why? The Greeks had a word for it... *hubris*.

It's really the same principle you see in play with some politicians. They choose high-risk behaviour – nights with prostitutes, illicit sex in men's rooms, etc. – because they feel they are powerful enough to be above the law. Of course, they never are, particularly when that 'law' is in the court of public opinion.

Companies are the same – and the bigger they are, the more ignorant are their actions.

Three cases in point:

1. Bank of America announced that it would be charging a monthly fee for users of debit cards. Consumers hit the roof, then hit the Internet. One month before implementation (after swearing they would not go back on the policy) BofA scrapped the plan. Consumer power wins.
2. Netflix decides to raise its monthly charge several dollars and the public are outraged. OK, says the CEO, then we'll change the service plan from a combination of online and DVDs by mail, to just online. Another public outcry. Netflix loses 250,000 customers overnight. They relent but too late. The damage has been done to the

brand and its bottom line. Consumers win again.

3. Now the fastest back down ever: A large US cellular phone company (Verizon) announces (just a few weeks ago) that it will charge customers \$2 if they pay their bill online (and not through direct debit). Less than a day later, the outrage was so great the idea was dropped. Seeing a pattern yet?

Never in my lifetime have such large companies been forced to give in to consumers. Up until now it's been all their way and consumers could like it or take a walk.

No more. Yet companies continue to act as if they are in control. And no matter how many lessons you can point to or how many times the newly empowered consumer wins, you can't get 50-something executives to see it. Nor do they ever think of the long-term consequences of this new consumer empowerment, how marketing and messaging need to change, for example, so they keep on with the old, tired message in the old, tired ways... they keep alienating consumers... and scratch their balding heads as to why 'nothing in marketing works anymore.'

Hubris... the downfall Icarus and Oedipus and Agamemnon and even Arthur. The Greeks might not know how to run their economy, but when it comes to human nature, they've been spot on for centuries.

Do you know what people are saying about you?

With more than 140 million active users creating 340 million Tweets a day (source: blog.twitter.com), you may be forgiven

for not knowing everything that is being said about you. However, figures like this show that you should at least attempt to listen to online discussions to give you some idea of what's being talked about.

With this amount of users online, it is safe to assume that at least some of your customers and prospects will be online, whether it be Twitter, LinkedIn, Facebook, Tumblr etc., and it shows that you need to be there too.

Comments, complements or complaints?

Research has shown that of 2,000 UK adults polled, 36% had contacted a large company through social media channels, and often the reasons for people contacting these companies is to complain. It might be harsh, but people are finding that companies and organisations are responding quicker when they are being publically talked about. Not really a surprise if you look at the figures again of online users, and how quickly a simple Tweet could spread and damage someone's reputation.

The place for social media in B2B is still questioned by many professionals, often because it isn't clear how it can be used. But what if it was your reputation at stake? If you received a complaint through an email or telephone call, one would assume that you'd respond straight away. It's no different with social media, apart from the fact that the complaint is accessible, online and global. And can't usually be removed either.

So the message is clear. Go online, even if it's just to have a look at what other people are saying about you, your company, your industry. You never know, you might nip a potential complaint in the bud, or even strike up a conversation with a prospect.

See how Vertical could help you utilise social media to the max.

For more on how people use social media, facts and figures, [click here](#).

[Taking the step from Small to Medium...](#)

A recent article on the BBC website outlines the effect of increasing growth and accessibility of technology which is now not only available to large companies who invest in the most affective software or computers etc. but it's an open game for businesses of all sizes and budget to benefit with growth and profit. It all depends on 'the new ways that current technologies are applied that will continue to drive radical change to business models.'

The article titled 'Cheap technology helps small business grow big' is written by David Mills, vice president of Ricoh Europe, so he knows a thing or two about technology. David points out that 'the change is largely attributed to an increase of low-cost computing power, storage and bandwidth available via the 'cloud'.' With this increase video-based communication and social media along with other important communication tools, all services you can find with us here at Vertical, will become more widespread.

David explores the fact that if 'SMEs' (small and medium enterprises) apply technologies in an effective way they can find themselves at an advantage 'as they are more likely to have a more cohesive and collaborative management structure.' This results in the SME focusing on its core business, allowing it to grow. We especially like that the article recognises that companies don't have to employ in-house

departments such as accounts, secretaries and, our main interest, marketers. This is where companies like Vertical, external specialist in marketing communications, can handle a company's marketing needs as and when they require them. Not only does this allow a business to save valuable money and resources to focus on their core business it enables them to make the most of the external specialists knowledge and experience of their field.

Using us as an example of how Vertical would benefit an SME, we offer a full marketing team including graphic designer, web developers and PR experts etc. Combine that with more than 23 years of experience in marketing communication; now imagine the cost to employ an in-house team with that skill set!

The article finished looking at 'The Big Data phenomenon' which is the 'explosion in the amount of data both generated and made available to organisations.' This results in more accurate information on many aspects of a business from product inventories to customer insights.

These are areas we deem very important and believe that every marketing programme must include a structured monitoring system... a way to gauge ROI, track effectiveness and offer intelligent insight to help fine tune or revamp any segment of a campaign. We like to think that our tools and approach to measure such data, proves to 'quickly identify what should be retained and to make good use of the information that is gathered'

Click here for the ['Cheap technology helps small business grow by David Mills'](#) article in full at BBC.com

Facebook Timeline for Brand pages

After the mixed opinions and speculation surrounding the new 'Facebook Timeline' it appears that even brand and group pages will be experiencing the change along with personal profiles.

The layout will be the same as the existing profile layout with a changeable cover image to enhance the page and all the page photos and apps will appear at the top. Initially only page admin will be able to see a preview of the new page layout, and will be greeted with a 'Welcome to Your Page Preview' on log in, this will give the company the opportunity to fine tune past history keeping only what they want to share and how they want the page to look before it gets published.



We received our 'Welcome to Your Page Preview' on today's log in, although Facebook still haven't made an official announcement about the change and the notification after accepting the preview informs you that the new design will be automatically rolled out for everyone on 30th March 2012. We take this challenge and are working on a new creative timeline style design for our brand page, so watch this space!

Good news for UK Marketing

After routine browsing of the BBC News Business section we came across an article with some positive news for the UK Marketing industry. The article titled 'UK business confidence 'growing' reflects on a recent survey carried out by Mindmetre

research group. The research states that 57.1% of companies claim they plan to boost their marketing budget in 2012 compared to a 41% in 2011. However the article does have a negative figure with a mention of a survey by the Institute of Directors stating that 1 in 3 UK companies foresaw the risk of the UK falling into recession this year.

Here at Vertical we are already seeing the evidence of the positive increase, with many of our existing clients such as Diagnosys Systems and Alpha Wire International, and IEWC UK, making big plans for their futures and involving us by increasing their marketing budget expenditure. We have also had several new business enquiries in the past 3-4 weeks keeping us busy with important proposals and meetings. With the evident rise over the past year we are hoping that businesses continue to have faith in the power of marketing and instead of seeing it as the first expense that can be cut, be more inclined to invest more into keeping their names out there to generate more business.

To read the original BBC Article go to:
www.bbc.co.uk/news/business

Lost in Translation? A Few Points to Consider

We've all seen the laughable instructions that come with some cheap Chinese gadgets: "finger in socket not fine for shockable power pushing."

Incomprehensible, right?

Yet... how do you know if your translations are any better?

Generally you send them to the local office and ask someone to approve. That's a good idea, but you shouldn't 'wash your hands' of the matter, assuming that Joe in Calcutta (Kolkata, if you prefer) is both a technical expert and a master of Bengali.

At Vertical we work with translators who have proven their worth when it comes to the technology and the nuances of language. Plus, we've learned that a large part of the process involves managing the translation so that it never gets too far off track or too expensive.

Here are a few things to consider.

1. A successful translation is not just about the technology, it's about the nuance of the story. The example above actually conveys the technological point: don't put your finger into an electrical socket because you'll get shocked. But that's just a part of what's being conveyed. The crudeness speaks volumes about your company's understanding of local culture and how truly interested you are in doing business. The lesson here is to focus on the nuances and translate with a bit of style. To do that successfully, consider creating multilingual style guides that help translators pick up on the tone of voice you want to capture and understand how different global regions should represent the local corporate message. These guides take a bit of time to create, but will serve you well for years to come.

2. Maintain a database of all previously translated material. This is a no-brainer, yet many companies haven't a clue as to how such a database positively affects translations. It's clear that a database of 'approved' words and phrases adds consistency to your translations because, in part, you're not reinventing the wheel each time.

And consider costs. Translating an initial 5,000 word document might cost £1000 (@ 20p a word). Let's assume you need to

update 20% of the content six months later. Without a translation database you'll have to pay £1000 again, rather than spending £600 (1000 new words at 20p per and 4,000 'old' words at 10p per).

3. In the same vein, before you begin, create a 'corporate glossary' – that is, identify the words, terms and phrases particular to your company that will be difficult to translate. Have the translator start with these and then review the results with all internal stakeholders before you proceed.

(We've been managing the translation of technical and marketing documents for over 20 years. This experience has taught us the value of a good translation, the damage a bad one can cause and how to shift the odds of getting the best possible results in favour of our clients.)

Facebook in Flux

It's interesting to see Facebook re-evaluate its product offering in light of perceived challenges from Google, Microsoft and a plethora of smaller social media platforms like Squidoo, Flickr and the like.

One gets the sense that the disastrous shooting star arc of MySpace – one day the world leader, the next worthless – has left an indelible mark on Facebook... an object lesson in the dangers of complacency; the terrifying fear of losing touch.

But there's danger, too, in pursuing change for the sake of it: users/customers seem never able to get comfortable, while seemingly continual updates can have an air of panic about them... especially when changes don't look or feel like an

improvement.

For marketing agencies and their clients, particularly B2B, the challenge is how to use Facebook intelligently and cost-effectively while it continues to reinvent itself. Companies don't want to be left with an outdated or expensive Facebook strategy, or worse no strategy at all. And it's always tempting to do nothing until the dust settles: but the dust won't ever settle and who can afford to wait?

Our view of the matter is changing as new data appears, but knowing full well that Internet data is one step removed from feng shui, gypsy tarot readers and the Magic 8 Ball.

Recently, after a study of 1,000 or so users, data showed that 20% or more do actually bother to 'Like' a business-related Facebook page. So there is still a point in asking to be liked, but let's not overplay that function. What is of greater significance is that the study indicates that **the success of your Facebook presence depends upon the vitality of your 'Wall'** as much as anything else... in other words, content. We've been focused on content from the start.

This new data confirms our gut feelings: a simple, clean, uncluttered Facebook presence is best.

Focus on information to help expand the company's (or brand's) public ethos and public face (it is *Facebook*, after all). Then it's all about the interaction, the day-to-day adjustments, the kind of information you share. Keep the Wall current, fast-paced and entertaining... be real. You don't need to be corporate as your corporate presence should be fully developed on your website.

NOTE: If you have any relevant video content, then you're golden, as Facebook is quickly becoming a platform dominated by video. And what better way to show the human side than to actually show a walking, talking human being?

Facebook and You!

Facebook has revealed that it now has over 800 million active users (more than the population of Europe), and with as many users as the total internet did in 2004 (Source: F8 developer conference).

Are businesses still making the most out of Facebook, or simply using it because they feel that they should? Social media, including Facebook, has clear benefits for B2B – it's instant, it widens your web presence, it allows you to engage directly with your customers and prospects and 'play where they play'.

The question is, "Why not?"

Direct Mail Outpulls Online: Is There a Lesson Here for B2B?

This isn't scientific, I have no proof other than following the chatter online and a gut feeling, but I think that direct mail has been out of date for so long that it's actually making a comeback... and by that I mean, it's outpulling online efforts.

Recently, I found online the comments of a gentleman whose business is/was 100% online... no hardcopy anything. Ad words,

in particular, were his bread and butter. By the way, this is not a B2B product; but I think the message is still worth considering. As a test and on a bit of a whim, he built a campaign around a direct mail piece. From what I gather, the campaign look and feel were the same, just put on a card and dropped in the post.

The results? The following comes directly from his post:

So far this campaign is more profitable than previous online advertising campaigns for this particular product. And we're anticipating that we'll be investing way more in direct mail for this particular product versus online media.

In this case, direct mail provides 3 key benefits:

1. In this particular market, it's far cheaper to get a letter in the mail than to pay for clicks with Google Adwords. Direct mail is roughly 15% of the cost of a single AdWords click.

2. We can target our ideal prospects, which is not always the case with online marketing (particularly search engine marketing). As a result, the leads are higher quality.

3. The response rates are solid. One likely reason for this is because more companies are shifting their marketing budgets online, which means there's less clutter in the offline mailbox.

The last bit is something I think we've all been seeing. It used to be a piece of advertising sent in the post was binned without a second's thought; now I'm excited when I get something in the mail. Times change and occasionally, not always, an overused tactic from a decade ago suddenly becomes *de rigueur*.

B2B Marketing and the Euro: In the Same Boat

It's easy to pontificate, as I have done, about the state of marketing and my belief that 'everything has changed.' **Everything** – that's a strong word. It's used to try to convey the urgency out there that too many are underestimating, or 'misunderestimating' if you're George Bush. To put it bluntly: if we're not fully aware that old methods are no longer applicable in the pre-2008 ways they once were, then we're liable to think that we've got things figured when we don't. Not only are our solutions ineffective, they can and usually do compound the situation.

Let's take this out of marketing and into politics. Why? Because so many in marketing are so set in their ways and convinced of their beliefs that the mere suggestion that things have changed causes an odd combination of denial, anger and panic.

It's politics (and economics), then: Please consider the state of the EU and its Euro. Since 2008, political leaders and economic experts have been working to solve the debt crisis in countries like Greece, Spain, Italy, Ireland, Portugal and now, perhaps, France. Yet, after three years matters have gotten worse.

Why?

Incompetency? Sure, I'll give you that.

Greedy politicians and bankers? OK, certainly they've played the role of thieves.

But the largest contributor to the continued and growing failure (**growing** is the key word here) is the application of old methods to new problems by well meaning economists and

legislators. When in doubt, fall back on what's always seemed to work.

Obviously, the results have been catastrophic: like putting out fire with petrol.

Before you dismiss my analysis please consider the 13 November *Sunday Times*. Large sections on the debt and Euro crisis, how it happened and what can be done. I'll summarise:

Ten years ago it was **unthinkable** that EU member states could or would drop out of the union. Now it seems likely a few will. From unthinkable to likely, get that? The *Times* reports that Germany is already making plans for a new, smaller EU.

Five years ago it was **unthinkable** that there might be the need for a two-tiered Euro, one valued more than the other. Now Sarkozy, according to the *Times*, is making speeches on the value of having both Euro North and Euro South currencies. From unthinkable to likely.

Three years ago it was **unthinkable** that the European Central Bank would resort to printing money to help bail out countries. As the *Times* reports, it's likely that this is the only solution left to the ECU if Italy defaults – there is simply not enough money to cover a 2 trillion Euro shortfall so more money has to be printed. From unthinkable to likely.

In their own world of economic theory, some of the most intelligent men and women refused to see the no-going-back changes that happened in 2008. They confidently and, I might add, glibly went on their way babbling about Keynes and supply side economics and trickle down and balanced budgets: olde worlde solutions you could always count on. Until now!

You don't really think marketing is immune, do you? That we don't have to think the unthinkable? That the phrase 'everything has changed' is an exaggeration? It's the same for marketing as it is for the EU, only made more dramatic because

marketing moves faster than economics.

Would you want your business to be in the financial condition of Italy (82% debt to GNP)? Then why are you still counting on 'past due' ideas to move ahead? Look at the world around you, look at your own country... and then tell me traditional answers will solve never seen before problems.

I hope you're right... but I wouldn't bet on it... which is what you're doing if you're not thinking of different ways to market, to sell and to manage... not slightly different, but 'radical' things that were unthinkable just a couple of years ago.
