

# ONE



STEFAN ENGESETH

A CONSUMER  
REVOLUTION  
FOR BUSINESS

# ONE

## A Consumer Revolution for Business

Stefan Engeseth

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## About the Author

Author, consultant, and speaker Stefan Engeseth works and lectures internationally, but is based in Stockholm, Sweden. Over the years, Stefan has worked as a consultant for international and Fortune 500 corporations. He is often described as one of the world's leading experts and speakers in his fields. His ideas range from innovative and future-oriented to bordering on far-fetched. Yet they all build on the universal truth that without innovation and visions, companies will not grow in today's highly competitive business world. The question is how far you are prepared to go.

*Detective Marketing*, Stefan Engeseth's first book was greeted with ringing endorsements from such heavyweights as TOMPETERS!, Al Ries, and Claes Andréasson of The ABSOLUT Company. The book has been referred to as "the book that bestselling business writers read."

Stefan Engeseth is the founder and CEO of Detective Marketing™ a consulting firm that helps companies around the world find new business opportunities in areas such as strategy, business development and branding, communications, and marketing.

Legendary copywriter and Young & Rubicam executive Jan Cederquist has called Engeseth the "Jonathan Livingstone Seagull of the business world." Ranked among the top 5 percent by a leading speakers bureau, Engeseth has given over 500 lectures to audiences ranging from international corporations to academic institutions – in the United States, Europe, Asia, and Saudi Arabia.

"Marketer of the Year" is ONE of several accolades recently afforded Engeseth, who is a regular contributor to business magazines and adviser on high-profile undertakings such as the Öresund bridge, connecting Denmark with Sweden.

Stefan is a living proof of the ONE potential. His mother ran a hair-dressing salon and his father was a customer. His ONE lectures are full of the fruits of such unexpected meetings.

Stefan Engeseth can be contacted at the ONE website [DetectiveMarketing.com](http://DetectiveMarketing.com) or at his email [stefan@detectivemarketing.com](mailto:stefan@detectivemarketing.com)

# Credits

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To best illustrate his ONE concept, the author freely mixes examples using both real and hypothetical products and brands.

## Author's preface

Growing up in my mother's hair styling salon was probably the best management education I could get when it comes to customer relations. Think about it for a second: what do you tell your hairdresser? Or your taxi driver? Probably a good deal more than you tell the people at the bank, which is strange because banks are so important for so many things in your life.

Born in 1927, my mother started as an apprentice at a salon at the age of 11. Her career as a hairdresser was long; many of her customers she kept through three generations. She was often invited to customers' weddings, christenings, and funerals. I learned by listening to what her customers said, especially those who barely had any hair left, but who still wanted the "experience" of the haircut.

Customer relations are based on qualities that can't be found in customer relationship management and computers. My mother had none of these, yet she always read the local newspaper to keep up with who had gotten married, had had children, or had lost a loved one. Knowing your customers goes beyond ones and zeros.



The hair salon experience is always in front of a mirror. Try going to a salon and having your hair done without a mirror and you'll understand how today's consumers feel when they have to live with the hairdos today's brands force upon them.



A number of psychologists have explained to me that when you get hair done, it is the touching involved that creates intimacy that gets the customer to open up. People seem to have a deep need for confession.

But why are people more open with their hairdresser than at the bank? Let's face it, in the general scheme of things hairdos are not a major life decision; there are many other things which have a far greater effect on our lives. In a sentence, this is what this book is all about: the untapped potential of the meeting between company and customer.

I'm living proof of this potential. My mother ran a salon and my father was a customer. This book is full of the fruits of such unexpected meetings. I was born in 1965 and would like to thank my mother's customers for giving me "real life research."

Long live the new consumer revolution,

A handwritten signature in black ink, reading "Stefan Engeseth". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Stefan Engeseth, [DetectiveMarketing.com](http://DetectiveMarketing.com)

(Detective Marketing™ is a registered trademark of Stefan Engeseth.)

## Your ONE foreword

I think you are probably the best person to write a foreword.

A good tip: read the book first and try to keep it to this ONE page so that others can read it when it goes from friend to friend ...

By the way, what's the name of your hairdresser?

---

(Make sure your friend has the right hairstyle when he or she discusses this book ...)

# Part 1

*What is ONE?*



## A statement for the consumer revolution

The world is becoming a fairer place for consumers who are finding that they now have a much easier time making themselves heard. Consumers are forcing companies to be more honest by example: companies that are open to the power of the consumer often prosper. Yet many companies are very set in their ways.

“Many firms do not yet seem aware of the revolutionary implications of newly empowered consumers,” says *The Economist* (2005). The speed at which consumers communicate with each other is a true revolution – blogs, websites, email, and the media. Courting consumer demand is quickly becoming a question of life or death even for the biggest brands. Or as *Business Week* pointed out, “Catch up ... or catch you later” (businessweek.com, 2005).

*It's a consumer revolution – a demanding but liberating shift. The rise of this powerful consumer boss marks one of the most important milestones in the history of branding.*

(A.G. Lafley, CEO, The Procter & Gamble Company, *Advertising Age*, 75th Anniversary Edition)

As long as there have been companies, there have been consumers, yet today's consumers are more aware of their own worth. Consumers are at once more global and more local, often acting as a sort of giant tribe. They react forcefully and globally when companies fail to respond to their needs.

The cases and examples in this book are from many global companies, but are all explained in such way as to be relevant for local markets. My goal is to inspire, create word of mouth through participation, relevance, and meaning for both consumers and companies.

*Consumers can more easily influence sales, brand value, stock prices, and the media than the company's employees whose opinions and commitment have been “bought.”*

Today a company's value lies in the relationships it creates internally and with

the market (Gummesson, 2005, interview). When Procter & Gamble's CEO says that the company has a great boss, he is talking about you the consumer.

Yet, this book is not about communism or joint ownership; it's about a simple, yet multifaceted idea: ONE. ONE means taking business to the next stage of development, about bringing the consumer into the company for the benefit of everyone. The simple fact of the matter is that good business is essentially childishly simple. At one time I was seriously considering writing a children's book for business people. Google, for example, could let visitors search its 8 billion pages by opening pages visited in a separate window so that instead of leaving the Google page, the visitor stays with the brand a little longer.

*You can only look at “things” through naïve eyes  
when you are, well, naïve.*

(Tom Peters, *The Pursuit of Wow!*)

So take a few hours and open your mind to the child in you for your own sake and for the sake of your business.

## Why ONE now?

Consumer power is too strong for even the mightiest corporations to ignore, as McDonald's learned with the film *Super Size Me* (2004).

ONE is all about making consumer power work *for you* instead of *against* your company, as in best-selling books such as Naomi Klein's *No Logo* or Eric Schlosser's *Fast Food Nation*.

Sometimes when I lecture I ask the audience “How would you like to have 50,000 negative *anti-brand* pictures of your company on the Internet?” Not many hands go up, yet the pictures are still out there. Why?

ONE is about integrating your customers in your processes, using this force instead of fighting it. ONE is about integrating your customers in your processes, using this force instead of fighting it. This was brilliantly expressed by U2 in their 1991 song One, which emphasized how each life has its own blood and its own love, and the way that unity determined how each person had to act.

The Lonely Planet travel guides are written mostly by travelers themselves. Who has the most credibility – customers or your commissioned travel agent? Traveling, by its very nature, must be one of the best open source systems on earth.

The words "easy rider" are written in a large, bold, black, distressed font. The letters have a rough, hand-painted appearance with some white speckling and irregular edges, giving it a gritty, vintage feel. The word "easy" is on the top line and "rider" is on the bottom line, both centered.

Harley-Davidson understands that customers wish to re-live the dreams of their youth. The black-leather clad middle-aged rebel cruising down the street on his powerful Harley may be an accountant who, for a moment, can fantasize about being dangerous to more than just the tax authorities.

Harley-Davidson became ONE with the customer. It took a while, but the company went from near bankruptcy to a modern branding miracle. When customers tattoo Harley-Davidson on their arms and wear its logo on their clothes, they are merely showing their uniform as employees of Harley-Davidson-ONE. “The customer isn’t just buying a Harley, but also membership in a network that opens his world to magic and dreams. This membership just happens to include a motorcycle” (Gummesson, 2005).

Question: What visible symbols can your customers carry and develop for your company? The Harley front wheel fork is a classic case of how customers have helped to develop a product. What is the corresponding product for your company?

ONE shows how to put consumers in charge of your company. It explains how open source concepts such as Linux are challenging mighty Microsoft. And how IKEA manages to profit from building communities, while anti-brands such as Nike exploit them.

Business is evolving and this book is about the tools and inspiration that the consumer revolution is using to change the world.

Haven’t business and marketing professionals always done consumer research?

Yes, but the relation between illusion and reality doesn’t show up on a piece of paper; it takes its form in real life and changes too fast for most research.

## Never underestimate the consumer ... or a motorcycle gang

I once met a very short man at a cocktail party who told me he was a debt collector for an international motorcycle gang. When he saw my expression, he pointed at another man who was about twice as tall and twice as heavy.

“You see, I’m the one who knocks on the door. When they look out they see me and open. Then my big friend over there pops up from around the corner. If my big friend was the one who knocked on the door no one would open.”

The same thing is true for a company and its customers. The company sees a little customer and it sees that it has little to be afraid of. But then the giant called consumer power comes rushing around the corner – blogs, email, hate websites – and the coverage they get from the mass media can hit hard in the form of quick declines in stock value. Intel learned this lesson the hard way when it didn’t listen to the little customer who had discovered that its new processor in certain cases made mathematical errors. Intel’s mistake cost it \$475 million.

A big company that didn’t listen to an unhappy customer in China was Mercedes-Benz. A customer was creative and angry and turned his anger into a media event. First he went at his Mercedes with a baseball bat, and then he hitched the battered car to a donkey and pulled it around the country (Fang, 2005). The story received enormous coverage in the media and cost considerable damage to the brand.

Another example is the motorcycle lock manufacturer Kryptonite, who didn’t listen to its customer who had figured out how to open the company’s locks with a ballpoint pen. The story spread like lightning on blogs all over the world. For the company, it was only a lock, but for the customer it was a two-wheel way of life that could be stolen. Kryptonite was forced to recall about 40,000 of its locks. The cost of not listening to one customer: \$10 million.

Companies often underestimate how powerful and swift consumer power can be. A company assumes that it is creating values, but communicates them in a way that is completely at odds with the currents of the modern culture that consumer power has created. There are thousands of such cases, with many more to come if the corporate world doesn’t take this power seriously in the transparent market in which we live in today.

*Consumers are sharing their experiences on blogs.  
Companies need to learn more, not only about the*



*blogs themselves, but the driving force behind them:  
sharing not based on a monetary transaction.*

A single consumer can start a movement that spawns thousands of “hate websites” that become a major source of bad will. Media companies such as Forbes rank hate websites like those that attack American Express, UPS, Wal-Mart, and Microsoft as a considerable factor in affecting both customer attitudes and stock prices (forbes.com, 2005). Even more disconcerting is that these sites have also become a forum for dissatisfied employees to complain and spread confidential company information all over the world. Some consumers even pay for full-page hate-ads in newspapers to get companies to listen (and hopefully ruin a few executives’ breakfasts). It’s easy to understand them when Verizon, one of the biggest mobile phone providers, give consumers responses like this: “Why in the world would you expect your (cell) phone to work in your house?” (Ivan Seidenberg, CEO, Verizon Communications, in Wallack, 2005).

This is not the sort of reaction you expect from a company that claims to be one of the world’s leading providers of wireless communications with an advertising slogan that reads, “At Verizon, we never stop working for you” (verizon.com, 2005). For the consumers a mobile phone is like a relationship or even a pacemaker. Yet, it seems that some mobile providers are doing all they can to alienate their customers. Verizon is a highly respected company, but what about a little respect for consumers? How do you think its CEO would feel if we stopped service on his mobile phone? Considering that customers can now call each other for free and over the net using providers such as Skype, word of mouth is taking on new proportions. When eBay bought Skype it envisaged adding a new dimension to its business – talking. With over 214 million downloads (growing by 150,000 a day) of the Skype software, all these people can call Verizon’s CEO and read out the following quote from Michael Powell, Chairman, Federal Communications Commission: “I knew it was over when I downloaded Skype.”

If he didn’t understand, they could read him the rest of the quote:

*When the inventors of KaZaa are distributing for free  
a little program that you can use to talk to anybody  
and the quality is fantastic and it’s free – it’s over. The  
world will change now inevitably.*

Another example of underestimating the consumer is the use of Radio Frequency ID (RFID) chips embedded in clothing and other products to track inventory and buying behavior. The chips act as a digital price tag that then follows the customer home, so to speak. Benetton has used this technology to learn more about its customers. One result has been the creation of a hate website ([boycottbenetton.com](http://boycottbenetton.com)) and the catchy, but not so selling-orientated slogan “I’d rather go naked.”

Gillette has also planted an RFID in some of its products and you may just get an email from your razor in the near future telling you that you need a shave. This isn’t science fiction; it’s corporations using technology unwisely. Today, there are a number of anti-RFID hate websites such as [spychips.com](http://spychips.com) that publicly expose companies that use RFID-technology and call for world-wide boycotts of these companies. These sites often reach such established mass media as *Business Week*, CNN, and *Wired*.

Everyone loses in this sort of “us and them” thinking.

Instead of waiting for consumers or spying on them, corporations should open their doors and invite them in. Customers can come up with very interesting and creative suggestions that are not only better than those created in-house,



Unwisely used technology can easily become a company’s guillotine.

but also create considerable PR and increased sales. The reality is that a customer who contacts the R&D department is considered a nuisance. Companies should hire diplomatic and open-minded staff full time to handle customer input, especially today when communications have been simplified by the Internet and the interaction of “fans of the brand” outside the company. Just like a football match or a live TV show, everyone performs better in front of a cheering audience. Give your company that advantage and increase the stock value of your company by using ONE.

The international wave of anti-Americanism has hit American brands hard (Anholt, 2004a). Hardest hit is the “America” brand itself along, with sub-brands such as Coca-Cola, Nike, and IBM. Domestically, chains such as Wal-Mart have been burdened with the paradox of selling to Americans but buying from the Chinese. The color of the US flag may be the same, but nowadays almost 100 percent of all US flags sold in the United States are made in China (Kapferer, 2005). US Congressman Anthony Weiner calls Wal-Mart “an adjunct of China” (*The Economist*, 2005).

When the big brands of today make mistakes, large consumer groups create their own brands. Groups with strong values, such as religious groups, often create brands not as a religious statement, but simply because they prefer to sell products to and buy products from someone they can identify with. They want to know who is behind the counter and behind the company. A person not admired in one part of the world may easily become very popular in another. The perfume “Bin Laden” is not likely to become a best-seller in the United States, yet it could be very popular in other places. There are also a number of wines that take the politically incorrect to strange new realms: “Der Führer” (Jarnestad, 2005), “Mussolini,” “Che Guevara,” and “The Old Pope.” These are the sorts of wines you might be careful to serve to the right (or wrong) people. Everything is in the hands of the consumer; if that group of consumers is big enough a brand is born.

In Alabama, USA, a Sunday school teacher called Reata Strickland has attracted a huge audience for her site [reata.org](http://reata.org) based on an interview with God. The site has several million visitors every month.

Brand counterfeiting is a billion-dollar industry. When famous brands close a store in Florence, Italy, for example, counterfeiters set up street stalls and offer the same products at a fraction of the price. Imagine if the copies were actually better designed and came with the added value of being sold from customer to customer. Just imagine if the brand-counterfeiting industry made use of a bit of consumer power for its R&D to make products that

consumers really want. These consumers would be only too happy to buy new versions of famous brands if they felt that those famous brands weren't being responsive to their needs. If companies fail to listen to consumer power, the customers may end up taking over the brand, the product, and the distribution. Many of today's big brands have R&D departments that look more like museums when compared with consumers, who are developing at the speed of sound.

When the artist Banksy managed to smuggle his own art into art museums, he demonstrated that the public space belongs to the consumers. If you create a purse or a perfume for Yves Saint Laurent, you can in all likelihood smuggle them into stores that are only set up to detect people taking things out of the store. When the customer then buys them and people see them on the street, they will start asking for these products. Someone who actually did this was Ito Morabito, a 21-year-old Frenchman who created fake products for real brands. He placed ads on the Internet that attracted customers who liked what they saw and wanted to buy the fake products. The real brands had no choice but to work with the young designer. Currently, "Ora Ito", as he is known today, creates designs for brands such as Heineken, Swatch, and for his own exhibition in Milan where he caters to his own fans.

Ora Ito is fond of saying, "Make your dream happen." So when will we see your products or your customers' products on the market?

Sometimes, fakes and copies can be of better quality than the original and have greater production capacity. When consumers revolt, corporations can work with them or against them. If brands don't belong to consumers, who do they belong to? If corporations refuse to listen and you have a good idea and enough talent to make a better product, go ahead and do it! Today in China, it takes about three days to make a first-rate product copy from idea to copy, or from consumer idea to consumer original. Naturally, there are a number of laws to take into consideration (or not to take into consideration), yet refusing to listen to one's customers is probably just as bad. By being ONE, consumer power can create better products and help the original brands evolve to be more responsive. This is exactly what happened with the music industry, which after years of trying to stop online downloading is learning from the people it was once prosecuting. Consumers are being rewarded for their efforts by finally getting what they want. The counterfeiters are learning that they can make more money creating their own brands. When it comes to real versus fake, there is only one criterion: is the consumer part of the brand?

## Why some say no to ONE

Many CEOs say “ONE sounds great, but we have so much work to do just trying to live up to our promises to the consumer that we can’t afford to think about the future or taking the next step with our customers.”

It’s a bit like living in a rough neighborhood and putting on a tough facade to fit in. Your entire life then becomes a struggle to keep up the image. Instead of devoting all that energy to fighting, it is better to get to know the people in the neighborhood and make friends with the right people. This is more than a metaphor; this is my own childhood in a rough neighborhood.

A company that produces its products and services together with the customer can spend less time and money on fighting to maintain its image and more time making the right friends. There are a number of good cases of large companies moving into the right neighborhoods. Procter & Gamble have literally moved into Spanish-speaking and black neighborhoods in the United States to develop products that meet the needs of the people who live there.

When I lecture or take consulting assignments I ask people who are skeptical of ONE a simple question: “Tell me the names of your five most loyal customers.” Ninety-nine times out of a hundred they have no answer.

Then I say: “In a tough neighborhood, you wouldn’t last a week without knowing who your friends are.”

## Cause and effect

Management, boards, and bosses often live a life far removed from the consumer’s reality. You can’t knock success, but out-of-touch lifestyles can create unnecessary distance and make it more difficult to work with consumers. Today’s economy requires direct contact with the market in real time. Depending on market studies about a reality that can change in an afternoon doesn’t build a bottom line. Corporate management often live a life that is reminiscent of “The Emperor’s New Clothes” – they often find themselves standing naked when making decisions having to do with customers and the market. ONE gives them both the clothes and the acceptance they need from customers.

In many boardrooms, high-sounding words and diagrams have replaced the consumer with an artificial reality of PowerPoint and whiteboards. For many in management the consumer is either a completely foreign concept or a new word to learn. It seems as though many feel that they are above talking

about or with the consumers, as long as they keep on buying. These same people, however, have no problem whatsoever talking about the competition all day.

*The whole is greater than the sum of the parts. Just as animals live in harmony and interact with their environments, so will advertising with ONE. Advertising that is a part of the bigger picture has no need to force itself into the life of the customer.*

Goods and services that consumers want and feel that they are a part of become part of the nature of things. When did you last see an ad for Google.com? If companies work in an open environment and integrate with the market they will grow naturally. Nature needs no doors. Instead of acting as bouncers, lawyers should be more like park rangers who see to it that the forest is kept in balance and is managed correctly.

In a transparent market consumers do not need to settle for less than they are worth, and today they know what they are worth. Even the Nobel Prize confirmed that corporations are giving consumers goods of lower quality than the consumer needs. The 2001 Nobel Prize in Economics was given to George A. Akerlof, University of California Berkeley ([nobelprize.org](http://nobelprize.org)) for his pioneering work in the area.

*The present is the future of history.*

Heavy manufacturing industry is being transformed into a sales and marketing industry. The auto industry, for example, is increasingly outsourcing its operations to such a large extent that practically the only thing left of the original brand is the person who puts the name on the finished product. Today's suppliers are so large and well organized that soon the person who puts on the label will disappear as well. The balance of power is tipping towards influential consumer groups that have considerable say in new legislation. The transparency of today's market has made it easier for the consumer to fight back legally. Sites such as [corpwatch.org](http://corpwatch.org) keep an eye on corporate misbehavior. These sorts of sites mean bad publicity for bad corporate citizens, but also goodwill for those that have acted responsibly.

*Behaviour speaks much louder than words.*

(Dr. Peter Drucker, 2005)

An individual consumer sued McDonald's for causing his obesity. Although the court ruled in favor of McDonald's, it is only a matter of time before one of the countless other pending and future cases will deal a major blow to the fast food giant and create an opening for other fast food players to take market shares by offering healthier food. It is easy to single McDonald's out because they have made so many obvious mistakes. By the same token, it would be that much more interesting to see them capitalize on this new trend of consciousness with some super-sized wholesomeness.

Before, neither consumer nor company had been able to see the effect of consumer power. Modern research has shown that one of the most important factors in influencing a company is through informed purchasing decisions. Although the effect of the single wallet is negligible, the transparency of today's market has helped consumers see each other and their combined power.

So can consumption be culture? When the coffee house/café made its way from Europe to the United States, it became a new sort of public space. Starbucks was founded on the European principle that you were buying much more than just coffee; you were buying certain social values. The Starbucks brand builds relationships by using the brand as the social point of reference.

Okocim, a Polish beer, "brings people together" and along with other alcohol brands, highlights social values for both the group and the flock. A common message is "dare to be yourself, but with respect for yourself and others." Brussels Airlines claim to be "passionate about you." Other brands such as Läkerol "makes people talk" while Viagra "makes people ..." whatever.

A country that has a history of recognizing these sorts of connections between consumption and culture is France. Disney and McDonald's have first hand experience of having to adapt to this country famous for its rebellions. This time it's the consumer revolution. Using ONE can employ both what the customers buy and what they give back. With ONE, consumers are a part of the package.

More than ever, individuals define their place in the flock through the brands they consume. Brands have become our time's bearer of culture. A number of famous brands have sites where visitors can test themselves to see what shoe or what table they are. All in good fun, yet what do these sorts of tests say about our society of consumption?

In today's society, we no longer need to build houses to survive. We have

inherited everything we need to survive: houses, farms, factories, and so on. This goes against human nature. Human nature has a need to create, to build, and to connect. The Internet has taken up part of the need for a new frontier. Here there are many parallels to the old Wild West – everyone can stake a claim; everyone can find new ways of making money.

Many of history's great economists such as Adam Smith (1723–1790) pointed out in the eighteenth century that the nature of companies was to attempt to build cartels and monopolies to restrict free enterprise. Sadly, we have seen this to be true for hundreds of years and the chances are that today's evening news or morning paper will feature a corporate corruption story.

*The corporation lies, steals and kills without hesitation when it serves the interest of its shareholders to do so.*

(Bakan, 2004)

In the new world order taking shape, we don't need as large a work force. Not only have low-salary countries such as China and India developed from non-skilled to skilled labor; many jobs have also been eliminated by automation and other forms of modernization. This makes it difficult for the United States, Europe, and others to compete. The new generation in industrialized countries no longer grows up dreaming of a gold watch after 40 years of work. This generation is more focused on self-realization. That results in increased unemployment and many employers are less likely to hire when the market can dip suddenly. Here, ONE is a gray zone where the customers themselves become temporary workers. After all, IKEA lets its customers do part of its work for it. And why not take the concept a step further and let customers put together an entire store – chances are that in the IKEA scheme of things, the assembly would be just as easy.

Like a sort of virtual temp agency, ONE can be a way of utilizing short-term labor to keep costs and prices down.

People who live in a foreign country often develop much stronger ties to their native cultures than the people they left behind. This is the case for many Indians who live in the United States, for example. Indians living in India can take much for granted that expatriates long for. This can be compared to the corporate world. People who work for a corporation are often blind to its strengths, while customers from the outside may have a



much stronger connection to a company's corporate culture. Just as Indians living in the United States are free to visit India, so customers should be free to visit companies they feel at home with.

## Consumers make or break companies

Many brands have learned that consumer power can sink just about any brand. A transparent market will never, in the long run, be able to accept brands with dirty hands.

And dirty hands are a fitting metaphor. In the documentary *Super Size Me*, everyone gets a bit of grease under his or her nails. The film hits hard at both the gut level and at the intellect:

*Each day, one in four Americans visits a fast food restaurant. ... McDonald's feeds more than 46 million people a day – more than the entire population of Spain. Sixty percent of all Americans are either overweight or obese. One in every three children born in the year 2000 will develop diabetes in their lifetime.*

(*Super Size Me*, 2004)

Even better (or worse) timed was the best-seller *Fast Food Nation* with its account of McDonald's deep-frying its French fries in tallow. Imagine the reactions of vegetarians, one of whom sued and settled out of court. And the Arab TV media, which reach countless millions – imagine the reaction when they took up the question of what this tallow was made of. Could it be pork? What were these corporate strategists thinking?

*I believe in the power of people.*

(Erin Brockovich)

Consumer power is so strong that sometimes it only takes ONE consumer to dent even the biggest corporations. With no money, no job, and no legal education, Erin Brockovich brought a huge utilities company to its knees. The story was too good to miss; the story became a Hollywood film about her heroic fight

starring Julia Roberts. The happy ending: the largest ever direct-action lawsuit in American history – \$333 million. Today, Erin still works at the same law firm and has become so famous that on a number of occasions opposing legal counsel have demanded that her name not be used in court for fear of her hero image influencing the verdict. To think that a little consumer called David (or Erin) could be so fierce that the mere mention of his name can scare Goliath.

*If companies don't need consumers, consumers don't need companies (or their products and brands).*

Charles Darwin discovered that when two virtually identical birds lived on different islands, each developed differently. The discovery was the beginning of his theory of natural selection. Consumers live on their own islands of special interests, cultures, and needs. Giving them the right conditions in which to develop, we can create a whole new breed of consumers – and companies. Sadly, consumers and companies often live separate lives on different islands, in different time zones.



What company wants 50,000 nasty caricatures of its brand floating around on the Internet? Here, the artist "Lee" shares one of his passions: painting and selling anti-McDonald's art. Is this the sort of passion a brand should evoke?

Darwin took a cruise out into the real world and observed animal and plant life for five years. Today, the boats look different, but the reality is the same. Living and working close to customers is an incredible source of opportunities and potential profit. Consumers are the biggest media channel on earth. How can we work with consumers as a form of media?

When you're traveling, it's nice to stop for a glass of juice. Did it taste good, bad, or delicious? According to Tim Pethick, it should be delicious or you have no business selling it. Literally. His passion for juice was one of the driving forces behind his Australia based company, Nudie. Using common sense and strong consumer input, the company has built a unique brand, with an almost cult-like following. Started in a kitchen, Nudie has grown into a \$12 million company that is making a considerable impact on the fruit juice industry.

*Advertising is a great way to waste your money.*

(Chief Nudie and Founder, Tim Pethick, Nudie Foods, Australia)

According to Tim, a bad product never gets any better with advertising. Tim invests his money in the quality of his product to ensure that his customers' experience surpasses their expectations. It is not until then that advertising is any good whatsoever. When Tim speaks of advertising, he is again talking about the product: the product is the most important marketing tool. Nudie has built up a transparent marketing organization that encourages the customer to participate in the development of the company. The customers are so involved that Tim admits that it is often customers that lead the way out onto the market. Traditionally, a company goes from USPs (unique selling points) to ESPs (emotional selling points) to TSPs (tribal selling points). In a big city we create our own tribes, societies within a society. We seek out like-minded people in the large anonymous flock. This tribe has its charismatic leaders or trendsetters. Nudie lets these evangelists spread the tales of the brand as the tribe sits around the communal fire. These fans have embraced those values that Tim Pethick himself missed when he was a customer to other companies before he started Nudie. Fans of the brand have become "Nudie addicts," a central part of the company. When competitors realized that Nudie was gaining shelf space in retail stores, the large companies bought out all stock in an attempt to kill the brand. The attempt was foiled by Nudie fans' boisterous complaints to the retail chains and Nudie was brought back by popular demand.

The big players in the industry are transaction-based rather than relation-based. Customers attained solely on price considerations are not loyal, which is not a major concern when the products are anonymous and generic. Contrast that with Nudie's Tim Pethick, who has built a solid long-term relationship with his customers.

A few tips from Tim's approach to being ONE:

- Tell a story and feed that story.
- Respect your consumers. Don't fake it, make it real.
- Involve consumers; it's their brand.
- Consumers can take care of all the marketing you need!
- Create a transparent brand and a transparent product.
- Think and act like a consumer.
- Involve your customers in a continuing dialog (look at nudie.com.au for an inviting, interactive site).

As Nudie is a small company in a big world, Nudie let its fans "adopt a shop." The fans have responsibility for making sure there are products in the store and that they are displayed properly. Their intense passion for the brand means that they put their hearts into seeing to it that the storeowner is doing "their brand" justice. When the shelves need to be filled, the fans get in touch with their Nudie contact and have him or her order more. Tim points out that you must always exceed the customer's expectations. Today, Nudie's relationship with its customers has developed to the point where the customers practically run the company.

"If the customers wanted us to start an airline, we'd do it," says Tim Pethick.

Nudie has integrated the customer into the company to such an extent that the boundary between company and customer has become less important than sharing a passion for doing something different and meaningful together. The magnetism between the two keeps the passion alive.

When asked why there are so many interesting juice companies in the world, Tim answers that juice is highly visible, delicious, and easy to have strong feelings for. Tim concludes our conversation with a question: The consumer has changed and developed, yet marketing has not. Why is that?

The moral of the Nudie story is simple. Why then are there not more examples of companies utilizing consumer power in a positive way? One reason is that common sense is anything but common. It's a sad fact that many large

corporations create negative energy from their customers, using management by distance instead of management by interaction. Letting the customer's enthusiasm flow through all levels of the company creates powerful word of mouth by customers, to customers.

Nudie has a cool down-to-earth management led by Chief Nudie and Founder, Tim Pethick. Recently, Nudie was voted one of Australia's top ten brands. Customer focus pays.

## How fans of FedEx could build its business

Big companies like FedEx spend millions to get new customers, but when they get them, often the fun stops. Unfortunately, this multi-billion-dollar company didn't appreciate Jose Avila's discovery. He used FedEx so frequently that he had 300 of their boxes lying around. He put two and two together: I have boxes and need furniture so why not make furniture of FedEx boxes? A great idea; the word spread on the Internet and soon it was a success. He actually invented a way for FedEx to get consumers to contribute environmentally. Sadly, FedEx did not see it that way and their lawyers forced him to shut down his site, [www.fedexfurniture.com](http://www.fedexfurniture.com). Instead of buckling under, Jose got help from students at the Stanford Law School Center turning the story into a modern David and Goliath. FedEx had taken a golden opportunity and turned it into negative PR. The story appeared in *Wired*, CBS, CNN, and NBC, and on many chat shows. Today, there are millions of anti-brand stories about the company floating around on the Internet. This attitude from big companies costs millions of brand-image dollars and doesn't increase sales.

*To see the big picture is to be a part of the picture, not just delivering the package from A to B.*

To get consumer power to work with FedEx rather than against it, the company could easily find designers like Sergej Gerasimenko, who has been working with cardboard furniture for more than 15 years. Together with Jose and Sergej, FedEx could develop a package that consumers could make FedEx furniture with and become ONE with the brand. This could be a trend and a movement for other consumers to take part in. For employees at FedEx, it should be an honor to work in a company that not only delivers packages, but also becomes part of people's lives. It would also inspire the FedEx corporate culture to adapt and learn from customers and diversify. For example, if FedEx moved its business into household

goods removals (a global, multi-million dollar business) it would be easy: FedEx is already in consumers' homes, with furniture made of FedEx (a new dimension of "living your brand").

Instead, FedEx has to pay millions of dollars on annoying product placements in movies such as *Runaway Bride* (1999) with Julia Roberts to appear as though they are a part of their consumers' lives. After movies like *The Corporation* (2003) and *Super Size Me* they could, with their famous David and Goliath story, end up with an "anti-FedEx-movie" (the kind of product placement that would definitely not build their brand). Such a film would be a success with a director like Michael Moore and a star like Jose Avila playing himself.

Today, Jose and other fans have moved out from the FedEx brand (or as some say, ExFed). Sadly José's site [www.fedexfurniture.com](http://www.fedexfurniture.com) isn't up anymore. We hope that the company that has replaced FedEx for Jose, UPS, can work as ONE with this passionate customer. Maybe he and Sergej could design furniture for UPS and start a [www.upsfurniture.com](http://www.upsfurniture.com) with UPS.

Does your company have fans? Are you a fan? Passion is energy – how do you think that energy can inspire the corporate culture of your company? Can consumers increase the bottom line? Is there any bottom line without consumers?

A few hours after I posted this David and Goliath story on my blog, both FedEx and UPS checked it out on [blog.detectivemarketing.com](http://blog.detectivemarketing.com). I also sent the story to Michael Moore, so we may well see a bit more of FedEx in the future ...

Other fans of companies have fan-tattoos, fan-sites, and fan-blogs. Fans are building new tribes around great companies. Who owns their passion? Is it the company or the fans? The bad news is that companies can never own their fans. The good news is they can share their energy and grow together.

Others are so passionate about great brands that they are producing new fans (read kids). One fan has named his son Google Kai ([www.google-kai.com](http://www.google-kai.com)). The proud father, Elias Kai, is a big Google fan (Kai, 2005) and like so many fans, he knows a lot about his subject, in this case search engines.

I asked him how his son would feel about his name in the future.

"Like I do – happy," he answered.

I asked him if he would still feel so passionate about the brand if he worked at Google from 9 to 5.

"Are you kidding, I think about Google in my sleep!"

I ask him, "if your brother has a kid and gives him or her the name Yahoo, would you allow them to play together?" At first there was silence then he replied – "Yes of course!"

Google is a big company, but a flexible one that stays close to its customers. They've even written about Google Kai on their blog. This attitude is the reason why the "Google tribe" will grow.

## Proof of the power

No fences make good neighbors. A residential suburb without fences between the houses creates an open and comfortable atmosphere. In these sorts of neighborhoods, it's easier to share "common resources" such as a lawn mower or a good joke. Suburban house or big city high-rise – we all need our tribe. Native cultures tattoo patterns on their arms. So do 20 million Americans, a very big tribe indeed. High-visibility tattoos can be seen on Robbie Williams, Angelina Jolie, and Mike Tyson.

Working in groups and across traditional borders opens new dimensions. ONE is a tool for the individual and the group to succeed together.

Faith and an unfettered mind move mountains. Mountains move nothing.



What about a Save the World credit card? The corporate world not only has the resources to change or save the world, they can, with consumer power, transform it into a warm heart in a cold universe. Consumers can make a difference by buying a difference!

Consumers are increasingly starting to think of themselves as having the power to change the world for the better. Never before have charitable organizations received so many donations as for the recent tsunami in Asia. Eco-tourism has gone from a nice status trophy to a mass industry. This increasing consciousness among consumers is good business. By buying locally, for example, consumers not only contribute to a better environment, they create jobs. And when 30 million consumers make the *right* choice, corporations suddenly discover that it's more expensive to manufacture *wrong*.

Charitable organizations should create a credit/debit card where you earn bonus points for buying products that are more environmentally or socially conscious. All that you need is the Internet and a credit card company with a bit of vision. Instead of singing "We are the world," we can sing "We are improving the world with our consumer dollar." By making a transparent system of payment you should be able to log in and follow the flow of your money all way to the end recipient and then communicate personally with those people whose lives you have contributed to making better. This sort of arrangement would not only build real wealth in places where it is desperately lacking, but also give those places a human face. You could go on vacation in the places you have helped and get to know them first hand.

*We don't do things to be good. Green is green [the color of the US dollar].*

(Jeffrey Immelt, CEO, General Electric (Bergkvist, 2005))

Word of mouth, buzz, story-telling, and the grapevine are stronger than ever. As the influence of the mass media wanes, the value of word of mouth goes up. Many large companies have a larger customer base than TV stations have viewers, yet they insist on using TV to communicate. Companies such as Procter & Gamble are currently re-evaluating both TV and the mass media in order to get closer to their customers.

There are thousands of examples where word of mouth has started consumer revolutions. In fact it is said that you only need a handful of people talking to reach the entire world. When I was in Singapore I decided to perform my own unscientific experiment. Singapore with its 4 million people on a microscopic piece of land, its many different nationalities, its Chinese influences (= a passion for gossip), and its free one-hour local phone calls seems to be a perfect environment to test word of mouth theories. I told a story about a



nice woman who I saw as a Chinese version of Britney Spears to six people with no connection to the woman. The woman, who I was to meet later on my visit, called to re-book our meeting and made a comment about guess what ... Britney Spears. Professor Duncan J. Watts of Columbia University, has argued that you only need six people to reach the entire world (Watts, 2004).



A mirror helps us define ourselves and makes us feel important. Is your brand working as a brand mirror? Do you see yourself? Do your customers see themselves?

## **Do you see yourself in your brands?**

The mirror is a product that has managed to remain modern, century after century. Why? Because we use it to see ourselves, and what could be more now than me? Yet how many people see themselves in the company they work for or in the brands they buy? In many Oriental martial arts, self-reflection is the key to conquest. To conquer an enemy one must first conquer oneself.

*For the first time the consumer is boss, which is fascinatingly frightening, scary and terrifying, because everything we used to do, everything we used to know, will no longer work.*

(Kevin Roberts, Chief Executive of Saatchi & Saatchi,  
*The Economist*, 2005)

Advertising is not dying; it's just changing. As companies are trying to get closer to their customers, advertising is searching for new forms of communication along the entire chain of consumption from discovery to purchase and beyond.

When I held a lecture for the European Association of Communications Agencies (EACA), the audience was enthusiastic about the ONE topic and the coming book, but one piece of advice did shock some advertisers: stop hounding and nagging consumers and start involving them instead!

Fifty years ago Earl Tupper first brought out his now legendary plastic Tupperware plastic products in the United States. His "Tupperware parties" used consumers to sell to other consumers in their own homes. His system was an incredible success and today there is a Tupperware party every 2.5 seconds somewhere in the 100 countries where the products are sold. The sales idea is called Multi-level Marketing (MLM) and is known by dozens of names. The idea is simple: one person sells to a friend and receives a sales commission. That friend in turn sells to his/her friend and receives a commission. The original salesperson also gets a commission on his/her friend's commission and his/her friend's commission. This continues creating enormous, organically growing sales organizations as well as some very well-paid sales people.

This form of sales marketing has been associated with both respected and not-so respected companies and products. Historically it has been associated with make-up and vitamins, but has been used to sell everything from cars to soft drinks. In spite of the bogus figures and hallelujah meetings that some of these organizations are known for, there is an undeniable power in the idea of letting the customer run the show. A number of banks where we have conducted ONE studies have more customers than can be reached in their TV commercials. Shouldn't they spend more on working directly with those customers?

Brands are becoming increasingly global and anonymous along with their products. SAAB has melted into GM, Volvo into Ford, and Volkswagen has photocopied itself into Skoda and Seat. The products are becoming generic as they lose touch with their identities and origins. Quality is no longer so strong

an argument when the difference between brands shrinks. Audi is even launching its own TV channel. But still the copy can actually be better than the original since the savings in product development can be put back in the form of extra features. This defeats the whole purpose of brands – brands were originally created to protect the consumer and the manufacturer from bad originals. Now, even the copies need to protect themselves from bad copies. From the beginning IKEA was based on copies, and was not known for its quality. Over the years, however, it has made a long-term commitment to quality and today there is no great difference in quality between, for example, an IKEA kitchen and one from a prestige manufacturer.

When a new player such as MDF Italia starts making kitchens, it does so with the designer's playfulness and lets consumers' input influence design decisions. The company was surprised by its customers' enthusiastic response to a kitchen work-surface made of glass that revealed everything below. Being able to combine solid industry know-how with listening to consumers leads to both innovation and market share.

The kitchen has become today's fire for gathering the tribe; it's only natural that the consumers themselves should have a say in designing it. Taking the reasoning one step further, you could make well-designed kitchens that allow consumers to add their own personal touch. All the cabinets, for example, could be made of whiteboard or chalkboard and allow consumers to add artistic touches, to-do lists, or messages. Millions of refrigerators are already used as communications centers, why not extend it to the entire kitchen? Many of today's home-appliance makers such as Whirlpool, Electrolux, Miele, and Bosch already have displays on many of their products and are moving towards intelligent kitchens. The chalk and whiteboard idea could be taken a step into the future with digital technology and LCD screens, for example. Every family could be given its own cabinet connected to a computer using wireless connections. Recipes, entertainment, dinner-by-conference video – the possibilities are endless. It may seem far-fetched, but both high and low-tech ideas can generate considerable revenues. And with the consumer's permission: local restaurant menus, today's specials at the supermarket, music videos, travel agency bookings – the kitchen can be a hub in your virtual as well as your actual life.

Many of today's local kitchen manufacturers have sales valued at billions. Kitchens are still very much a local cultural phenomenon; kitchens look very different in Spain and Japan. Using ONE, on the other hand, could enable kitchen makers to compete globally by penetrating lucrative local markets.

Older companies are often slow to develop and, in the example above, electronics and entertainment companies such as Sony, Sharp, and LG could find new markets. New products are turning many concepts upside down. New food packaging is competing not with other packaging, but with appliances. Press a button on your box of lasagna and the food is heated in a matter of minutes. Or heat a cup of coffee in its own cup in 40 seconds. These products are already a reality.

Home appliance manufacturers have also crossed over into other domains. LG Electronics makes flatscreen TVs, home appliances, refrigerators with screens and TVs with built-in ice machines – or is it ice-makers with built-in TVs? Consider the impact of 500,000 of these “online kitchens,” where customers can give their feedback to companies as a kind of free online development department of consumers with passionate views and interests. Compare this with what happens in any non-ONE company, paying its workers to develop what they think customers want, and you can see how in ONE consumer power is driving the future of business.

A major obstacle to long-term common sense in business is the short-term profit motive. Moving to a longer perspective, say 100 years, is a good antidote to cynicism and gives us a certain sense of humility. A number of Japanese companies have marketing plans that cover 500 years. I have personally worked in projects where planning has stretched from the year 2100 to the year 2500. Just think if someone had laid the foundations of your brand 50 to 200 years ago: just think what a head start you’d have. Defining the road ahead a few generations into the future is liberating, calming, and often profitable. That plan is definitely something you can take to the bank.

*Try to make this issue of long-term thinking a part of your next meeting. You may just see a little extra humility and responsibility creep into the agenda.*



London Tube commuters are reminded of the consumer gap several times a day.

## Mind the gap

The gap between what a company promises and what consumers experience has never been bigger. If companies are to survive and thrive in this age of the consumer, they must interact with consumers and let them into the process of creating new products and services. Starbucks made big bucks by minding the gap!

I'm a great believer in benchmarking different forms of consumption against each other. For example, when we Hoover the machine has a self-winding electrical cord, but when we use our laptops we have a battery that only lasts a few hours. Who would accept a vacuum cleaner that only worked for ten minutes? Why not equip laptops with a self-rolling cord. Seeing these types of solutions means that R&D must stop developing old ideas and start seeing the world through the eyes of consumers. Children learn by falling. If big companies wish to lead, they must be willing to fail occasionally (or Hoover the market for new innovations together with their customers).

*The gap between consumers and corporations is as wide as the Grand Canyon, full of misunderstandings and opportunities that can be converted into big business.*

Developing new products with and for the consumer can be made easier by a good relationship that nurtures intuition. Starbucks sold hot coffee, but quickly realized that customers wanted cold drinks as well, which led to the creation of the Frappuccino in 1994. The drink became a huge success, with over \$52 million sales last year. Starbucks and its partners have long focused on their customers, a strategy which has resulted in a healthy bottom line. When the Frappuccino was introduced in Japan it was adapted to the local culture and was made with green tea. In the United Kingdom, flavors such as strawberry were added.

Personnel are naturally motivated by being on a winning team. A \$52 million product not only confirms the brand, but creates an innovative corporate culture that attracts the most motivated and gifted employees and customers.

Starbucks opened 1,344 new stores in the first nine months of 2004, bringing its global total to 8,569 in more than 30 countries. In 2004, the company opened roughly 3.5 stores every day (brandchannel.com, 2004). These figures

would be impressive but not surprising if they had been for only the United States, which was a country that for centuries was dying for a good cup of coffee. But to see this development in European countries that already have strong local café and coffee traditions is a glowing testimonial to the strength of the brand.

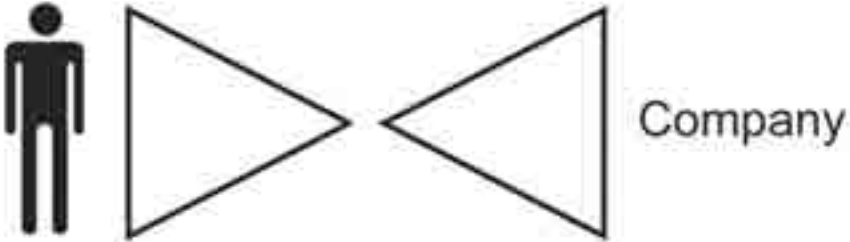
There are other companies that could make money minding the gap. The first one to come to mind is the clothing store The Gap. Here, the opportunity is two-fold. One opportunity is the incredible media, PR, and advertising potential of the phrase “mind the gap” in London and other big cities. The other opportunity, a much bigger one, is the gap between the rich and the poor. This gap between industrialized countries and the developing world continues to grow and is probably the biggest international problem for everyone. Creating clothing that raises awareness of this problem and donating money to charitable organizations can be profitable for all.

A central problem for most companies today is a gap between what they promise and what they deliver. With one foot on how they would like to be perceived and the other on how they actually are perceived, the company ends up doing a very painful version of the splits (Wirén, 2005). Yet, this gap also holds great riches for those who can use it to their advantage. What opportunities or new business ideas do you see in your gap? And what new messengers can you find to spread the values of your company?

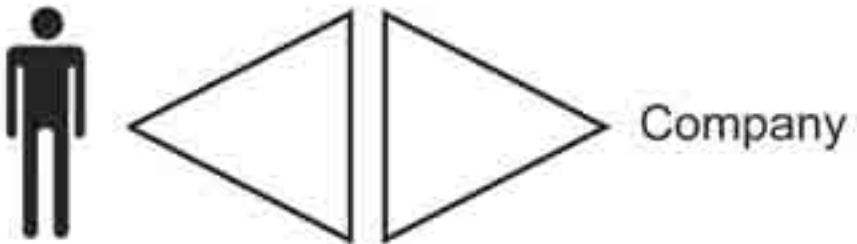
Another mind the gap area is different patterns of consumption between different groups, most notably between men and women. I am, like most men, fascinated by women’s passion for shoes. In a shoe store in Florence, I asked the clerk why women buy so many more shoes than men. “Because they all want to buy something different from other women” was the natural answer; another was “The way I look is the way I feel.” This was probably the best answer I’ve ever gotten in the subject. Men tend to buy the same things as their friends when it comes to clothes, shoes, and gadgets – or the same, only a little better. When women buy clothes, it’s a way of indulging in a “collective ritual” while still standing out.

In 1978 The Commodores sang: “she is once, twice, three times a lady” on the classic hit *Three Times a Lady*. Today, there are a number of studies that show that a whopping 80 percent of consumer purchases are influenced by women in some way (Johnson and Learned, 2004), yet today’s management is mostly male. A good mix of skills and gender could sing: “she is once, twice, three times a consumer.”

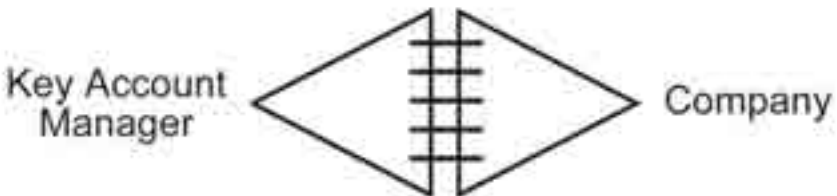
## A few words about corporate blind spots



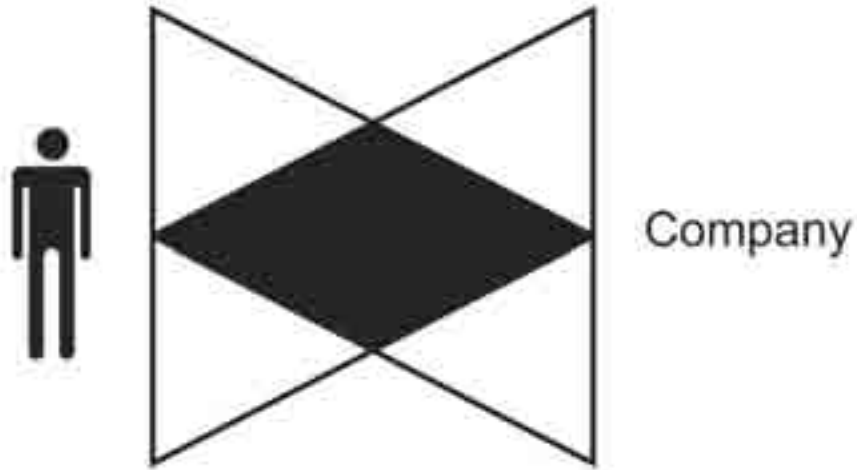
Within both Business to Business (B-to-B) and Business to Consumer (B-to-C) the range of vision is limited to pure consumption. Interaction is limited, making for a strategy that leaves the company very vulnerable to quick changes.



When the distance from the customer is too great, it can be hard to see patterns and opportunities.



In modern B-to-B, the Key Account Manager creates many points of contact between his/her company and the buyer. This reduces the risks, but also fails to create a common interest. It is a bit like a marriage where, if the two parties don't live with each other, the chances are that they will drift apart. Procter & Gamble has historically been an example of a company that is organized in this way (Dyer and Dalzell, 2004), but today they are trying to get closer to the customer. More about that later.



Closeness gives an increased field of vision as well as more room to identify common interests when patterns and opportunities makes it easier to see the big picture. The value of the relationship increases when you share a bit of each other's worlds.

## **Consumers will not be reduced to 10110010101101011100**

Many companies have failed miserably at introducing customer relationship management (CRM). All too often companies are not willing to change how they work. At the same time, customers have changed their behavior, making it more difficult for today's marketers to put a label on them. Today's pensioners drive Harleys, while things such as clothes say less and less about a consumer's income. Luckily, people are still too complex for computers to figure out. CRM and One-to-One is like a dog dancing – you're not applauded because it's well done, only that it's done at all.

*Strategy is about the basic value you're trying to deliver to customers, and about which customers you're trying to serve.*

(Michael Porter, Professor, Harvard Business School  
(Hammonds, 2001))

What happens when consumers see the market standing still? They communicate to corporations that if the corporations don't move, they'll buy from someone

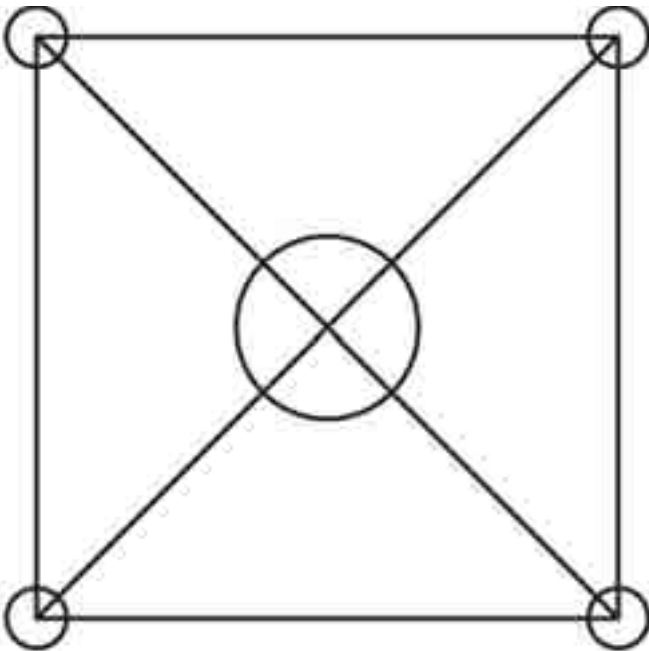


else. Anyone can catch the market off guard. In his book *Losing My Virginity*, Richard Branson writes about Virgin's fight with the cola giants: "I love giving big companies a run for their money. ... We thrive on the fact that we are small and a newcomer up against the two giants" (Branson, 1998). In other words, big companies make big targets that encourage challengers to go one better. There's a Branson in every consumer and potentially he/she can become your biggest competitor. After six months of studying the other airlines' poor customer relations, Branson started Virgin Atlantic to take both customers and service to new heights. At the present, Branson is considering offering double beds on all his planes and making all our dreams come true.

What ideas do you have that might take off with ONE?

## Who needs brands and companies? Not us

More and more, customers around a company are organizing themselves in such a way that the company is no longer necessary. Let's take a hypothetical case: buying a car. A car is like milk: it can be produced just about anywhere. The difference between different makes of cars is the degree to which they are refined.



For the organized customer, the company is no longer essential. Even more important, customers won't pay extra for a fake brand.

One approach for consumer power is to manufacture your own car using a website. Picture a manufacturer that gets its design from consumers and its parts from subcontractors. When the customers meet and drive away from the factory, they haven't just bought a new car; they've also created a new community. With no advertising, you have created a no-brand car with 2 million owners.

Companies must realize that the customer truly is king when many customers converge at the same place on the Internet. Instead of engaging in "brand wars," companies should involve the customer in their daily business. Companies that act cynically will discover the wrath of the king – the consumer. Their brand can easily become a symbol, an anti-brand. In that gap between anti-brands and consumer power are billions of dollars waiting for companies with the right approach.

If this sounds far-fetched, compare it to Dell Computers. At Dell, the computer is built after the order and is delivered directly to the customer. This whole process can, theoretically, be done by the customer him/herself, only better and with a more personal touch.

Even in a rapidly changing world, changing customer behavior takes time unless the customer is given more say. One window of opportunity is hotels. With the Internet, people are beginning to see that it is easier to compare hotels, find bargains, or better yet, find someone for a house/flat-swap. The hotel industry can react defensively or it can offer services that match the changes in consumer behavior. How can hotels be part of the swapping process? Can they provide security and piece of mind by guaranteeing the transaction, providing cleaning or insurance? The pay-off for the hotels would be low overheads, an unlimited number of stay-overs, and a virtually unlimited selection of accommodations with something to suit everyone. They could use a star rating system based on customer information and recommendations both to serve customers today and to design the hotels of tomorrow.

The Internet has its rules and cultures just like countries. Unlike geographical countries, where very few people leave when the country changes for the worse, Internet countries can lose their entire populations overnight. When Linux announced that everything that was created using its platform would become its property, Linux fans deserted the site in droves. Linux had no choice but open its doors to the collective rules of its fans based on free and open software. The alternative would be to sit by and watch them create a new "country."

Public space, space not owned by private corporations, after reaching an all-time low is once again growing. This growth is a combination of increasing discontent and an improving technology to communicate it.

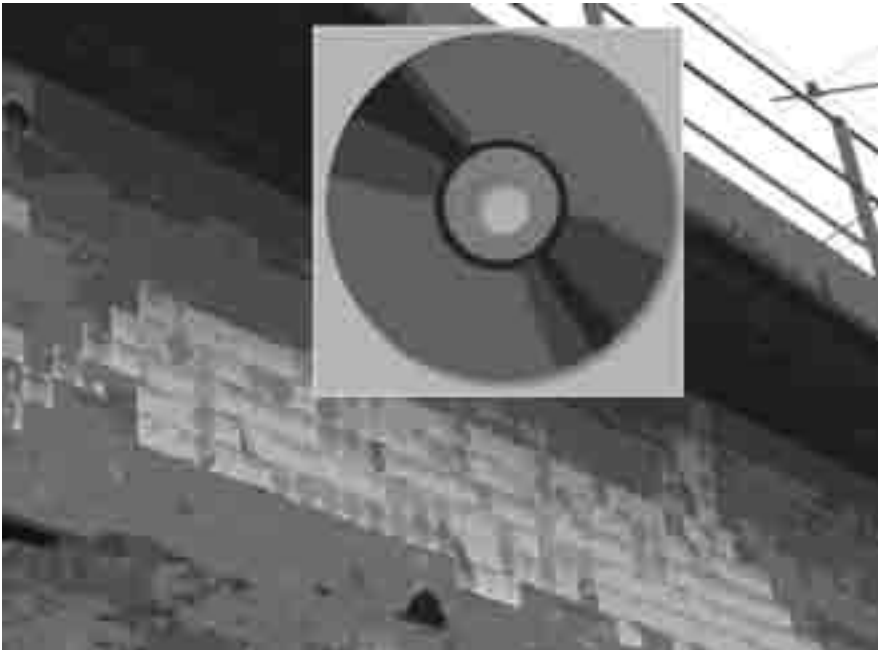
## What Is ONE?

Today's technology makes it possible for everyone to be David Letterman. The Internet and inexpensive technology allow consumers to create their own radio and TV broadcasts, and even their own radio and TV stations. Let's hope these Lettermans are fans of your brands.

Transparent leadership makes it easier for a company to increase its level of ONE with its customers and the world around it. Customers see farther into the organization and the employees see more of themselves reflected in its customers. The pay-off is more synergy for everyone.

## What do Tesco, Letterman, and IKEA have that others don't?

When customers see themselves in the company by participating in defining a service, a product, or personnel, the conditions for ONE have been laid down. Participation is based on a genuine interest for the customer, not empty corporate promises.



In the dead of a Stockholm winter, under a dreary stretch of commuter train tracks, a wall was plastered with free CD records, there for the taking. No store, no rent, no distribution, just a bit of story-telling and a positive underground feel.

*IKEA* is a wonderful example of a company that is built on blurring the borders between company and customer, using very concrete measures such as having the customer assemble the furniture. The quality problems the company had in its early years turned out to be the best thing that could have happened. Sometimes the lines to the complaints and service department were longer than to the checkout counters, which *IKEA* quickly turned to its advantage. In addition to making a commitment to improving quality, they also created an atmosphere that fostered such a positive attitude toward the store that when customers came back to complain, they soon discovered that there was always something else that they wanted to buy. As the quality improved, the company managed to keep and increase this goodwill. It's a known fact that companies that manage to turn a bad situation into a good one create extra strong ties to their customers. There are those who claim that some companies create problems to solve on purpose in order to get closer to their customers.

The UK supermarket chain *Tesco* has become one of Europe's fastest growing financial service companies. *Tesco* was founded in 1924 and is today one of the UK's largest food retailers. In the 80-plus years it has been doing business, the company has gone from bringing the customers their goods, to letting them take things from the shelf themselves, to letting them scan in their own items by going to a special checkout counter. The store has developed from just groceries to telephony, banking, insurance, and a host of financial services. Through a series of corporate partnerships *Tesco* has been able to offer services that have brought the customers into the company in a completely different way than before.

One of the most important drivers of this success is the *Tesco* Clubcard, introduced in 1995. This card, with its benefits, not only gives customers something they can take to the bank, it literally helped them build one. The card brought the company's customers into the company and let the company become a larger part of the lives of its customers.

Many companies use information about customers mostly for printing labels. Direct marketing is still underrated and misused. *Tesco* has a bit more vision. In order to give the individual customer relevant information and offers, *Tesco* has divided its millions of customers into over 100,000 customer categories. In addition to the usual demographics there is a Baby Club, a Wine Club, and so on.

The customer's purchases define the categories and form the basis of how to communicate with the customer; for example, is the customer unusually price-conscious? If so the strategy must be right to keep him/her from going to discount outlets instead. The goal is to ensure that each individual customer can feel that being an active customer is a winning proposition for just him or her. The

pay-off for the customer is attractive enough for him/her to supply Tesco with information that will help the company to serve him/her even better in the future.

Tesco is in a position to introduce virtually any product or service based on its interactive relationship with him or her. When Tesco launched its mobile phone service Tesco Mobile, for instance, it attracted over 500,000 customers in less than 14 months.

Tesco CEO, Sir Terry Leahy, summarizes the company strategy and philosophy:

*Understand customers better than anyone. Be energetic, innovative and be first for customers. Use our strengths to deliver unbeatable value to our customers. Look after our people so they can look after our customers. Treat people as we would like to be treated.*

With over 326,000 employees in 11 international markets and a turnover of £33.6 billion these are not empty words.

Are there other winning ideas out there? What about Tesco Car? How would it work? Should it be made in over 100,000 customer categories to fit its demographics – Baby Club, a Wine Club, and so on?

How can the customer grow with Tesco; what further opportunities do you see for ONE?

Tesco pays 1 percent in dividends to its customers – over £1 billion. The future potential is what the customers get for the other 99 percent.

And what happens if the grass looks greener on the other side of that card? How do you get customers to stay? And remember that “The grass is always greener on both sides of the hill.”

*The Late Show* with David Letterman is more than entertainment; it’s a historic milestone. Much of the show’s success is built on the fact that its content is created by the audience. Letterman uses the studio audience and the general public to create moments of superb comedy and satire. Here again, is an example of ONE. The audience is given a face and the viewer at home feels that he/she is participating in the show. (It’s a bit like looking in a mirror at someone you like.) This phenomenon illustrates the need for confirmation in interactive meetings between senders and receivers. “How many would use a mirror if they couldn’t see themselves?”

The same logic applies to Oprah Winfrey. When she recommends a book (such as this one) you can be sure that it will sell out the next day. When she gave everyone in the studio audience a Pontiac, the advertising and goodwill

was valued at over \$100 million. Women see themselves in Oprah; she is the pal that all brands long for. Imagine if all the program viewers were given the chance to design the give-away car via blogs between commercials or between programs. The result would be a car created by consumers, for consumers.

## **Common sense will always make sense**

Always listen to a good idea from anyone regardless of his or her job title. The idea is the thing. Put some humility into your brand. Start with a new approach: talk to people who do not work with branding. Simplicity is a great tool for common sense in business. Use only basic words to describe your brand.

Regardless of the brand favored by consumers, common sense remains a useful competitive tool. At a talk I recently gave to some 60 shoe store managers, I wore one brown and one white shoe. During the last 15 minutes of the talk I placed myself so the audience could not see my shoes. When I asked the participants to say what shoes I was wearing, 15 percent were able to say they were different. It makes you wonder how much of an interest the stores take in their customers. When asked if they wore their own brands, only 30 percent answered yes. It makes you wonder if people believe in their own product, and whether it is here, at the level of basic values, that competition could become considerably more effective. Why not try similar tests in your own stores? (And send me the results.)

Customers are the world's fastest and most international medium. Call it story-telling or the grapevine or consumer power, but it's here now and it's the future.

Those who refuse to listen to consumers argue that consumers don't know what they want. Like all myths there is a kernel of truth in this reasoning. The fact of the matter is that once consumers get a little taste or even a whiff of something they like, they go after it with a passion. A good approach to introducing customers to your product or service is to let them have parts of it for free. A museum can have a free section to whet the customers' appetites followed by one with admission. Bring customers into a buying decision long before they need to buy anything.

In car sales, there is a direct correlation between the number of test drives and the number of sales. So, how do you get more people to take test drives? You could, for example, offer test drives as taxis. Customers call a car and drive themselves where they want with the salesperson sitting next to them.

Letting customers try a product out before they buy it ensures happy customers. It also turns the sales process into a sort of focus group to help the seller fine-tune his/her offer in real time.

Delivering the consumption experience is also about how you package it properly. Anita Roddick, founder of the Body Shop, started her first store in 1976 in Brighton, England, between two funeral parlors. People appreciated the irony of the name The Body Shop, but the funeral parlors saw it as ridiculing their businesses. Roddick was quick to play the PR angle of breaking taboos and crossing boundaries. The media is always interested in entertainment, especially news programs, and these sorts of stories always have great potential if packaged right. Today, The Body Shop has a long history of memorable PR and stores in 50 countries, although none, as far as I know, is located between two funeral parlors. In 1999, The Body Shop was voted the second most trusted brand in the United Kingdom by the Consumers Association ([thebodyshop.com](http://thebodyshop.com)).





## Part 2

*How ONE works*



## For companies who would like to stay in business

Be one with the brand instead of number one on the market.

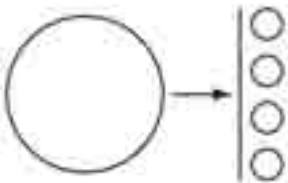
Total communication is built on a simple principle: all instruments must play together. Companies often forget that the consumer has to have a say. Companies and consumers should find a common set of criteria as a starting point. The Internet has shown the importance of taking the consumer's needs into account. Your company can create what the customer wants by identifying needs and building a platform for total interactivity. Keep in mind, companies often grow as a result of customer demands. "The customer is always right" is truer than ever today when the customer can, thanks to the Internet, organize and buy products in bulk at lower prices.

The company is always right ... when it treats its customers right.

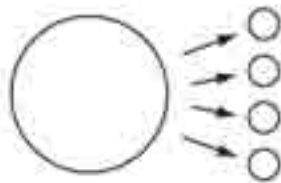
One-to-One (Peppers and Rogers, 1999) stands for a way of thinking with many positive qualities, such as admitting that the customer actually exists. This is the first step towards becoming one with the customer. I would therefore like to take the concept a bit further by renaming it ONE – when two become one, when a company becomes one with the customer. One-to-One creates distance in the form of "us and them," separated by a mental wall. By letting the customer in behind the wall, a sense of community is established.

You can see the development from mass communication (Figure 1) where the same message is broadcast to everyone. The next step takes us closer to the individual's needs (one-to-one) where every relationship is more unique (Figure 2). The next mental step is to become one with the market and the customer (Figure 3).

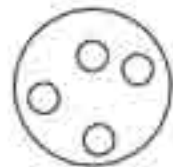
A noticeable development in the banking world is that bank offices have started taking down the plexiglass and letting customers' opinions into their



**Figure 1**  
Mass communication



**Figure 2**  
One to One

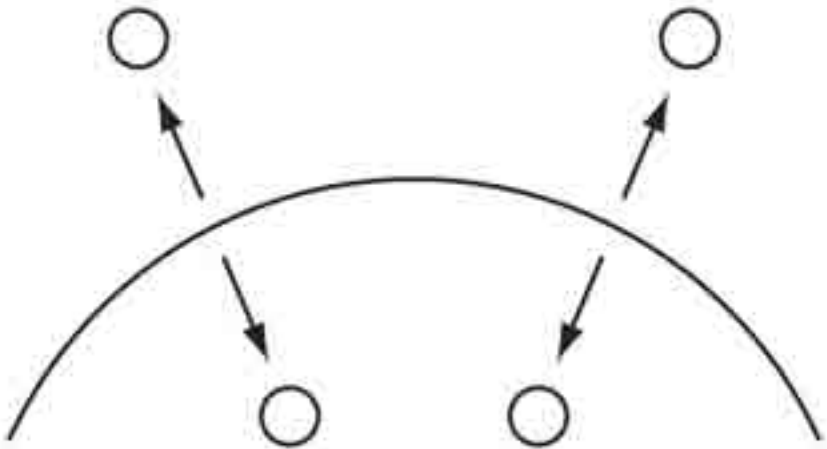


**Figure 3**  
ONE

organizations. Mountaineering equipment companies have been known to have board meetings at 7,000 feet above sea level to discuss product development with the top elite of its target group. Sun-Tzu's Art of War includes frequent references to winning command over yourself before winning over anyone else. Perhaps this is the step that is necessary to become one with the market. There is no need to win if you are part of everything else. On the other hand, there is a lot to lose if you lock your company in a box.

*If companies don't get out of the box, consumers won't get in that box.*

Figures 4 and 5 below show the magical boundary between customer and company. Tearing down this boundary begins by creating awareness within the company. Examine every possible way to create interactivity both inside and outside of the company. Attaining transparency and participation for your employees is important not only for a positive corporate culture, but also to avoid creating two different brands – one outside the company and the other inside (see Figure 4).



**Figure 4. Communication**

Communications needs can be divided into two main parts:

1. Internal (arrow pointing inwards). This creates awareness and a consolidated image of the company.
2. External (arrow pointing outwards). The offer shown is a consolidated company with products and services in the form of a monolog.

Instead, let the customer carry the company's message both into the company and out onto the market. Start by moving the boundary defining what's inside and outside the company as a first step to doing away with it completely. A company without borders differentiating what's internal and external often develops a magical aura, which speaks to both head and heart. Family companies often exude this sort of charisma.

Organizations that demonstrate passionately held beliefs often have strong rituals and some sort of credo that define their actions. Such a credo is an effective way of breaking down boundaries between "us" and "them."

### *ONE – Turns passion into business*

Timing is essential in winning the consumer. For example, a company that makes beds can let consumers take its products for a "test drive" by placing them in hotel rooms. The day after, when customers wake up refreshed after a good night's sleep, the company has created a relationship between consumers and its brand of bed.

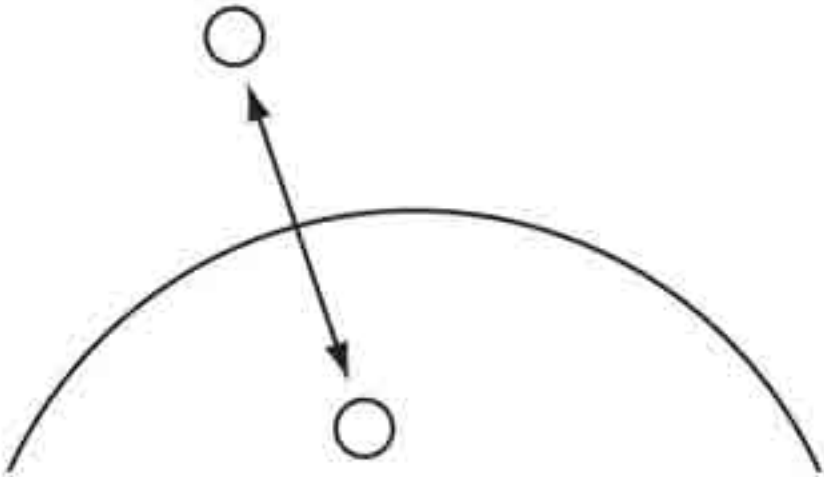
You can also create a relationship with consumers by turning a bad experience into a good one. Airlines, as we know, are infamous for serving bad coffee. The American airline United recently partnered with Starbucks to serve 80 million customers good coffee at 30,000 feet (Simmons, 2005).

What other opportunities do you as a company or as a customer see for doing things differently in which everyone comes out a winner?

Many companies throw out the few customers who manage to get inside the company. Compare the difference between a customer at a restaurant who gets good service and quickly becomes a regular with the customer who is treated as a king when buying a new car, but as a pariah when he/she comes back a year later to trade in that car for a new one.

## **Let the customer in**

As seen in Figure 5 below, there is a third type of communication that builds values within the company while also conveying them outside the company. Let the customer break down the mental Berlin wall around the company. Remember: where ignorance and enlightenment meet, new opportunities are born. Where amateurs and professionals meet there is often an explosion of creativity.



**Figure 5**

When you ask musicians how they feel about making music, you often get two different answers from amateurs and professionals. Amateur musicians will speak more in terms of fun and passion than professionals; the professionals, on the other hand have an easier time defining themselves and their art. When the two meet they often surprise each other.

When I was studying to become a professional dancer I was a great admirer of Gene Kelly, both for his dancing ability and his charisma, which seemed to go straight to the feet of the audience. This special connection might have something to do with his unique style, which in many ways was the style of the amateur. Many companies have completely forgotten how to dance with the consumer. When I lecture, I sometimes try to get board members to get up and dance like Gene Kelly.

When the consumer enters the company, fertilization occurs and new energy releases the company's pent up potential in the form of innovation and motivation. Without this sort of fertilization, the company's DNA will cease to renew itself. In-breeding in the animal kingdom means fewer offspring. Genetic differences are the drivers of fertility and evolution.

When two become ONE, a family is formed, something we can all relate to since we are all results of this process (I'm living proof of this potential). The more people inside and outside the company who cross its boundaries, the more diffuse those borders become. It also makes for a more conscious, motivated, dynamic, and above all, more passionate company.

Architects that design buildings for companies such as Ericsson, for example,



History has shown us that when the bicycle came to the village, in-breeding disappeared. Villagers now had a larger area in which to find mates. Today, there are unlimited opportunities for finding new mates when it is easier to move from company to consumer.

try to create environments. The more times people “run into one another,” the more impulses and creative ideas are created. You can almost quantify the increase in creativity by calculating the number of these sorts of random encounters on the stairs, at the coffee maker, and especially the copy room. The more encounters, the more creativity. Reducing the number of elevators, for example, is a good way to get people to use the stairs and talk to each other.

According to Professor Clayton Christensen at the Harvard School of Business it is a rule of thumb that most concepts tend to fail until they have been tested and adapted to the consumer and the market (Johansson, 2004). Research and history also show that there is a correlation between success and the number of attempts, showing the wisdom of taking a few risks in order to succeed. Consumers can give a company ten years of evolution in one year if they are allowed to participate in the entire process, rather than just in that final stage called consumption.

Creativity rooms, showrooms or flowrooms – the idea is the same: to provide a physical space to let creativity flow, a transparent room. This transparent room is created by ONE and must be “furnished” together with the customer.

There are people who collect just about everything, even business cards. This makes transparency the world’s best gallery where people of all interests can meet and exchange experiences, goods, and services. The world’s most beat up



Barcodes are for products, not consumers.

car can become a classic on the Internet and companies built on transparency, such as eBay, can help find someone who will appreciate just such a car.

At eBay, customers see all the way into each other's living rooms to meet as sellers and buyers. How far into your company can your customers see and how far are they prepared to go? Could eBay take the next step into that living room and offer consumers bar codes to put on their possessions? Or what if you took the next step and developed a digital camera that could read barcodes and connected it with a site accessed by 100 million homes. If 10 percent of the site users uploaded ten products, eBay would have 100 million "barcode sale" products. Whatever you're looking for, you can be sure that you'll find it there. And when you search, it will be like knocking on each other's doors – only that all the doors will have eBay on them.

What effect would the visible consumer have on story-telling and sales? Would it "feed the story" or get PR? What if someone could place an eBay barcode in the White House? Story-telling and sales?

The reason eBay bought Skype is that it wanted consumers to get closer to each other so they will buy more from eBay. This will increase sales so much that the billions of dollars it paid for Skype will be well worth the investment. The barcode is for free and, like the Skype concept, this idea is from Sweden too.

Put a barcode on ten things in your home that you might consider selling if you got the right offer. What would that offer be? After all, you're not planning to hang onto that furniture (that you were tired of years ago) for the rest of your life are you? When you come right down to it: isn't just about everything you own for sale if the price is right? N.B. Don't put a barcode on the dog.

So what sorts of spaces can be ONE spaces? Should it be the entire company or just R&D? Or should it start in R&D and slowly spread to the rest of the organization? Security is usually very high in the R&D department, but unfortunately, the creativity, passion, and motivation is often very low. In some companies I have visited, staff have told me about elevators that go several floors further underground than indicated on the elevator panel. Only a few chosen people are



allowed to visit the holiest of holy floors. This kind thinking may have a sort of James Bond attraction for some, but only creates hierarchies and ill will within the company. There is a good chance that employees stop thinking for themselves when they know that someone a floor down is doing the thinking for them.

Why not dig up the basement and let the R&D dance in the sun with the customer? How would you design a ONE office or do away with the office entirely? How can you share consumption and experience with the customer in your offices? How can you use customers to motivate your employees?

Many use customers to tear down conservative internal routines and give their companies a much-needed dose of reality. Statistics can hide what's really going on in the world; this makes customers an invaluable resource. Customers can not only help the company evolve, but can also make it easier to attract better employees and contribute to creating a positive upward spiral.

*Dialog is life, statistics the paper it's written on.*

To maximize profits and get the most out of each other's resources, the company can give the customer the rights to innovations they have created together for a limited period of time. This makes the customer a participant and gives the company a head start over its competitors. Many companies today find that it is more rewarding to work with former employees as consultants and suppliers than with current employees. The reason that is referred to time and again is that this arrangement often leads to a more dynamic working relationship.

*Tetra Pak is a company based on an idea that doesn't work.*

(Sven Andren, Idea Management, Tetra Pak)

The packaging that Tetra Pak built its company on and created an empire from is based on something that was once impossible: to package milk in paper. By keeping its focus on the consumer, Tetra Pak has managed to build further on the attitude that made the impossible possible. Historically, it has been a great advantage to be technologically advanced. But now that technology is never exclusive for any long period of time, the value of relationships has become greater than that of technology (Andren, 2005).

Product development is both development and evolution. In the beginning, creativity was a matter of survival. Today, it's a matter of surviving in a qualitative sense. Comparing a newborn child with a new car may be a bit exaggerated, yet an inventor feels that it's natural to call the new invention "my baby," and in creative fields we often talk about "the birth of an idea." Renewal and development are essential. This makes the meeting of consumer and company all that more important for both.

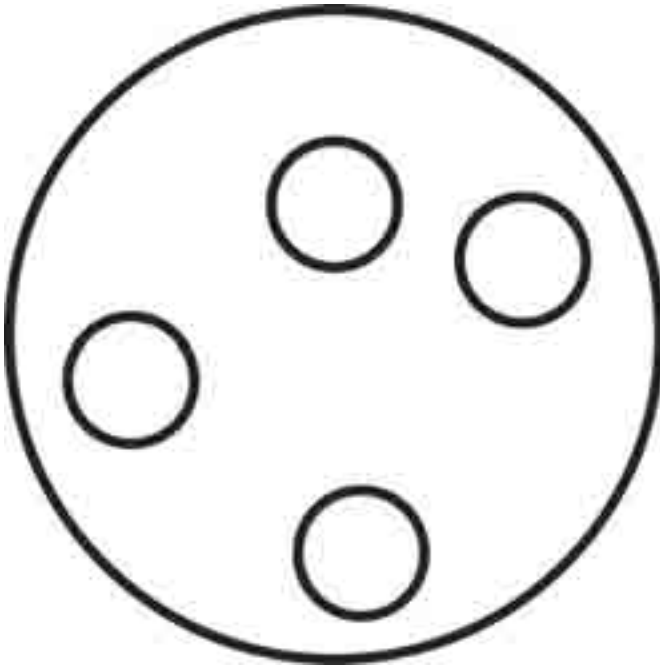
When do we and other members of the animal kingdom use energy most intensely? When new life is created. Creation is energy that takes on a new dimension, a sort of transformation of the present into the future.

If the customer is not let inside, there is a risk that he or she may infiltrate the company as a "Trojan horse" employee. Disloyalty can cause incredible damage: program code can be posted on the Internet, blueprints can be spread across the world, new films and games can be leaked well before their premieres. Disloyalty can take very subtle forms as well. How many times have you gone into a store to be told by an employee that the "other store" had a better/cheaper product? Dissatisfied customers can be expensive for everyone, especially if they work for you.

Companies are chasing customers while consumers are trying to bring their enthusiasm with them into the company. Why chase them when you can just give them what they want? Many company projects that have tried to work towards ONE have met with resistance from management because the general



We are all products of some sort of encounter. Afram has tattooed the names of his mother and father in ancient Aramaic on his arms.



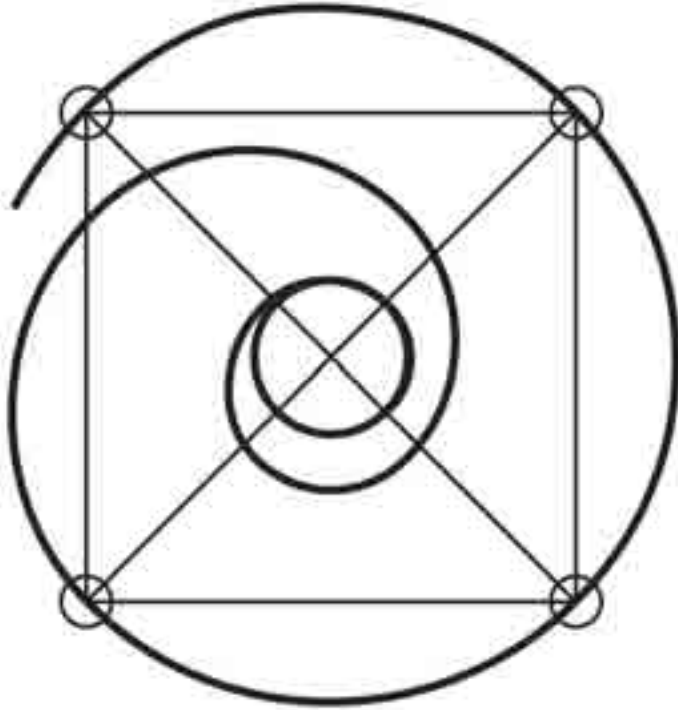
The goal should be to become ONE, not to be number one in the market. If you are number one, you tend to run a little slower, but if you are ONE, you will develop at the speed of the market.

perception has been that the customers are not interested. When the same management see the results of ONE both internally with higher motivation and externally, they see consumer development of the brand in a whole different light. It's all about making invisible and abstract values visible and concrete.

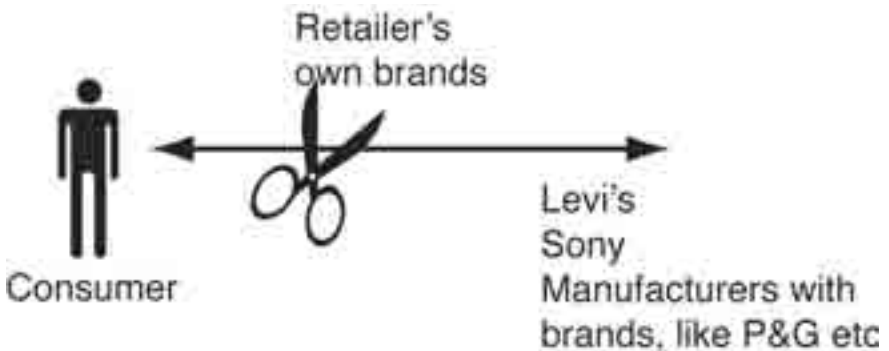
More and more companies are falling into the David and Goliath trap – the little consumer is angry, has a slingshot, and is ready to take them on. One such story pitted teenager Shawn Fanning's Napster against the Goliath music business. Legal or illegal, the success of Napster's online community of music lovers shows the power of ONE. Napster's one-to-one file sharing has established a sort of global library of music accessible to everyone. If we look beyond the copyright issues, this is a classic example of letting the customer be a large part of the business idea.

Napster's approach turns enthusiasm into a way of running a company. What's more, the act of consuming itself becomes a strong part of the entertainment. If Napster fails to run its company, the consumers will run it through the organic channels they have developed in using the service.

Some corporations have more customers than the population of small



This shows complete interactivity between all parties. The energy both continues outside the process and moves inwards so that energy can flow freely in this self-perpetuating process. The arrows symbolize borders that are moving out so that the company can grow with the new world.



When retailers cut off distribution to the customer in the store, brand name manufacturers such as P&G are forced to become more creative.

countries. Letting customers into the company is a way of utilizing this power. In a changing world, where both literal and figurative borders are constantly shifting, a new world order is slowly taking form. ONE creates new borders by moving the existing borders of the company ever further out from it.

At its core, ONE is self-perpetuating. Focus on the idea that sets the process in motion. What components keep the company rolling forward? Do its processes have a soul, a deeper meaning? If the soul is missing, there is a risk that employees have forgotten the core of ONE: the customer. Today, customers sometimes know more than the company representatives that serve them. Why not use this know-how and enthusiasm to teach employees to follow rather than lead.

## **Fake is big business for consumers, but big trouble for brands**

Many retailers are selling goods under their own labels that are similar to those once offered only by famous brands; a less-expensive “own-brand” chocolate may have a more intense taste than an expensive branded product. These copies are often as good or better than the original. It’s not rocket science that a better product at a better price is an easy choice for consumers. As we discussed earlier, copies are less expensive because they can save on the product development and marketing that the originals have done for them. The battle between original and copy rages on every day at high-volume chains such as Carrefour, Wal-Mart, and Tesco who are such large buyers that they can put enormous price pressure on original brands.

*Branding and management working together is more natural than ever in a transparent global market that changes faster than consumers change their jeans.*

Some of the biggest names in branding are warning that many brands can’t compete on the basis of the actual features and quality of their products. You can buy a good pair of jeans for \$5 or a new Dacia Logan Car (Renault Group) for \$5,000–7,000 (Kapferer, 2005). This creates a whole new set of rules for other players on the market. When customers can buy two new cars for the price of two used “brand names,” things are going to start looking different at car dealerships.

*If reality is fake and illusion real,  
which one is the original?*

Original brands are trying to reach the customers directly through their own concept stores. Levi's, Adidas, Nike, Audi, and Volvo have effectively turned their concepts into showrooms so that they do not have to compete in retail volumes; rather, they focus on building brands that in the long run can boost sales throughout the entire retail chain. Yet, even with countless showrooms, the big brands are faced with the price pressure from rival goods at a quarter of the price. The key is creating a two-way brand, a brand with a two-way dialog with the customer.

## **The key is finding active consumers**

Think of attracting the ideal customers in terms of headhunting. Choose the customers you wish to work with, and then collect all the information you can about them.

By using the SPIN, a sales method based on questions, you will get an accurate picture of who you are selling to (Rackham, 1995). You will get an idea of what your product and service portfolio should contain. Your customers will become part of a positive spiral in creating a winning concept. The right customers will give your company a strong identity when your products and services become visible on the market. Making the right rings on the water is key.

When a company, both in its advertising and on its packaging, encourages consumers to contact it with comments and questions, it gives the market a picture of the company as open and responsive. Every time your customers visit your website, an interactive platform is created. Here, you can create a database that can be used to create real two-way communication. Once a dialog has been created, the needs of the consumer can help set the guidelines for your communication. Being able to reach your customers quickly is an invaluable asset in the marketplace.

Many customers race around like zebras on the Internet without knowing that the stripes are actually bar codes. With today's technology, ethics and respect for privacy have become important issues. Where do zebras like to be? Where do they stop to drink? Where do they seek their oases? When you've found the zebras, you can always ask them a few questions.

Active customers are often better at developing a market than companies

themselves. One obvious reason is that the customer's life is affected to a larger degree by the product or service than are the company's employees. Listen carefully to the comments of the active consumer. Many smaller companies use common sense and simplicity in their dialog with the consumer.

A charming small-scale example of this is a local stereo store in Stockholm. The owner has developed a truly unique dialog with his customers that I call "making the customer your best salesman." It took a number of visits to his store before I realized that the salesman who was helping me wasn't a salesman at all, but rather a regular customer. The owner is at the store, but customers often find everything they need, including advice, by themselves. The more experienced customers help the new ones. The customers discuss the best brands and what the store should carry, enabling the owner to always have the right selection in stock. The customer's value grows on a long-term basis. One problem with traditional customer clubs is that although they have been successful in getting customers to stay, they have been less successful in increasing their numbers. In this store, customers are part of a sort of customer hierarchy, where the active members invite the new ones into a society. I asked his customers a few questions. The answers were very interesting, considering that many of his products are available at other stores, probably at better prices. "The store carries what I want. We have the same taste. ... The other stores don't know what goes with what." (Read: They don't listen to their customers).

"The owner knows what I want because he knows what stereo I have at home." One customer pointed out that it's important to eat before coming to this store; a visit can take two to three hours.

Finding customers and understanding customer behavior can be simplified by letting the customers find their way into the company and develop a genuine interest along the way.

## **G-Customers: an investment in relationships**

When you've found your dream customers and have identified how to approach them, you must invest in developing a lasting relationship with them. The customers you are successful with are called your "G-customers." A G-customer is a symbol for the relationship you are forming. G stands for "green," a customer that you are ready to pursue at full speed. In your mind, go around your customer; look at him/her from different directions. Move closer to him/her as if you were walking in a spiral. Let the G-customer take the initiative.



Never approach directly if the customer doesn't show interest. Listen for and act on sales signals. Give the customer the information he/she needs. This will make it easier for you to get to know one another and the customer will be more open to your reasoning, your opinions, and your product. Many databases differentiate between A, B, and C customers. Add G-customer as an additional field. G can also apply in other areas: G-contact, G-person, and G-lobbying. A G-customer is a long-term investment in relational marketing. Different industries can use G-contacts for strategic sales when they are faced with big changes. If a company decides to enter an entirely new market, you can begin to influence key people in that new industry to get them to buy the company's values and open doors.

A good tip is to invest in new customers, ones who may at first seem a bit unlikely for your brand. These customers are initially invisible and will give you a head start over your competitors.

Some questions to ask yourself are: Who do we wish to influence? And how? Go from A, B, C, to G-customers. How can we define new customers? How can our customers sell to new customers? What story will make the customer walk your way? Can we make a G-team to find new customers?



*Everything we've done since we started Wal-Mart has been devoted to this idea that the customer is our boss.*

(Sam Walton, founder and chairman of Wal-Mart Stores)

Wal-Mart is a company built around its customers. Many people are critical of Wal-Mart, often with good reason, but the company is definitely a success story in how to get close to the end consumer. The company's sales are so high that it has an economy equivalent to a small country.

*If you're big, you get big criticism.*

(Sam Walton, founder and chairman of Wal-Mart Stores)

Wal-Mart buys 50 percent of all of all it sells today outside the United States, mostly from China (Kapferer, 2005). The implications are many for the US and world economies. Wal-Mart drives local businesses out of local markets with prices that are too low for domestic products to compete with. Yet the entire concept is based on the consumer, who wants the same product for much less. At the same time, the Chinese economy is booming and in the long run Chinese consumers will become consumers of more US and European products.

Food for thought: what would happen if someone capitalized on the paradox of the situation and offered a third way that was based not solely on price but also on sustainability? Would you pay 30 percent more for detergent if you could see that money going back to your community? How can Wal-Mart take the next step to ONE?

## **Everything you buy is a longing for something else**

Buying a product is a yearning for something completely different. This is the basis of all trends. You pay for a tangible object, but you bring home an abstract feeling. Why do you go to a certain hairdresser? To get your hair cut. This is just as obvious as why people buy from your company. Or is it? In the beginning of their careers, many hairdressers compete in competitions and try to establish themselves as skilful professionals. But as they start building up a clientele they begin to realize that hair is only a small part of what they do. The customer wants to talk about his or her life. My mother, who was a hairdresser for most of her life, tells stories

about customers that came for haircuts they didn't need. They didn't mind that most of her cutting was done in the air as long as there was something to talk about. They wanted the social contact. This is a very down-to-earth example of ONE.

What is your company really selling? What could you be selling? How can you use ONE today? Everything on the market is as much an expression of a longing as it is an actual physical object. How can you use this to your advantage?

**TRY THIS:** Have an Internet or live workshop where the company's employees draw pictures of what the company actually delivers to its customers. I've tried this at a number of companies and the employees are often surprised, even shocked, by each other's drawings. Remember it is only when you are all working toward the same goal that you can unleash the true potential of the company.

## Cases with practical applications

It's an accepted rule of thumb that young consumers are the most profitable because they are developing the habits and discovering many of the brands that they will keep to throughout most of their lives. Companies invest heavily in analyzing young people's needs and consumption. Companies are always looking for consumer groups with buying power, but young consumers have another appeal: they are more malleable.

Lunar Storm, a Swedish community site, has approximately 1,200,000 members; an incredible figure considering the country has a population of barely 9 million. The members log in an average of 1.8 times a week for about 20 minutes. Every day they make 5 million text entries. Lunar Storm has a bigger audience in the 12–24 age group than MTV, ZTV, or any youth-oriented TV program. The site boasts a whopping 1 billion page viewings a month. Compare this with Microsoft.com (1.3 billion) and India Times (also a little over 1 billion). All this from a site in a country with fewer people than London.

I asked the Marketing and Communications Manager for Lunar Storm, Johan Forsberg, about the secret to the site's success. We talked about young people's interactivity and the importance for companies to approach them with humility.

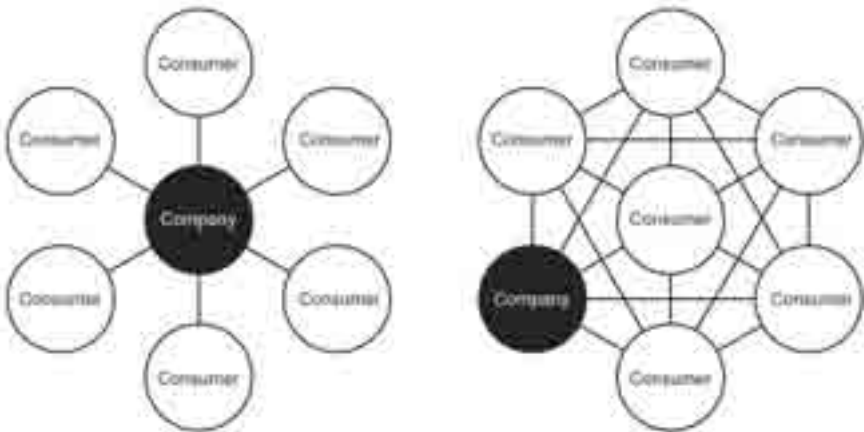
Here are Johan's tips for ONE success:

- Change your perception: Don't ask yourself how many people you're reaching, but how many you're reaching in to.
- There has to be a soul at the core of what you do.
- The brand must have emotional power.

- Open yourself to the consumer.
- See to it that everyone in the company shares the energy behind the brand.
- Think of your customers as a brand fan club.
- Remember, it pays to be generous towards the customer.
- Create a genuine relationship with the customer.
- Dialog, participation, and interactivity – always. If you sell cake mix, let the customers contribute something. They want to bake!
- Do everything you can to remain humble as a company; it will shine through in everything you do.
- Listen to customers opinions, but remember that what they want today may not be the same as what they want tomorrow.
- You can never know enough about your customers; customers often come before the company.

I concluded our interview by asking for some concrete tips on bringing the customer into the company. Forsberg answered:

Most companies today can barely communicate internally, let alone with the marketplace, but they will learn fast when they see that it's a competitive advantage. Most of the people that work at Lunar Storm were originally customers. Even today, the site community is still our best source of recruitment. It also makes it easier to keep our corporate culture vital and the customer in focus.



A new communications society. The company to the right is more humble towards the customers and makes fewer intrusions into their lives. Make humility a part of your communications, accept that customers decide about their own lives and make decisions thereafter (Forsberg, 2004).

Credibility isn't something you get; it's something you earn. Young consumers have more faith in their friends than they do in advertising and other forms of corporate communications. The company should only be a small part of the dialog with the consumer.

A more mature target group has found itself. This group wants real brands and demands bottom-line performance. As science helps us stay young longer, the older "best before" date no longer applies. Pensioners are trading in their walkers for Harleys and are more likely to surf than play bingo. Views on aging are changing faster than people age.

## **ONE in the construction industry and taking a step towards your customer**

Successful players in the construction industry need to focus more on what customers really want; after all, they are the ones that are going to live/work there! With today's digital tools, letting the customer participate in designing buildings should be very easy. A customer who lives in his/her dream house is the best salesperson anyone could ask for. Perhaps the contractor



New consumers are growing up with new patterns of consumption.  
Older consumers are staying young longer  
and have more buying power than ever.

could sponsor a house-warming party for the new homeowner and get an opportunity to sell to his/her friends and colleagues.

Social responsibility is becoming one of the hottest issues in management today. The global power of consumers can make irresponsible companies pay dearly for their mistakes. Although still relatively unfocused, consumer power is already stronger than any single corporation.

The challenge for corporations, however, is more than just investing in a clean conscience. Combining social responsibility with product development, production, and communication can make a very positive impact on both the world around us and the bottom line. The mobile operator 3G has, with its video calls, opened up a new world for revenues, but has also made it possible for the deaf to communicate with each other in a whole new way. The video call has been a godsend to the deaf community. But why stop there, 3G? Why not offer discounts to hearing people who've learned sign language. This would not only help remove much of the social isolation that deaf people often experience but also dispel a lot of myths. So what's in it for the operator?

- Increased revenues as people who couldn't talk to one another on the phone before now can.
- Increased revenues that come from the positive PR and goodwill such discounts would bring.
- The world would be made a little better for everyone.

## **Let the customer do the work**

The more your customers add to the picture, the more willing they are to buy it. Creating customer enthusiasm is based on what makes the customer tick, not what's in it for the company. That's a simple rule of thumb, but almost always forgotten.

## *Participation*

Not everyone has had the opportunity to go to the best schools. We can't all be rock stars, footballers, or wealthy industrialists, but we all have a right to stake our claim to a good life. We all have good ideas from time to time and we want to be heard. Being heard creates a healthy climate for innovation



Let's take a look at some of the forces that drive the company–customer cycle.

and progress. Yet consumers have very little to say about the goods they consume. The reason: many market mechanisms and behaviors are changing too slowly. Competition, contrary to the prevailing wisdom, is not an especially fast mechanism for making the changes the market needs. Take the food industry with its almost Neanderthal structure. Many goods travel twice around the world before they finally make it to consumers. And why must every family carry milk and detergent every year equivalent to the weight of five elephants? There must be a better way. The perpetual rush to get things done lowers the quality of life and increases its cost. Distribution should be closer to consumers who in turn should be closer to the production process.

### *People love people*

You've probably borrowed sugar from the neighbors or kept an eye on their house while they are on vacation or mowed their lawn or borrowed their lawn mower. How much did you pay your neighbors or how much did they pay you? This informal system of barter or relation transaction can even work between consumer and company. Customers are worth more than money if they are allowed to get involved with the company.

“People want to know that they're alive, but let's face it, in a consumer society, that's no easy job,” says Penny Rimbaud in “Legend of Punk” (*Vice Magazine*, No.7, 2005). A restaurant with lots of customers will attract more people than an empty one; people are social creatures in need of company and acceptance. It was this concept that motivated me at the age of 8 to bribe

all my friends to pretend they were customers when I had a garage sale. Sure enough, the apparent popularity of my sale attracted others. I sold more and at better prices than ever before. The idea worked like a charm (until I ran out of candy to pay my friends, but that's another story altogether).

People love people, but who loves your brand? Cash is king, but without consumers there's no kingdom. And the value of having the right customers goes beyond money. When Antonio Banderas and Melanie Griffith wanted to buy an apartment in New York's famous Dakota Building, the couple were rejected because the neighbors wanted to avoid the negative publicity and scandals that certain movie stars can attract.

Good relationships with your customers have a "rings on the water effect" on your brand. Starbucks chose airports to create positive rings on the water and developed the right relationships with the right customers. It is ranked today as one of the 100 most valuable brands in the world.

It's a basic survival strategy among most of the animals of the wild: let one of the group try it first and then wait to see what happens. People in airports are more likely to be those we send out to try something first. In the case of Starbucks, it worked. No one died. The coffee was good, real good.

*Power at last. How the Internet means the consumer really is king (and queen).*

*(The Economist, April 2005 cover)*

## *The Internet*

Consumers are adopting the Internet much faster than the corporate world is. Corporate sites are often nothing more than electronic brochures with no sense of interactivity. Consumers have higher demands; if they can't find what they're looking for in 20 seconds they go elsewhere. The next company is just a click away. A site without interactivity is a way of saying that the owner doesn't want to hear from the visitor. Many companies such as Coca-Cola and GM refused to let their fans use their trademarks on their sites, which resulted directly or indirectly in numerous hate websites. GM has since opened channels to various communities and management is starting to listen to consumer communities for inspiration. But it's expensive to take a taxi when you've already missed the train.

The Internet has rules all of its own and they are ever-changing. It is important for companies to stay up to date and in touch. There are more channels than ever before: blogs (live bulletin boards), web radio, pod-casting (posting radio shows for download to an iPod for example), and Quick Time video clips. Companies have no choice but to learn the medium and get inside the minds of those they're selling to. This is no mere luxury; it's survival.

Multinationals such as Unilever have noticed that customers feel more comfortable about expressing their opinions in chat forums, consumer to consumer. In a program called "reconnect for consumers" Unilever has tried to do what the name says, reflects Stephan Gustavsson, Nordic Marketing Manager of Unilever (Gustavsson, 2005), by creating chat rooms for a more open dialog where "heavy users" can have their say about the company and its products. People whose lives are affected by a product are eager to talk about it. You may not have chatted recently about how to improve an instant soup, but there are plenty of consumers who have.

## *Content*

The consumer is the source of all brand content. Listen, learn, and be open to finding ways of letting the consumer help you with your marketing. Converse, for example has let consumers send in video commercials that feature their Chuck Taylor All Star sneaker. The animated spots have been collected on a site called the Converse Gallery for online viewing. The soon to be 50-year-old canvas sneaker has become a fashion icon regularly every decade or so for the past 30 or 40 years, but this time it's back bigger than ever. By listening to consumers, Converse learned that they wanted the classic shoe in many different colors and patterns. Converse responded by giving them 399 models. The consumer responded by taking the brand to heart.

*Don't think, FEEL. You need emotional content.*

(Bruce Lee, *Enter the Dragon*, 1973)

In addition to a good relationship with your customers and a bit of emotional content, there are three other factors that will determine the quality of your online communication: relevance, speed, and meaning – all as seen from the customer's perspective, not the company's. (More about this later.)



## *Social responsibility*

Environmental awareness is growing globally. Consumer power is making itself heard economically. Corporations must use this energy to power communications with consumers and to help consumers talk to one another. Sustainable development is a concrete corporate issue – what’s profit if the earth is ravaged? What’s an opulent lifestyle in the midst of floods, droughts, fires, and epidemics? Any good accountant will tell you that all these things cost money. Social responsibility is, quite simply, good for the bottom line.

*Good values are good business.*

Starbucks opens 3.5 stores every day (brandchannel.com, 2004). With this growth the company has also been active in agricultural issues in the developing world, having both a sense of responsibility and good business sense. After all, how can the company continue to grow if it cannot guarantee continued high-quality coffee beans? By acting locally, Starbucks can get closer to the values of its customers, the needs of its suppliers, and the situation of everyone in between.

Most companies can find natural connections between social issues and their brand. Jaguar could help save jaguars, Ferrari could save the wild horses – the list is endless. Involving the customer in these causes is good step towards becoming ONE.

## *Transparency*

The transparency of today’s market means a whole new attitude towards brands and marketing. The days when advertising was the icing on the cake are gone. Today’s consumers want their own flavor. There is no room for anything but genuine brands. Never before have consumers had such a bird’s-eye view of the market. The Internet has become an open global forum for information about price, quality, ethics, and user experiences. The flock is learning from its members. Getting the inside scoop means getting real. No one wants fakes.

## *New ways of looking at money*

Money is a theoretical means for exchange of value between two parties such as a company and a customer. But there are countless other exchanges of value between

the two. Apple in Japan, for example, selected “fans” called Mac otaku (geeks) for free trips to Apple’s headquarters to meet the bosses and see some “secret product development.” This is a good way to “feed the story” about Apple and create positive rings on the water that will lead to more than money for everyone involved. Considering that fans are often six months ahead of Apple’s software (Kahney, 2004), it’s the fans that should be the “secret product development” – an open garage Apple can visit without any badges of any kind. Apple started in a garage; wouldn’t it make sense to find some new garages to move into?

eBay in Singapore regularly invites its fans to its offices. The fans are a small group, but their visits spread positive energy to eBay employees. eBay feeds its customers by making the meeting between sellers and buyers as pleasant and profitable as possible. The sellers and buyers do the rest. Passion doesn’t cost money and it spreads positive energy. That energy is the reason that Japan is the second-largest market for Apple after the United States.

Tesco pays 1 percent in dividends, over £1 billion to its customers.

Ryanair has a seemingly absurd goal – being able to offer free air travel. Its reasoning is that passengers are already paying their way by going to a place where they will spend a fair amount of money. Certain regions or cities will soon see a clear profit in paying a certain amount to Ryanair for supplying them with tourism income. How much will each head be worth? Will tourists become a new currency?

There are creative ways of looking at money, but money doesn’t necessarily produce more creativity. Best-selling author Stephen King has long warned against the negative effects of money on the creative process. Professor Teresa Amabile at Harvard University has done research into the subject that clearly shows that money is not an especially positive force in fostering creativity (Johansson, 2004).

*At a good restaurant, even the bill tastes better!*

One argument that companies use for not working more closely with customers is that it costs too much. But if saving money means losing your customers tomorrow, what use is it? A good friend of mine is passionate about his hobby: buying and selling auto parts for English cars. There is no room for this enthusiasm in his job and since he makes twice as much at his hobby as in his job, he is not the kind of employee that is interested in overtime or career advancement. Just imagine how much his company could make by seeing the entire person and putting his passion to work in improving the company’s bottom line.

What percentage of your company's human resources is outside the company? And what about your customers – how much of their worth is outside your relationship with them?

## *Entertainment and participation*

Create a sense of fun based on the customer experience. For example, someone who buys an expensive Land Rover to drive around town is only experiencing a small percentage of the product's potential plowing over an occasional speed bump or two. Why not offer an off-road safari where the customer can take his/her vehicle to the limit. Make sure that he/she brings friends. The result will be great story-telling and future sales. Chances are that today's customers already know the customers of tomorrow.

## *Design*

Even though it is consumers who will ultimately use the product or service, they have the least say in how it is designed. One reason is that the force of competition in the marketplace is a slow driver for real change. Today's automobile is still nothing more than an up-dated Model-T. It has taken the male-dominated automotive industry almost 100 years to figure out that women also buy cars and that it might be a good idea to develop a car designed by and for women. Volvo's new concept car is the first car in a century to qualify. Supply and demand is based on the customer demanding something and the company supplying it. This is the beginning of ONE.

Adidas, like other shoemakers, offers its customers shoes made according to customer tastes and feet. Products such as cars and sofas are ordered with features to fit each individual customer. Yet there is a big difference between ordering from a menu and being able to shape the product from the very beginning. Designs for many of today's products are based on marketing studies, which means that they lack passion and a direct connection with real life. After all, how much can a page of questions gage about what is going on in a consumer's life?

## *Collective time*

The Internet has extended the idea of "now." Email is always now because regardless of when it was sent, it is always in the now of the receiver. The Internet has made time a collective concept. We can cash in our "15 minutes of

fame” at any time and if 200,000 customers do it at the same time it can be very lucrative or very costly for the company on the receiving end. You could say that if time is money, the individuals are collective billionaires. Life is short, but now is forever. What can be more valuable than a customer’s time? The Hall of Fame in a transparent market is the same as The Hall of the Wallet and 200,000 wallets are consumer power.

When customers give their time, they are giving part of their lives – what more valuable gift is there? In a village in England, a customer named Steve has virtually lived at the local pub with his dog for four and a half years. For the patrons, he has become the social center of the pub. They know they will always have someone interesting to talk with. Customers give him clothes and see themselves in the mirror. What customer would live at your company? What company would you like to live at for four and half years?

*If consumers donate 500,000 hours to your company,  
they expect better service and product in return.*

The inventor of Linux, Linus Torvalds, says that one of the keys to the success of open source programs is that if nine people contribute one hour each to developing an application, each of the nine has access to the results of nine hours. This is the central idea behind collective time – the sum of the parts makes the whole stronger.

The bakery where I’ve been a customer for years, like other bakeries, has good bread you can buy at half price the day after. But what if it offered half price on tomorrow’s bread? This could give the bakery potential sales increase of over 30 percent and could create a stronger relationship with the customer. The bakery could tailor the bread to the individual customer – for instance, more salt or raisins. Or, for those customers who requested it, the bakery could deliver later in the day both to give better service and make more efficient use of the baker’s time. These are features neither the supermarket nor the bread machine at home can compete with. You could say that the customer relationship is like fresh produce where the element of time plays an important role in the quality of the product.

Take a look at old houses, paintings, and instruments. They all took a very long time to make, but are often priceless. In an era when mass production creates anonymity, customers can give a company extra time to create priceless results together. Increased demand for customized products is a cry for just such a partnership. In the case of cars, the customizing sometimes costs more

than the car itself. The same is true for computers. Customers want to be a living part of the product.

Time is an essential ingredient in all creativity and creation. We are the product of a nine-month gestation period. Many customers would gladly wait nine months for a creative solution as long as they have a say and a common interest.

*Consumers change faster than advertisers.*

(Mark Cranmer, CEO, Starcom Europe, 2005)

### *Information overload*

By the age of 65, we've seen over 2,000,000 TV commercials (Lindstrom, 2004). There is a strong and growing trend to stop watching commercials, much to the chagrin of the advertising industry. TiVo (with its DVR – Digital Video Recorder) has led the trend with a product that records live TV and delays it long enough to edit out the commercials. It has already been called the “commercial killer.” There are already a number of competing brands, prices are sinking, and there are already DVRs in over a million UK homes. The device and its copies have received enormous attention in the United States. The scenario is clear: when the viewers with the greatest buying power are no longer an audience, it's hard to keep the price of commercials high. Big TV advertisers such as American Express and Unilever have noted that TV advertising isn't having the same effect as before (Gustavsson, 2005). Consumers either want no commercials or commercials that are sufficiently entertaining to watch. If advertising were made with ONE, consumers would watch, because who doesn't want to see themselves on TV? Ad makers are striking back by trying to push through legislation with various restrictions of DVR technology, but the strategy is doomed to fail. It's like trying to outlaw the remote control.

### *Legality*

Being ONE with the customer can be problematic legally. Legislation always comes after the fact, the market is always a few steps ahead. Lego let children develop toy models and upload photos of those models to Lego's website. When the photos were later developed into actual products many parents sued for royalties, which made headlines in a number of US business publications. It is

paradoxical that after years of keeping customers out of product development, many companies expect customers to help them for free (money is only one form of payment). Historically, the business world has had difficulty putting a price on customer loyalty and loyalty to the customer. It has been very good at courting potential customers, but not at taking care of the ones it has. Legal considerations have long been a good excuse for keeping a respectable distance.

### *The product*

A simple, yet often forgotten fact is that the product speaks for itself. It is the marketing component that gets closest to the target group. All too often, product development and the consumers are worlds apart. The product is developed in a relative vacuum, far from the needs of consumers. When the two work together as ONE from the beginning to the end, you are more likely to get a product that is taken to heart by the consumer.

*The love of design does not seem to include the customer. Except for chairs ...*

A difficult product to make visible is servicing your car – you can't see any difference between before and after other than the fact that you're a bit poorer afterwards. Here, car companies can add affirmation in the form of some sort of experience, possibly something inspired by MTV's Pimp My Ride program. What would your dream service include? A little extra woofer in the boot?

I don't think Boeing is going to pimp their new airplane (7E7 Dreamliner), but they are asking customers to help them with the design to pimp it up high above the ground.

## **A few hypothetical cases where the product is the marketing**

### **How Apple could grow**

A company that has managed to make the product its spokesperson is Apple. The company's computers replaced the square gray box that was once mandatory for all computers with a unique modern design and vibrant colors (Redhead, 2004). The result was that the computers gave consumers personality and color. In

return, consumers gave Apple enthusiastic fans. I have had an Apple since the Mac Plus in the 1980s. I've always wondered why most of Apple's best advertising addresses people who've been using the product for a long time rather than first-time users. Can a product be superior without succeeding? My laptop is attracting admiring looks as I write this sitting at a café. This product creates story-telling. Apple's Macintosh has what many consider a superior operating system, superior hardware, superior design, and a brand image that is practically an icon. Yet, Apple has never managed to capture more than 5–10 percent of the PC market. Why? And even more important: can Apple improve its market share by working with ONE?

*Apple is saying that it has “Intel inside,” wouldn't it be better to say “consumers inside”?*

Apple is currently fighting back with less expensive products that can reach a bigger target group with products such as the Mac Mini and the epoch-making iPod. I spoke with Oscar Bjers, Nordic CEO, Apple, about these less expensive “switcher products” that get customers to buy other Apple products.

People who buy an iPod have such a positive experience that they are more likely to switch from a PC to a Mac. These products act as marketing for future products and create a relationship with the customer similar to the less expensive models from prestige car brands. The first time, you buy the smaller more sensible model, then when it's time to buy a new car, you move up to the sports car.

Bjers also explains how the network of third-party accessory makers such as Belkin, Bose, and Harman Kardon give the iPod an edge over the competition. But how is Apple using its customers to add to the product's strength?

I think that Apple could at least triple its sales if it could use ONE to transform the power of the brand into sales. The Apple brand is a bit like someone who has money in the bank, but refuses to use it even when he/she can make money doing so.

I have seen a switcher in real life. One of my friends who was a PC lover and an Apple hater bought an iPod. He was so taken with the product that he later bought an Apple computer as well. I couldn't resist sending him a basket of fresh apples.

Apple could broaden its business even more than with just the iPod. Dell is expanding into all sorts of business areas with great success and Apple could do the same or better. In every home, a switch is imminent from the old boxes

we called TVs to new digital technology. The home TV market is changing and the time is right for Apple to take a share of that market. Millions of people already have home cinema equipment (DVD, surround sound), but the big screen projection is not particularly impressive.

And while we're on the subject of projection, I've always wondered why all computer projectors look like shoeboxes. Apple changed how computers looked; why can't they change projectors as well? What if Apple could make a projector that really looks like an Apple? Considering that Apple computers and software are used to create so much film, this seems like a natural step.

With this in mind I decided to present the idea to Apple. With the help of a designer, I created a 3-D sketch (see illustration below) and wrote a letter of introduction. I sent the letter to a number of top management people at Apple in Cupertino. Here is what I wrote:

*Dear Steve Jobs,*

*I am an author/lecturer who presented an idea for an Apple projector in one of my speeches. My intention was to demonstrate how a product could communicate the values of a brand. Since then I have been contacted by several Apple retailers and customers who actually want to order the projector! I put a 3-D sketch of what the projector might look like on a website which has attracted enough traffic to move it to the very top of the Google hit list for the search "Apple projector." Online communities around the world have also written about it.*

*The projector was created by a three-man team with a passion for creativity: industrial designer Joachim Nordwall, (Electrolux, Honda, Koenigsegg Automotive); marketing executive Claes Andreasson (Marabou, ABSOLUT Vodka) and myself. I am the founder of a company called Detective Marketing® that works in with creative business development. My book of the same name is being sold all over the world. I would be glad to send you a copy.*

*I would like to set up a meeting with you to discuss how we could make this idea a profitable one for all parties. My team is based in Sweden, but we are open to meeting with Apple decision-makers anywhere in the world.*

*Attached you'll find pictures of the Apple projector people are ordering.*

*Best regards,*

*Stefan Engeseth*





From dream to reality?

*(See color pictures at [DetectiveMarketing.com](http://DetectiveMarketing.com))*

Predictably, a company lawyer replied to our letter by referring to Apple's terms of idea submission:

You agree that: (1) your ideas will automatically become the property of Apple, without compensation to you, and (2) Apple can use the ideas for any purpose and in any way, even give them to others. (apple.com)

As bad as this sounds, I've seen worse cases where the company wants all rights in the known universe for three generations!

It's sad that a company as innovative when it comes to products should be so backward when it comes to dealing with its customers. The thought of paying customers expected to treat a profitable company as some sort of charity! And how many times have highly qualified customers with innovative, viable ideas been referred to the company's R&D department where they are met with the attitude "not invented here" and politely told to get lost? The phrase could just as

easily have been “we are salaried employees and don’t need inspiration or input.” This sort of thinking is counterproductive in the long run because the meeting between customer and employee is highly creative and can turn 2+2 into 5.

## **“iPod dance”: A non-stop music solution with a perpetual battery**

Consumers are complaining about the battery on Apple’s new iPod Nano. The cost of bad publicity can be astronomical when it makes headlines in Business Week and on the BBC. Here is ONE simple idea how Apple can change bad headlines to good – by dancing!

Professor Lawrence Rome at Pennsylvania University has developed a backpack that functions as a generator. The movement involved in carrying the backpack around produces up to 7 watts of electricity. Apple could put a similar generating function inside the new iPod. Just think, all you would need to do to keep listening to your Nano indefinitely would be to dance a little! The name of this new model: “iPod Dance.”

*The idea is simple – power your iPod battery by dancing with it.*

What’s more, dancing with your iPod has been a central theme in both advertising and in street culture. The iPod tribe dancing trend started in London and moved on to Berlin, Madrid, New York, Hong Kong, and Tel Aviv. At Mobile-Clubbing.com you can find how and when the next dance event will hit your street.

To reintroduce the iPod Apple you could use Madonna again, but this time she could dance in the streets of New York or Hong Kong for two days non-stop (media would love it and she is a great dancer).

It would be great if Apple’s music software iTunes could have recommendations such as “your iPod battery is running low, dance to these top ten energy songs right now.”

Consumer power gives energy to corporations. In this ONE case they could theoretically dance together forever non-stop. What music would you play non-stop? What music do you think would produce the most energy? Who would dance with Madonna–Bono?

The iPod dance idea has spread on the blog.detectivemarketing.com and even a professional Broadway dancer has put the idea in a blog. So, Steve Jobs, would you like to dance on Broadway?

## *Seeing the big picture will make the Apple bigger ...*

Apple is in many ways an inspiring company, but like all companies it has its strengths and weaknesses. Its concept is so strong that it can charge more for its products, sometimes as much as twice as much as competing products with similar performance. By far its most valuable asset is its customers' almost religious faith in the brand and the product. The appeal of the Apple brand goes beyond user groups and nerds; Apple has real fans. When the G5 was released Apple fans actually came in and took photographs of themselves with their arms around the computer as if it were a new girlfriend or boyfriend.

## *Is Apple the only religion with a locked church?*

A friend who works at an Apple store that sells all the latest models told me one day that the store had been robbed.

"What did they take?" I asked. "The G5s? The PowerBooks?"

"No," he answered, "They took my old Mac SE. It must have been a Mac freak, so I guess he/she must be thrilled. I felt like I've lost an old friend."

Do you think a Chevrolet dealership would have to worry about a used pick-up truck from 1986 being stolen by an over-zealous fan of the brand?

There are at least 1,000 very reputable sites devoted to Apple products, some dating back to 1984 when the first Mac was introduced with the legendary TV commercial at the 1984 Super Bowl. Yet Apple has always been slightly aloof to its fans, who are probably the most enthusiastic in the world after sports fans and car fans.

This aloofness is understandable – strong feelings are unpredictable and the difference between fan and fanatic can be very small. But in the mid to late 1990s, Apple was on the edge of ruin and it was the fans that saved the company. Apple's financial problems at that time were made much worse by bad press which lowered sales, morale, and quality at the retail level. Apple's Guy Kawasaki responded with a number of measures, one of which was to start Mac Evangelist, a newsletter that quickly found its way to 44,000 daily subscribers and an additional 300,000 readers. These readers wrote to journalists all over the world who were critical of Apple explaining why their assessment was wrong, highlighting the strengths of the company and its products. (This was before large-scale Spamming had become a problem.) Though some journalists reacted negatively, the overall effect was positive. What's more, the



Support the revolution, but is Apple supporting its consumers in this revolution? ONE consumers gave the company the iPod. How can Apple do more with the passion and love it is getting from its fans?

newsletter gave Apple direct contact with its customers and a tool for fans to help raise the level of expertise at the retail level (Kahney, 2004). A number of fans were so inspired that they started their own educational mail campaign for Mac salespeople.

Looking back we can see that the fans contributed to saving Apple from negative press and improved the company's sales organization. To this day, many fans work for free in Apple stores in their spare time. When new stores open there can be thousands of people waiting outside. Many of the fans know each other and often have more Apple logos on their clothes than the paid employees, and know more about the products.

We can be safe in saying that a brand's fans are a powerful media channel. People with Apple tattooed on their arm or their hair dyed to reflect the company logo should be seen as a potential rather than as a problem. The rock band Kiss would hardly ask their fans to stop painting their faces, or stop dancing, or singing their songs. The band hardly sees it as a problem and neither should the corporate world.

*Think different doesn't mean think secret.*

Naturally, Apple watches what's happening in Apple communities, but it must do more. It needs to unleash the potential of its customers; after all there are very few people with Dell tattooed on their arms. The company needs to talk to fans and anti-fans – hardcore PC people – to find the strongest arguments against the product. Apple needs to let different expert insiders into its R&D. What it doesn't need to do is sue its fans, as it has done in the past. Passion can turn and burn (McNichol, 2005).

Maybe when this book is published, Apple will have warmed to my idea for an Apple projector; if not, no hard feelings. ONE Apple would still make a wonderful case. Feel free to mail me Steve, at stefan@detectivemarketing.com and I promise to get right back to you.

By the way, what would a car by Apple look like? Don't think it – build it and drive it to Apple headquarters (maybe you could give Steve a lift to the future).

There is a rumor going around that Apple's best-selling iPod came from Tony Fadell who couldn't get his boss to buy the idea and went to Apple. The idea was such a hard sell that he was forced to get a regular job at Apple in order to be able to nag the company into committing to his idea. Why must it be so hard for people with ideas to influence decision makers at large companies? Regardless of the viability of their ideas, these people are a resource in creating a fruitful interaction between employees and customers. If one consumer can increase a company's sales by 49 percent, millions of fans can help the Apple grow into a new Manhattan.

One notable Apple fan is Isamu Sanada from Japan. He raises the question: Can a fan without a formal education come up with better ideas than the company's own R&D? Judge for yourself at [Apple.com](http://Apple.com). Sanada has designed products that once again spotlight what the right combination of passion and ignorance can accomplish. Sanada has thrown down the gauntlet to Apple's head of design, Jonathan Ive, by not only designing new computers and laptops, but also a line of watches, iPhones, speakers, and more.

In an email interview, I recently sent a number of questions to this man who has been working for Apple for free for over seven years. He has been featured in magazines such as *Wired* as well as in Mac magazines and blogs all over the world, yet has never received so much as a phone call from Apple.

Q. When did you discover your passion for Apple and how?

A. I began using a Mac 14 years ago and came to love it. Seven years ago I started designing ideas for Mac. Many Mac users were surprised to find out that my products were fictitious. The site has been a big success.

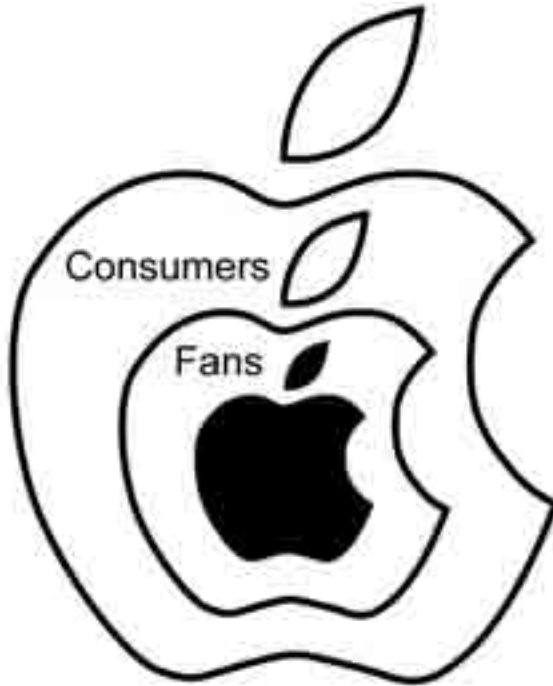
Q. Are you self-taught in design? Or did you go to design schools?

- A. I'm self taught.
- Q. Do you have fans?
- A. My site attracts a lot of visitors and I get a lot of email.
- Q. If the head of design Jonathan Ive at Apple called you today, would you go to work for Apple?
- A. Of course.
- Q. If you were to work for Apple what would be most important: credit, the creation of Apple products, or money?
- A. The creation of Apple products.
- Q. Are there other companies and brands that interest you? Have they contacted you?
- A. A few have contacted me. An overseas company has contacted me with offers. I have turned them down because my English is not so good.
- Q. Why is Apple unique?
- A. The CEO is a man of great vision.
- Q. Would you consider selling your products to other companies than Apple?
- A. If I got the right offer, maybe.
- Q. Do you know many Apple fans in Japan or internationally?
- A. Everyone who accesses my website are all Apple fans and that's a lot of people.
- Q. Where do you see yourself five years from now?
- A. I don't think my lifestyle will change much, but I think that my designs will come of age.

Many companies have discovered, to their surprise, that money is not the strongest motivator. Money tends to create power plays and intrigues, while nomination as “innovator of the month” and other forms of recognition have a more positive effect (Andren, 2005). The same is true for fans – participation and recognition give respect. Money is always part of the picture, but if it is only a part of the picture instead of the whole, there will be a better balance between the company and the customer. Mac fans have got their own fans, bypassing Apple altogether.

*When consumers feel that they can change companies, companies must react.*

As Japan is home to some of the world's biggest fans, why not use local talent to create a Japanese Apple collection? There is a danger in ignoring one's fans: their ideas can be picked up by competitors, who can start making products that are more Apple than the original. It's a phenomenon that has occurred in



Regardless of their role, everyone in the Apple sphere has an interest in keeping the core healthy.

most other fields and will most likely happen here as well. There are already many variations of the iProduct idea on the market. Will Apple always be perceived as the original or will it have to compete as a copy of the copies?

Apple has inspired filmmakers, musicians, advertising people, artists, researchers, and accountants all over the world. You couldn't ask for more creative customers. Often it seems that the company doesn't believe in itself as much as its fans do.

## **Nokia: how mobile phones can connect people with more than words**

The Finnish company Nokia is a global market leader in mobile phones. The company has strong technical development and is well connected with other developers around the world. But what about its connection with consumers? Business is evolutionary and when a company has become as successful as Nokia it must take things one step further.

Nokia has spent many years building its brand around the slogan “Connecting people.” Early on, it took the lead in user-friendliness and eye-pleasing design. Everything about the brand breathed connectedness in a disconnected world. Today, however, mobile phones are becoming more and more similar and offer more or less the same features. “Connecting people” could just as easily apply to a number of competitors. This is a problem, but also an opportunity.

It is time to take connecting people to the next level and do something to connect them physically as well as theoretically. One way to do this, surprisingly enough, is through hardware design. One solution can be seen below, a new model that can literally bring people together. Two mobile phones in one, a sort of mobile yin and yang. (To see it in color go to [DetectiveMarketing.com](http://DetectiveMarketing.com).) It is a known fact that it’s always hardest to get people to buy the first product. But what if when you buy one mobile phone, you get one free? One for yourself and one for a friend. Talk about connection. This not only potentially doubles the number of the company’s products out in the market, but also provides a physical link – the telephone itself. Here is an idea of what the new mobile phone could look like.

People need other people. People want to have fun. The Nokia brand can use the technology of its products, the magnet in the phones, as a magnet for people. Nokia could “share the fun” and capture a large share of the “fun market.”

There are countless variations on the paired phones theme – matching astrological signs, find a partner theme contests, two player game tournaments – anything that will get people to connect. The key words are buzz and story-telling.







### Phone features that connect people

- Magnets hold the two phones together. Two phones become one, two people are brought closer together.
- Free calling to the other person/mobile.
- Special offers and applications at Nokia club.
- Solidarity (sharing batteries and other functions).
- Stereo (impressive sound when the phones are put together).
- Widescreen picture when they are put together.
- Computer connection (sharing Palm functions).
- Games (special versions from leading game brands).
- Pictures (trailers from providers such as Paramount).
- Access the Internet faster with bigger picture (more power).
- Events where you can connect phone with others.
- Every sold pair is a small Nokia club.
- Special collection of mobile accessories.
- Alert sounds when your phone partner is nearby (off/on, practical to use in big cities, large gatherings, spying ...).
- The separate digital cameras become a high-quality 3D camera.
- Offer technology that allows people to talk to each other in different languages such as German and Japanese. (If this sounds strange, remember that we will be able to email in different languages in the very near future.)
- Offer technology that allows people to talk to each other in different time zones in the same way as you email across time zones (you always read mail when it is convenient for you in your time zone).

Nokia is an excellent example of how products can bring people together at the same time that they experience the product and the brand. What kind of alliances and partnerships could Nokia form to make the most of this? What other products could develop these sorts of values through new features and design? With an entire world that badly needs to connect, how can Nokia develop connecting people into a social responsibility program (corporate citizenship)? How can a satisfied customer recruit others?

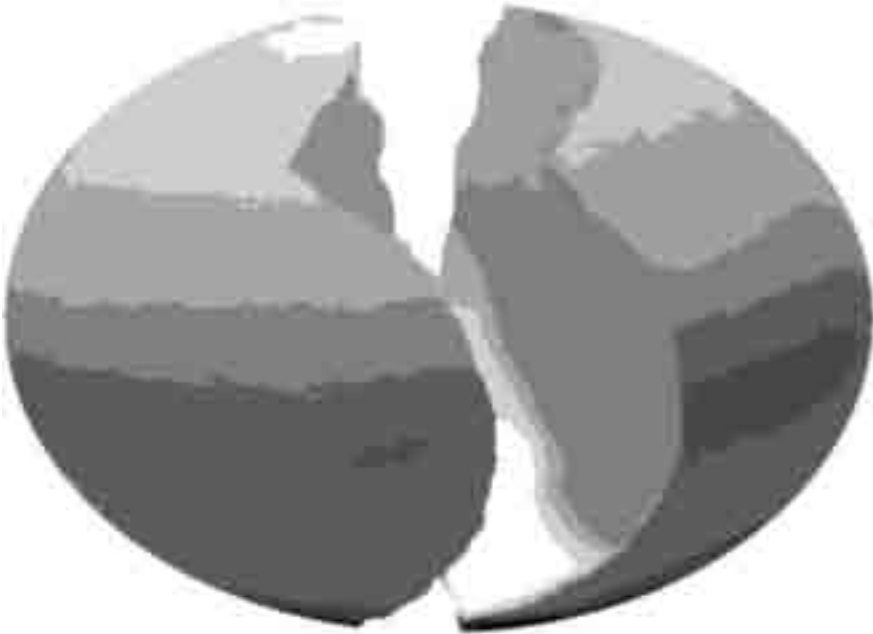
These ideas are only one point of departure for finding ways of getting people to connect with each other.

## **The floor is upside down**

Look down at the floor. Can you tell what brand it is? The difference between a name brand and a copy can only be seen on the underside where manufacturers usually put their logos. Off-brand copies are so good today that the name brands' marketing only serves to open the market for the competition. The consumer is only concerned with visible quality, which, ironically enough, is often invisible. The floor only has to look like the name brand. For the name brands to survive, they have to go the extra mile to get noticed. The floor company's graphic design can be improved. If the brand is made part of this design, it must become a more visible part of the product. The brand becomes a spokesperson for the product as if the floor were upside down with the logo in plain view. The design of the floor itself is something best left to professionals, but it should be bold and give clear signals as to what floor you're walking on. The goal is to have floor patterns that are a part of the brand and adapted to the target group the company is trying to reach. The right product series can be launched as a whole new category. It is only then that floor makers can keep their designs from becoming generic. If you compare spirits bottles, many of them are generic, but there is only one ABSOLUT. Certainly, there are designers creating unique floor patterns every day. Why not take these designs a step further and brand them. Branding is the best and only real way of protecting anything today.

## **When "egg-cars" fly in the sky, you will be reborn**

Billions are being invested into sky car projects in many places. It is a smart idea to have transportation in the sky, but why must the design always look like computer graphics?



Open source should be open space and include the nature in design.

Why not add a touch of nature and a bit of irony to the flying car concept? By making it egg-shaped, passengers can be born again every time they walk out of the “egg-car.”

Could the stations be the nest where we all meet?

Could this product give consumers an extra spiritual dimension?

Would a city with a skyline of “egg-cars” attract media and tourism?

Is this a way for nature to grow back again in the center of town?

Will Bruce Springsteen sing “I was born in this egg again!” when it is released?

## **Consumers act the way you would**

How do you feel when you’re a customer? When I fly business class, I’m treated like royalty and when I fly tourist on the same flight with the same cabin personnel I’ve suddenly been turned into a piece of luggage. It never ceases to amaze me when I hear phrases like “Sir, you’re not allowed to take any German business magazines if you can’t read German.”

Why not? What could be more creative for me as passenger than to indulge in trying to figure out what's going on in the world of German marketing and high finance? As absurd as this sounds, I'm sure most readers have experienced something similar.

Take a good look at your company and ask yourself: How would it feel to be one of the company's customers? How would you be treated?

One of Starbucks' mission statements reads "Develop enthusiastically satisfied customers all of the time." But why stop there? Why not make them ONE with the company and get them to open a Starbucks in their living room. Perhaps a party concept, a design concept – bring the Starbucks concept into your home.

Or what about dull products like printers? They all look more or less the same and have more or less the same features. I think you could capture major market shares by making those gray boxes more personal. Why doesn't Hewlett-Packard talk to consumers and find out what they really want. Maybe it could make a printer with all the usual features except that it looks like an old-fashion typewriter. The word of mouth and trend potential is enormous. Or a company could make a printer with some human values built in to make it more than just the last link in the consumption chain. A printer that automatically printed special occasion cards on the right date – a sort of ink filled alarm clock of love. To make these ideas meaningful a company would need a lot of input from customers.

## Designing it to interact

One way of making your portfolio of services tangible is to build some sort of showroom, exhibit, event. Whatever you call it, it is a way of conceptually consolidating all your attractive values and making your company's values visible. Success is based on total interactivity between the visitor and the exhibitor, where the visitor is treated to a sample of your services in a very concrete way.

*Stop selling. Make it easy to buy instead.*

## The visible service portfolio or how to milk cows in a city park

A local dairy products company has long had a stylized cow as a familiar symbol. Today, however, the connection between a cow in a barn and milk in a carton isn't as emotionally clear as it once was. Most children grow up in cities

where cows are rare. Nor do we spend summer vacations on farms. There are many people who have never seen a real cow and have no emotional response to the connection between the product and the source. Why not turn an entire city park into a large farm where children can see first hand where cows live, how they are milked, and the connection between the animal – the cow – and the product – milk. A showroom in the same spirit can reassure people who are concerned about what goes into their food in these times of genetic engineering and functional foods and give them more information about the product. A park showroom can be an eco-farm, an active forum for discussions about food, and a meeting place for farmers from around the country – a place for good old common sense.

Reflection: Communication often creates side effects. Perhaps urban dwellers will start wearing checkered shirts and boots. The be-yourself look can be promoted. “Come and milk your own cow in the park! Make your own cheese, churn your own butter!”

What other communication opportunities do you see? And what about effects on exports? Training of retailers? Connections to grocery store loyalty cards? Are there quality issues?

How can you make your business tangible?

Ask people around you; they may see values that you’ve missed.

The dumbest question is the one you never asked and the answer you never got. There are no dumb questions, only an ongoing search process.

## **Showroom naturelle**

A similar example is products connected with the great outdoors. The relationship is not always visible in the city, nor are the activities of environmental groups tangible. It is only when there is a concrete connection to what these groups are trying to protect that a genuine response and true commitment can be inspired. Manufacturers of sporting goods, outdoors clothing, fishing equipment, jeeps, and the like have a strong need to communicate on a concrete level. Even nature reserves and national forests can be marketed in a more tangible way. A showroom can be built at a subway station or an airport featuring a real forest with live animals and a babbling brook. Climate and genuine forest sounds can be simulated in a realistic manner. From the tube with fluorescent lighting straight into the woods. There can be “moose crossing” signs posted around town along with teasers reading: “Deer have been sighted in the metro!” When the country literally comes to the city, more big-city people will become aware of the importance of a clean environment.

The total market for all participating companies would increase in proportion to the increase in environmental consciousness. Environmental groups can communicate that this is something we all must work together to solve. The target group is active people, that is, people in motion and these people are most easily reached in the metro or at the airport. Where there is movement, there is also consciousness. When consciousness is affected, new forms of communications are created. Experiences in showrooms reveal conscious or subconscious needs which lead to new patterns of consumption. Other countries' tourist boards could use showrooms in metros to build miniature replicas of their respective countries. One week Turkey, the next, China. The idea is to arouse curiosity and a longing to see the country for oneself. What values are created when the metro company can advertise: "We can take you around the world, one flight down"? I leave it to the reader to ponder the implications.

The key to building a showroom that works is to make intangible values tangible and thereby easier to sell or buy. Develop showrooms based on need, location, and goals. Where a showroom is placed strategically and partnered with a number of suppliers, it will be more alive, credible, and even self-financing.



There are showrooms like this to spotlight the Swedish Post Office in Malmö, Göteborg, and Stockholm.



Customers are often the best designers. Above, a customer has put a picture frame around a flat screen. It doesn't take too much imagination to see art museums doing something similar to spotlight works of art or as a subscription service for artwork screen savers.

*(Photo from the Dry Lake shop at Götgatan 36, in Stockholm, Sweden, reproduced by permission.)*

The Swedish Post Office showroom, which I helped to design and build, combines the Internet with concrete experience and face-to-face meetings. The goal of the showroom is both to remind people that the post office is a modern and evolving company and to sell specialized services to corporate customers – logistics solutions, direct mail services, bulk parcel delivery, and so on. Salespeople found that they could get as far in one meeting at the showroom as in half a dozen exchanges at regular offices, by phone, or by email. By being in stimulating surroundings, by using body language and hand gestures, they could get customers to relax and project clearer signals, turning the encounters into more of a general discussion about mutual needs than a classic buy–sell situation. Now that customers could see the product or service they were buying, they had already taken the first step in the buying process. Customers have bought products and services on the spot for millions at the three showrooms in Malmö, Göteborg, and Stockholm (and on the Internet as well).

Nowadays there is a waiting list of up to two weeks to get a meeting at the showroom. This means that customers are standing in line to buy solutions.

What could your showroom be? Who are the customers and how can you make your offerings more tangible?

## What you make is what you get

TVs have always been as big as removal crates. Now, the flatscreen is improving the picture and making them less obtrusive, but also twice as expensive. Unfortunately, TV design still looks like a science fiction B-movie from the 1970s. Maybe we're all so used to thinking of TVs in those terms that no one has thought of doing anything differently.

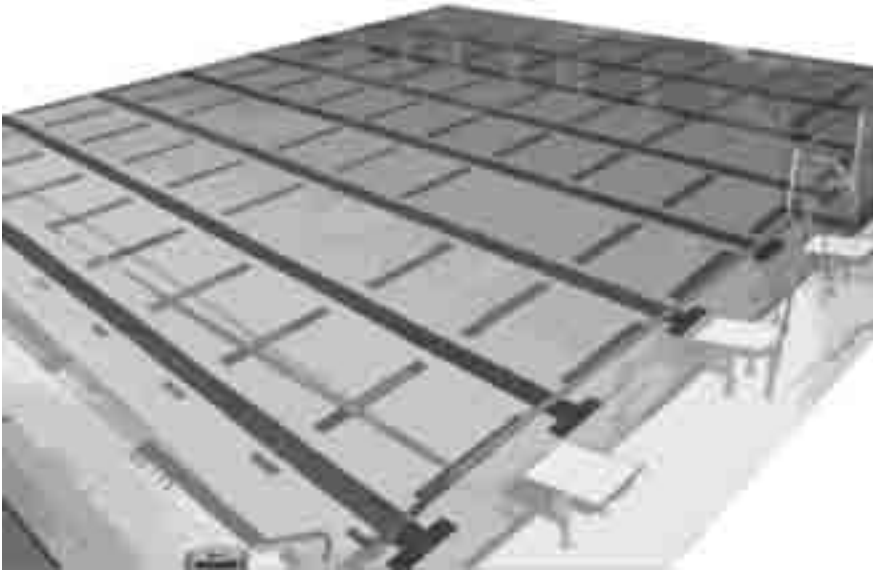
## If you remove the border between company and customer, we're all customers!

Moving the boundary between company and customer is a first step to dissolving it completely. Many shopping centers invest millions in building lavish entrances to entice customers to come inside. Others "build in their customers from the very beginning." Stockholm's largest department store Åhléns has built the entrance to its grocery store and music, multimedia, stationery, and book



A toy store in Siena, Italy, with separate entrances for adults and children.





Public swimming pools are often divided into a number of lanes based on different activities: training, exercise, instruction, diving, and so on. The customers are the ones that make the system work. They all have different needs, yet they all share the same water. Here there are endless parallels with the marketplace.

departments directly connected to the subway central station. Over a quarter of a million people a day pass through this central junction, of which 50,000 enter the store (Engeseth, 2003/4). Getting that many people – about 20 percent – into your store without paying a nickel for advertising is pretty sound economics.

A parallel can be seen with street musicians who also get their customers without advertising. You'll find street musicians where their customers are. In conversations with some of the world's best street musicians in Florence, New York, and London, I have learned that 80 percent of the show is based on the audience and that the best advertising they can get is a good audience. How much of the show is provided by shopping center customers?

## **Who says you will never be trendy?**

Companies that start out as brash and innovative, grow old and inflexible with time. Too many rules and commandments creep into the corporate culture and genuine passion is turned into the “race of the chickens,” often referred to as

“management by saving your ass.” It’s about time someone invented a crash helmet for people’s asses so they wouldn’t have to save them all the time.

Disney was daring in its youth; today, even though quite a bit of rot has set into both its corporate culture and its products, the brand is still strong with children. Why not let children into the company as sort of a “management light” as an antidote for corporate bloat. A number of studies have documented children’s genius-like spontaneity. Listen to one of these little geniuses and you’ll have all the statistics you need. One such study even claimed that 98 percent of all 2-year-olds have the potential to become actual geniuses (as defined by an IQ over 140). Do 98 percent of Disney’s employees have the potential to become geniuses? According to the same study, only 2 percent of people aged 20 and over have genius potential. Regardless of potential, shouldn’t Disney be listening to its best customers? And who doesn’t want to be inspired? Even venture capitalists often consult with children to find simplicity in complicated business concepts (Gregerman, 2000).

One of my most influential mentors was Erik who was 3 years old when my mentoring began. Give it a try – get a 3-year old consultant to use as a sounding board for your business ideas. (Naturally, we’re not talking about child labor, just a bit of inspiration ...)

There are lots of ways to get closer to your customers. One of the most trend-conscious sports-shoe makers has hired a group of young people in the product target group to travel around the world and take pictures of what young people are wearing on the street, how they are combining clothes and shoes, and so on. It’s easier to be street smart if you’re actually on the street.

The street fashion industry, with billions in sales, is controlled by no more than 40 people worldwide according to Greger Hagelin, founder of the clothing chain We Clothing and once one of the people who were paid to go from city to city, ride skateboards, and study trends. We is active today in 17 countries and is built on participation. Most of the employees come from street culture. We was founded by letting 50 people invest 5,000 each to become “We activists.” These activists – musicians, advertising people, and anyone else who believed in the idea – became ambassadors for the brand, which has resulted in fantastic networking. The activists figure prominently on the website with personal photos, texts, and videos that give customers many faces in their brand mirrors.

The commitment is so solid that it can result in some unconventional behavior. Greger once saw a man in a We shirt who was behaving badly. Greger offered to buy the shirt because neither he nor the other We customers wanted

to be associated with that sort of behavior. When the brand became incredibly popular, We removed the brand name from many of its shirts to show that the brand stands for something deeper. It was also a good way of not becoming too ordinary as the brand was built on wearing something that others didn't have.

“When people say that something is impossible, I'm already half way there” says Gregor (Hagelin, 2005).

WE is an example of a brand that creates trends rather than follows them.

“If we didn't believe that whole-heartedly, we'd probably just be making cowboy boots,” he adds.

Gregor and his gang seem like wild people, but they get it to work. What can you learn from them? How would it work at a bank, for example?



## Part 3

*ONE to the corporate DNA*



## Putting the customer in the driver's seat

When Caesar's army landed on the British Isles, Caesar knew that he had to motivate his troops more than usual. He ordered all the boats burned before the soldiers' eyes. By the light of the burning boats he explained that there was no turning back, no retreat. They had to win or die.

Today we don't need a Caesar to tell us that there's no turning back. If corporate leaders don't start including customers in their corporations, they will be the ones that will go down in flames.

Make love not war, they say, but most companies still approach the marketplace as a battlefield when they should spend more time wooing their consumers. When the corporate world is so busy waging war, it is so much easier to get closer to your customers and exceed their expectations.

Federal Express delivers over 3 million parcels per working day. In the middle of September 2000, all of Paris was at a standstill due to a massive strike that had blocked all main roads. The local press reported the story day and night until journalists had said all there was to say. Here, Federal Express missed a golden opportunity.

*Federal Express should have turned the situation to their advantage by delivering their packages on horseback in historical uniforms. History and romance mixed with the Parisians' dramatic strike would give Federal Express the perfect forum to reach billions all over the world with the message "When everything grinds to a halt, Federal Express still delivers."*

(Robert Thorburn, personal communication)

Can you think of similar opportunities in the world today?

Dressing like the customer makes it easier to be accepted by that target group. Clothes, tattoos, piercing, slang, and behavior should all be based on the employee's interests. A company that utilizes this principle is Universal Music, where people dress like the fans of the music they work with – hard rockers, Barry White fans, Elton John fans, and so on. This makes them more credible

in stores, at concerts, and with customers. Every person at the office has his or her own stereo. Taste cannot be dictated by a hierarchy. “The Management’s Greatest Hits Collection” would probably not be a hit. To achieve ONE, you must see things through the customer’s eyes and be part of his/her world. You could say “Dressing for success means being yourself.”

## **Has anybody ever heard or seen the customer?**

Many big companies outsource their customer contacts by letting a subcontractor handle telephone, mail, and email for them in order to save money. Since when have customers become such a burden? What sort of signals does



### **Quality can build or kill a brand**

Selling may be about products that break two days after the warranty expires, but branding always carries over to another bottom line. This shoe has carried me to many places, but some shoes are not made for walking. The saying “Don’t judge a man until you’ve walked a mile in his shoes” should be changed to “Walk a hundred miles in the customer’s shoes if you want to sell him a new pair of shoes.”



this send to the company's employees and, worse yet, to the market? *When did you last see a CEO for a shoe company walk a mile in the customer's shoes?*

A successful Indian outsourcing company, 24/7 Customer, has a slogan that sums up the entire situation: "Your customer. Our passion." Shouldn't this be the slogan for the company that actually has the customer in the first place? It might be interesting to let all the people on hold talk to each other: "Press 4 to chat with other customers, 5 to talk with fans of the brand, 6 to talk to people with complaints, or 7 to be connected to our competitor." What a refreshing break from piped music. Or maybe customers could be given a menu of different types of music to listen to. This would be great for customers and open up a world of sponsoring opportunities.



**Spreading love, one step at a time**

Every step the consumer takes should be towards your brand not away from it. How can you make your product make a visual impression on the world?

*For many CEOs 'consumer' is a new word, and if it's only a word it means nothing!*

On several consulting assignments I asked the employees: "When did you stop being a customer at the company you work for?" The replies are surprisingly candid. Often, they answer that they stopped being or thinking like a customer from the first day of employment. Some answer that they still have friends who are customers who can give them a bit of perspective. My questions may appear to be a bit rude, but it is often the simple questions that are the ones no one dares to ask. Try this yourself. (You might want to wait until the CEO has left the room.)

Hollywood has outsourced reality and has in the process lost touch with the audience. All too often, corporate communications are focused on the company itself. Customers find it difficult to get involved when they see no connection to their own situation. Hollywood is a wonderful place for creativity, but if too many movies are about Hollywood, creativity will suffer. In the corporate world, the audience must feel that they are part of things. If the customer and the company don't both get noticed, they don't exist.

Hollywood tends to see reality as a mirror image of itself, which means that the audience often fails to see itself in the movies. This creates a distance between the film and its audience. Reality soaps have tried to fill this gap with a certain success. The headlines and gossip generated by many of these programs show that there is a potential in getting closer to your customer, but in the long run, these programs create another sort of distance between the sender and receiver.

Many things have been tried in movie theaters to bring audiences closer. THX sound is all well and good, but in a world of chat, SMS, and video calls, moviegoers are used to seeing more of themselves in the product. A future product made possible by modern technology and driven by the modern "me ethic" might be Cinema Karaoke – being part of the movie as one of the actors. Sound absurd? Maybe, but then again, who would have guessed that Karaoke would become what it is today just 30 years ago? There are a number of places where movies are shown with a sing-along audience ([www.singalonga.net](http://www.singalonga.net)). Why not let live musicians play at Robbie Williams' concerts. Or a DJ that plays the records the audience brings, a film that plays backwards if the audience votes for it, or credits that include the names of the audience – a technical possibility with mobile phones and SMS messages. Even old circuses used the audience in their routines. Even when the participation was faked, it added an extra dimension to the show.

We all know that moviegoers seldom leave the movie theater inspired. What can we do to fill those seats?

## **ONE company, ONE culture**

Indian tribes gathered around the fire, consumers gather around consumption. Both are dependent on story-telling. Both the great chief and the great brand have a story to tell. This story, the way it is told and how it is received shapes both the tribe and the corporate culture. Companies must be ONE with their employees to be ONE with their customers.

How many employees are fans of their companies? If you were given a 25 percent raise, would you tattoo your company's name on your arm? Customers are doing it for free; why not employees?

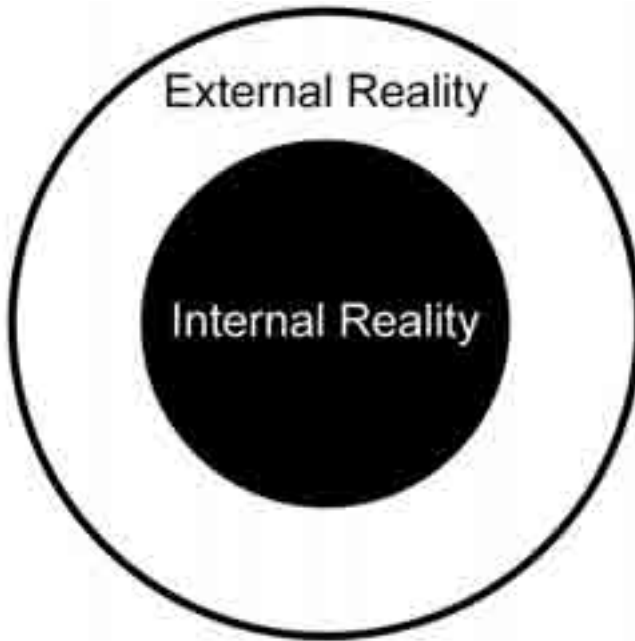
*What you see is what you get  
and what we are.*

If you look at what a company produces, there is often a correlation between old-fashioned and boring products and an uninspiring corporate culture. I was once asked by a company that described itself as having made billions on being conservative and stuffy to help them find a way and be more innovative and learn how to "move it." Its open assessment of the situation made my job easier. I told the company that learning how to move it meant finding someone to move it with. First you have to listen to the music from the market, I told the company; then, you must get your personnel to dance to that music.

This type of answer usually isn't the type of thing that large multinational financial companies are used to hearing. The company I helped made a concerted effort to implement some of the many specific suggestions that I made and now, some time later, the company is seeing tangible positive results. Next stop Soul Train ...

Just as the product is a reflection of the corporate culture, the culture can also reflect the product. Software and coffee represent very different values and so do the companies behind them. Or as Howard Schultz from Starbucks expressed it "Bill Gates can't make a latte" ([bbc.co.uk](http://bbc.co.uk), 2002).

Corporate cultures can be compared with national cultures. For better or worse, brands represent the culture that created them, something that American brands have paid a high price for in recent years.



Big companies often have different versions of the same brand – one that is external and one that is internal. Removing the boundaries between company and customer creates ONE, resulting in a stronger, more authentic brand.

A consumer is what he/she consumes. Customers reflect companies and make them visible. A journalist once asked me if my theories weren't a little too wild for corporate America. I answered: "It was the Wild West that built America."

According to evolutionary theory, the species that survive are not the strongest, but the most adaptable. In our complex and changing modern market, so much must be left to chance. A corporation is more than ever a living organism that cannot be built around stability as stability means vulnerability (Rex, 2005). Henry Ford's famous sales slogan for his Model-T – "Any color as long as it's black" – would never work today as consumption is shifting from a seller's market to a buyer's market. We tend to be less accepting of mass-produced products and products that last only a little longer than their warranty. It is becoming more difficult for companies to be secretive as their employees have the Internet as an international forum for their grievances. Winning customers means making companies more transparent.

*Open source connects the corporate DNA with consumer power and is one of the strongest forces for the corporate culture to develop and survive.*

Even the biggest producers can no longer produce products and services that lock consumers in “the consuming box” of their solutions. Consumers consume as kids play with Lego – they mix and match, improvise and change. This is a great opportunity to change corporate DNA for the better, but if corporations wish to survive they must listen to their new king – the consumer.

Self-perpetuating business ideas such as Linux could be the brainchild of any company. All that is necessary is an ordinary CEO with enough courage to listen to what the market and the employees have to say. Management by fear doesn't bring results. Employees must be given the freedom to react and participate. Instinctively, we know that the individual cannot survive unless the flock survives. The concept of survival today is more about self-actualization than actual physical survival. Both supply and demand are more complex than previously and build more upon relationships than ever before. Abstract values of a product shape the concrete ones and the bottom line.

I recently wrote this blog post at one [blog.detectivemarketing.com](http://blog.detectivemarketing.com):

## **Will Linux make computers soon?**

There is a demand for a new player in the computer market. Many people are dissatisfied with today's big computer brands. Who will take the open source position and deliver customer satisfaction? The new brand's DNA must be ONE with its consumers. Consumer demand will produce a new player; who will it be? How about a Linux computer? Linux fans are constantly developing their open source software and taking it to the next level. They also buy millions of computers! Why don't they make their own ONE computer with their brand on it?

The Linux Computer could be made of completely transparent materials and made to be opened and converted. All the computers could be connected in an open source learning system where the best solutions are ranked in different categories. The founder of Linux, Linus Torvalds, would be the perfect poster child with an image and personality loved by millions of Linux fans.

That same day on the blog, there were a lot of responses such as this:

I agree. Linux is a varied beast, where variety drives competition, innovation, standardization (Darwinism), and progress. I think traditional hardware companies need to get their shit together.

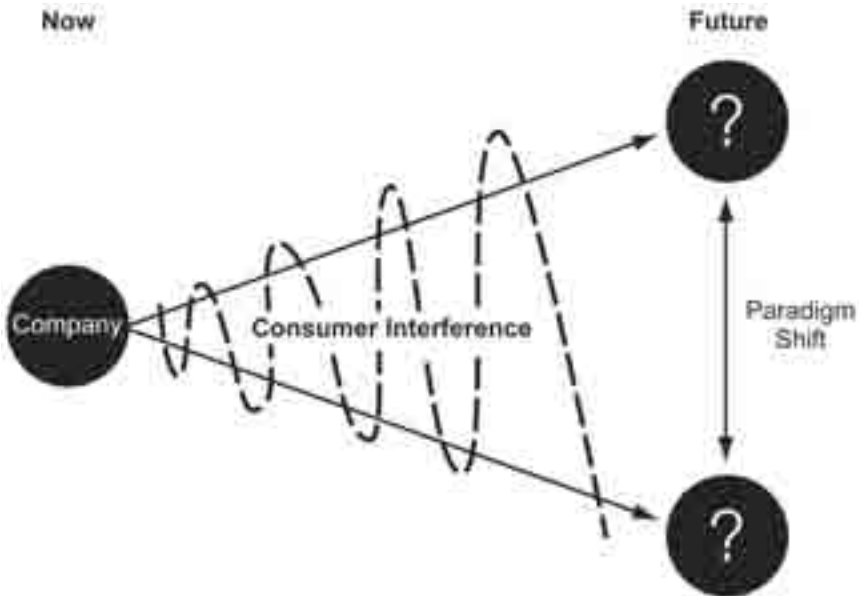
(Martin Streicher, Editor-in-Chief, *Linux Magazine*)

Demand means billions of dollars for the first right player to deliver what customers want! The question is how and when?

*It is the ONE that is most adaptable to change ... that will survive.*

(Charles Darwin 1809–1882)

When the tides of the market turn and the water temperature goes up suddenly, most aquarium-bred fishes die. Raised on permanence and stability, they have lost the ability to adapt quickly. The same applies to the many parallel shifts taking place in the business world today.



When a company is “provoked” by its customers’ participation in the organization, a new ecosystem is created and the company becomes ONE with market evolution and avoids becoming the victim of drastic paradigm shift.

Companies need to gradually go from being leadership-oriented to being customer-oriented in order to create flexible organizations free from the gridlocks of conventional corporate culture. Traditional cultures lived close to nature, which gave them a very common-sense approach to life. In our times, it is common sense to let the direction of a company be set by the customers rather than by the CEO.

### *Why not design nature into the world of business?*

Large banks, for example, have become too complacent and somewhere along the way have forgotten all about the customer. The customers, however, are not going away. Instead they are organizing themselves and looking for alternatives. As banking services become available on the web, the physical location of the bank becomes irrelevant. A hierarchical structure and an inability to adapt to the individual needs of the customers makes it easier for other players to take a share of their market. Grocery stores, membership retailers, and credit card companies are taking business away from banks by forming a closer relationship with the customer and thereby offering better services. This makes it easier for players such as Tesco to offer financial services in addition to their other products. A number of politicians, including the Swedish prime minister, have promoted the idea of increased competition in the world of banking services. Banks are feeling pressure from all sides, if they don't act they are going to have a difficult time ahead of them.

The question is how they can act on a transparent market and how they can use ONE.

The Swedish bank FöreningsSparbanken gave all its customers a different kind of bankbook – a sort of “lifetime diary” the size of telephone book. The diary visualizes all the stages of life – birth, school, becoming a teenager, getting your driver's license, moving into a flat and later a house, having kids, building a career, planning a pension, and planning an inheritance. The diary created an entire cycle, where every step was a G-customer step in which the customer could choose if he/she wanted to buy into his/her own life. One function of the book was to make it easier for bank personnel to interact with the customer by providing a transparent mutual reference work that covered all the bank's services. Both buyer and seller could together have access to a road map that made life a more comprehensible product. The diary helped them profile banking services into something as simple as a tourist charter brochure.

The cost of producing this large-format color book for 1 million

customers was more than many companies could afford, yet it created an invaluable transparency that will in the long run create many new opportunities for growth for both the customer and the bank. People still tell their hairdresser more than their banker, even though banks invest millions in getting people to talk. There must be a huge potential in getting people to open up with their banker. I spent my childhood in my mother's salon and heard people telling her every imaginable detail about everything from wishing their children would move out of the house to tales of infidelity. The psychologists I've asked about the phenomenon say that the physical touching involved opens other forms of communication. I once suggested introducing the idea of touching your customers to the management of a bank. The suggestion met with a number of reactions – all of them strong. (This was my way of opening them up. It worked.)

Just as at every other workplace on earth, there are plenty of warm people who work at banks, yet their work often forces them to concentrate on things other than getting people to open up. Bank services reside in computers rather than in real life. To become ONE with the customer, there must be a balance of power.

When you, the customer, are seated across from the banker, the banker is looking at a computer screen with all your personal information such as current loans and income. No matter what the banker is like, you are reminded that the bank has complete control over your life. This lop-sided power balance is not good for sales. Going back to the hairdresser analogy: it's like getting your hair cut without the mirror. What banks could do is to make it standard procedure to place the computer screen so that you and the banker can both see it; after all, what's on that screen is the basis for decisions that affect your life. There are screens that can be adjusted in a number of ways to both show and hide depending on the nature of the information on them.

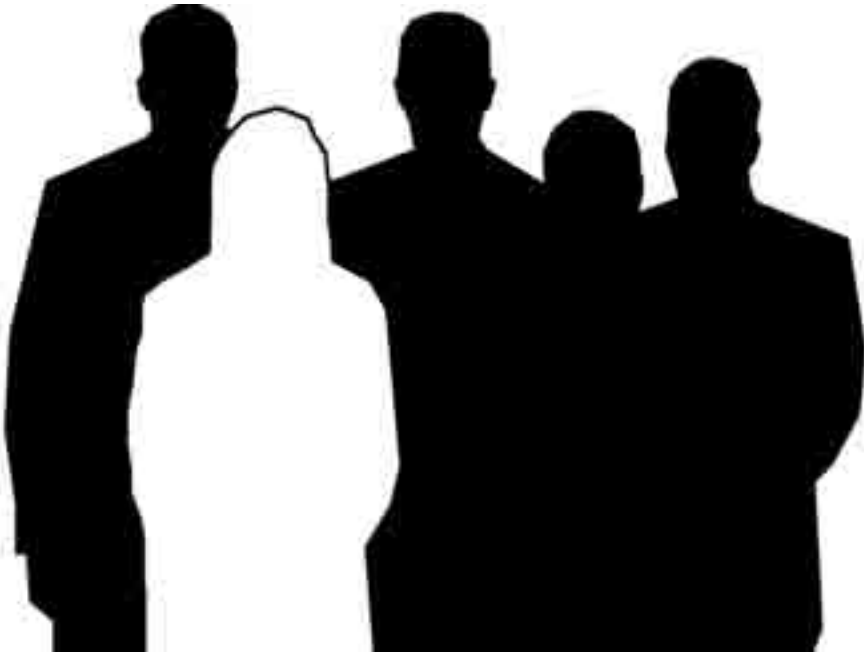
When ONE is reached, a bank will deliver more than just solutions, it will make dreams come true.

Compare your banker with your hairdresser – who is more personal?

How would your hairdresser fit in at your bank?

All efforts to approach the customer must begin internally. One bank that has embarked on this journey is SEB (Skandinaviska Enskilda Banken). It is just now starting to rally its personnel about the idea. (As we go to press, it has unfortunately yet to hire a single hairdresser.)





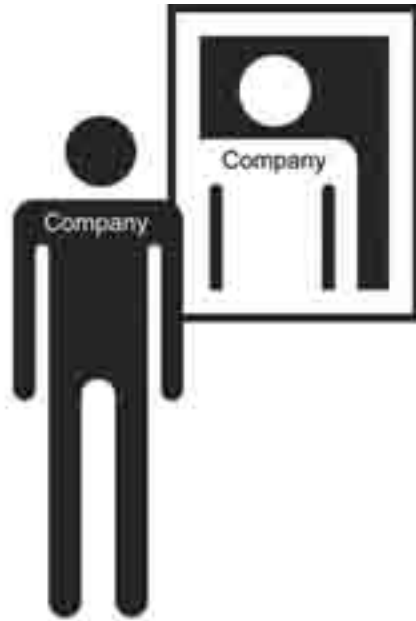
The bank SEB is working towards ONE. For the time being the only thing missing is the customer.

## **Putting consumer power to work at the bank**

Consumer power can either work for or against a company. Consumer power saved Apple from ruin. Can it save SEB, can it create SEB fans? Time will tell. Employees can nurture customers, but how can customers nurture employees and contribute to a more positive corporate culture? Making the customer part of the business not only makes for a company that is quicker to react to changes in the marketplace, but it also creates more satisfied customers. And a satisfied customer is a profitable customer.

*When consumers apply pressure on an industry, whether it's retailing or banking, cars or computers, it invariably produces a surge of innovation that increases productivity, reduces prices, improves quality, and increases choice.*

(Regina E. Herzlinger, Professor, Harvard Business School)



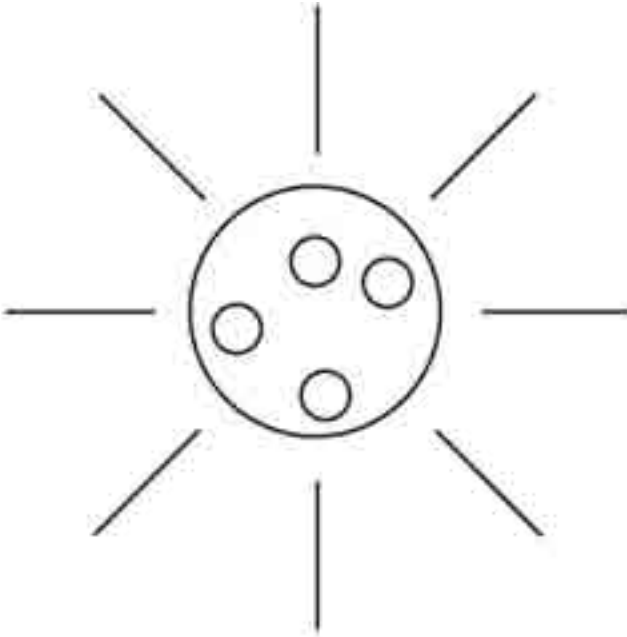
Companies think that they see customers when they divide them up into different customer segments, when they're really only seeing themselves.

Market communication must actively follow the customer's life and behavior. By being ONE, the bank can be in step or a step ahead of customers and share their dreams and visions. The relationship between customer and bank becomes a more natural one. The bank can save money by minimizing the number of products it creates that sink like a rock on the market. This money can instead be invested in building ONE and promoting values.

With ONE, the bank can get a better feel for the kinds of products that customers want and it can cater to all the customer's needs rather than just some of them. By building this complete ONE relationship, the bank can better compete with other institutions when it comes to stocks, advice, and other products the customer can buy elsewhere.

## Tools in the ONE process

ONE is based on the integration of different processes. ONE creates energy both internally and externally. ONE must be integrated with existing structures for internal processes. Employees must feel that the changes are relevant to the things they work with on an everyday basis, yet they must add a new dimension. The process of change takes extra vitality from the customers' contributions.



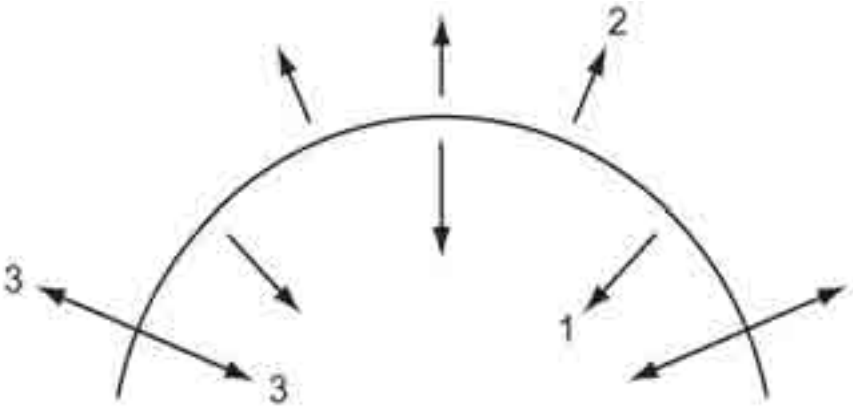
The ONE sun is spreading its light inside the company and on the market.

There are three steps to ONE:

1. Create internal awareness and unite the company around a common goal. Without this step nothing more will happen.
2. Offer customers an integrated SEB with products to match. Let the customers carry the SEB brand out into the market.
3. When both SEB and customers see themselves in the mirror of the brand, two-way communication that builds SEB both internally and externally can begin.

## **Some profitable effects of ONE**

- Leveling the field between customers and bank employees. Build the computer monitor into the desk to help make meetings more personal and open.
- Identify areas of common interest between customers and the bank to make it easier for the bank to react to customers. Customer interest also becomes the basis for corporate values.



I invented this bell jar to help brand a region with 3 million inhabitants who had a much different picture of the region than did the rest of the world. It works equally well with a bank.

- Make the customers part of your development work; chances are the customers are more enthusiastic than the people the bank has doing the work at the present.
- How should the bank get the “hairdresser effect,” that is, get closer to the customers?
- IT and the Internet have a great potential for two-way communication. Use these tools to get customers involved rather than putting them off.
- Try to get the “right customers,” customers who spread the good word about the bank to others of their kind. Remember: you get the customers you deserve. Make yourself worthy.
- Help make the customers part of your sales team and your best recruiter.
- Make your corporate culture customer-centered at all levels of your organization.
- Create enthusiasm for your employees. A closer relationship with customers will help the customers open up and share their dreams and visions, which can be realized through loans and other services.
- Help the customers grow by sharing your expertise and taking part in their lives.
- Learn to communicate by listening.
- Brand, brand, brand.
- Turn banks into showrooms. Make your values tangible and visible. Let the customers have a say in what your bank should look like. Let them help supply the transparency that will help you reach ONE.

## **Start and finish**

These are just a few of the many things that SEB can do to grow with its customers. The bank finds itself at the beginning of an interesting and profitable journey. Step by step it can gradually bring the customer into the company/brand and reap the benefits of the cross-fertilization that will result. The goal is to harness this mighty consumer power to work for the company instead of against it. SEB has already embarked on this journey to make SEB ONE by unifying the company just as Unilever is embarking on a journey to unify its company.

## **The journey always begins internally**

Unifying a company such as SEB requires a committed effort to change the company from the inside and then find ways of bringing this to the customer. The first step has already been taken in removing the plexiglass, both figurative and literal, between customer and personnel. As the customer gets a clearer idea of what the company is all about, both the customer and the company will grow. A major trend in the industry today is that customers use different banks for different services. There is a conception that one bank cannot have the best of all the services the customer needs. Changing this mind-set and the reality behind it could be a great opportunity for both parties, a profitable case of ONE.

*Humans need nature; that's why Central Park was built in the center of Manhattan.*

*Where is the Central Park in your corporate culture?*

What would you like to have more of a say in as a bank customer? Do you think banks will still exist as we know them in five years? What should be the role of the bank in helping society and the individual develop?

## **The goal of the meeting**

Let the customer take part in building the brand. The value of the inner journey lies in its meeting with the external one.

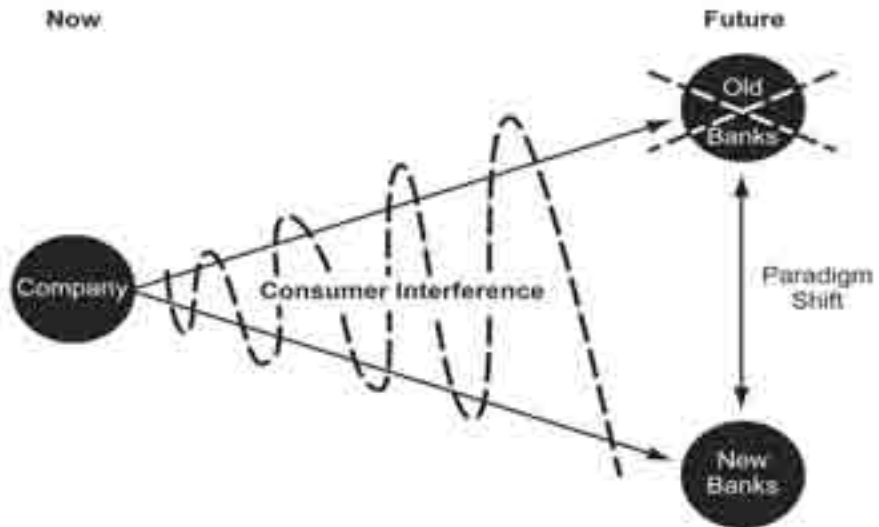
An organization has its vision, mission, and strategy, but none of these mean

anything if they aren't based on the interaction that only the customer can provide. ONE is a force to strengthen corporate culture. Just like national cultures, every corporation has its rituals, traditions, and values. And, perhaps the most important manifestation of culture is a common language (Schein, 1999). Why then is it so difficult to speak to customers in their own language?

People who carry their culture to another country often have stronger ties to their home country than they did when they lived there. When we are deprived of what our culture tells us is natural, we tend to form stronger ties to that culture. Yet from this difference comes great strength and diversity. When you let the customers into the organization, they will add vitality and strength to its culture. The meeting of cultures gives us a head start on the future.

*In the culture of hip-hop anybody can be onstage minding "his business."*

Close contact with the customer is especially important when two companies merge to prevent the creation of sub-cultures within the organization.



Banks have driven their customers out of their offices and onto the web, increasing the distance between company and customer. Customer dissatisfaction has not only resulted in cases of the individual David customer challenging the Goliath bank, it has also invited other players to compete for banking customers. Grocery stores around the world are offering financial services and IKEA have opened their own bank, IKANO. The writing is on the wall: react or die.

ONE ensures that everyone will hold up the same mirror. The goal isn't to force everyone into the same mold, but rather to see the sum of the parts more in step with the evolution of the market.

*Noticing small changes early helps you adapt to the bigger changes that are to come.*

(Spencer Johnson, *Who Moved My Cheese?*)

Banks have at their disposal what is probably the largest and least-used communications medium in the world: their customers. How can they use this medium? Or is there an upside to not using it? Many old companies have developed a DNA for how things should be done. ONE maps the genetic code and lets in the forces of evolution.

Genealogy is a growing pastime not just for its clues to the past but also for its insights into the future. The same is the true of organizations. Let the founders and retired employees give their perspectives along with the opinions of those who have just been hired and have opinions uncolored by experience – for better and worse. The combination of past and present creates fertile ground for new ideas. I call these sorts of encounters “building a platform between illusion and reality.” By merely limiting ourselves to reality, we freeze up and get stuck in the same deep-worn wagon tracks of the past. In the land of illusion there is nothing to stop us from using our imaginations.

At your next meeting, bring in a magician to help visualize your ideas together with your managing director. He/she might be able to help a new budget materialize, or at least manage to introduce an element of playfulness.

The stable organization is always seeking security against the forces outside it. Why not start a blog on the company's intranet to bring outside issues into the organization? If contributors are anonymous, titles and positions won't get in the way of ideas or candidness. The blog could be a sort of whiteboard for the transparent company. IBM has started thousands of internal blogs to become more like the sea – big, blue, and transparent.

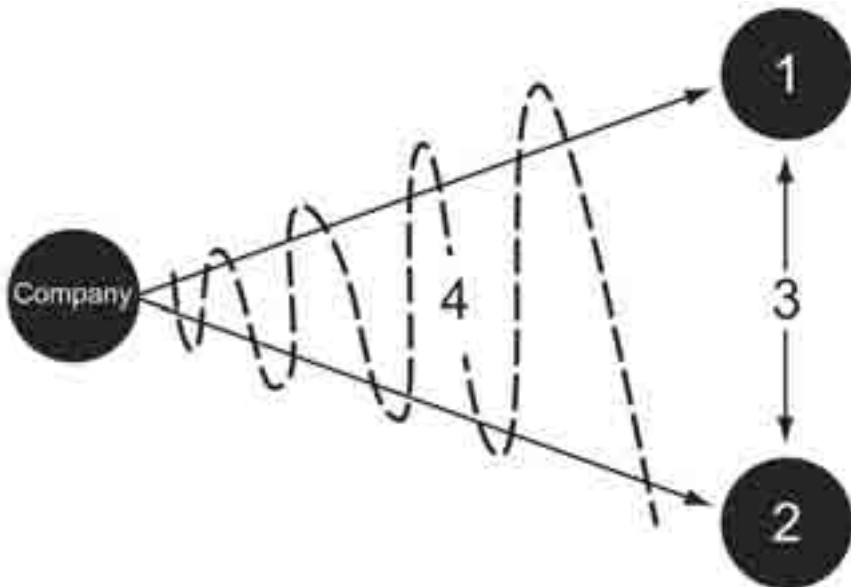
The war between company and consumer can never be won by the company in the long run. A more open corporate culture is the key to understanding that the market is neither a war against customers nor a struggle for them. The key to protecting yourself from competition is movement. Muhammad Ali rarely stood still in the ring, he danced. Far too many companies are too slow and heavy making them easy targets for people like Richard Branson, who likes to bob and

job at heavy-footed companies such as British Airways and Coca-Cola. As Peter Senge points out, “people in learning organizations react more quickly when their environment changes.”

On the London Underground you are warned to “mind the gap” to keep you from falling between the platform and the train. Companies have the same problem with employees and customers falling between the internal brand and the external one, if the gap between the two is too large (see diagram below).

1. The old versus the new (present perception):  
Corporate DNA has grown from its history and cannot be changed overnight. All parts of the company must work together towards a common goal.
2. What we want to become (future perception):  
The distance between 1 and 2 helps focus the forces of positive change.
3. If the gap is too big ...  
The customer and employee can fall between the internal and external brand.
4. Consumers can fill the gap.  
There are many simple approaches such as inviting customers to a breakfast meeting or sending employees out in the field. Use ONE.

*With ONE there is no gap to bridge.*





There are many ways of using ONE to fill the gap. To find a focal point for your efforts it is important to find a common interest – products, alliances, causes. Delivering a more complete product creates a natural whole that includes the customer. This process cannot be faked. If the gap is too big for too long, the brand will become a wannabe.

Ericsson has committed to bridging the gap with its slogan “Taking you forward.” “Everyone of us lives up to the core values that the company stands for,” Carl-Henric Svanberg, president and CEO of Ericsson (Ericsson press releases, February 15 2005).

If Ericsson can make good on taking its customers forward it will bridge the gap and take significant steps to becoming ONE. Its slogan has become a sort of central mental position of partnering with the customer. (Considering the company has partners that it’s been associated with for over a century, it may actually be related to some of its customers.)

Ericsson is an old company that has gone from a strict technology orientation to a commitment to investing its brand with softer values. The process began by getting employees to recognize themselves in the external brand being communicated to the market. Market communications, human resources, and the market are all part of the process. The next step is to integrate the customer. As technological differences shrink and global competition increases, people will become more important. One could almost say that one of Ericsson’s main media is its employees. By structuring how they work, employees can add a new dimension to the brand. Downsizing has also made the organization more concrete and easier to grasp, which strengthens the feeling of group identity.

*It’s based on people, but it can’t be allowed to fall because of people.*

(Urban Fjellestad, Director Global Market Communications, Ericsson)

My interpretation of the quote above is “people are greater than individuals.”

I asked Urban Fjellestad if he had considered hiring hairdressers at Ericsson as I had suggested at SEB. He answered that Ericsson is not a hairdresser, but rather the salon where they conduct the hairdresser’s business. He went on to explain how the company has worked with the concept of the hairdresser in Cannes, France: “We have a similar forum at the annual convention at Cannes, where the customer and the Key Account Manager sit down and

talk openly with our version of the hairdresser that we call the business builder. We've used this concept for three years and it will be used for all our future events (Fjellestad, 2005).

## **They only write when things go wrong**

If the only time companies get feedback from their customers is when they are not satisfied, then customers will learn not to be satisfied. Are complaints really the way to create customer satisfaction?

Where did the small satisfied customer go? Dissatisfied customers are always seen and heard. The satisfied ones tend to be less vocal. Getting satisfied customers to be active is the first step towards creating a community. Many companies are good at building up customer complaints departments, but less so at devoting resources to harnessing the positive energy of the satisfied customer. "Can you tell me the names of your five most satisfied customers?" is one of my favorite questions to ask customer service employees.

I once asked one of the world's most prominent professors of marketing specializing in customer complaints if he had ever studied satisfied customers. The professor answered straight-faced but with a touch of dry humor: "We haven't gotten that far in our research yet."

As Abba pointed out a quarter-century ago in *The Winner Takes it All*, there's no need to complain when things are clear and simple. I would like to know why you have to turn into a monster before companies treat you like a human being. It is only when you complain the loudest that you get good service. When you're well behaved, you tend to get poorer service or none at all. If you don't believe me, just look at the room-smashing rock star who gets all the service in the world.

Here's a thought: perhaps dissatisfied customers who make a career of complaining shouldn't be customers at all. The negative spirals they create bring down the morale of both personnel and other customers and can be a considerable economic burden to all parties. The question is: how much is dissatisfaction with your company and its products and how much is dissatisfaction with the world in general? How do you find a reasonable level of responsibility for your company? The mega-site Lunar Storm received media criticism for incidents of older men using the site to lure teenage girls. Lunar Storm has since committed substantial resources to trying to prevent such incidents in the future by tracking down the offenders on the site together with law enforcement agencies. They also spent considerable time identifying the girls potentially at risk and putting them in touch with the proper social authorities. (The site noted that those customers



Why are there only direct lines of communication for dissatisfied customers?  
It's like having a special phone line in your house for enemies only.

who are subjected to these sorts of situations often come from a background of victimization, a cycle that must be broken.)

These steps are necessary to protect the good name of the site and the community at large. Lunar Storm's efforts have been low-key and unpublicized, but they have been effective. The concern has been real, something that by word of mouth has reached both employees and customers with the same message: we care and we take social responsibility seriously.

People want to belong to something, but the choices are changing. Many of the traditional things to belong to have changed, been decentralized, been trivialized, lost touch, or otherwise become irrelevant. Many people find hundreds of little bits of belonging scattered across a broad spectrum of their lives. One of these bits of belonging can be found in a good story or a good brand.

*If the only time companies give feedback to their customers is when they are not satisfied, then they learn to be NOT satisfied.*

Sending an email or a postcard can be one of these bits. Innovative companies are constantly finding new ways to use digital postcards. The Pike Place Fish Market in Seattle uses a bit of humor to generate a bit of positive buzz with its online FishCards “Janson, the master crab juggler!” “Crab Calloway,” “The Silence of the Clams,” and dozens of other off-beat motifs to spotlight its fish, its perishable food, and its personality. ([pikeplacefish.com](http://pikeplacefish.com))

The business is the talk of the town for both of its products: fresh fish and live entertainment. Customers come back regularly to see the crazy men and buy some sensible food. The show, consisting of improvised tossing, juggling, and clowning with fish, began as an attempt to attract customers to the market in hard times. Now, the company has become a cultural institution with consumer activists educating other consumers about the eco-politics of fishing.

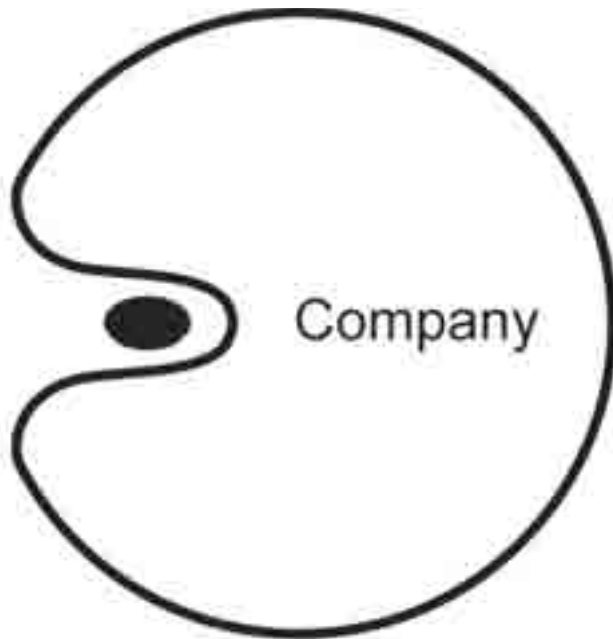
According to CNN “industrial fishing can reduce a particular fish population to one-tenth its original size in only 10–15 years” ([cnn.com](http://cnn.com), 2003). The message is clear: educating consumers means transparency in the entire chain. Transparency means responsibility.

Fifty years ago, someone painted a large red dot on the tarmac of a local airport. Every year, the dot was given a fresh coat of paint as matter of routine maintenance. One day, someone asked what the dot was for and why it was repainted every year. No one at the airport knew why and after many discussions the airport stopped the annual dot painting. All too often the corporate world is full of red dots that just have to be painted (Pethick, 2005). Companies with dynamic cultures can always remove painted red dots when they’ve out-lived their usefulness.

Both satisfied and dissatisfied customers help to increase company responsiveness to the changes in the marketplace. A complacent company that uses management by fear creates a climate that tends to repel people who wish to change things.

These wild employees never blossom and often leave the company to work for competitors or quit to start their own businesses. All of this positive energy is lost to the competition or, if these people chose to stay on, they become non-achievers at work and wild enthusiasts in their free time. If you want to get a taste of how a dampened wild employee feels about his job, try closing your eyes and swimming backwards in a public pool. As Jimi Hendrix proclaimed in 1965, it is the wild ones who can move us.

Companies who do not have a dynamic culture, have trouble coping with these sorts of employees. Once, a long time ago, I was just such an employee and like so many other wild employees I always wanted to do too much too fast.



If someone had just taught people like me the basic mechanics of how to get things done in an organization, we would probably have done just fine in even the largest corporations. For a while I was seriously considering starting an association for all these employees who are what I call “corporate stunt men” – people who take the falls that later make someone else look good. The natural name for it would have been “The Stuntman Club”.

One former wild employee I know told his boss he was going to quit. His boss objected and told him that he always performed superior work and that the company needed him. My friend felt a bit flattered but answered, “It’s nice to hear a bit of encouragement for once, but I’m just so tired of having to take the fall for everyone else just to make you look good.”

Strong advocates for change in a large company are doomed to failure if they don’t get back up from others in the corporation. My friend summed it up quite elegantly: “I’ve succeeded in making even impossible things work on the market, but it is only now that I understand that the internal company does not see the external market or the opportunities it offers. I now understand that you have to market your ideas both internally and externally.”

As in American football, it is hard to make a touchdown without a little blocking from one’s teammates. My friend made a number of hard-won touchdowns with no help at all. But every time he turned around to look back at

his teammates they hadn't even seen him run because they were so busy with their own little matches that they had missed the big game.

Today my friend works as a consultant and makes touchdowns to order for the teams that buy his services. He is no longer a disruptive element because his new role makes it easier to define what needs to be done.

This sort of person can raise the innovative level of a company to the next level and then some. You can find them by the millions among your customers. A rule of thumb for an innovative company should be: hire one disruptive person a year for your company and talk to at least ten of your customers every day.

*Evolution takes great steps forward when disruptive ideas make their entrance. The higher the level of disruption, the more creativity and adaptability are released.*

These people can fail even in the right culture, but even this failure is a kind of success – it creates a more flexible company that is better adapted to change than large, traditional organizations (Rex, 2005). These disruptive people not only bring the forces of the market back into the organization, they can use it to the advantage of the organization. Ironically enough, most of the inflexible companies in the world were founded by just the types of disruptive wild men and women that company hierarchies systematically neutralize. So many companies have gone from wild men cultures to “by the book.” The only problem with “by the book” is that so few new books get written.

Keeping a company innovative means maintaining differences in race, opinion, religion, and age.

Finding the right people for a company means writing want ads that don't sound like management clones. Instead, the ads should describe people that already work at the company and make it clear that they need someone completely different. If you see a want ad of that nature, please send it to me so I can hang it up on the wall of the Stuntman Club.

One of Procter & Gamble's most important beliefs is “The consumer is boss” and that it is always profitable to listen carefully to the “boss.”

*Product innovation has been the cornerstone of our success in the past and it's the primary strategy for success in the future.*

(pg.com)

*It's clear we need new channels to reach consumers. Brands that rely too heavily on mainstream media, or that are not exploring new technologies and connection points, will lose touch.*

(Jim Stengel, Global Marketing Officer, P&G)

P&G have invited 250,000 influential teen consumers from across the United States to Tremor, a program for generating word of mouth ([tremor.com](http://tremor.com)). These consumers are involved in the development of new billion-dollar products. The math is staggering: take 250,000 consumers who are enthusiastic enough to pass the word of mouth six levels down and you have an epidemic of word of mouth that can reach the entire world. This makes P&G a more powerful communications medium than any TV network in the world, because when it comes to word of mouth there's no TiVo. With the customer as broadcaster and friends and family the audience, you have a highly credible message. P&G's Tremor program aims to influence consumer buzz, but also to gather valuable input about the company, its brands, and products.

"We should strive to be invited into consumers' lives and homes," says Jerry Stengel. "The most basic question of all, do we bring anything to the party at all that could not be provided more efficiently and cost effectively by somebody else?" ([pg.com](http://pg.com)).

Even with sales of \$51.4 billion ([pg.com](http://pg.com), 2005) P&G is aware that no single company can be a world leader all by itself. This is the main reason for opening its doors to both suppliers and customers. It is a way for it to be part of the evolution that gives the greatest possibility for innovation and progress. It's a way of staying light on the toes, even if you're a world heavyweight.

P&G must always bring something to the consumer party. At [pgconnectdevelop.com](http://pgconnectdevelop.com) the company collects input from every part of the market, acting as a meeting place for suppliers, researchers, experts, and laypersons. With more than 5 billion consumers worldwide, P&G is in a position to make a difference. By continuously improving existing products the company is creating a winning product relationship with consumers who gradually become aware that they are part of that evolution. Keeping in mind that P&G's products have washed, fed, and wiped customers in more ways than anyone can imagine (no need to go into details here) it would be strange

indeed if the company didn't make use of customer feedback. Now with the decline in commercial TV audiences and the diminishing effectiveness of TV advertising, listening to the customer is more than just an innovative idea; it's a matter of survival.

*Our vision is simple. We want P&G to be known as the company that collaborates – inside and out – better than any other company in the world.*

(A.G. Lafley, CEO, The Procter & Gamble Company.)

The transparent market is creating a new paradigm of open innovation that is powered by millions of consumers.

“Corporate research departments at companies like Bell Labs, IBM and Xerox were once the motor of American industry. But that may be changing,” says Henry Chesbrough, assistant professor, Harvard Business School.

Companies like Cisco have dropped their do-it-all-yourself approach and have started working with a model of “open innovation” (Chesbrough, 2003). P&G's 250,000 influential teen consumers are a must in a world where the power of Wal-Mart and the retail sector have changed the traditional structure that the company was built upon. Most of the sure bets that large corporations founded their business on are easily copied. The evolution of the marketplace demands new products in order for P&G to maintain its position in the retail sector.

*Open innovation is not a trendy buzzword; its Mother Nature showing us the ONE way to evolution.*

We don't need to name the airline, but I once read the fine print on my ticket on a recent flight. It stated that in the unlikely event that I should die during the course of the flight the airline had the right to take money out of my wallet or pocket in order to pay for a taxi or other form of transport. My first thought was: what a shame that you have to die in order to get service. Now what would happen if Richard Branson became the next pope? You would probably even get to keep your frequent flyer points ...



## The closer the customer, the more profitable

Just as one buys a souvenir or takes photos when traveling, customers often want something by which to remember their consumer experience. I was at a furniture convention and noticed that almost everyone was buying books. The book salesman explained that everyone that comes to the convention wants to buy all the beautiful furniture, but they can't afford it or are unable to make such a big buying decision so quickly. Instead, they buy a book and take it home to dream. A related phenomenon is the museum effect – you can't buy the Mona Lisa, but you can take her smile home with you on a postcard or a poster. Museum shops live on consumer longing.

Can we get consumers in general to take home products that have an umbilical cord attached?

## One-night stands are costly

*If you stay for breakfast, you get to know the person ...*

Capture the consumer at the moment of consumption or when he or she is the most receptive. For example, just after a meal on an airplane, the coffee that everyone is longing for tastes terrible. With this in mind, the US carrier United Airlines partnered with Starbucks to serve 80 million customers on 500 routes. I can think of no better way of connecting consumption to your brand than traveling hand in hand with the consumer. Taking the trip from bad coffee to Starbucks at just the right moment, the customer experienced an unusually intense experience of the brand. This is consistent with the Starbucks mantra of “rewarding everyday moments” that gives the brand emotional content and meaning, and offers employees “the possibility of the extraordinary in the ordinary” (Simmons, 2004). To make sure the airline partnership was a success, Starbucks trained 22,000 flight attendants in order to make the most of the rewarding in-flight experience. The flight attendants became role models for crossing borders of experience. These 22,000 even carried the coffee message home with them and acted as spokespeople.

Starbucks outlets at airports spread the good word to the rest of the world. People who travel are usually open to new experiences and telling others about them. Traveling and openness to new brands tend to go hand in hand.

It takes time to paint the big picture and to get it right; it often starts within the company. The legendary brand, ABSOLUT Vodka, is one of the biggest

success stories in the spirits industry. First exported in 1979, ABSOLUT has in record time become one of the best-selling spirits brands in the world. Everyone sees ABSOLUT as an advertising success and an image product, but what people do not realize is its full story, which begins with over 400 years of vodka-making tradition. Every drop of ABSOLUT consumed around the world comes from Åhus, a medieval village in the wheat fields of southern Sweden where every last one of the billion bottles of ABSOLUT has been produced over the past 25 years.

Naturally, this success story, like so many others, has been simplified by focusing on the most obvious factor: the bottle. It is unique and turns the product into a medium, but behind the bottle is a long history of creativity and entrepreneurship. When you visit the ABSOLUT distillery in Åhus you will see a large painting (4 meters/12 feet wide) that describes how the company has worked with ONE (source) all the time. The painting not only shows everything that goes into the bottle – the Swedish winter wheat, the unique water, distillation technique, and heritage, it also reflects on the over 400 years of vodka-making tradition and a nineteenth-century founding father who could well be compared to Edison, the man behind the light bulb.

Lars Olsson Smith, the man who introduced ABSOLUT and the modern distillation technology to large-scale spirit production, which is still in use today all over the world, reads like something out of a Hollywood movie. Self-made millionaire at 14, vodka mogul at 19, inventor, patron of the arts, self-taught academic, political radical, and member of parliament – Smith is a rags to riches to rags to riches to rags story just waiting for the big screen.

*If you captured what your company actually does on canvas – what would your painting look like?*

Start sketching and painting today. It sounds simple, but in my workshops where I let the participants paint a picture, everyone paints completely different motifs, even board members. Many are the entrepreneurial companies created and run on passion and creative energy, created like a painting on a blank canvas and based more on intuition than logic. The result of “creative management,” everything is created impulsively. When they become successful, they look back and can’t quite appreciate the power of that blank canvas that they started with. Eventually the blank canvases are relegated to R&D with instructions to paint by the numbers – this year’s budget. The company has matured and gone over to “MBA Management” where control is the most

important concept. The blank canvas is no longer blank, but filled with models resembling children's fill-in-the-blanks coloring books. As long as the company sticks to its magic books, nothing can go wrong. This rational structure, however, often becomes the problem rather than the solution.

The key to creating real creativity is to open the company to adaptive impulses from customers. This allows the brush strokes of know-how to meet those of enthusiastic ignorance to create something completely new. Your customers can add a new palate of color to your brand. The secret is not letting a title or a degree get in the way of having a little fun.

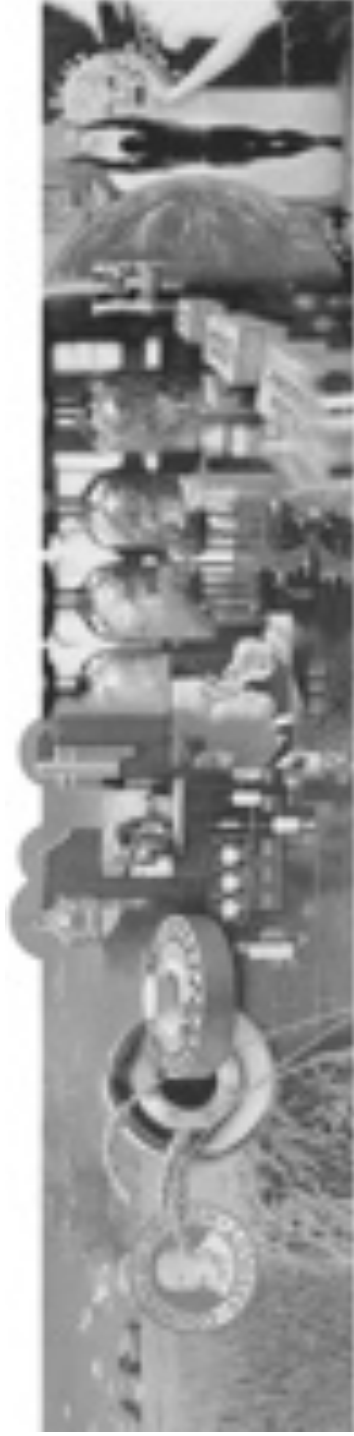
## **So far away, yet so close**

What is it that drives the more than 100 million buyers and sellers at eBay.com? Or is it the buyers and sellers that drive eBay?

E-Commerce with ONE has taken us away from much of the classic B-to-B and B-to-C marketing and given us C-to-C – Computer-to-Computer. There is an unwillingness to recognize the target as an individual person. The individual is complex and hard to control. The goal in working towards ONE is to add interaction to entertainment so as to turn the customer into the advertisement. Once the adage for the corporate world was: “If no one has heard of your company, you don't exist.” Today, for those working towards ONE the saying becomes: “If no one has heard of your company and your customers, you don't exist.” The relationship between many e-commerce companies and their customers looks something like this: [FirstName] [LastName] [@] [Address] [City] – a relic from direct advertising transferred to the web. Creating communication platforms for all the different market segments within the target group requires a bit of work, but can be worth it.

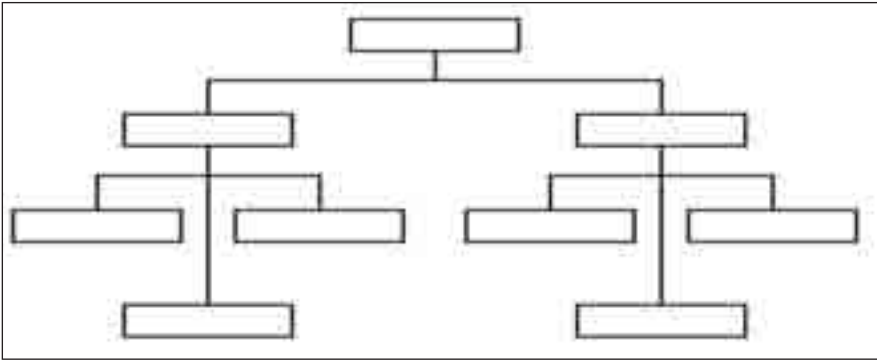
On a consulting project for Letsbuyit.com, we increased sales 30 percent after putting together such a platform. The lesson is that those who move forward methodically using analysis, tests, and evaluation can often find new paths to success. Many banks have been encouraging their customers to use their Internet services by offering a number of discounts and benefits. This carrot on a stick approach has shortened the learning curve and helped customers accept new ways of banking. The new sites add an extra dimension of direct marketing to very specifically defined target groups. It's about realizing that the power in the people is in the group (Dyson, 2001).

Applying ONE to e-commerce means keeping a few things in mind:



This 4 metre/12 foot wide painting was painted by Michael Boston for ABSOLUT Vodka. It is a great visual reminder of the hundreds of components that have gone into the ABSOLUT Vodka success story.

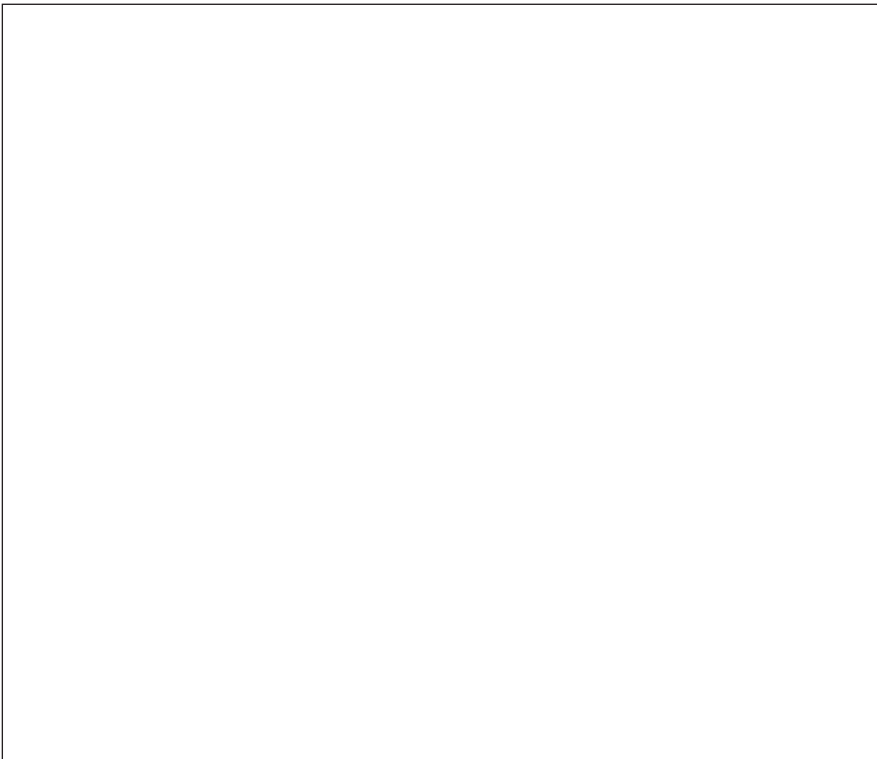
ONE to the corporate DNA



MBA management



Creative management



Inspired by the example of ABSOLUT, I've left a blank space for you to paint your own picture. Enjoy.

- If your employees are too invisible, you create an ATM (automated teller machine, or what the British call cash machines) feeling in the customer. Conversely, if customers have a feeling of personal contact, their problems can be a positive source of growth.
- Changing behavior and buying patterns takes time. Being original puts you ahead in the long run if it reinforces the feeling of ONE. It's easier to surf when you feel the waves.
- Create synergy in everything you do. If you sell someone a TV, that customer should be put on DM lists for video offers, and so on.
- Your site should be at least 50 percent information or entertainment. The principle is the same as putting the milk at the back of the store: customers come to you for one thing, but end up buying other things they didn't realize they needed.
- It is important to give people a story to tell. Every product or service should come with a story.
- Don't have an unrealistic perspective of how interesting your product is for your customer. I call this overkill marketing – marketing something so aggressively that you kill the customer's enthusiasm.

Creating common value for the customer and the company is priceless. Amazon.com was early in understanding this. In March 2005, founder Jeff Bezos wrote about sharing value on the company's home page:

*We expect Amazon Prime to be expensive for Amazon.com in the short term. In the long term, we hope to earn even more of your business, which will be good for us too.*

(Jeff Bezos, Founder and CEO, Amazon.com March 2005)

The offer he was talking about was an “all you can eat” promotion where for a single fee, the customer could buy unlimited free shipping for two days on over 1 million products. It is difficult to image how conventional stores and shopping malls can compete with such an offer that even applies to people in the same household. This means that millions of customers have now been transformed into millions of households. By getting closer to the customer the company is getting more customers, lowering the threshold for new purchases, and increasing its competitiveness against physical stores. By offering these

services the company is letting the customers decide if they would like to share a common interest. If Amazon can keep its promises to the customer, it will be able to convert every household into a virtual store that sells goods to friends and neighbors. There are many price issues to deal with, but the potential can be seen in the billions of dollars of direct sales around the world today. These are the billions that Amazon can make if it can follow its customers home.

How can you help to erase the borders between customer and company? How can you create a common goal with your customers? How many cars do you think Amazon would sell if Jeff Bezos decided to drive the product into their product mix?



The process of becoming a customer can be divided into three stages. Trial is when the consumer is considering becoming a customer; this is followed by Consume, where the consumer buys the product, and Spread, when the consumer tells others.

Trial customers make up the largest group, but it isn't until that group has consumed and started to spread the good word that the product or service has a chance of becoming a best-seller. By combining these stages with timing, value, and context, you've taken a big step towards ONE.

Amazon.com could expand and blur the gray zones between trial, consume, and spread. Never before have customers been so well connected with each other thanks to the Internet, blogs, and the like. Customers don't need to know more than a handful of people in order to be connected with everyone. This allows us to look at distribution, a much-neglected subject, in a bright new light. Now more than ever, customers are the most effective distributor of goods and services. Shipping companies have long used travelers to transport goods, yet I wonder how many tons are going unused. Buses, underground trains, and airplanes offer millions of tons of potential shipping capacity. What would happen if Amazon.com added a London underground station to its distribution network? The station could become a sort of showroom where the company could be made visible and concrete as well as associated with all the millions of tonnes that are being sent in the fastest most efficient manner. Carriers could be given free passes, something that can be quite expensive in a city such as London. The job would be perfect for people who need part-time work or a flexible job. Everyone wins – Amazon saves money;

customers save money in much the same way as you do at IKEA where you do some of the work yourself.

In cities such as London, New York, Paris, and Stockholm there are often a number of unused underground stations that could serve companies such as Amazon well. 200,000 Amazon recruits delivering to 10 people each equals 2,000,000 customers. This can be a great start for spreading the idea to other cities. Think of it: under your feet is a new virtual community of flesh and blood and books. It's like Napster, like Linux, only in real life. A social spin-off is that this community can even get people who normally don't use the underground to park their SUVs and give it a try.

How much do you think this scenario would generate? How can you make the first 200,000 carriers visible? Where in your city should the first hub be placed? How can this sort of distribution add to the brand? Do you see values other than distribution and consumption? What about making the underground a sales channel – can it be self-financing, can it be done in a way that we actually reduce the intrusion of advertising? Is this scenario good for PR? Or is the subway media enough to get the Amazon ants going?

What if Amazon partnered with Ryanair? The products could be ordered on board and picked up when you arrived at your final destination.

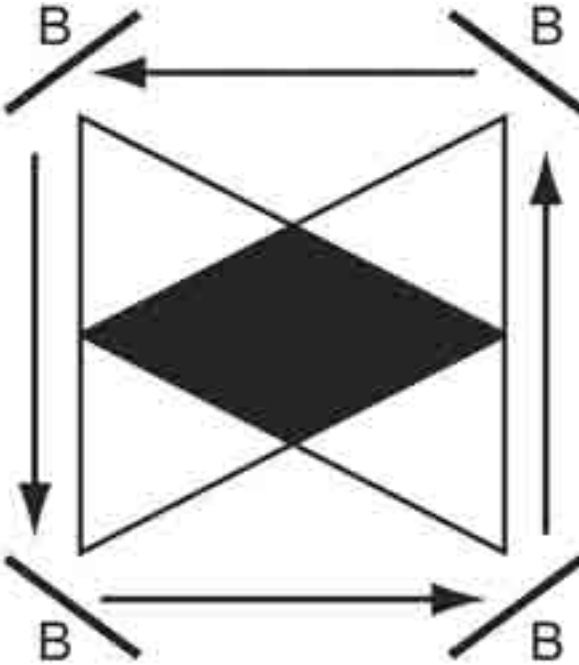
Back home, people's homes are bubbling with excitement. Home and garden shows are attracting record crowds, yet it isn't the lawn mowers they're coming to see. People are there to turn their gardens into spas. Eight-person hot tubs are going like hotcakes at £8,000 (massage and built-in speakers at no extra charge). One reason, according to sales people, is the success of the TV series *Big Brother*. Even Hollywood soap operas spend a disproportionate amount of time in hot tubs. Another factor is that a jacuzzi is seen as a way of relaxing and preventing burnout while providing a meeting place for the family, free from video games and computers. Many buy a hot tub because their neighbors have one. Perhaps it is an expression for a longing back to the warmth and safety of the womb.

These new relaxed, back-to-the-womb consumers are becoming more open to what was once considered extravagant luxury.

Is there a link to other products? What else falls into the same category? A million opportunities await.

Microsoft understood the importance of being close to the customer early in the game. From the beginning, the company worked together with computer manufacturers to ensure that its operating system was installed before the product was delivered to the customer. This was a very natural way of skipping the first step in the buying process, the trial stage of deciding what to buy. "To be or not to be"





By partnering with other companies in business-to-business sales, Microsoft has gotten closer to the customer by being able to skip step one – trial. This sort of strategy eliminates competitors who are still at the trial stage while the customer is already at the second one – consumption.

became to be without buying. These partnerships have formed the basis of Microsoft's distribution strategy for over ten years (Lindstrom, 2004). When competitors tried to sell software, it was easier for the customer to stick with the Microsoft offering. When Microsoft was caught off-guard by the browser explosion and Netscape captured most of the market, Microsoft could bundle its own program Explorer with its dominant operating system. Much of Microsoft's business is built on upgrades. It's easier to upgrade than switch.

At the same time, Microsoft doesn't let consumers enjoy their freedom of choice. Cynical business doesn't sound positive and doesn't build positive consumer power. The companies that listen and act will make it big; if Microsoft doesn't start to learn it will fail in the long run.

Car-makers are confronted with a similar dilemma: you can't sell car number two until you've sold car number one. Imagine if you were given a new car with the purchase of a new home. The customer would then, just as with Microsoft software, develop a relationship to the car and switch brand loyalty. Or to really keep consumption close to home, provide the car in a sort of car

pool that could add to the value of the housing. The buying decision is seen in the mirror of the brand and vice versa.

*The car industry needs to learn that you don't sell cars, customers buy cars! It's that simple.*

Other examples of brand mirroring can be banks (most car dealers have financing) and estate agents, who are close to the customers at that critical time when they are making enormous changes in their lives and are open to making other changes as well. At this time customers are much more likely to buy. Other mirrors include cable, broadband, insurance, and an alarm package. The moment of truth when someone buys a home can be leveraged by, for example, offering a total moving solution or renovation or home improvement services for both the old house, to increase its market value, and for the new house, to make it a nicer place to live. And while all this is going on: offer a getaway-and-relax vacation trip.

In this hypothetical example, we've gone from selling customers a car to selling them a whole new life. By seeing the entirety of a transaction, new windows of opportunity open for both sellers and buyers.

GM is currently having difficulty. Why not give my idea a try. What other alliances could increase sales? What about grocery stores and restaurants – surely, there must be a wealth of opportunities in bringing one to the other.

*Companies acting on yesterday's market expectations may not be here tomorrow. Global media and the Internet transforms demand into on-demand.*

## **Real-time business**

The products and business concepts that many companies develop on the basis of market studies often fail to relate to the consumer's real life. Being ONE in the past, the future, and at the moment of consumption is more than ever a competitive advantage. The market is too fast for studies. Companies such as Lego, Disney, and Mattel have gone from five-year development cycles to single-year ones. The younger the target group the shorter the cycle. Many companies have had to learn the cost of inflexibility the hard way, as Sony and

Levi's did (Lindstrom, 2004). Tomorrow's consumer will demand a faster pace. The music and film industries chose to cling to their LP, CD, and DVD format while consumers surfed for free. The issues are complicated and problematic, but by using ONE you will quickly see the potential is much greater than the problems. Now, it seems that these industries are starting to wake up to the profit potential of the web, but not before countless millions have been wasted. It's like falling asleep in a taxi and being passed by a commuter train.

*Research only shows that you care. ONE shows that you are doing something.*

One of the more famous examples is when Coca-Cola panicked at blind-taste tests where consumers preferred Pepsi. The company quickly introduced Coke Classic to beat Pepsi, having completely overlooked the fact that Coca-Cola's success is based on a long list of values that have nothing to do with its taste. Even if Coca-Cola can dissolve rust on old bolts, it has a powerful brand DNA that is not to be tampered with. Coke Classic was a classic fiasco and the company had no choice but to go back to the old "Coke." Consumer power had spoken by not drinking. Interestingly enough, when the company returned to the original "Coke," sales returned to levels even higher than before. Perhaps the film and music industries will experience the same thing when they start listening to consumer power again.

Becoming ONE is part of maturing as a company. It can start by letting the customers into the company, even before it really knows what to do with them. In the long run, working with ONE creates a strong bond between the customers and the brand that can be a saving grace in hard times. Even if Pepsi has a better-tasting product, Coca-Cola has managed to hang on to its customers because it has a strong brand. And think about it: who actually owns the brand – the customers or the company? A brand cannot exist without customers, yet a brand can live indefinitely without a company. This is why companies should see their customers as shareholders in the company and take their input a bit more seriously.

The way to the market is often too long and indirect. Corporate marketing departments put too much emphasis on marketing studies and too little on what they see, feel, and hear happening around them. Historically, large unethical corporations have been able to compensate for being out of touch by using their clout, cash, and connections to counteract the effects of social change. But as the market becomes more transparent and less predictable, this model is

becoming less effective. IBM's phrase "Business on Demand" is a more accurate description of what the marketplace is becoming.

In 1984, the same year that Apple started selling its Macintosh, Michael Dell began selling computers out of his living room. In the American tradition of the self-made man he started an empire based on listening to the customer. Very early on he realized the value of letting customers configure their own computers and building close relationships directly with customers.

He turned this idea into an enormous, smooth-running organization that sells directly to consumers, completely bypassing the retailer. Much of the profitability of Dell is based on keeping stocks low and eliminating all the middlemen. Dell is one of the largest sellers of computers in the world today and is still true to its original direct, transparent contact with the end consumer. *Fortune Magazine* ranked Dell as the most admired company in the United States and the third most admired in the world. The company has sales of \$49.2 billion worldwide. Every day, Dell.com alone receives 1.5 million hits and makes sales worth \$55 million, operating seven days a week, 24 hours a day (Rundin, 2005).

Dell has succeeded in creating a positive dialog with the customer, but aside from friendly personal service, where can it go from here? A first step might be to make it a policy to call up customers after a purchase to ask if they are satisfied with their product and ask if there is anything else they would like, whether they have any suggestions, and what sort of information they would like to receive from Dell in the future. This information would then be processed and used in future product development, marketing, sales, and service. Keep in mind that a dissatisfied customer traditionally means 20 potential dissatisfied customers. The Internet has since added a factor of 100 to the equation bringing the potential to 2,000. The good news is that 20 satisfied customers are potentially a few thousand satisfied ones.

Stop and take look at your wallet! Can you see that it's become transparent? It has an entrance and an exit. The transparent market has provided today's wallets with a collective exit called consumer power. Consumers are increasingly influencing companies by letting their wallets do the talking. They have learned the phrase "my wallet giveth and taketh away."

*When consumers see that their wallets are transparent,  
they see the power of an individual in consumer power.  
In a transparent market, all wallets are connected!*

There is a strong prejudice in marketing that consumers don't know what they want. There may be a kernel of truth in this, but one thing is for certain – consumers certainly know what they don't want. They don't want to be ignored. R&D departments argue that customers can't possibly know that they will want or need x number of years into the future. Again, a kernel of truth, but there are countless of examples of ideas practically being forced on companies by consumers. The most well known is the iPod, an idea that came from someone outside the company who had to mount a massive campaign, quit his job and even get a job at Apple, just to get someone at the company to listen to him.

*One reason for failure is that managers often wrongly assume that just because customers are fascinated by an innovation, there also exists a corresponding business model.*

(Henry Chesbrough, assistant professor, Harvard Business School)

Reading the customer is no easy job, but there are many signals, trends, and behaviors that can be translated into innovative new ideas. In R&D, like all creative work, the volume of work is an important factor – the broader the work, the more likely people are to come up with something interesting. In the case of the iPod, Apple transformed a consumer impulse into a business model. Today, the iPod accounts for 49 percent of the company's sales. It is one of those seminal products that transcend existing product definitions. With 20/20 hindsight you could see that if Apple had been listening, it would have picked up on the trend sooner. It makes one wonder what other products Apple has missed.

This brings us to one of the great corporate R&D tragedies of the past 30 years – the Xerox Corporation. To quote Richard Pascale:

*The Xerox R&D lab invented ALTO (which many regard as the first personal computer), the first commercial mouse, Ethernet (predecessor of the Internet), many of the basic protocols of the Internet, client-server architecture, laser printing and flat-panel displays, to name but a few of its numerous contributions. Yet, because*

*the mainstream organization could not arouse itself from the deadening equilibrium of the copier business, it did not recognize nor incorporate the new DNA in its midst. Result: Xerox remained in the backwater of the major wealth-creating opportunities of the past thirty years. This legacy will surely warrant its place in the corporate hall of shame.*

(Pascale, 2001)

The biggest Hall of Shame is not listening to consumers. Other companies who were listening could turn Xerox's R&D into bottom line results.

After 20 years with Apple, Steve Jobs is saying, "The great thing is that Apple's DNA hasn't changed" (Schlender, 2005). It doesn't take much to see that the consumer has changed a lot in those years. Perhaps it's time for Apple to change its DNA a bit. Apple is, to its credit, still a top innovator, yet, as we mentioned earlier, it is still about six months behind its own fans. Maybe it's time for an "iONE."

A successful brand feeds on closeness to the consumer. As companies grow, however, the distance to the consumer also increases. ONE means bringing the customer back into the company. There are many ways of doing this. One of the biggest international success stories in the world is the furniture company IKEA. It has made consumers a part of the creative process not only in that they actually assemble the furniture, but also in that they can mix and match concepts to create their own look. "The family that works together stays together" refers to the feeling of closeness that these sort of projects produce. The next step for IKEA could be to involve consumers in assembling entire showrooms or creating a new collection of completely "do-it-yourself furniture."

This do-it-yourself spirit goes both ways. The customers come to IKEA with a certain openness and meets creations that reinforce their own values. "Why didn't I think of that?" they ask themselves when they see a new piece of furniture or accessory that provides a simple solution to a common problem. IKEA practices what it preaches. It brings the customer into the company.

As the concept of the family changes (all too often wedding rings come with "best before" dates) it will put new demands on the IKEA family concept. If the family no longer stays together, perhaps IKEA should redesign the family so it is better suited to today's reality. Today's reality is that children need to feel at home in several family constellations, in several homes. Adapting to the needs of today's

open-source family and developing the IKEA family concept in a socially responsible manner are challenges of the future. The global teenager is a strategic target group for the company's long-term evolution. Why stop there, why not sell wedding rings with marriage guarantees. It's not as far-fetched as it seems; people actually get married at IKEA stores all over the world. Why not offer them a guarantee on their marriage that's on a par with the guarantee on their furniture. This would logically entail a number of conditions such as talking to a marriage counselor before getting married (yes, before problems arise). What a branding coup to have fans of the brand not only get married at IKEA but also with IKEA.

The Internet will be a key medium for IKEA to become one with its customers. The Internet can act as a collective think tank in a number of ways, such as letting customers be part of the creation by letting them submit their own commercials. This type of online involvement is good branding for a simple reason – it's easier to feel close to something, if you're part of the picture.

There are other ways that IKEA could use ONE to develop its business even further. By creating a site where people could buy, sell, and trade their used IKEA furniture, profitability could be extended to include the entire lifetime of the products. Furniture bought on this collective site could be picked up at a "shareroom" at the nearest IKEA store. The customers drop off and pick up their furniture themselves, minimizing logistics. IKEA would charge a small commission on each sale. The buyers of new and used furniture meet and consumption of new furniture would increase in the long run as a community is created. Statistics from the sales of used furniture would be invaluable research material and a way of staying on top of developing trends – when a new wave of 1980s nostalgia hits, it will be noticeable first in the used-furniture market. The same with trends in color, fabrics, and so on.

The PR potential is also interesting. Maybe that used sofa you're buying once belonged to a celebrity. What other opportunities do you see? Can IKEA offer customers a better price for products that will stay within the IKEA sphere? Can this idea be applied to the auto industry? Are there environmental benefits? How would it feel to see your furniture in the home of a friend's house or that of a complete stranger?

How much is 17 percent of IKEA's product over the past five years – the approximate amount of the IKEA used market. What is the revenue potential of commissions on that sum? Perhaps, these sales will stimulate car sales as some people decide to buy bigger cars and other products as a result of this new behavior. How does this affect profitability?

There are many other ideas: what about IKEA honeymoons where couples live in an IKEA hotel room and assemble the furniture themselves. There are even people who name their children IKEA, which can be a bit too much for any

company. Yet, it is important to acknowledge one's fans and let them into the company. If not, their passion can turn into negative blogs and hate websites as we've seen with so many brands. IKEA must find a balance between the passion of the amateur and the professionalism of IKEA management. IKEA must see the power of letting consumer power work for the company.

*There is a large untapped potential in delivering the larger picture.*

Tetra Pak delivers turnkey factories that include much more than just the equipment necessary for packaging milk. In Saudi Arabia, for example, the company delivered not only a factory, but also a complete farming solution complete with all the cows necessary to produce the milk to be packaged (Andren, 2005). This solution was delivered complete with a package of soft values – all the story-telling and common sense associated with farming.

Story-telling plays an important part in most consumer experiences. The consumer goes to a high-class café and has a memorable experience: drinking the best espresso he/she has ever tasted. The desire to repeat this taste experience exists from the time the consumer leaves the café and continues even upon arrival at home. This puts demands on the market to offer the consumer a reasonably priced espresso machine for home use. It can also mean a certain kind of coffee is imported and sold by the major grocery chains. The merging of cafés and home kitchens means that many eat breakfast out. For Kellogg's this means that it will gradually become more difficult to sell cornflakes. A logical response would be to look at ways of getting the customers to eat their product on the bus, on the tube, or in the office. By keeping an eye on customer behavior, a company will get early signs of shifts that can make or break a product.

A customer that spreads information on blogs causes search engines to rank a certain product higher, making it easier for others to find information. Many companies do not have the right information on their sites or they are out of touch with the real strengths of their company and its offerings. Listening to what customers have to say about you will give you valuable clues about how to better position yourself on the web. In a restaurant, the chef often walks around in the restaurant and talks with the guests. While the chef is building personal relationships with guests he/she is also doing R&D research on how to further develop his/her cooking. The distance between corporate chefs and their guests is often so big that they have virtually no contact at all. Whatever it takes, this



distance must be reduced. Think of your relationship with your customers as a journey of discovery, a way of challenging your own conceptions. Meeting customers with talents other than your own is better for everyone.

To achieve this you must start by structuring all internal and external contacts to encourage this sort of exchange. Try to create a self-educating organization. World trends should be charted in detail and followed closely. If these activities are carried out in a spirit of fun, they will become self-perpetuating. Let's face it – everyone wants to look out at the world through his or her little workaday window.

Fast food chains have lost billions on being late in catching onto the health trend that is sweeping the world. Many of their brands are suddenly dripping with fat. Global TV series such as *Friends* have given the already large café/coffee industry a massive extra push along with the makers of those extra big coffee cups. The list goes on.

What will influence our eating habits in the next ten years? Have you changed your own patterns of consumption in the last ten years? Do you still eat breakfast at home? How does customer bonding influence the product? Should psychologists perhaps turn their waiting rooms into cafés?

A company tends to prosper with its customers at the controls; customers have a better feel for the potential of a company. In 1981, Howard Shultz was a customer drinking a cup of coffee at a small coffee shop in Seattle. Today, he is one of the owners of that coffee shop, which is now ranked one of the 100 most valued brands in the world. The name of the coffee shop is Starbucks. From the beginning, the philosophy was always to serve one cup at a time, a philosophy that was central as the company was expanding in the United States. When Starbucks was considering launching the concept internationally it began opening cafés at international airports around the United States. The feedback the company received from international customers was invaluable market research that helped make its move onto the global market a successful one. These satisfied international customers also became story-tellers for the company and when Starbucks opened in their country the company already had ambassadors in place to spread the message (Simmons, 2004).

Recent figures show the result: 15 million customers a week in almost 4,000 stores. Starbucks is a classic case of the G-Customer – the company walks around the customer while slowly moving closer and closer to him/her. Gene Kelly would have been proud.

The world's largest chain of bookstores, Barnes & Noble, often has Starbucks coffee shops. Reading and coffee are a natural combination and can turn a bookstore into a second home.

Some banks, such as the SEB, have also brought cafés into their offices. Food and coffee tend to calm people and get them to open up, as most business lunches will prove. I've even seen the mention of food stop a minor riot on an airplane. On a recent flight, an uncomfortable situation had arisen; the passengers were on the verge of panic. When the stewardess announced that food was now being served, the edge was taken off the unpleasant atmosphere. Is there a connection between food and primal survival instincts? What potential do you see for using food?

## **From a student of ONE to the Fortune 500**

The value of customer input is worth millions in R&D dollars.

“ONE of the great ironies in business is that while customers are our lifeblood, few companies in most industries bother to take their pulse,” says Michael Dell (Dell, 2000).

This is why Michael Dell spends 40 percent of his time with customers, as does IKEA's founder, Ingvar Kamprad. (Both companies, by the way, have very satisfied customers.) Michael Dell works long hours to remove as many of the unnecessary steps as possible between Dell and the customer. Like Gene Kelly he wants to make the dance simple, graceful, and free from unnecessary movements.

Dell EMC's Business Manager, Thomas Rundin, started his career as a bartender. The way he describes his present job, the parallels to his old job are striking – listen to the customers and try to predict how you can exceed their expectations. According to Rundin, it is especially important for companies like Dell to create new goals; when you're number one it's easy to get complacent. At Dell, the pace is actually speeding up as the company widens its product base from computers to peripheral equipment to electronics. Dell has an internal goal for 2007 to double its sales.

Thomas points out that the most powerful marketing channel is the customers themselves. Every customer has his/her own set of rules and every industry its own ideal. Dell has never experienced this as a disadvantage since customers sell to other customers with the same values. Dell has streamlined its corporate DNA in order to react quickly and efficiently to changes in the marketplace and to have a real-time assessment of profitability in the various market segments.

Thomas Rundin explains the company's internal processes for creating internal transparency and cloning the Dell concept for success in order to spread it in the company. The goal is, as always, to exceed customer expectations in order to create an enthusiastic story-teller. Everyone at the company is educated in how

to work with the company's processes of change. There is a feeling that everyone starts at white belt and works his or her way up to yellow, green, black, and finally master black. The result is that everyone in the organization knows who is driving the company forward and how. Great emphasis is put on transparency within the organization in product development and management.

I can't but wonder what would happen if you used these metaphorical belts for real in your organization. How would it work in practice and what color belt would you have? Or your boss?

I asked Thomas Rundin if someone like Dr Phil (an American TV relationship and life strategy expert) would be good for Dell's customer service department even though he isn't especially technically inclined. He answered that Dr Phil would be a good choice because of his ability to ask the right questions. Every opportunity for dialog with the customer is a sales opportunity regardless of who at the company it is.

"We are constantly working on improving quality. Overall quality in the computer industry is generally accepted at 1 percent defects," says Rundin "Just think if there was something wrong with 1 percent of all airplanes!"

I interpreted this as "our customers keep us flying."

Rundin uses very descriptive language and acts as a sort of story-teller that lives to help both employees and customers to see themselves in the big picture. By making the picture as clear as possible for everyone, Dell is moving from selling products to helping the customer buy. It makes purchases as easy as possible in every way possible, such as through thousands of customer-tailored purchasing portals where big customers can order fast and hassle-free. They also identify "brand champs" – customer fans who drive business and spread the right rings on the water.

Dell is not only working to be ONE with its customers, but also with its suppliers. As each Dell computer is assembled only after it is actually ordered, Dell has developed one of the world's best distribution systems, and this in an industry where money is synonymous with speed.

Dell has actually started doing what I have talked about for quite some time: they are measuring customer satisfaction rather than customer dissatisfaction. Having satisfied customers means reaching the "right sort" of customers, those that already have a computer and wish to buy a second one. These customers don't need as much support – support that cuts into profits. Even though private customers account for only 12 percent of the company's sales, they are essential to creating visibility and strengthening the brand.

For Rundin, the power of consumers is enormous and should be treated

with respect. Having this power on your side makes everything easier. When asked how Dell is trying to speed up the transaction, he answers: “1) Do it sooner – close the deal today and you can make another tomorrow. 2) Do it bigger – see the entire customer and all his needs and 3) reduce the risk – make sure you have the right decision-maker at the right time.”

I asked him about wild employees. Rundin answered that he lets his wild men and women handle test projects under controlled conditions and if they do a good job, they move up. He adds that all success is shared by the entire organization.

The moral of the story is that to customize, you need to customerize. Dell creates intimacy with large groups of customer groups by closeness between product and various business areas in both B-to-B and B-to-C. This intimacy allows Dell to learn from its customers and more easily identify threats and opportunities in the marketplace.

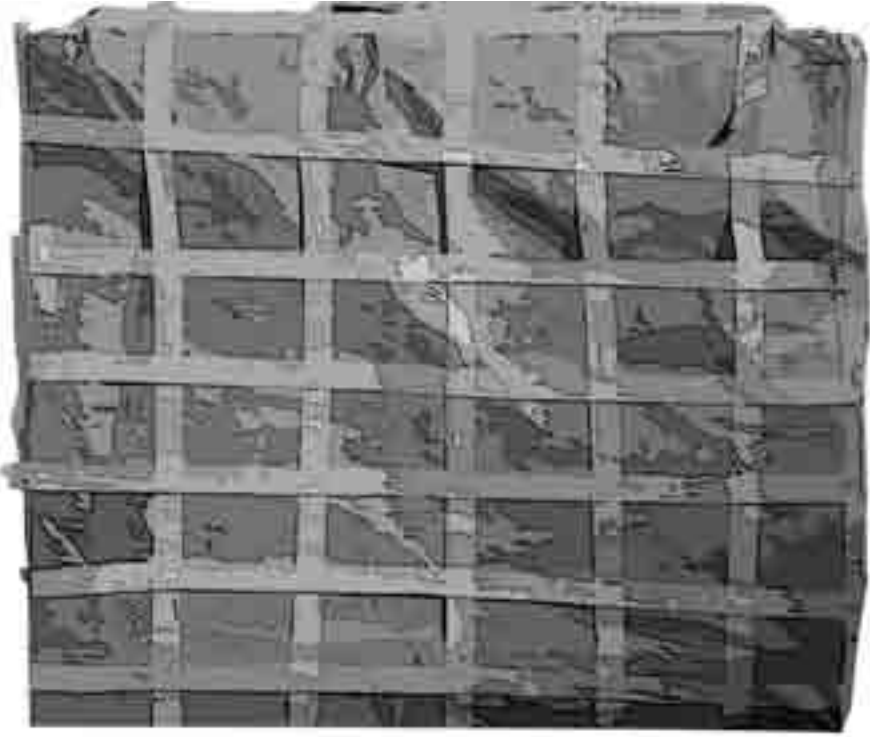
### *Customers set their own rules.*

(Michael Dell, Chairman and CEO, Dell Computer Corporation)

As long as Dell continues to play by the customers’ rules they will continue to grow.

Apple fans have long turned packaging into art and unpacking into a ritual. Dell delivers millions of packages to customers all over the world. Just think if Dell redesigned its packaging so that it could live on as a chair or a computer table, the company could begin to create a new kind of Dell fan and add a new dimension to the brand. Distribution has always been one of the least developed areas of branding and sales. This sort of branding could be achieved by partnering with innovative packaging suppliers such as Smurfit Kappa Group. Packaging that lives on can turn the customer’s home into a sort of showroom for the customer’s family and friends. Packaging can encompass everything from environmental consciousness to origami (include a book on the subject in every box, for example). Dell could in this way offer fans a structure in which to become more visible. If you took away t-shirts, flags, and other symbols, it wouldn’t be as easy to create football fans – they wouldn’t know where in the stands to sit and cheer. Everyone wants to find their flock.

Both Bill Gates and Steve Jobs started in a garage. How much would those particular garages be worth for a newly started company? What would happen if Dell started making cars using their direct-to-the customer concept? And what did Michael Dell mean when he said “On the web, no one knows I’m a CEO”? When a company is number one how can it use customers to move it forward?



Make the packaging a part of the product.

*Should Brazil's national football team dance salsa on the field if the fans aren't dancing in the stands?*

## **Game ON(E)**

The game market is enormous and growing, yet not without its obstacles. One problem that could harm the industry in the long run is the wide spread of skill levels. Some players are so good that they compete internationally and support themselves as professional gamers. These fans are used to develop new games and the result is games that are ever more challenging and heavy on special effects. On the other hand, there are too few levels to classify the players in a meaningful way, while the highest level is fixed and after a while fails to be challenging for the top-rate player. The key is finding a good balance between the two.

I visited a game developer last summer. All the windows were covered with

black plywood to keep daylight out. Everyone was dressed in black with black roller blades. Quite a sight, but hardly representative for the target group in general. To find a more natural balance, one idea might be to apply some sort of handicap system similar to golf.

Parents have long complained that their children would rather sit inside and play games than go outside and just play. The game maker Gizmondo is now taking up the issue by making portable 3-D game consoles where the players use their bodies as joysticks. The consoles use GPRS (General Packet Radio Service) to allow the player to run around in the actual game, mixing reality with illusion. This technology can be combined with local advertising so that when the player is close to a clothes shop, for example, he/she can buy a shirt on sale by showing the barcode that appears as a “smart ad” on the screen. The ad would be designed to mesh seamlessly with the game action. Already, well before its public release, the game console had created fans in a number of Internet communities. Estimates put the number at 15 communities with 30,000–100,000 members each – a marketing and product development goldmine. Soon you may see 450,000–1,500,000 fans running around town playing virtual games. Considering that Apple turned its 44,000-reader newsletter community into 300,000 customers and millions of dollars in sales, the potential is enormous.

*It's more important for me to meet an editor for ONE of our most important communities than to meet a reporter from CNN!*

(Niclas Hermansson, Head of Global Digital Marketing, Gizmondo)

How can Gizmondo use their game consoles on a transparent market? What opportunities do you see for the company to connect corporate culture and the customer via its products? Why are so many brands in the game business? Or is it game over for Gizmondo when the big elephants get ready to stomp?

## **Dirt is good**

A current ad campaign by a detergent company is also turning the problem of children, and grown-ups, sitting behind their computers and not getting outside enough into a branding opportunity. The campaign features black and white print ads and commercials featuring people involved in some free time activity in the

mud – football, rugby, running. Each commercial finishes with very stylized slow motion ending with a freeze frame of a pile of laughing muddy people. The reasoning is that dirt is part of enjoying life. Dirt is good. Go ahead and enjoy yourself.

## Going even further

Most companies count their profits in money; Ryanair counts its in customers. As we discussed earlier, its ultimate goal is to be able to offer free flights. Michael O’Leary, Managing Director for the company, wants to shift the traditional border between buyer and seller. By just showing up and sitting down in their seats, Ryanair passengers are paying their way. They are no longer passengers; they are currency. There are, even today, small cities that are willing to pay over 5 million to get Ryanair to fly to their airports. They know that these millions of travelers will bring money to their region.

*When a flock of seagulls change direction, there is no leader that starts them off. The entire flock acts as ONE and turns together.*

Ryanair has challenged the established airline industry by doing away with bureaucracy and offering innovations such as e-bookings and ticketless travel. The other airlines are responding by copying the business idea and doing anything they can to force Ryanair off the market. This puts Ryanair in a position where it must develop its brand or die.

Let’s take a look at what it can do to take its business to new heights using ONE.

## *Background*

The hotel and restaurant industries are being far too passive about the new opportunities offered by the transparent economy. Most people can’t afford a glamorous jet set lifestyle, yet their combined travel dollars are worth much more than the combined outlays of the rich and famous. Combining travel with house swapping is a growing trend, but the trend is not growing as fast as its potential due to issues such as uncertainty, insurance, and so on. Ironically enough, Paris Hilton has done mass advertising for the charter and travel industry in her show *The Simple Life*. Why check into a Hilton hotel if you want to live a simple life?

## *Goals for ONE*

Increase passengers by 100 percent, while making the trip 100 percent friendlier. Ryanair could be made 300 percent more profitable by expanding and diversifying. Let the customers drive sales by giving them ONE processes. Increase globalization by making the world 30 percent rounder – today's it's pretty much flat on a mental level.

*The most complementary technology to the Web is a 747.*

(Bill Raduchel, Vice President, Sun Microsystems)

## *ONE flow that shows*

Continue using the Internet, but take it a step further by making it more personal. Make money on the entire trip, not just the transportation. Expand your offerings. For instance, everyone who travels leaves one residence empty, a gigantic potential. Hotels are expensive and impersonal. Ride the wave of the future – swap housing with other travelers by partnering with existing swap sites. Offer the millions of people who trade some sort of insurance or guarantee along with a clear set of rules to minimize complications. Build a community of customers who rate comfort, cleanliness, location, neighbors, and the like, just as customers review books at Amazon.com. It's easy to match tastes. Scandinavians like the Mediterranean and Thailand, Americans like northern Europe, and so on.

*How to get 2 billion consumers to stay for breakfast.*

This idea would lend itself beautifully to both advertising and PR. “This summer, 100,000 Parisians are moving to your city for a few weeks. Here are a few French words you should know ...” or “This summer you have 100,000 free apartments to choose from in Paris. You'll find them on ONERyanair.com.” These are both examples of a strategy that could have an incredible impact, both as a media phenomenon and as a grassroots trend. A website with a good dose of story-telling and transparency could create a powerful and profitable community. The pressroom on the site could be a forum for journalists to not only swap housing internationally, but also to swap jobs. Similar ideas would naturally develop for other professions. Regions can use the site to attract certain professions to their area just as



France succeeded in attracting mirror-makers from Venice to establish a French mirror industry in the sixteenth century (Melchior-Bonnet, 2002).

The synergy effects of ONE will make the concept grow with the customer. Grassroots sales of this sort need little advertising – the passengers are already flying Ryanair and getting ready to touch down in a land of new experiences and behavior.

When this concept takes off, there will be a lot of competition from established hotels, but ONERyanair.com has the advantage of being able to create a unique profile and lifestyle that amounts to a paradigm shift.

Ryanair could also make consumption of its services more visible by offering incentives such as theme travel, “paradise swapping,” a Ryanair points system that encompasses such things as cleaning services for swaps that can develop into a market in itself or Tupperware-like parties at the end of a swap.

Are there other income opportunities for ONERyanair.com – shopping tourism, culture, ecotourism? Who would you want to swap with? I’m traveling in a few months. Would you like to swap with me? Send me an email and we’ll talk. stefan@detectivemarketing.com

*Some markets move so fast that you need to act on  
what’s around the corner, before you’ve even seen it.  
Or you will have missed the opportunity.*

## **CNN and ONE**

Mass media lives very much in the here and now and as such is changing rapidly to keep up to date. The Internet and blogs have increased both the amount of information available and the speed at which it’s spread. The word “renaissance” is being used by respected people in the field such as journalism professor, Jay Rosen, New York University, and journalist and writer John Lloyd, at the *Financial Times*. How can ONE be part of this renaissance?

Let’s suppose that CNN is, at this very moment, wondering how it can apply ONE to its organization.

Information travels faster and in far greater quantities than the media are able to cope with. Massive filters turn the flow into a manageable and brandable stream. Free newspapers, TV-like newspapers and newspaper-like TV serve up information in ever smaller and more easily digested portions. Profitability in the media world is based on the way in which the raw information is

ONE

**Draw a picture of your company  
as the customer sees it.**

A large, empty rectangular box with a thin black border, intended for drawing a picture of a company as seen by a customer. The box is centered on the page and occupies most of the lower half of the document.

**Make a list of 5–10 companies, brands, or products you are a customer of today in the mirror below.  
How much of yourself do you see in them?**





Who sits in front and steers? Who sits in back at CNN? Traveling together creates common interests. Today's media aren't as fast as the Internet, but if you're on the same bike, you'll both get there at the same time.

processed, packaged, and presented. The great flows of information have shifted to blogs and other digital forums where sender and receiver have direct contact with each other and the world.

Media is, to a certain extent, an illusion that creates its own reality. For this reason, there is an enormous potential for new media channels that let the sender and the receiver of information ride in tandem and maintain a more credible balance between illusion and reality (Jonsson, 2005).

*Media and perception are all about packaging. With ONE, the customer is part of the package.*

Both news and PR agencies are experts at packaging news to fit different media channels, but it is the depth and breadth that create substance. It is the customer's experience that motivates our modern tsunami of information. This places new demands on media, but also opens up new opportunities. The forces of the market place are pushing the media in two directions simultaneously. On the one hand PR and corporate pressure are trying to shift the focus to issues that affect and encourage global consumption, while on the other hand grassroots pressure is pushing for a more local focus with higher entertainment value. Naturally, we need both a macro and a micro perspective. As mass advertising is proving less and less effective on a global level, we are also beginning to see that advertising is becoming more and more focused and more and more local.

With this in mind, how can a global media player such as CNN use ONE to prosper in our brave new world? Imagine the following scenario.

Today, CNN has over a billion viewers. How can the company apply ONE to bring these people into the company? One way is to deepen its relationship with them. Another is to create new relationships among these people. Let's say CNN makes an agreement with Sony to market a CNN Digital News Camera that sends images directly to a website. People document their own lives and the lives of their friends and neighbors. To allow these people to interact, CNN would create a ONEcnn.com with free homepages for everyone who had purchased a starter kit. This site would not only supply news from country to country, but also from community to community, family to family, and even individual to individual. This news would in no way compete with existing news coverage, but rather complement it just as the local press does today. Over the years, we have seen the power of the small community newspaper as a marketing medium. In addition to starter fees for the web service and the profit on the cameras themselves, somewhere along the line, these 1 billion people will turn into consumers, with CNN first in line to turn their needs into revenue. CNN already uses much journalistic material from viewers who happened to be on the spot when news broke. With a billion relationships, there will be far more on-the-spot reporters. A stronger relationship between sender and receiver would be created when the two are ONE.

Picture being ONE-line live with 1 billion people where you choose the camera or the film. "Honey, could you give me the remote control so I can change camera angles?"

How can ONE improve the credibility of CNN or even Fox? And why are there now so few positive news stories that don't feature stupid pet tricks? What would you do with 1 billion customers? Is traditional TV news still the fastest medium? Or are blogs and the Internet faster? Do you see how they can work together?

Today, consumers often watch several media at the same time. Many surf the web with the TV on in the background, which is one reason why there are so many commercials for web-based goods and services. Many commercials continue on the net in a slightly different form, yet, all too often the format is just a carry-over from one-way TV communication. Why not encourage inter-activity? And what about blogs – isn't there room on CNN for a "Live Blog Show"? Everyone would come out ahead: the blogs, some of which are top-rate, would get exposure, CNN would get a much needed window out on the world, and both would make money.

What effects are bloggers having on conventional media and business? Should corporations use their wild men as star bloggers? (Even Microsoft employs the services of blogger celebrity Robert Scoble.)

*Fast Company* magazine pioneered local community building around the world. These “Companies of Friends” have served as models for many other periodicals as a way to get readers to become part of a cause. *Fast Company* was at its peak during the dot.com boom so it was quick to follow the interactive trend (Banks and Daus, 2002). When I visited the magazine in Boston, I was really struck by how it was “living the brand.” In my meeting with founder Bill Taylor, it seemed as if he was more interested in hearing about Company of Friends events in Stockholm than telling me about the magazine, an interest that seemed genuine. It is just this sense of genuineness that most companies lack in their contact with customers.

Media and brands reflect and shape our times. How they do it determines many facets of our daily lives. The Korean OhmyNews.com has received international attention for letting the readers contribute news stories, editorials, and photography. Ohmynews.com is an open-source news organization of “citizen reporters” that offers readers two-way journalism – you read the news and write it too. Here, the company uses ONE to achieve great notoriety that sometimes misses the most important point: the feeling of pride among contributors is so high that the general level of the site is surprisingly high as well.

*A sculpture by Korean artist Do-Ho Suh shows thousands of tiny human fingers lifting a heavy stone block. So it is with consumer power – millions of small consumers making or breaking even the biggest brands.*

Using the digital media now available to everyone, most media could easily let readers create 20–60 percent of their content working together with journalists. This is not a nice thought; it’s long-term survival. The blogger phenomenon has shown that when consumers tire of what the conventional media have to offer, they turn to other media.

## **How consumer power changes the world**

Humankind’s eternal conflict between good and evil is as timely as ever. The media’s instant coverage of far away events has created a global consciousness and a global conscience. Blessed are the humble, for they have great buying

power. We saw this when environmentalism came to stay. There is a market for doing good.

*It is only when evil kisses good that a new world can be created. Evil contains power and know-how. If every bullet fired in the former Yugoslavia had been a seed, the region would have been a rainforest to stroll in, instead of a mass grave to cry over.*

Before, it was countries that had the power to change the world. Much of today's real power and resources are in the hands of the world's large corporations. The corporate world is evolving and changing shape to meet the demands of the market. "Evolution" has become the eternal free market, something that we would all like to control, but which actually controls us, for better or worse.

Cynical competition creates new demand. Nike is easily one of the largest sportswear companies in the world. Its distinctive logo has to my mind become a symbol for the aggressive and cynical way of doing business that has made it



Organized customers can chose to buy a better world or a worse one.  
Ethics and values are an undeniable part of the market forces  
that shape the world.

the biggest anti-brand in the world. Sports today are a far cry from the basic values the sports were built on. The sports world's cynical elitism is seen more and more often in the way track and field and basketball stars are sponsored. The positive social values embodied in sports have been lost in the shuffle. I find it hard to believe that there isn't a growing demand for more human brands. Nike has left a number of dirty footprints that have created considerable ill will towards the brand.

When many people unite against a brand, a demand for an alternative is created. Why not develop a straight smile logo, without ulterior motives and cynicism: SMILE Sports. With the right human touch, such a brand could find a large market. Who doesn't want to see kinder, cleaner Olympic games, free from bribery scandals and doping? This brand would be more socially conscious and be associated with sports that not only develop the individual's well being, but help build a better world as well. A kinder sporting goods brand would open many doors. The brand owners could be an association of charities.

How would your skills come to use in such an organization? What events should be included in a more human version of the Olympics? Name three sports personalities that embody SMILE Sport's values.

In one episode of the popular satirical TV show *The Simpsons*, the family bought a toy that smashed all the other toys in the house because it didn't like competition. The toy's name was Microsoft. Even though Microsoft is still going strong in the face of widespread ill will, sooner or later this sort of consumer cynicism will cause problems.

In the transparent economy evolving around us, consumers are finally getting the tools to use their power to force corporations to play fair or not play at all. In a world where consumers see their purchases as votes for a better world, "management by goodness" would be more than a phrase, it would be a competitive advantage.

*Management by goodness gets the biggest boardrooms.*

After the devastating tsunami in Asia, a number of New Zealanders went to the region to help rebuild. These people wanted to do more than just send money, they wanted to do something concrete and meaningful. Each of them paid over \$2,000 for the trip. The agent who made the arrangements soon found himself booking another 600 passengers on similar trips. Imagine how much 600





ONE goes beyond make-up.

tradespeople can contribute to rebuilding a country, or 600 doctors or engineers or technicians. How many other millions of people would spend their vacations helping if they could? And what about pensioners? The potential workforce is gigantic – a wonderful opportunity for charities to create ONE in their daily work and deal with the negative aspects of their work such as funds that don't go to those who they are collected for. People and their know-how don't disappear in the accounting.

Give the customer meaning that is free from hidden agendas. The cosmetics industry has given women an unrealistic image of themselves by holding up a fake mirror. A recent study showed that teenage girls often overestimate their waist measurement. Surely there must be a better way to sell beauty that doesn't lead to anorexia and eating disorders.

One way is to go deeper, to be more human and take more responsibility. A smile comes from the heart and that's where all messages about beauty must come from. So what can be done? One simple thing is removing the artificial and/or air brushed model from adverts and store windows. Many stores have been doing just that – replacing their boy/girl mannequins with figures that

have real feminine and masculine curves and imperfections so that the customers can see their real selves in the products being marketed.

In the Spring of 2004, Unilever launched its campaign “Dove for real beauty” that takes up just these issues. The company uses the story of Fiji as background.

“Until 1995 Fiji didn’t have TV, and eating disorders such as bulimia and anorexia were virtually unheard of. However, within three years of its arrival – and a diet of programmes such as *Melrose Place*, starring the usual beauty parade of wafer-thin ‘blonde bombshells’ – researchers at Harvard University found that 15 percent of teenage Fijian girls were making themselves vomit to lose weight. One survey, for example, found that 75 percent of teenage girls felt ‘depressed, guilty, and shameful’ after spending just three minutes leafing through a fashion magazine.”

([campaignforrealbeauty.com](http://campaignforrealbeauty.com))

The Dove campaign featured a group of very real women not airbrushed or re-touched in any way. It showed real body types, including fuller figures. The campaign site is a forum for beauty issues. “Do you think advertising sets unrealistic beauty standards for women?” reads one poll question. Of the site visitors 92 percent answer “yes” and only 8 percent answer “no.”

Visitors discuss beauty stereotypes and the need for a change. A girl from New Jersey answered what real beauty is: “Real beauty to me means loving yourself completely.”

The campaign won awards and sold product. More importantly, it will probably influence other people in marketing and advertising. This industry will in turn influence the other media because obviously it is dependent on the billions of advertising dollars spent each year. The advertising industry and the companies that buy its services can, for instance, boycott periodicals that write articles about plastic surgery aimed at teenagers or TV channels that carry programs such as *Extreme Makeover*. In conversation with one of the big names in Dutch reality shows I asked him when we could expect to see *Extreme Bad Makeover*. When he asked me what the program would be about I explained that the show should be about taking naturally attractive people and using the miracle of modern plastic surgery and cosmetics to make them as plain as possible.

He laughed and said that there is no one who wants to be made ugly.

“No,” I replied, “That’s the whole point of the program – no one wants to be made ugly, which means that everyone will want to watch someone who does. The program would get incredible ratings, which is the name of the game.”

Yes, I was being sarcastic, but I did make an attempt at explaining that there are probably many beautiful people who are tired of their lives being based on their looks and that they desperately want to become less attractive. The soap opera king didn't buy my reasoning. Or at least I hope, for all our sakes, that he didn't.

In Denmark, a reality show called Porn Star was taken off the air. (I don't think I need explain the concept.) In Germany, there is another show that needs no explanation: Big Diet. Things have gone so far that some big advertisers are stipulating that their ads cannot be run during certain soaps and reality shows. In fact, it was the advertisers who were instrumental in getting the Scandinavian media concern MTG to take Porn Star off the air. Indications are that this trend is growing. Advertisers are discovering to their surprise that consumer power is big money and big money is big power. Consumers are tapping advertisers on the shoulder, and advertisers in turn are tapping the entertainment media on the shoulder.

A good plastic surgeon always gives patients a photo of how they looked before the operation so that they can better deal with the identity crisis that can come from seeing the new them in the mirror. Someone in world of marketing and media forgot to give the consumers a before picture and now they are having a hard time seeing themselves reflected in what they see.

### *Getting men to face up to make-up.*

The TV show Fab Five has made it more acceptable for men to think about their looks. Many beauty product chains have seen as much as a 30 percent sales increase since Fab Five came on the air. Yet, there are still no real shops for men where men feel at home. Men buy facial creams, cosmetics, and other beauty products; and colors are finally coming to men's clothing. As fashion is becoming butch, so is increased health awareness. The question is who will capitalize on this development and how? What opportunities do you see here? Is there a way to combine health and beauty?

### **Volvo creates headlines worth millions of ... purses**

The 72nd International Car Show in Geneva broke with tradition by finally acknowledging women. After years of more or less completely ignoring them, Volvo introduced a concept car designed entirely by and for women. From start to finish the car was based on the ideas, experiences, and values of women –



both professional car designers and non-professional customers. Volvo's car instantly generated millions of dollars of PR and will probably open the purses of millions of women when the car comes to local car dealerships. That such a simple idea could be so successful is proof of the power of letting the consumer participate in making new products from the beginning. In the auto industry and many others, there is a need to let the customer build his or her own car, not on the standard website where you pick engine, transmission, and options, but much earlier in the process. The idea is to integrate the customer and begin the buy process much earlier.

What would your custom car be like? Wouldn't it be fun to cross an East German Trabant with a Subaru sports car? Maybe Volvo would assemble it.

In parts of Asia, women have started using "right-handed wedding rings" to show that they are successful, unmarried, and enjoying their freedom. These sorts of symbols spread quickly. Jewelers have been quick to see rings on the water for their businesses. But what does this trend mean for carmakers, for example? Just as a number of socio-economic factors made SUVs a major trend, so will the Asian single woman create a wave of convertibles. Convertibles are about as impractical as SUVs, yet they both make strong statements. The convertible says "I'm single and don't need a lot of space for a family. I can afford not to be practical." The convertible can become the "right-handed ring" for both men and women, a sort of signal flare for singles. This sort of trend would help the auto industry lift driving from transportation that is more or less comfortable to pure entertainment and a passionate hobby.

What is your favorite convertible? Are there other markets in need of a signal flare for singles? Travel, real estate, career?

## The search for distribution

Meeting places can also be a form of distribution. As we mentioned earlier, Stockholm's subway system is one of the biggest distributors in the city. Over a quarter of a million people a day pass by the central station, of whom 50,000 enter the Åhléns store.

A distributor's power comes from the fact that it is closer to the customer at the point of sales than the supplier. Distribution is critical in reaching consumers with a brand. Large grocery chains are often left in the dust by fast food chains such as McDonald's. Coca-Cola can be found everywhere, but not because it's so popular; rather, Coca-Cola is so popular because it can be found everywhere. The Coca-Cola Company realized early on that making sure its machines could be found in every corner of the world on every street, would make the choice of soft drink clear. And it is.

Success or oblivion can hang on how a product is distributed. If you can create an imbalance by pioneering a new form of distribution (as Coca-Cola in the 1950s) you create new opportunities.

No matter how much we surf digitally, we are still trapped on Maslow's hierarchy of needs. Distribution of our most important goods has yet to progress past the Neanderthal stage. Why should goods travel twice around the world before they meet the consumer? Why must every family carry milk and detergent every year equivalent to the weight of five elephants? The perpetual rush to get things done lowers the quality of life. The market always has a solution, such as home delivery and website orders. The problem of goods having to travel around the world, however, remains. The means of distribution should be closer to the consumer.

Two businesses that have succeeded in creating good local distribution are insurance and cable TV. They have managed to sell their services directly to employers and landlords. A slight rent increase pays for the extra channels. Why couldn't the same sort of increase pay for stocking the laundry room with detergent? Why not offer milk and Coca-Cola on tap in every apartment? When I first made this suggestion in my book *Detective Marketing* a few years back, it generated a fair amount of smirks. But not too long after the publication of the book, Coca-Cola announced plans to begin distributing their beverage by pipeline. A notice in the *Sunday Times* article from March 18 2001 read:

*It may be just a pipe dream, but Douglas Daft, the chief executive of Coca-Cola, is planning to compete*

*with water by channeling Coke through taps in customers' homes.*

(Interview by Rupert Steiner)

ONE lets both you and me be ahead of our time.

Another distribution solution could be a “brand card” – a sort of credit card for a brand that registers consumption of distributed goods to the end consumer. The brand card could identify different lifestyles, stimulate consumption, and help aim different messages at different target groups. Entertainment and social values can be developed from the ground up; in the end only the circus will remain. Why not let the circus sell the goods directly? Using the entertainment and recreation industry as a sales force, social networks for different groups of consumers can bring people closer; for example, boating enthusiasts, golfers, outdoors people, and so on. When consumption is part of the actual activity, a strong emotional bond is formed with the product. The experience associated with the sale, becomes a part of the value of the brand.

How does distribution affect the ONE power scenario? What movement do you see on the market? What behavior causes new forms of consumption?

If we return to the house swapping scenario we can see new forms of distribution just dying to be tried out. When people start living in each other's houses on vacation there would be an instant rise in furniture sales – extra beds, sleeper sofas, and decorative furnishing would make a house more attractive on the market. Insurance companies, always quick to try new forms of distribution, could offer “home away from home” policies to add an extra element of security to the phenomenon. TV could start making reality shows about two families who switch, maybe even in the same city, and document the experiences of each. (Something tells me they already have.)

Building contractors could rent out new houses on the condition that those renting are willing to trade with other tenants who wish to see what it's like living in a certain neighborhood. This sort of demo-living would be much more personal and a better sales argument than anything you could present at an expo. For the contractor, the arrangement would help to maintain the appeal of new neighborhoods longer. The cost of the housing would be deducted as part of the marketing and sales budget.

Imagine that you are a contractor with 30,000 new apartments. How can you make the most of the “demo-living” and house-swapping wave? What sorts of companies could you partner with?

## Part 4

*Start using ONE*





## Hands-on advice on how to get started on the road to success

You've studied ONE's potential and pondered some of its finer points. Now it's time to put it into action. The book offers a number of examples, but life will supply the rest. And common sense.

### ONE Manager

Create a new position with the job description of tearing down the Berlin wall between your company and its customers. Formalizing the position is a good way of making the ONE concept concrete. Giving someone responsibility for change holds up the mirror to others in the company. Start a magazine or newsletter with plenty of editorial space dedicated to the opinions of the readers.

The ONE Manager will have considerable sway with the R&D department and will emphasize the importance of launching products that are feasible now, with the spin-off effect being a more motivated R&D staff that can see the concrete results of their all too often all too theoretical work. The ONE Manager can create interaction and act as an interpreter between consumer and company. This contact will get the ONE process rolling and give it the momentum to continue rolling by itself. Any company can create an email address ONE@company.com to make it easier for consumers to get inside the tin cans that corporations have squeezed themselves into, but the effort must be wholehearted. The company must have the organization and personnel to deal with the email and help customers develop ONE. A full-time ONE manager is a must. You only get ONE chance with ONE.



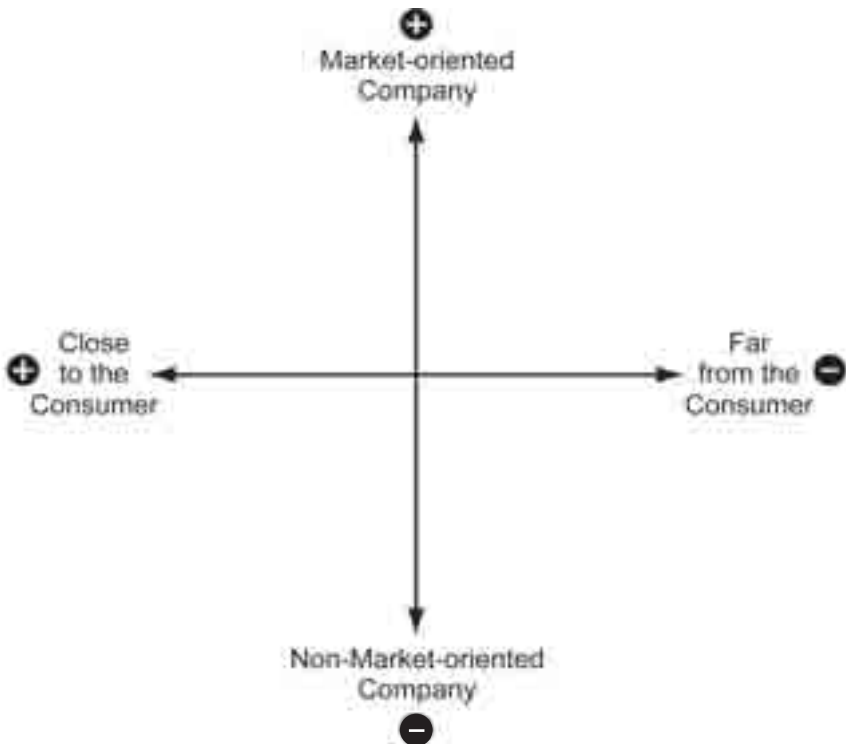
Let's add another dimension to the diagram we introduced earlier on the importance of blurring the boundaries between the three stages of consumption. A good example from history is the traveling circus.

When the circus came to town, the very arrival was part of the show – an elaborate caravan was always accompanied by a taste of the entertainment that awaited the town citizens at the show. Later the townspeople were welcome to help the circus set up camp, followed by a show that often used the audience as a part of the entertainment.

The Internet will be an invaluable tool for staying in touch with real-time business holding up the mirror to reality. As your company evolves, the pay-off for the customer to get involved develops along with it. Together, they create real value.

## Remember: top of mind without soul is wasted money

Much of the flood of TV advertising by the largest multinationals is wasted money. These companies, who are chasing broad target groups, have managed to buy “top of mind” for their brands at an exorbitant price. Many of these products will fail in the long run because they have failed to create a deeper relationship between the consumer and the product. For example, when you move from point A to point B, your buying patterns don’t change significantly. Nor do these patterns change when you move product A to market B. Advertising can make you notice a new product, but it isn’t until you experience something and buy the product that you go from “top of mind” to “the test of my new consumption



behavior.” This is why coordination of sales and marketing is such a powerful force – it reinforces new behavior. Top of mind can be compared to first and second gear in a car – it takes a lot of power at the wheels to get a new product rolling. Then, when consumption grows another kind of power is needed to pick up speed – higher gears, customer’s experiences. Unfortunately, many brands rely on top of mind and get stuck in first and second gear.

This gearshift analogy can also be used to illustrate how sales, marketing, PR, logistics, space management, and customers can work together. Naturally, you can drive in first and second gear all the time if you are all alone on the road, but there are very few companies who are alone in their markets. The customer can always find something better.

## Using the ONE evaluation method

Take a look at the world around you and your market’s place in it. How ONE is your market today? Since your situation is unique, the fields in the diagram above have been left blank. The diagram has two axes: one is how far X is from customers and the other is how market-oriented the company is. Plotting these two coordinates helps you find your place on the ONE map and to see who is the dolphin and who is the shark in the transparent market before you start your ONE work.

Now, position the following industries on the diagram, using A1 to symbolize the consumer and B1 to symbolize the company representative.

1. The auto industry
2. Electronics
3. Food
4. B-to-B in other industries
5. Banks
6. Insurance
7. Hotel and travel industry
8. Housing
9. Your company
10. The company you would like to start using ONE.

Discuss the exercise with friends, colleagues, and customers. Identify the opportunities for changing the market. If there is a significant gap between how companies act and how you would like to market to be, then there are huge market shares waiting for you and your company. Below you’ll see how to

convert potential into business. Let's take a closer look at how to get a brand to move the border between the three stages: trial, consumer, and spread.

One of history's great visionaries was writer and civil servant Niccolò Machiavelli (1469–1527). In my opinion, he was one of the first consultants in the art of shaping attitudes. For a number of reasons, his name is still controversial, but his observations are more contemporary than ever. I've applied a loose interpretation of some of his insights into the factors of success.

## **Putting ideas into action is based on three elements**

1. Timing
2. The value of the product
3. Context.

These three steps have many synonyms. The ability to work together as a team is reflected in the end result. Opportunities are proportional to teamwork. Match the characteristics that are best suited to elements 1–3. There are no rules as to the interplay of these characteristics. Your imagination is the only referee. Remember, the sum of the parts should be an easily communicated whole. Then, use the magnifying glass to see where your efforts should be concentrated.

### *Timing*

When will your efforts have the greatest impact? Characteristics: weather, new legislation, changing attitudes. When are our competitors least visible in the media? When is the next baby boom? What trends can we see? What environmental arguments apply at the present time? Seasons, holidays, and paydays – “time to cash in”. When does your company have its “time to cash in” and can this be maximized? The hardest sell is the present. Today is the future.

How can you work in timing with the consumer?

### *The value of the product*

What are the product's added values (meta-product)? Characteristics: Why does the product or service exist? How can it be further developed to make it more unique? In what category should it be positioned; that is, in what context should it be seen? With a limited budget, it can be better to create a new category.

In what areas does the product have strong added value? How can you sell the qualities of the product instead of just the product itself? What values are relevant for the target group? The price is part of the product; discuss how you can create values through pricing.

*The consumer is “king of content” in/with ONE; how can you work with ONE through product development? With billions of customers worldwide, the design of the product will become ever more important in differentiating, say, Procter & Gamble’s products from copies. The company is presently educating 110,000 of its employees not for cultural reasons, but to help them sell more.*

(Reingold, 2005)

## Context

Machiavelli identified the human need to see things in a larger pattern. Where does the consumer see the most logic in your message/product? Choose a relevant context where you will have the greatest impact. The choice can also be interpreted as how you intend to position your product. Where is my message most appropriate and where on the playing field am I most likely to make the most goals?

Characteristics: Media planning should naturally take into consideration things such as the reader of a periodical and the target group for the advertised product.

*The power of context says that human beings are a lot more sensitive to their environment than they may seem.*

(Malcolm Gladwell, *The Tipping Point*)

Example 1: Use the trade press, special inserts, and TV programs that work together to create an environment where the target group is most open to your message. Sometimes it is necessary to talk to the consumer in a world slightly removed from the daily media static, for example in the morning paper. Direct mail is also an option. By creating consistently high visibility in the mailbox, a company can create its own context.

Example 2: Contemporary and cozy room furnishings in IKEA's catalog give each of its products added value by placing it in a context. Product lines, matching textiles, furniture, accessories – everything is part of an attractive concept. How and where can your business create this sort of added value?

Example 3: How can you highlight the relationship between your product and the consumer's identity? Characteristics (implicit and explicit) can work together between elements 1–3. This interplay can be very successful by creating the right inner tension. Remember: All wrong can be all right. In fact, all wrong can be great! The examples in this book are all based on these three elements. Study them and you will soon see the pattern. Variations on this model are endless!

How can you make the consumer a part of the context at your company?

Try dividing the case in this book into three groups called Timing, The Value of the Product, and Context.

*A rule of thumb: Employees are as loyal to the company as the company is to its customers. Try being a customer of your own company.*

A not so nice case is the big hamburger chain that opened a restaurant in the parking lot of a horseracing track. People in the stands joke constantly about the losing horses ending up at the restaurant. Even worse would be if the chain advertised in the track's newspaper. In short there are both good and bad examples of the three factors: timing, value of the product, and context. All these factors can help or hurt the company. The hamburger chain at the racetrack did everything right to get consumers to consider becoming vegetarians.

When the NHL (National (ice) Hockey League) strike of 2004 had gone on into 2005 without a solution in sight, economists pointed out that the effects of the strike could be seen in the national economy of Canada. Entertainment is big business and when the fans are deprived of their experience on the stands, they go over to other sports such as basketball and American football. When the strike is over, the audience may be significantly depleted if the sport hasn't managed to keep interest alive. Let's take a look at what ONE can do.

Wouldn't it be great to let the fans replace the NHL professionals during the strike just as women players replaced the male professionals that had gone off to the Second World War? The strike would be a great opportunity to

## The ONE power tool



### Timing

Trends/fashion: Bodies are changing color – beaches have become tattoo parlors. In the United States alone there are over 20 million people with tattoos. The media are changing the mirror and how we see ourselves.

Icons such as Mike Tyson create trends by doing something very different at just the right time.



### The value of the product

Customers want to have a say in how their bodies are designed. Many more people would get tattoos if they were not so permanent.

What if a shoe store called, say, Shoe Tattoo, put local tattooists in all their outlets and let customers choose their own tattoo to put on their ... shoes.

Self-expression, unique shoes,  
and no remorse.



### Context

Everything comes together: the customer, the product, and the demand. The need for originality in designing your own products meets the mass-produced show. The result is a creative dynamic. Shoes and tattoos become a logical hybrid. For those who dare to break old patterns the pay-off can be increased sales, satisfied customers, and massive PR.

**Shoe Tattoo<sup>®</sup>**

**Timing + the value of the product + context = ONE power to the market**

Naturally, tattooed shoes would be sent to the media, each with the logo of the media company it is sent to. MTV might figure into getting the right (visible) people to wear their own tattooed shoes or even tattoo their shoes live in a music video.

bring the sport back to better sporting values with a ONE NHL Cup. Becoming one with the fans would reduce violence in the stands – the problem of having to act out would disappear when fans themselves are on the ice.

What is the ESPN angle? And what about sponsors?

Let's say that one of the world's most popular sports is golf, which to a certain extent is about relaxing, taking out your aggression on a little hard ball, and getting control over your life. Golf is a kind of therapy and a back to nature escape. How can ONE help make the player ONE with the universe? ONE goes beyond make-up!

What other sports can you apply this too?





**To play with timing + the value of the product + context.**

## **Proud people make good ambassadors**

If you are hesitant about telling people where you work, chances are you need to get another job. Motivation is the key to personal development and promoting your company and its products.

*We have no employees, we only have fans.*

(Thomas Lundgren, Chief Emotional Officer, The One)

Here is an interesting thought: place an ad in the personals and see if anyone will date your company. A personal ad is a very interesting piece of communication, one that we're all familiar with. The ones who place the ad – the senders – describe themselves as “they would like to be,” rather than “what they are really like.” On this basis, they seek someone who answers the description of “what they want” rather than “what they need.” From these four parameters, the readers – the receivers – read “what they want” rather than “what they need.” Then these

two people meet, with red carnations worn like product logos to make them stand out from all those others. This can be translated to the corporate world where many brands are “wanna-be-brands” that are one thing in their advertising, but another in real life. Almost all advertising is read like the personals. This is based on the idea that customers must have this sort of picture to buy what they need. I call this stage “fake it ’till you make it branding.”

*Wouldn't it be easier just to wear a red carnation and say “Here I am.”? Who wants a hidden agenda?*

A major advantage of transparency is that if you can hear, see, and feel the presence of customers in your company it is easier to motivate your employees. Chefs who can hear comments from the customers, for example, are more motivated and prouder. Even negative reactions from guests can have positive effects: the chef can adjust the menu, coordinate with waiters, and correct whatever isn't working. Constructive anger can work wonders on a fondue. Trust me.

*Let us take a look at what ONE can do for a car brand.*

Few products are as visible in our lives as cars; few products bring as many different feelings to the surface. Yet cars are becoming more and more similar. Soon they will be more or less identical. Volkswagen, Seat, Skoda, Audis are all built on shared platforms. The same is true of Ford, Volvo, Jaguar and GM, Saab, Opel. The interest for brands in the automotive world is drowning in a sea of gray. Carmakers are using new technology and faster time to market capability not to create originality, but copies. The fact is that if you remove the brands from all used cars on the road, many of them would completely lose their identities. Carmakers should be grateful for the used car market as a source of branding and nourish it. There are many car dealers that don't even sell used cars. What sort of a statement does that make about the brand?

So what can be done?

First a little detour to the world of taxis.

I took a taxi in New York, a city with a world-class case of stress. I commented on the music that the driver was playing and asked if he liked classical music.

“No, not especially, but it relaxes me and helps me take it a little easier in traffic. Even more important, my customers, who are usually stressed when

they get in my cab, seem to like it. I've noticed that it seems to relax them. So, I really play it for their sake and of course I get more tips!"

This is the unexpected extra value that we've all seen in successful brands. In this case the driver is doing something for both himself and the customer to improve the experience of the brand. Urban stress is an international condition along with lackluster taxi service. A good business idea would be to start a taxi company called Classic Cab featuring relaxing service and classic music in all cars played on state-of-the-art systems where customers can select their own music. Different prices could be offered based on whether or not the customer would like a conductor's stick to dream perchance to smile. Here you could borrow from karaoke – conductor karaoke could be a catchy name. Moonlighting musicians could combine driving with music instruction giving customers a chance to ask an expert all those questions they've always been meaning to ask. The downside to the business would be its success – the experience would be so positive that people would see the cabs as a joyride or perhaps some new form of music therapy.

Of course, taxis are already a much-needed form of therapy. One cab driver told me of customers that get out of the car at long red lights, not to avoid paying, but to avoid the anxiety of not getting anywhere.

When a cab driver gets tired of driving, he/she can develop a new product: time. Young consumers live with time in their mobile phones. Watch stores sell time, but are out of step with it. The store, the product, and the concept all feel very non-contemporary. The question is whether time is passé as a product or whether these chain stores need to create new products to get in tune with the times: perhaps a concept that combines social responsibility, design, timing, and time. Perhaps a PR product: a watch with only a second hand for stressed out urbanites.

If our Classic Cab Company wants to transform musical notes to numbers it can sell its relaxing cars to its customers. Most taxi customers have good incomes, but lack time to shop for a new car and the differences between new cars today are minimal. Getting a customer's attention and making contact on a human level is 80 percent of a sale. A bit of relaxation and music is probably a rare experience for many business people today.

Here is where we come back to how one differentiates a brand of car. Some sort of partnership with Lexus, for example, could result in specially designed cabs with a concert-quality stereo system together with a well-known electronics brand and a famous conductor – all exclusive, all branded Classic Cab. The value of each trip would increase with the uniqueness of the experience. Let the customer drive the car with the cab driver as guide both to the city and the music

as well as the wonderful features of the car. Then let the cab driver follow up afterwards by picking up the customer again with just the right music playing. When the sale has been finalized, the customer receives concert tickets to just the right concert conducted by the conductor that was part of the stereo music, car package. The concert would be unique, one of only four performances around the world to which all buyers of the car are invited. The venue can be different as well, perhaps some sort of drive-in with state of the art car sound. Imagine 500 Lexus, 500 watts, and one very live conductor. The PR potential is enormous – everything from letting the customer bring a car full of friends who can be given test-drives in new models. The story will spread both by word of mouth and in the media. All car owners can be given a pair of autographed conductor's sticks.

SAAB recently had a successful campaign where people flying between A and B could order a test drive from the airport to their destination in town. The contact details were used to follow up and close the sale. It is a well-accepted rule of thumb that there is a direct correlation between the number of test-drives and the number of sales. When customers try a product it is easier to get them to consume as well. This situation is easy to connect to classic question-and-answer sales methods. During the trip from the airport in the SAAB, it is easy to ask the customer questions about color and features. By the time the customer arrives in town he or she has already bought the car. The salesperson can then follow up by showing him or her a simulation of the exact car that will be delivered.

How many cars could Classic Cab sell in New York, London, Paris, Moscow? How much of a trendsetter factor could Classic Cab be for Lexus? If you compare an advertising budget of say \$400 million to using Classic Cab method which will result in greater sales? (How many miles in a taxi is \$400 million?)

Call a taxi company and try to sell them on the idea. I'll be glad to come along on the condition that I get to choose the music.

## **Why brand mirrors reflect everything**

Italy is one of the world's best-loved tourist destinations. The richness of the culture, both that which it has created itself and that which it has brought back as the spoils of imperial conquest, acts as a mirror. We like what we see because we see ourselves. This is our ideal picture of what our lives should look like.

How many companies can claim to have a culture with this sort of attraction? Italians are eager to tell the story of their culture, to teach people their language. Can you see this in your organization?



Do you see yourself? Do your customers see themselves? If not, everyone will see right through your brand.

Mirrors have always been part of our lives, first as still water and as a manufactured product from the sixteenth century onwards. People were only too happy to pay for the privilege of seeing themselves; the better they could see themselves, the more they paid. The best and most expensive mirrors were made in Venice and later became a successful international export (Melchior-Bonnet, 2002).

A good Venetian mirror in the sixteenth century could cost as much as a house or an apartment. Being able to see yourself was considered invaluable. Being able to see yourself in a brand today is just as rare and in many ways just as expensive. Mirrors at that time could cost more than paintings. The mirror will always be a modern product because it is all about something else that never goes out of style – ourselves.

*Take a picture and click on it to go back.*

One way of including customers in the picture is creating the picture around them. Obviously, if you sell cameras, for instance, you'll sell more close to

where there's something to photograph. Kodak should really create more Kodak moments: the Spanish steps in Rome, the Eiffel Tower and so on; a tourist destination is rated by the number of photographs taken by tourists that drives story-telling back at home.

The photo itself can even become interactive advertising. Using interactive and database technology, the photo can be linked to travel offers. When the customer sends a picture of the Vatican digitally to a friend, the friend also receives a link to a travel offer to Rome. If you were to work out a system for the 1,000 most photographed sights in the world multiplied by the millions of photos that are taken of each then multiply this figure by five to ten friends and family members that see each, we are suddenly in the billions. Where there are numbers there are opportunities. If there are 5 million of these special cameras on the market they become a media channel built on wanting to take a picture of a particular object, which makes unusual houses, cars, and events something that people can both snap and link to. Ford, for example, could release 100 special edition models connected to a secret site where the access code can be seen only on photos taken with the special camera. There is a real commercial interest in getting the customer to take pictures. For certain brands this could be a jackpot. Harley-Davidson is already a much-photographed brand; now it can become a much-clicked brand. Naturally, the owner of the Harley or the sports car would have to give his/her permission and thereby receive a commission. Parking in the right place and keeping your bike polished would mean real money.

Let's drink juice again, this time for some interesting numbers, at Jones Soda. The soft drink company has built a community around its service of letting customers send in photos of themselves to be used as labels on the drinks they buy. To date 298,870 photos have been posted. At [jonessoda.com](http://jonessoda.com) customers can see all the pictures and blog about themselves, each other, and whatever else of interest that they find on the site. The result is a platform for visibility, transparency, and customer-to-customer story-telling. Jones Soda started selling its brand at skate, surf, and snowboarding shops, tattoo and piercing parlors, fashion stores, and music stores. Then they grew with their target group and found their way into chain stores such as Starbucks, Barnes & Noble, and 7-Eleven.

*Jones Soda has always been about the consumer and interacting with the consumer. ... Run with the little guy ... create some change.*

([jonessoda.com](http://jonessoda.com))

This growing with the grassroots approach has even been adopted by many of the big established brands such as Adidas and Reebok.

Most brand mirrors are cracked; we see only small bits of ourselves in them. One common corporate problem is that many companies are not united around a central idea. There are companies where part of the organization is committed to making cars that can reach 200 miles an hour while another has safety as a driving force. In Sun-Tzu's philosophy of war, one must win over oneself before one can conquer the enemy.

The phenomenal success of Elvis Presley was as much a result of the things that were happening around him as his singing. Fans saw in him all the things that were rapidly changing around them – new times, new freedom, new sexuality, a new generation. They saw their own dreams embodied.

When Budweiser created its slogan “This Bud's for you” the customer saw himself as the working man building the country, rather than the guy who worked at Wal-Mart (Holt, 2005). When consumers see themselves in the mirror and like what they see, they buy.

Everyone has heard of Singapore Airlines; they're famous for friendly service and letting the traveler experience Singapore for hours before actually arriving (their brand is flying high). Less well known is the Malaysian car Proton, even though it has sales in the billions of dollars. Although its visibility is improving, it suffers from the limitation of many other Asian brands: it has had trouble charging its brand with a rich culture. Why not let the rich culture shine through in the visible design of the car? Another problem is the product itself. The two are inextricably intertwined, as they were for the Japanese auto industry in the early 1960s, an industry that produced fair cars with a laughable brand. Through a combination of branding and improved product quality, Japanese cars are now considered by many to be the best in the world (Temporal, 2001). If Proton doesn't improve its quality it is soon going to feel the negative side of consumer power on hate websites. Surviving as a brand in a transparent market means delivering on promises – rumor and word of mouth travel much faster than any car on the planet. The blogs and the media are full of stories of quality problems, yet the company has responded mostly with advertising.

Some consumers are saying that they “love to hate Proton” – this is not the sort of passion you want for your brand. Why not just be honest and tell the customers the truth. Why not ask them for their help to improve and make them believe in the brand again by becoming ONE with Proton.

Malaysia is in many ways one of the most beautiful countries in the world and its products should live up to the role of ambassador in the same way that

Singapore Airlines does for Singapore. Proton should move their boardroom out into the breathtaking Malaysian countryside to stimulate change, to open the door for input from customers, and to usher in a new era devoted to reaching new goals with customers, suppliers, and employees. That, if anything, would inspire “creative management.”

Every one of us is a walking shopping basket where there are salespeople and companies that know an opportunity when they see one. Two seconds after I had gotten out of my taxi in Singapore’s Chinatown, shopkeepers saw that I had a suit and a digital camera; they saw a buyer. If you combine this with Turkey’s age-old tradition of relational sales then you have an enormous potential. The Turkish approach of serving customers tea, talking, rolling out rugs and putting them back again, sometimes for hours, is not just a quaint custom, it is a 1,000-year-old sales method that works. It’s all about moving the company and the customer closer to one another.



When people at the local café see something that they can relate to it becomes part of the brand mirror. It gives them something interesting to talk about (Zakrizon, 2005). The question is: can they find something to relate to at a bank?



## How Procter & Gamble is using the brand mirror

The reason that half of P&G's website seems to be based on the song We Are the World is simple: they want to sell to the entire world. But when the music dies down, they have to make good on their promises.

Their homepage reads:

“One Company, Many Cultures. Diversity makes our world unique. It's our style of communication, our own special “take” on the world around us. To us, diversity covers a broad range of personal attributes and characteristics, such as race, sex, age, cultural heritage, personal background and sexual orientation. By sharing our unique selves, our knowledge and expertise, and by continually stretching our wings to embrace something new, something unfamiliar, we color our world and bring it to life. And isn't that what diversity should be about? Creating a world where we can appreciate each other for who we are? Shouldn't diversity be about learning from each other and growing stronger as a result of that? We think so.” (pg.com.)

There is a good dose of hallelujah marketing in this, but there is also a genuine movement towards making customers a part of the process, a real effort to get consumers to recognize themselves in the brand mirror.

“Our ability to develop new consumer insights, create winning business strategies and provide superior global execution depends upon the richness of thought and action that only you, with your individual skills and attributes, can bring to P&G.” (pg.com.)

P&G's Chairman of the Board, President, and Chief Executive, AG Lafley describes how diversity is a fundamental business strategy: “Our consumers, customers and suppliers become more and more diverse every day, so our success depends on our ability to understand diverse consumers' needs and to work effectively with customers and suppliers around the world” (pg.com).

P&G's 250,000 official consumer experts, whom we spoke about earlier, have a real say in product development. The word of mouth demographics of these 250,000 people plus the friends, family members, and friends of friends that they are ambassadors to is a major marketing medium in itself. (In case you don't remember from the beginning of the book that number is more or less the entire population of the world.) This will be an important factor in a market where private labels are an increasing threat on retailer shelves.

*The more your customers interact, the more involved they will become with your products and the more they will have to tell others.*

(Emanuel Rosen, *The Anatomy of Buzz*)

In the sixteenth century a couple looked at themselves for the first time in their new mirror. The wife thought she was seeing the husband's mistress and smashed the mirror (Melchior-Bonnet, 2002). The same thing happens today when companies first see themselves in the mirror for the first time and see the customer as the mistress. Instead of smashing the mirror, they should take a closer look: they may be seeing themselves after all.

*It is in the light of contrasts that we see each other, not in the harsh, blinding corporate lighting.*

P&G can and should tone down the blinding light of advertising to let customers see each other and to see farther into the company. The customers see product tests, prices, and competing products all over the web. The customer often asks him/herself: "Mirror, mirror on the wall; which is the fairest one of them all?"

We often create the image of ourselves that we would like to see. The cult of celebrity is powerful and famous names can single-handedly launch new trends. A customer in my mother's hair-styling salon asked her to make him look like Sylvester Stallone. She answered that she only cut hair, she didn't perform plastic surgery. (It was probably a good thing because now, 20 years later, the Rocky look probably won't get you very far.) Lifestyle advertising that tries to create what ad people think the customer wants to be holds up a false mirror. The result is often that the message backfires. Advertising that uses the same approach as it did in the 1950s doesn't work in our media savvy age.

The Starbucks coffee house describes itself as "a place that mirrors the character of the community" (starbucks.com). Without this real mirror image the customer has trouble seeing any genuine depth to a brand.

In 1995, Starbucks brought in marketing expert Scott Bedbury, the one who got Nike to "Just do it." At Starbucks, it quickly became clear that the budget would mean he would be doing it with the tiniest fraction of the Nike budget. To make the most of every dollar, Bedbury decided to focus more on the customers. He started with what he called "the big dig" to define the customer. At this time,

there was a noticeable trend of people turning against the big anonymous brands. This focus led to working more locally with the customer and using customer input in adapting the shops to local conditions. The idea was to act globally, but adapt locally, using the values of the brand to stand out from the crowd. This turned out to be a very successful move in the expansion of the company. The idea is both to own the mirror by having strong brand values, and yet let others see themselves in the mirror as well (local decor, art, suppliers, and so on).

*Tougher times need new answers.*

(Jean-Noel Kapferer, Professor, HEC/School of Management, 2005)

When companies do not listen to the local market, things can go terribly wrong. Disney and a number of hamburger chains thought they were going to take the French market by storm with massive US-style campaigns. The result was disastrous: low sales and farmer uprisings that dumped tons of manure in front of many of the hamburger places. Disney lost millions on customers that just didn't turn up. The brand mirror didn't work.

Let's apply the Timing/Product Value/Context model to show how these US companies could have used a bit of ONE to make things easier.

- **Timing:** When is the right time to open a new company in France? Taking time to find out, partnering with local PR, and lobbying could have increased the chances of success.
- **Product Value:** Find a viable niche in this country of gourmets. A bit of local adaptation, make the menu a bit more French, and use local suppliers to deliver the essentials (to keep them from delivering manure). Think out geographical cultural issues. Make a hamburger in the colors of the French flag?
- **Context:** How can you get American food to fit into France's famous culinary traditions? What personalities or stars could act as a bridge between the two countries' different ways of looking at food? Find a way of turning negative image of global brands in to something positive. Wine in the milkshakes is probably not the answer, but there must be other ideas ...

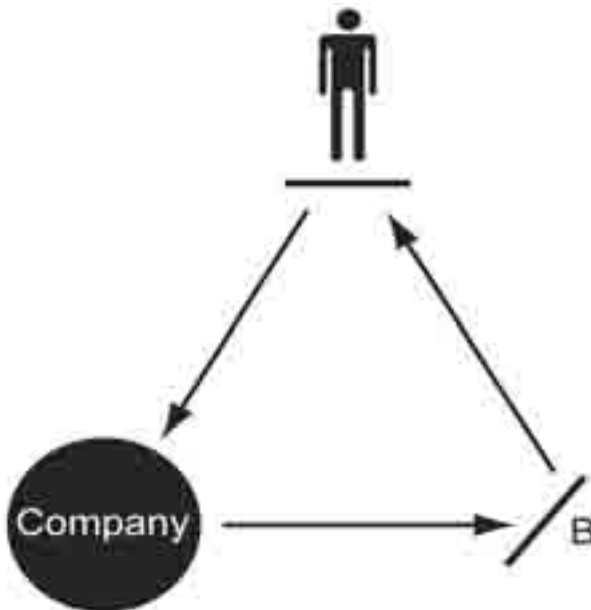
Applying these three factors in a sensible way at your company will make everyone, including your accountants happy – payback time is shorter and it's much cheaper to do things right from the beginning rather than having the consumer turn on you *after* you've spent a lot of money.

*We are in a B-to-B-to-C situation.*

(Jean-Noel Kapferer, Professor, HEC/School of Management)

Being close to the customer is just as important as the brand itself. When Virgin Cola entered the market bent on taking share from Coca-Cola and Pepsi, it was more about management than branding. The battle for the customer on the beverage market is all about distribution, the infrastructure that Coca-Cola and Pepsi have built that stretches all the way from B to B to C. Virgin has had a very hard time getting from the second B to the C as distribution is completely dominated by the other players (Kapferer, 2005). What Virgin Cola should do is to skip the last step and set up a C-to-C distribution – that is customer to customer. I'm sure Mr. Branson still has few ideas on how to get closer to the consumer, but Virgin needs more than a strong brand and good PR for the product to make it all the way to the refrigerator. (If you're out of ideas, you have my number, Richard.)

Modern leadership is a reflection of the world around you, your customers and your employees as ONE. Actions, as always, speak much louder than words.



Going from B to B to C and back to B – by angling the mirrors, you get a clearer perspective of each other's interests and can see the big picture in the world around you.

IKEA's founder and management always travel economy and stay at inexpensive hotels, the reasoning being that they the company and its customers are best served by a corporate culture that practices what it preaches – keeping costs low and passing on the savings to the customers. This is much harder than it seems. Recently, I was at a large corporation for some ONE consulting. After the meeting, I met the company's CEO in the reception. He reminded me that the company was already very customer-oriented. I responded very politely by telling him that when I arrived at their reception I had read about the company's customer-orientation, but when I wanted to brush the winter slush off my shoes I saw that the shoe-polishing machine was just on the other side of the locked glass door to the corporate offices for employees only. Now this is just a microscopic detail, but it might be just these kinds of microscopic details that cause a major customer to lose just a little face having to walk into a meeting with dirty shoes. As a consultant, you always take a chance when giving the customer bad news, but this CEO responded by booking a meeting with me. He confided that there were a lot of those sorts of little problems he would like to address.

In the old days, people always put mirrors close to windows so that they could see themselves better. Today, the media is the window that sheds light not just on little things such as shoe polishing machines, but every aspect of the company's actions and values. And the media is everywhere: not just TV, radio and newspapers, but an intricate web of forums connected to or parallel to the fastest and biggest grapevine in the world – the Internet. The corridors of power have fewer shadows to hide in.

## **Put your customers in touch with each other**

If consumption doesn't create more consumption, your product is dead and will cost your company a lot of money. Winning consumption starts with a winning concept. Happy customers are the only real advertising in the long run; customers must act as spokespersons for your product. But what's in it for the customers? Early adopters often have a need to be interesting and smart and so want to share their great discoveries with others. The tsunami of Palm Pilots came to a head when early adopters, and then everyone else, started beaming their business cards to one another as a game. The more that customers can find a sense of play in your products, the more buzz will be created. A full 65 percent of Palm Pilot customers said that they had first heard of the product from a friend (Rosen, 2001).



List five–ten brands that you feel are brand mirrors where you see yourself.  
Remember: To get you as a customer, the personality of a ONE brand should look like you.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

### *Egoists in paradise ...*

We're all egoists (maybe not you and me, but everyone else) and we all want to live in paradise. To sell to the egoist in us, a brand has to create a bit of that paradise. What most brands forget is that paradise building goes on long after the act of consumption. No one wants to sit all alone with his or her wonderful telephones, faxes, and computers. Everyone wants to play with those toys, yet it isn't the toy

that's the main thing; it's the play. Everyone wants someone to interact with; everyone wants the positive brand experience to continue. When you get married you get a ring on your finger, a symbol that helps make the act more concrete. In the corporate world, however, the company's interest lasts as long as the act of consumption. After that, the company doesn't want to hear from you and will only talk to you if you have a complaint – a bit like the tail end of a bad marriage. Is this what your company is after: divorce?

Love shouldn't rust, neither should your customer's affection for the brand. The "I love my Toyota" sticker on your Toyota is a small gesture, but the thought behind it is essential: continue to court the customer long after the sale.

*Consumers not only make the difference,  
they are the difference.*

Some companies argue that they do not want to show who their customers are for fear that their competitors will steal them. This is a bit like saying that wives should take off their rings when they go out to keep from being pursued by other men. If the company doesn't believe that it has anything good enough for the customer to want to "wear its ring," it's the company's problem and not that of the consumer. In a transparent market, the consumer is more likely to see what is bad and what is good. If you don't believe in your company, shape up or get out of the market.

Many companies are so secretive that customers don't feel like customers. Openness is more than just a positive human trait; it's also good for business. Openness encourages customers to spread the good word about a company, to plant seeds for the future. My interpretation of the problems in much of today's business is summarized by a simple adage:

*If you plant rice you harvest rice;  
you can't sit around waiting for tomatoes.*

To make it more likely that a company can sow the right seeds of consumption, the company should make those seeds part of the offer. Naturally, there must be something in the offer for everyone or "I love my Toyota" can very quickly become "Don't make the same mistake as me."

Hotmail went from 0 to 12 million users in the first 18 months in part by spreading the right seeds – in every message sent by every user there was a

signature: “Get your free email at Hotmail.com” (Rosen, 2001). Everyone who received an email received the company’s offer from a trusted source – a friend or family member. Getting customers to send a company’s offer to others has an enormous impact.

In the first draft of this book I suggested that Google could further develop their success by providing email and using it to create individual connections between sender and receiver. Since then, Google has introduced Gmail, which seems to be an excellent free mail with generous online storage and good searchability. My original thought was a service that took the idea of searchability one step further, letting email senders flag selected parts of their mail with “mailmarks,” a sort of bookmark for mail messages. These mailmarks could then be indexed by the sender him/herself to correspond with a number of search words. Every time the sender uses these words a link would automatically be created from the receiver to the sender’s specific bookmarks. This is a good way of getting customers to market things they believe in to friends as well as finding a natural balance between interests and marketing. The clicks could be connected to some sort of pay-per-click scheme as an incentive to both parties. There are probably hundreds of similar approaches waiting to be tried; after all, directed Internet marketing is a billion-dollar industry.

Another thought: if you could see your friends on TV commercials would you still turn them off? Didn’t think so. With the customer as part of the picture, it’s easier to sell the entire concept.

*Making consumption visible creates more consumption and values. It’s a bit like those homemade ads on old bulletin boards with rip-off telephone numbers.*

I’m writing this at a nice café. The guy next to me just left and forgot a trendy glossy magazine on the table. This is great advertising – even if I’m not really interested in a new magazine I just can’t resist picking it up and flipping through it. This is grassroots marketing at its purest. (By the way, just as an experiment, mind you, try leaving this book behind you when you’ve finished reading it.) The more people hear the music, the more they’ll dance.

Winning consumption builds both buzz and sales. Quiet customers can often be dissatisfied ones. If there is nothing to talk about, the company has failed to “deliver the goods.” When the consumption experience exceeds



expectations, customers talk and talk and talk. When you're excited about something, you always kiss and tell.

Getting consumers to buy in a transparent market means we need something that goes beyond surfaces. We need ONE.

In a company, everyone is responsible for a part of the larger picture, yet consumers are often not even the smallest link in the chain. What's more, the cost of creating added value after the fact is exorbitant. Working together from the very beginning saves resources and generates winning ideas.

If an art gallery wants to reinvent itself and attract new customers, for example, it could place easels with blank canvases for people to paint on with personal advice and assistance from well-known artists who exhibit at the gallery. Two of the amateur artists would win a two-week painting holiday to northern Italy. Selected works would be exhibited at the gallery to generate both sales and buzz. The paintings could fetch impressive prices because they were painted in collaboration with famous artists. The holiday trip to northern Italy could be covered by a journalist who would turn both the art gallery and the amateur artist into local heroes. The gallery could create profitable spin-off business by marketing painting holidays as a separate product. The bottom line is that the gallery has become ONE with the customer by making him or her a part of the picture. The border between fine art and everyday art has been blurred.

*What gallery would you like to travel with? What would you paint and with what artist? Why not trade in your office whiteboard for canvas and watercolors?*

I call this search for contact with customer voices. Sometimes customer voices can simply not be heard. Banks and e-commerce companies often receive email and correspondence by the hundreds of thousands. Customer voices often end up as echoes in the wastepaper basket. Long-term success means making two-way communication a high priority. If the companies themselves don't make the most of their customer voices, someone else will.

All companies must make the most out of every customer story. Stories sell products and build image. Create your own dynamic target group; give your customers a chance to see each other. For example, if you've sold 3,000 digital cameras, why not organize an online photo competition? If you've sold 3,000 scooters, why not organize an offbeat scooter event in the local park (covered by

the media). Or, less spectacular, but very effective, is a regular email newsletter with tips, advice, and letters from readers/customers.

*Customers love customers, but who loves your company?*

ONE can also be a system to build something together where the definitions of who does what are fluid in nature. An example is X Island, “the holiday Island.” When I was on X Island last summer, I met guests that had been coming there since the beginning of the 1970s. Some of these regulars had literally built the place together with those who ran it. We lived in huts, did the dishes, cleaned and cooked together with the staff, all in 40° heat. That customers who had actually paid for the privilege of building the compound were there made the stay very interesting. Remember: shared experience is an excellent way of strengthening the product.

On X Island, some 80 percent of the participants had come because of word of mouth. This process could be reinforced. If, for example, you were to give all 60 participants 20 printed postcards each with postage, the message would spread so much faster. When the cards were mailed, approximately 1,200 friends would have learned of a great experience.

You could also post 60 pictures of the participants on the net so that their friends could share their experiences as they booked their own stays. These sorts of transparent customer systems are very self-perpetuating when customers see themselves and are a part of the value of the service. If you run a restaurant you need a good chef and guests who tell friends who enjoy that sort of food. My advice is to skip the ads and concentrate on hiring better chefs. Unfortunately, many companies don’t start with the goods or services that they are selling. In the case of the good restaurant in my example, they did. I now eat there and have told all my friends. When customers learn from each other, a self-perpetuating process is created.

Most major US and European cities have their Chinatown or Little Italy: London, New York, San Francisco, and so on. In a city of strangers we tend to seek security with people like ourselves. On the Internet these subcultures have become more numerous and ever more specialized. This makes target groups smaller and harder to hit, but it also creates a climate conducive to creating fans and potential fans of your brand.

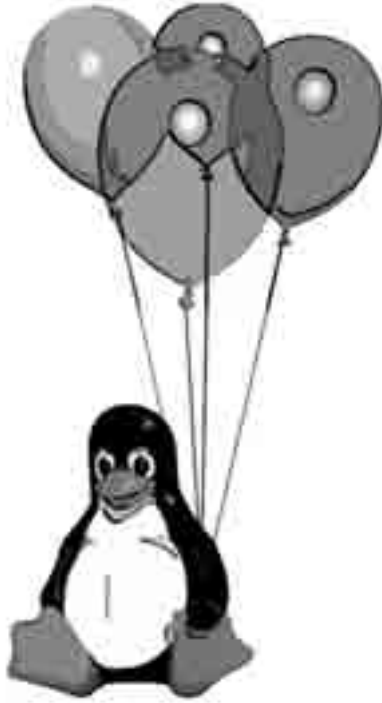
When cultural groups with a strong tradition of networking move to a foreign country, they tend to put more faith in each other than, for example, in



There is a strong paradox at work in our society: the need to find fit in by standing out. Subcultures are sprouting like mushrooms. Everyone wants to belong to some sort of tribe.

an insurance company. The insurance company reflects nothing of the groups' values in the brand mirror – it doesn't speak the same language, it doesn't have the same worldview, and it has no multicultural focus. Some insurance companies are starting to see the opportunities – they have started placing customer service switchboards in multicultural environments with offerings in dozens of languages. Yet, they are still locked into a traditional insurance company mindset by letting the phone ring and putting customers and future customers on hold. The question is how the insurance industry can become one with the customer when the customer is becoming ever more diverse.

Story-telling is one key element; ONE feeds the story. Have you ever noticed that you never hear any good stories about insurance companies? With such a potential for acting as a positive force in the community, helping people back on their feet and turning around bad situations, you would expect something. Yet, instead of buzz you get static – a few “we really care” commercials which ring very false with all the word-of-mouth horror stories we've heard over the years. The little positive symbolism that we see is the name of insurance companies on life preservers and life vests. The time is right to put a few logos on consumers' psyches. Let's start with insurance logos on air bags and work our way up to real involvement.



The young Finnish student Linus Torvalds changed the computer world forever with Linux. Built on an ongoing dialog with the customer, Linux has been developed by programmers all over the world for years.

In a typical Google search, Linus Torvalds will bring up about 1,500,000 hits. He is the David fighting the Goliath of Microsoft, Bill Gates. Linux is making great progress, ironically enough in the corporate sector. Major players such as Oracle and Intel are acknowledging and supporting Linux; many Fortune 500 companies use the operating system. It is said that only 2 percent of what today is Linux is from the software that the young student Linus Torvalds gave the world as open-source software. The magazine *Wired* has called Linux “the biggest collaborative software project in history.” Using a different philosophy and a bit of anti-ego, Torvalds has made history.

In *Good to Great* Jim Collins writes about the importance of being the right person at the right time with the right seat on the bus. Torvalds was a 21-year-old computer science student who happened to be in the right seat at the right time. The ONE bus stops almost everywhere and the motivation for much of what changes the world isn't money but the trip itself. Isn't it about time you got on?

## **Approaching the customer, ONE step at a time**

When Martin Luther King Jr. said “I have a dream” he made history, but he also let us see his message through the eyes of a receiver of the message. By using a symbol as powerful as a dream, he let us all into the image he was creating. When you hold up the big picture and succeed in getting the viewer to become part of that picture you create great story-telling. Creating great communication means learning about both the person sending the message and the one receiving it.

## **Golden communication opportunities**

Consumers are most receptive to sales messages when they are buying. At the store, when you step up to the cashier, the cashier will often ask something such as “Will that be all for you?” “Is there anything else I can get you?” or “Have you heard about our offer ...?”

Here, the cashier has a golden opportunity to take the sale a step further. When the customer asks “Do you take VISA/Master Card/Diner’s?” the cashier can answer by handing the customer an American Express card and a blue application form. This is the perfect moment to sell the advantages of getting another (read better) card. There are countless promotional angles for selling Amex Blue, such as coloring your hair blue, blue versions of the sort of things you buy at the checkout counter like disposable cameras, pens, razor blades, and so on. Or why not give a discount on the purchase in exchange for an application? If you take this connection between timing, place, and product and apply it to other products you can come up with dozens of similar ideas for dozens of other products. The unexpected “feeds the story.” There are hundreds of undernourished stories out there dying to be fed.

Take the customer on a trip: “Get a card and go blue.” Get a hairdresser and cab company working together: a cab can take customers who want to “go blue” to the man or woman who can help them do it. Or you can give 10 taxi drivers in 50 cities around the world unique blue hairdos as a conversation starter and to get people to fill out a blue application. Throwing in a free fare for the application would help feed the blue story. Just as at Google, you are meeting the customer just at the moment when he/she is looking for something. In this case, it’s in the actual world instead of the virtual world. The customer is looking for a payment solution while paying.

How many people will color their hair blue\_\_\_? Fill out a blue application\_\_\_? After follow-up, what percentage of these will get the card\_\_\_? How long will it take for the mass media to tell the story when they see the dyed hair around town\_\_\_? Can this become a trend? Will there be blue hair evenings at nightclubs?

What other things do you see as spin-offs from this case? Blue Cabs? Blue clothes? Blue rings? Will certain customers cut their cards instead of their hair in protest? And is this good or bad? Do you think Amex Blue could do a blue version of the Pink Money campaign? There is also an ethical issue for the credit card companies – “you need to balance when you dance – to the blue(s).”

How often do you see people selling umbrellas when it rains? Not often enough. Why not base a business idea to coincide with the weather or sell something at the very wrong time and leverage the entertainment value into unexpected consumption. IKEA often times its sales to coincide with bad weather. In rainy climates, it is very easy to get the most out of a rainy day by actually lowering the price of umbrellas when it's raining, maximizing the value for the customer. This rainy day mentality can be applied to everything from search engine positioning to charter sales. Being able to time customer behavior with consumption is one of the factors driving the success of eBay around the world.

A number of banks have had a certain amount of success in synchronizing their sales with the customer's different life stages. After marketing car loans to bank customers who had just received their licenses, for example, many banks suddenly saw the opportunities of marketing to the different stages in the customer's life. The bank SEB sponsored a race as a symbol of moving forward in life. The event was promoted with jogging shoes displayed prominently at all bank offices and all employees were given stopwatches. The idea was to inspire customers at different stages in their lives and to inspire employees to see themselves as people who help other people reach their goals. Creating a ONE situation where everyone is focused on reaching the same goal removes the need to sell from the sales situation. Products and services that redefine boundaries increase consumption.

And in our present economic system, this is good news for everyone.

## **Put your company to the test**

Companies span the entire range from ONE to customer-oriented to companies that can't even be bothered to answer the phone (insurance companies and banks, consider yourselves warned). Where does your company place? How ONE is it? Here is a ten-step test you can use to see how well prepared your company is for the coming consumer revolution.

## Ten-step test for ONE

1. If you close your eyes, can you see yourself as a customer of your own company? Do you see yourself in the brand mirror? If not, pretend you're a customer and inform your boss.
2. Call in and ask to speak to yourself. Be happy, angry, or wrong and see how you are treated.
3. If your company sells retail, put on an exhibition of customer-designed products. If the products sell, congratulate the head of purchasing for his or her good work. Write a press release.
4. Survey your company's partners and suppliers. Do you have common interests, common customers? And, what can you do with that synergy?
5. Trial and error made Dell a Fortune 500 company. How often do you dare to fail?
6. Who at your company hears the customer's voice first? How many customers have you hired?
7. It should never take more than 20 seconds to find the information you need on the company website. Does your company make the grade? Can customers communicate with each other on the site? Is your website interactive or is it more of a store window?
8. Benchmark other industries and learn from their mistakes and successes.
9. Would you want to be a customer at your own company? If not, perhaps you should start your own company.
10. How much time does your CEO spend with customers? IKEA's CEO, Ingvar Kamprad, spends a large part of his time with the customers. Dell's CEO, Michael Dell, spends at least 40 percent of his time with his customers.
11. Add at least three to five more tests to this list. Please drop me a mail at [stefan@detectivemarketing.com](mailto:stefan@detectivemarketing.com) and tell me how it goes.





# Part 5

## *Spreading ONE*



## Epilogue: Spread ONE, ask questions and change the world

Spread ONE at your local rotary club, professional organization, or community group. Start a ONE organization to get companies to listen to consumers or become a giant purchasing department for your neighborhood by buying together and in bulk. A book club might be a good way to begin – either as a business idea or as a place to read more about ONE. Go to chatrooms and blogs and write the next chapter of ONE yourself, use [blog.detectivemarketing.com](http://blog.detectivemarketing.com) as a ONE source of inspiration.

Some critics say that blogs bring out the cavemen in us. I say that if this is the case, then the caves are now interconnected with countless fires where individuality can flourish.

Ask questions. A question can be a surprisingly powerful agent of change. My dentist once asked me what dentists could do to become more ONE. I suggested that one thing might be to let patients look at the monitor the dentist often uses to let them follow the work in their mouths from a better angle. The dentist could also give the patients a pen and paper to allow them to answer questions without having to drool and gurgle more than absolutely necessary. You could put mirrors at the right angles to the window to give the sitting patient a better view of the water just around the corner. Consumer involvement can make your company unique, even create a “dentist with a view.”

You can also turn a simple question into a promotional event. I often get bored when I go into a shop and a sales person asks “May I help you?” yet refuses to listen to what I want. So last time I got the question “May I help you?” my answer was “No! I only walked in to help you! I’d like to help you learn what customers want to find in your shop! If you listen and have a good attitude, I will tell more customers how they can help YOU!”

After that I leave a copy of this book and next time, if the sales person doesn’t have the right attitude – I take the book back, just as I do at companies where I lecture. You’d be surprised how effective this approach is.

*The problem with fake grass  
is that there are no grassroots!*

If all this could be accomplished with one simple question, just imagine what five questions could have done. What are those four other questions? Can you think of five questions that could have the same effect on your company?

Here are some more questions: When is the world ready for ONE WORLD with: ONE currency? ONE earth? ONE language? We can at least start with ONE book.

## **Let's keep in touch**

ONE is open source and it would be great to hear your comments and experiences. As a strong believer in complete interactivity, I see a natural dialog with you. I would love to hear your opinions at [DetectiveMarketing.com](http://DetectiveMarketing.com) where you'll find ONE BLOG [blog.detectivemarketing.com](http://blog.detectivemarketing.com) for YOU!

*Most of the corporate world is under the mistaken assumption that the only thing the customer can contribute to their companies is money.*

IKEA offers lower prices in exchange for letting the customer assemble the furniture. Customers' participation can assemble entire companies if they are allowed to participate. ONE is a sort of do-it-yourself instruction manual between customer and company. Now, it's up to you to assemble some companies, customer.

*Consumers are made of energy, companies are made of energy. That's why you should plug and play ONE!*

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*I would like to thank YOU for reading this book and spreading ONE around you today.*

**You**

**Go to the nearest mirror.**